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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–3860; Airspace Docket No. 26–ASW–7]

RIN 2120–AA66

Establishment of Class E Airspace; Freer, TX

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes Class E airspace at Silverhorn Ranch Airport, Freer, TX. This action supports new instrument procedures and instrument flight rule (IFR) operations.

DATES: Effective 0901 UTC, October 29, 2026. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

ADDRESSES: A copy of the notice of proposed rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at www.regulations.gov using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from www.federalregister.gov.

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

FOR FURTHER INFORMATION CONTACT: Raul Garza Jr., Federal Aviation

Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222–5874.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it establishes Class E airspace extending upward from 700 feet above the surface at Silverhorn Ranch Airport, Freer, TX, to support IFR operations at this airport.

History

The FAA published an NPRM for Docket No. FAA–2026–3860 in the **Federal Register** (91 FR 20380; April 16, 2026) proposing to establish Class E airspace at Silverhorn Ranch Airport, Freer, TX. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Incorporation by Reference

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

The Rule

This action modifies 14 CFR part 71 by establishing Class E airspace

extending upward from 700 feet above the surface within a 6.8-mile radius of Silverhorn Ranch Airport, Freer, TX. This action is the result of instrument procedures being developed for this airport to support IFR operations.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Order 2100.6B, “Rulemaking and Guidance Procedure” (March 10, 2025); and (3) is expected to result in, at most, de minimis costs from compliance with applicable operating requirements or minor flight rerouting for operators choosing to navigate around the controlled airspace. Since these amendments are routine and the expected impact to operators is de minimis, the FAA certifies that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1G, “FAA National Environmental Policy Act Implementing Procedures,” paragraph B–2.5(a), which categorically excludes from further environmental impact review rulemaking actions that designate or modify classes of airspace areas, airways, routes, and reporting points (see 14 CFR part 71, Designation of Class A, B, C, D, and E Airspace Areas; Air Traffic Service Routes; and Reporting Points); and paragraph B–2.5(k), which categorically excludes from further environmental impact review the publication of existing air traffic control procedures that do not essentially change existing tracks, create new tracks, change altitude, or change concentration of aircraft on these tracks. As such, this action is not expected to result in any potentially significant environmental impacts, and no extraordinary circumstances exist that

warrant preparation of an environmental assessment.

Lists of Subjects in 14 CFR 71

Airspace, Incorporation by reference, Navigation (air).

The Amendment

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

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

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

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

§ 71.1 [Amended]

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

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

* * * * *

ASW TX E5 Freer, TX [Establish]

Silverhorn Ranch Airport, TX
(Lat. 27°55'46" N, long. 98°32'02" W)

That airspace extending upward from 700 feet above the surface within a 6.8-mile radius of the Silverhorn Ranch Airport.

* * * * *

Issued in Fort Worth, Texas, on June 10, 2026.

Jerry J. Creecy,

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

[FR Doc. 2026–11861 Filed 6–11–26; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–3765; Airspace
Docket No. 26–ASW–6]

RIN 2120–AA66

Establishment of Class E Airspace; Mullin, TX

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes Class E airspace at Smoky Bend Ranch

Airport, Mullin, TX. This action supports new instrument procedures and instrument flight rule (IFR) operations.

DATES: Effective 0901 UTC, October 29, 2026. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

ADDRESSES: A copy of the notice of proposed rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at www.regulations.gov using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from www.federalregister.gov.

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SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it establishes Class E airspace extending upward from 700 feet above the surface at Smoky Bend Ranch Airport, Mullin, TX, to support IFR operations at this airport.

History

The FAA published an NPRM for Docket No. FAA–2026–3765 in the **Federal Register** (91 FR 17908; April 9,

2026) proposing to establish Class E airspace at Smoky Bend Ranch Airport, Mullin, TX. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Incorporation by Reference

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

The Rule

This action modifies 14 CFR part 71 by establishing Class E airspace extending upward from 700 feet above the surface within an 8.3-mile radius of Smoky Bend Ranch Airport, Mullin, TX. This action is the result of instrument procedures being developed for this airport to support IFR operations.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Order 2100.6B, “Rulemaking and Guidance Procedure” (March 10, 2025); and (3) is expected to result in, at most, de minimis costs from compliance with applicable operating requirements or minor flight rerouting for operators choosing to navigate around the controlled airspace. Since these amendments are routine and the expected impact to operators is de minimis, the FAA certifies that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA

Order 1050.1G, “FAA National Environmental Policy Act Implementing Procedures,” paragraph B–2.5(a), which categorically excludes from further environmental impact review rulemaking actions that designate or modify classes of airspace areas, airways, routes, and reporting points (see 14 CFR part 71, Designation of Class A, B, C, D, and E Airspace Areas; Air Traffic Service Routes; and Reporting Points); and paragraph B–2.5(k), which categorically excludes from further environmental impact review the publication of existing air traffic control procedures that do not essentially change existing tracks, create new tracks, change altitude, or change concentration of aircraft on these tracks. As such, this action is not expected to result in any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

Lists of Subjects in 14 CFR 71

Airspace, Incorporation by reference, Navigation (air).

The Amendment

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

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

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

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

§ 71.1 [Amended]

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

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

* * * * *

ASW TX E5 Mullin, TX [Establish]

Smoky Bend Ranch Airport, TX
(Lat 31°28'19" N, long 98°42'06" W)

That airspace extending upward from 700 feet above the surface within an 8.3-mile radius of the Smoky Bend Ranch Airport.

* * * * *

Issued in Fort Worth, Texas, on June 10, 2026.

Jerry J. Creecy,

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

[FR Doc. 2026–11904 Filed 6–11–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–3763; Airspace
Docket No. 26–AGL–4]

RIN 2120–AA66

Establishment of Class E Airspace; Canton, OH

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes Class E airspace at Mercy Medical Center Heliport, Canton, OH. This action supports new instrument procedures and instrument flight rule (IFR) operations.

DATES: Effective 0901 UTC, October 29, 2026. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

ADDRESSES: A copy of the notice of proposed rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at www.regulations.gov using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from www.federalregister.gov.

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

FOR FURTHER INFORMATION CONTACT: Raul Garza Jr., Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222–5874.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA’s authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency’s authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it establishes Class E airspace extending upward from 700 feet above the surface at Mercy Medical Center Heliport, Canton, OH, to support IFR operations at this airport.

History

The FAA published an NPRM for Docket No. FAA–2026–3763 in the **Federal Register** (91 FR 17906; April 9, 2026) proposing to establish Class E airspace at Mercy Medical Center Heliport, Canton, OH. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Incorporation by Reference

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

The Rule

This action modifies 14 CFR part 71 by establishing Class E airspace extending upward from 700 feet above the surface within a 7.4-mile radius of Mercy Medical Center Heliport, Canton, OH. This action is the result of instrument procedures being developed for this airport to support IFR operations.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which

frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Order 2100.6B, “Rulemaking and Guidance Procedure” (March 10, 2025); and (3) is expected to result in, at most, de minimis costs from compliance with applicable operating requirements or minor flight rerouting for operators choosing to navigate around the controlled airspace. Since these amendments are routine and the expected impact to operators is de minimis, the FAA certifies that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1G, “FAA National Environmental Policy Act Implementing Procedures,” paragraph B–2.5(a), which categorically excludes from further environmental impact review rulemaking actions that designate or modify classes of airspace areas, airways, routes, and reporting points (see 14 CFR part 71, Designation of Class A, B, C, D, and E Airspace Areas; Air Traffic Service Routes; and Reporting Points); and paragraph B–2.5(k), which categorically excludes from further environmental impact review the publication of existing air traffic control procedures that do not essentially change existing tracks, create new tracks, change altitude, or change concentration of aircraft on these tracks. As such, this action is not expected to result in any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

Lists of Subjects in 14 CFR 71

Airspace, Incorporation by reference, Navigation (air).

The Amendment

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

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

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

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

§ 71.1 [Amended]

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

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

* * * * *

AGL OH E5 Canton, OH [Establish]

Mercy Medical Center Heliport, OH
(Lat. 40°48'45" N, long. 81°23'38" W)

That airspace extending upward from 700 feet above the surface within a 7.4-mile radius of the Mercy Medical Center Heliport.

* * * * *

Issued in Fort Worth, Texas, on June 10, 2026.

Jerry J. Creecy,

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

[FR Doc. 2026–11860 Filed 6–11–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 51

[Docket No. FR–6581–F–01]

RIN 2506–AC63

Revising HUD’s Noise Abatement and Control Regulations

AGENCY: Office of Community Planning and Development, HUD.

ACTION: Final rule.

SUMMARY: This direct final rule revises the Department of Housing and Urban Development’s (HUD) regulations governing noise abatement and control. This final rule amends these regulations to provide that relevant HUD program offices, based on project funding, rather than only the Office of Community Planning and Development (CPD), have the authority to issue approvals related to projects in unacceptable noise zones. This final rule also eliminates unnecessary noise surveillance and data provisions to reflect current HUD practices.

DATES: Effective July 13, 2026.

FOR FURTHER INFORMATION CONTACT:

Peter Huber, Deputy Director, Office of Affordable Housing Programs, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410, Room 7282; telephone number (202) 402–3941 (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>.

SUPPLEMENTARY INFORMATION:

I. Background

HUD’s regulations at 24 CFR part 51 govern environmental criteria and standards that help determine project acceptability and ensure that HUD-assisted projects achieve the goal of living in a suitable living environment. These environmental standards generally apply to all HUD actions. Part 51 includes regulations on noise abatement and control (subpart B). The Assistant Secretary for Community Planning and Development (CPD) has the lead role in implementing part 51. Under 24 CFR 51.3, the Assistant Secretary for CPD is responsible for administering the environmental criteria and standards regulations but may be assisted by other HUD officials in implementing the responsibilities established by part 51.

Under 24 CFR 51.104(a)(2), noise attenuation measures in unacceptable noise zones require the approval of the Assistant Secretary for Community Planning and Development. In addition, under 24 CFR 51.104(b)(2), projects that are in an unacceptable noise zone must be submitted to the Assistant Secretary for CPD for approval. The Assistant Secretary for CPD also has the authority to waive the requirement to conduct an Environmental Impact Statement (EIS) for projects in unacceptable noise zones where noise is the only environmental issue.

CPD is the only HUD program office with the authority to approve noise attenuation measures, projects, and EIS waivers for projects in unacceptable noise zones, even if they are being funded and developed by another HUD program office. If a program office seeks to obtain approval for noise attenuation measures, a project, or an EIS waiver for a project it is overseeing in an unacceptable noise zone, it not only

must complete its own internal review process, but it must also go through CPD's review process to gain final approval. Consequently, CPD staff are required by regulation to devote time and resources to reviewing projects from other offices that they are unfamiliar with and in which CPD does not have a stake. This also causes time and resources to be diverted from CPD priorities as CPD staff must familiarize themselves with and assess projects before issuing approvals. Meanwhile, other HUD program offices must wait for CPD to complete its review before moving forward with a project. This complicates the project environmental review process by adding unnecessary burdens and delays for CPD as well as other program offices.

24 CFR 51.102(a) makes HUD field staff responsible for maintaining surveillance of potential noise problem areas and advising on whether sites are unacceptable because of noise exposure. However, HUD has never implemented this provision as it lacks the expertise and capacity to do so. This provision has not been necessary to make site choice decisions.

24 CFR 51.106(a)(4) outlines how areawide acoustical data should be used to make determinations on project suitability near airports and military installations. Under the regulation, the Assistant Secretary for CPD is required to review noise contours, which illustrate data on noise exposure levels associated with aircraft, in certain circumstances and assess the potential impact of such exposure on HUD program activity and HUD-assisted projects. As with § 51.102(a), HUD has never fully implemented this provision as it does not have the expertise or capacity to do so. In practice, the provision has not been necessary to make project suitability determinations.

24 CFR 51.3 establishes that HUD will identify officials with specific responsibilities for administering part 51 through **Federal Register** notice. Accordingly, Appendix I to the March 26, 1996, rule that last updated part 51 identified HUD officials with such responsibilities (61 FR 13333). Appendix I identified officials with specific responsibilities in the administration of noise abatement and control standards including those with the authority to approve projects with unacceptable noise exposure.

II. This Final Rule

This direct final rule updates HUD's environmental criteria and standards regulations to provide greater flexibility to HUD program offices to carry out specific responsibilities in the

administration of noise abatement and control standards and to remove unnecessary provisions. Therefore, this final rule amends 24 CFR 51.104 to explicitly grant authority to approve noise attenuation measures, projects, and EIS waivers for projects in unacceptable noise zones to a broader range of program offices. This final rule also eliminates unnecessary provisions in §§ 51.102 and 51.106 to both streamline part 51 and align it with current HUD practices. Lastly, this final rule updates 24 CFR 51.3 to provide greater flexibility for HUD to delegate authority to administer part 51.

24 CFR 51.102

HUD is eliminating the text of § 51.102(a) to remove an unnecessary provision requiring HUD field staff to maintain surveillance of potential noise problem areas. The provision being eliminated has never been implemented. This revision streamlines the regulation and aligns the regulation with current HUD practice.

24 CFR 51.103

HUD is updating the text in footnote 5 of the table at the end of the section to reflect that approval authority for noise attenuation measures will now lie with a Program Assistant Secretary.

24 CFR 51.104

HUD is amending § 51.104(a)(2) and (b)(2) to allow for noise attenuation measures in unacceptable noise zones, projects in unacceptable noise zones, and EIS waivers for projects in unacceptable noise zones to be approved by the Assistant Secretary for the relevant program office overseeing a HUD-assisted project. HUD notes that these changes to § 51.104 conflict with section 3 of Appendix I to the 1996 part 51 rule (61 FR 13333). Consequently, HUD now revokes the 1996 appendix.

24 CFR 51.106

HUD is revising the text of § 51.106(a)(4) to eliminate unnecessary provisions requiring HUD review of noise contours. The provisions being eliminated have never been implemented. This revision streamlines the regulation and aligns the regulation with current HUD practice.

24 CFR 51.3

HUD is revising the text of § 51.3 to remove the third sentence stating that HUD will identify officials who assist the Assistant Secretary for CPD in implementing part 51 through **Federal Register** notice. Removing this text will allow HUD to have greater flexibility in delegating authority to administer part

51. HUD has issued or amended delegations and redelegations of authority through unpublished memoranda as well as through **Federal Register** notice. By revising the text of § 51.3, HUD will be able to identify HUD officials with part 51 responsibilities through unpublished as well as through published delegations of authority. As previously noted in the discussion of the revision of § 51.104, section 3 of Appendix I to the 1996 rule conflicts with revisions to § 51.104. The revision to § 51.3 also means that updating the appendix will not necessarily be how HUD will identify officials with part 51 responsibilities. Consequently, HUD revokes the entirety of Appendix I to the 1996 rule.

III. Justification for Final Rulemaking

HUD's regulations at 24 CFR 10.1 state that notice and public procedure may be omitted with respect to rules governing the Department's organization or its own internal practices or procedures. This rule is limited to updating the Department's internal procedures as described in the regulations at 24 CFR part 51. This rule is not establishing policy outside of its own procedures.

IV. Findings and Certifications

Regulatory Review—Executive Orders 12866 and 13563

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made regarding whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget in accordance with the requirements of the order.

Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are “outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public.

The changes made by this final rule are limited and mostly involve procedural changes to HUD's administration of environmental criteria and standards. As a result, this final rule was determined not to be a significant regulatory action under section 3(f) of Executive Order 12866 and therefore was not reviewed by OMB.

Executive Order 14192, Regulatory Costs

Executive Order 14192, entitled “Unleashing Prosperity Through Deregulation,” was issued on January 31, 2025. Section 3(c) of Executive Order 14192 requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. This final rule amends existing regulations and does not impose any additional requirements or burdens. OMB has determined that this final rule does not impose any regulatory costs as it streamlines an existing regulation and provides greater flexibility and therefore is a repeal of a regulation that results in reduced regulatory costs for purposes of Executive Order 14192.

Federalism (Executive Order 13132)

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. This final rule does not have federalism implications and does not impose substantial direct compliance costs on state and local governments nor preempt state law within the meaning of the Executive Order.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Because HUD has determined that good cause exists to issue this final rule without prior public comment, this rule is not subject to the requirement to publish an initial or final regulatory flexibility analysis under the RFA as part of such action.

Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of

General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410–0500. The Finding of No Significant Impact will also be available for review in the docket for this final rule on *Regulations.gov*.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments, and on the private sector. This final rule does not impose any Federal mandates on any State, local, or Tribal governments, or on the private sector, within the meaning of the UMRA.

List of Subjects in 24 CFR Part 51

Airports, Hazardous substances, Housing standards, Noise control.

For the reasons described in the preamble, HUD amends 24 CFR part 51 as follows:

PART 51—ENVIRONMENTAL CRITERIA AND STANDARDS

- 1. The authority citation for part 51 continues to read as follows:

Authority: 42 U.S.C. 3535(d), unless otherwise noted.

§ 51.3 [Amended]

- 2. Amend § 51.3 by removing the third sentence.

§ 51.102 [Amended]

- 3. Amend § 51.102 by removing paragraph (a) and redesignating paragraphs (b) and (c) as paragraphs (a) and (b), respectively.

§ 51.103 [Amended]

- 4. In § 51.103, in the table at the end of the section, in footnote 5, remove the words “Assistant Secretary for CPD” and add, in their place, the words “Program Assistant Secretary or their designee”.

§ 51.104 [Amended]

- 5. In § 51.104:
 - a. In paragraph (a)(2), remove the words “Assistant Secretary for Community Planning and Development” and add, in their place, the words “Program Assistant Secretary or their designee”;
 - b. In paragraph (b)(2), remove the words “The Assistant Secretary or the Certifying Officer” and add, in their place, the words “The Assistant Secretary or their designee, or the Certifying Officer.”

- 6. Amend § 51.106 by revising paragraph (a)(4) to read as follows:

§ 51.106 Implementation.

- (a) * * *
- (4) *Use of areawide acoustical data.* HUD encourages the preparation and use of areawide acoustical information, such as noise contours for airports.

* * * * *

Scott Turner,
Secretary.

[FR Doc. 2026–11849 Filed 6–11–26; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOMELAND SECURITY**Coast Guard****33 CFR Part 117**

[Docket No. USCG–2026–0596]

RIN 1625–AA09

Drawbridge Operation Regulation; Big Carlos Pass, Estero Island, FL

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is removing the existing drawbridge operation regulation for the SR 865 Bridge, across Big Carlos Pass, mile 0.0, at Estero Island and Black Island, FL. The drawbridge was replaced with a fixed bridge in April 2026, and the operating regulation is no longer applicable or necessary.

DATES: This rule is effective June 12, 2026.

ADDRESSES: To view documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov>. Type the docket number (USCG–2026–0596) in the “SEARCH” box and click “SEARCH”. In the Document Type column, select “Supporting & Related Material.”

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Ms. Jennifer Zercher, Bridge Management Specialist, Southeast Coast Guard District; telephone 571–607–5951, email Jennifer.N.Zercher@uscg.mil.

SUPPLEMENTARY INFORMATION:**I. Table of Abbreviations**

CFR Code of Federal Regulations
DHS Department of Homeland Security
FR Federal Register
OMB Office of Management and Budget
NPRM Notice of Proposed Rulemaking
§ Section
U.S.C. United States Code

SR State Route
FL Florida

II. Background Information and Regulatory History

The Coast Guard is issuing this final rule under the authority in 5 U.S.C. 553(b)(B). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under 5 U.S.C. 553(b), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because the SR 865 (Big Carlos Pass) Bridge, that once required draw operations in 33 CFR 117.267, was removed and replaced with a fixed bridge in April 2026. Therefore, the drawbridge operation schedule regulation is no longer applicable to the fixed bridge and shall be removed from publication. It is unnecessary to publish an NPRM because this regulatory action is inconsequential to the industry and does not have any impact on the public.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective in less than 30 days after publication in the **Federal Register**. The bridge has been replaced with a fixed bridge, and this rule merely requires an administrative change to the **Federal Register**, in order to remove a regulatory requirement that is no longer applicable or necessary. The modification to a fixed bridge has already taken place, and the removal of the regulation will not affect mariners currently operating on this waterway. Therefore, a delayed effective date is unnecessary.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority 33 U.S.C. 499.

The SR 865 (Big Carlos Pass) Bridge was removed and replaced with a fixed bridge in April 2026. The elimination of this drawbridge necessitates the removal of the drawbridge operation regulation, 33 CFR 117.267, that pertains to the former drawbridge.

The purpose of this rule is to remove 33 CFR 117.267 that refers to Big Carlos Pass, from the Code of Federal Regulations since it governs a drawbridge that is no longer spanning the waterway.

IV. Discussion of Final Rule

The Coast Guard is removing regulation 33 CFR 117.267 related to the draw operations for the SR 865 (Big Carlos Pass) Bridge since it has been

replaced with a fixed bridge. This Final Rule seeks to update the Code of Federal Regulations by removing language that governs the operation of the SR 865 (Big Carlos Pass) Bridge, which in fact is no longer a drawbridge. This change does not affect waterway or land traffic.

V. 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 calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Government

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

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

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

E. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning Policy COMDTINST 5090.1 (series) which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*). The Coast Guard has 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 promulgates the operating regulations or procedures for drawbridges and is categorically excluded from further review, under paragraph L49, of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1.

Neither a Record of Environmental Consideration nor a Memorandum for the Record are required for this rule.

List of Subjects in 33 CFR Part 117

Bridges.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 117 as follows:

PART 117—DRAWBRIDGE OPERATION REGULATIONS

■ 1. The authority citation for part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 33 CFR 1.05–1; and DHS Delegation No. 00170.1. Revision No. 01.4.

§ 117.267 [Removed]

■ 2. Remove § 117.267.

Dated: June 9, 2026.

Adam A. Chamie,

*Rear Admiral, U.S. Coast Guard, Commander,
Coast Guard Southeast District.*

[FR Doc. 2026-11838 Filed 6-11-26; 8:45 am]

BILLING CODE 9110-04-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 12

[EPA-HQ-OAR-2021-0863; EPA-R03-
OAR-2023-0179; FRL-12161-04-OAR]

RIN 2060-AW38

Partial Withdrawals of Findings of Failure To Submit State Implementation Plan (SIP) Revisions To Amend Provisions Applying to Excess Emissions During Periods of Startup, Shutdown, and Malfunction

AGENCY: Environmental Protection
Agency (EPA).

ACTION: Final action.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is partially withdrawing two final actions finding that 13 States and/or local air pollution control agencies failed to submit State Implementation Plan (SIP) revisions to address the Agency's 2015 findings of substantial inadequacy and "SIP call" for provisions applying to excess emissions during periods of startup, shutdown, and malfunction (SSM). The partial withdrawal affects six air pollution control agencies. Withdrawing relevant parts of the findings for failure to submit is consistent with the decision from the U.S. Court of Appeals for the District of Columbia Circuit Court (D.C. Circuit) partially vacating the findings of substantial inadequacy and SIP call. This final action renders no longer applicable certain CAA deadlines for the EPA to impose sanctions if a State does not submit a complete SIP revision addressing the outstanding requirements, and to promulgate a Federal Implementation Plan (FIP).

DATES: This final action is effective on July 13, 2026.

ADDRESSES: The EPA has established two dockets for this action under Docket ID Nos. EPA-HQ-OAR-2021-0863 and

EPA-R03-OAR-2023-0179. All documents in the dockets are listed on the <http://www.regulations.gov> website. Although listed in the index, 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 only in hard copy form. Publicly available docket materials are available electronically through <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: For information about this final action, contact Carrie Wheeler, Office of State Air Partnerships, Air Quality Planning Division (C504-05), Environmental Protection Agency, 109 T.W. Alexander Drive, P.O. Box 12055, Research Triangle Park, NC 27711; telephone number: (919) 541-9771; email address: wheeler.carrie@epa.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:

CAA Clean Air Act
CBI Confidential Business Information
D.C. District of Columbia Circuit Court
EPA Environmental Protection Agency
FIP Federal Implementation Plan
SIP State Implementation Plan
SSM startup, shutdown, malfunction

SUPPLEMENTARY INFORMATION:

Organization of this document. The information in this preamble is organized as follows:

- I. Background and Overview of the Final Action
- II. Response to Comments
- III. Statutory and Executive Order Reviews
 - A. Executive Order 12866: Regulatory Planning and Executive Order 13563: Improving Regulation and Regulatory Review
 - B. Executive Order 14192: Unleashing Prosperity Through Deregulation
 - C. Paperwork Reduction Act (PRA)
 - D. Regulatory Flexibility Act (RFA)
 - E. Unfunded Mandates Reform Act of 1995 (UMRA)

- F. Executive Order 13132: Federalism
- G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments
- H. Executive Order 13045: Protection of Children From Environmental Health and Safety Risks
- I. Executive Order 13211: Actions That Significantly Affect Energy Supply, Distribution, or Use
- J. National Technology Transfer and Advancement Act (NTTAA)
- K. Congressional Review Act (CRA)
- L. Judicial Review

I. Background and Overview of the Final Action

On January 12, 2022, the EPA took final action (the "January 2022 Findings of Failure to Submit")¹ to find that 12 air agencies failed to submit SIP revisions that were due by November 22, 2016, to address a now partially vacated 2015 SSM SIP Call.² On April 17, 2023, EPA Region 3 took final action (the "April 2023 Finding of Failure to Submit") to find that the State of West Virginia failed to submit a SIP revision in response to the now partially vacated 2015 SSM SIP Call.³ On November 26, 2024, the EPA issued a direct final action⁴ and parallel proposal (the "November 2024 Action") to partially withdraw the January 2022 Findings of Failure to Submit and the April 2023 Finding of Failure to Submit. The EPA is now taking final action to partially withdraw certain prior Agency actions that found that 13 States and/or local air pollution control agencies ("air agencies") failed to timely submit SIP revisions required by the CAA.

In total, the 13 air agencies that were included in the findings of failure to submit can be found in Table 1. For those air agencies subject to the prior findings of failure to submit for which the EPA has fully approved their submitted SIP revision, the obligation under the findings of failure to submit has been fulfilled, and there is no need for the Agency or those air agencies to take further action. The air agencies that have not submitted a SIP revision in response to the prior findings of failure to submit, or for which the EPA has not taken final action on their submittal (*i.e.*, the States for which some obligation still exists), can be found in Table 2.

¹ See "Findings of Failure To Submit State Implementation Plan Revisions in Response to the 2015 Findings of Substantial Inadequacy and SIP Calls To Amend Provisions Applying To Excess Emissions During Periods of Startup, Shutdown, and Malfunction," 87 FR 1680 (Jan. 12, 2022).

² See "State Implementation Plans: Response to Petition for Rulemaking; Restatement and Update of

the EPA's SSM Policy Applicable to SIPs; Findings of Substantial Inadequacy; and SIP Calls To Amend Provisions Applying to Excess Emissions During Periods of Startup, Shutdown and Malfunction," 80 FR 33840 (Jun. 12, 2015).

³ See "West Virginia; Finding of Failure to Submit State Implementation Plan Revision in Response to the 2015 Findings of Substantial Inadequacy and

SIP Calls to Amend Provisions Applying to Excess Emissions During Periods of Startup, Shutdown, and Malfunction," 88 FR 23353 (Apr. 17, 2023).

⁴ See "Excess Emissions During Periods of Startup, Shutdown, and Malfunction; Partial Withdrawals of Findings of Failure to Submit State Implementation Plan (SIP)," 89 FR 93187 (Nov. 26, 2024).

TABLE 1—13 STATES AND/OR LOCAL AIR POLLUTION CONTROL AGENCIES INCLUDED IN THE JANUARY 2022 FINDINGS OF FAILURE TO SUBMIT AND APRIL 2023 FINDING OF FAILURE TO SUBMIT

EPA Region	State and/or local air agency
1	Rhode Island.
3	District of Columbia.
3	West Virginia.
4	Alabama.
4	North Carolina—Forsyth.
4	Tennessee—Shelby (Memphis).
5	Illinois.
5	Ohio.
6	Arkansas.
8	South Dakota.
9	California—San Joaquin Valley Air Pollution Control District.
10	Washington—Energy Facility Site Evaluation.
10	Washington—Southwest Clean Air Agency.

TABLE 2—AIR AGENCIES WITHOUT FULLY APPROVED SIP REVISIONS IN RESPONSE TO THE JANUARY 2022 FINDINGS OF FAILURE TO SUBMIT AND APRIL 2023 FINDING OF FAILURE TO SUBMIT⁵

EPA region	State and/or local air agency
1	Rhode Island.
3	District of Columbia.
3	West Virginia.
4	Alabama.
5	Illinois.
5	Ohio.
8	South Dakota.

On March 1, 2024, the D.C. Circuit issued a decision in *Environ. Comm. Fl. Elec. Power v. EPA*, 94 F.4th 77 (D.C. Cir. 2024) (*Florida Electric*). The D.C. Circuit granted the petitions in part, vacating the SIP calls that were based on SIP provisions that included automatic exemptions, director's discretion provisions, and affirmative defenses that are functionally exemptions, and denied the petitions in part, affirming the SIP calls based on SIP provisions that included overbroad enforcement discretion provisions and affirmative defenses against specific relief.

As a result of the D.C. Circuit's decision in *Florida Electric*, the EPA

issued the November 2024 Action to partially withdraw the January 2022 Findings of Failure to Submit and the April 2023 Finding of Failure to Submit. The EPA withdrew the direct final rule effective January 10, 2025, due to comments received.⁶

After reviewing comments received on the proposed action, the EPA is finalizing this action to partially withdraw the January 2022 Findings of Failure to Submit and the April 2023 Finding of Failure to Submit. The partial withdrawal affects six air agencies. Because certain portions of the SIP call were vacated by the D.C. Circuit and, therefore, have no legal effect, the

air agencies with provisions to which those vacated portions of the SIP call previously applied no longer have a legal obligation to submit the revisions that the EPA had originally determined were required pursuant to the 2015 SSM SIP Call.⁷ Further, as there is no longer a predicate submission obligation for those particular SIP-called provisions, the EPA's findings that such obligation was not met are no longer valid and must be withdrawn. As a result of this final action, the January 2022 Findings of Failure to Submit and April 2023 Finding of Failure to Submit are withdrawn with respect to the air agency SIP provisions listed in Table 3.

TABLE 3—SIP PROVISIONS FOR WHICH THE EPA IS WITHDRAWING THE AGENCY'S FINDINGS OF FAILURE TO SUBMIT⁸

Region	State	Applicable provisions for which the findings of failure to submit are withdrawn
1	Rhode Island	25–4–13 R.I. Code R. § 16.2.
3	District of Columbia	D.C. Mun. Regs. tit. 20 § 107.3.
		D.C. Mun. Regs. tit. 20 § 606.1.
		D.C. Mun. Regs. tit. 20 § 606.2.
	West Virginia	W. Va. Code R. § 45–2–9.1.
		W. Va. Code R. § 45–7–10.3.
		W. Va. Code R. § 45–40–100.8.

⁵ The EPA and its State partners work regularly on SIP requirements including plan development, review and approval. After the November 2024 proposal, the EPA took action on two SIP revisions related to today's action: (1) Washington—Energy Facility Site Evaluation Council (EFSEC) SIP call revision was finalized on December 27, 2024, *see*, 89 FR 105456; and (2) Washington—Southwest Clean Air Agency (SWCAA) SIP call revision was

finalized on May 9, 2025, *see*, 89 FR 19650. These fully approved SIP revisions in response to the January 2022 Findings of Failure to Submit fulfilled their findings of failure to submit obligations.

⁶ *See* “Excess Emissions During Periods of Startup, Shutdown, and Malfunction; Partial Withdrawals of Findings of Failure to Submit State Implementation Plan (SIP),” 90 FR 1903 (Jan. 10, 2025).

⁷ In vacating certain portions of the 2015 SSM SIP Call, the D.C. Circuit's decision did not determine whether the SIP-called provisions were otherwise lawful under the CAA. *See e.g.*, slip op. at 55 (“We thus do not reach the question whether the called SIPs' relevant emission restrictions in fact amount to (or must amount to) ‘emission limitations’ per the statutory definition.”).

TABLE 3—SIP PROVISIONS FOR WHICH THE EPA IS WITHDRAWING THE AGENCY'S FINDINGS OF FAILURE TO SUBMIT⁸—Continued

Region	State	Applicable provisions for which the findings of failure to submit are withdrawn
4	Alabama	W. Va. Code R. § 45–2–10.1 W. Va. Code R. § 45–3–7.1. W. Va. Code R. § 45–5–13.1. W. Va. Code R. § 45–6–8.2. W. Va. Code R. § 45–7–9.1. W. Va. Code R. § 45–7–10.4. W. Va. Code R. § 45–10–9.1. W. Va. Code R. § 45–21–9.3. W. Va. Code R. § 45–3–3.2. W. Va. Code R. § 45–2–10.2. Ala Admin Code Rule 335–3–14–.03(1)(h)(1). Ala Admin Code Rule 335–3–14–.03(1)(h)(2).
5	Ohio	Ohio Admin. Code 3745–15–06(A)(3). Ohio Admin. Code 3745–17–07(A)(3)(c). Ohio Admin. Code 3745–17–07(B)(11)(f). Ohio Admin. Code 3745–14–11(D). Ohio Admin. Code 3745–15–06(C).
8	South Dakota	S.D. Admin. R. 74:36:12:02(3).

For those air agencies' SIP provisions in Table 3 for which the prior findings of failure to submit are withdrawn, the CAA deadlines for the EPA to impose sanctions under CAA sections 179(a) and (b) and promulgate a FIP under

CAA section 110(c) are no longer applicable. For those air agency's SIP provisions for which the findings of failure to submit are not withdrawn and are still applicable, the CAA deadlines for the EPA to impose sanctions under

CAA sections 179(a) and (b) and promulgate a FIP under CAA section 110(c) remain in effect as previously established (*see* Table 4).

TABLE 4—STATES AND/OR LOCAL AIR AGENCIES WITH REMAINING FINDINGS OF FAILURE TO SUBMIT OBLIGATIONS

EPA region	State and/or local air agency	Applicable provisions for which the findings of failure to submit remain in effect
3	District of Columbia	D.C. Mun. Regs. tit. 20 § 606.4.
3	West Virginia	W. Va. Code R. § 45–2–9.4.
4	Tennessee—Shelby (Memphis)	Shelby County Code § 16–87.
5	Illinois	Ill. Admin. Code tit. 35 § 201.261. Ill. Admin. Code tit. 35 § 201.262. Ill. Admin. Code tit. 35 § 201.265.

The EPA notes that the D.C. Circuit issued another decision related to the court's interpretation of the CAA relevant to SSM provisions, *SSM Litigation Group v. EPA*, 150 F.4th 593 (D.C. Cir. 2025). In that case, the D.C. Circuit reversed the EPA's July 2023 removal of affirmative defense provisions from the title V regulations.⁹ However, the *SSM Litigation Group v. EPA* decision is not directly relevant to this action, which is focused on withdrawal of the SIP calls vacated by the D.C. Circuit in the *Florida Electric* decision. Further, none of the provisions for which the EPA is withdrawing the SIP call in this action are affirmative defense provisions.

II. Response to Comments

Commenters generally supported the proposed withdrawal of the findings of failure to submit, and two supported the associated direct final rule. While no commenter provided an adverse comment on the provisions specified within the proposal, four commenters asserted that the EPA should have included the applicable provisions for Illinois and West Virginia (identified in Table 4) in the November 2024 Action. As the EPA did not propose to withdraw the findings of failure to submit for these specific provisions, the comments are considered outside the scope of this rulemaking. The EPA intends to further consider these comments outside of the context of this rulemaking before

identifying next steps regarding the applicable provisions for Illinois and West Virginia.

III. Statutory and Executive Orders Reviews

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

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

This action is not a significant regulatory action and, therefore, was not submitted to the Office of Management and Budget (OMB) for review.

⁸ Because the D.C. Circuit only vacated certain portions of the EPA's 2015 SSM SIP Action, the 2015 SIP Call is still applicable for certain provisions in some States. As such, the EPA is only withdrawing the findings of failure to submit as they apply to those provisions that clearly

correspond to the vacatur. As a result, the findings of failure to submit remain in place for now for provisions that may correspond to the portions of the 2015 SSM SIP Action that were not vacated (*i.e.*, provisions that were SIP called because they include an affirmative defense that provides

specific relief and provisions that constitute overbroad enforcement discretion). Some States were included in the findings of failure to submit for both types of provisions.

⁹ 88 FR 47029 (Jul. 21, 2023).

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is considered an Executive Order 14192 deregulatory action. This final action provides burden reduction for States because the CAA deadlines for the EPA to impose sanctions under CAA sections 179(a) and (b) and promulgate a FIP under CAA section 110(c) are no longer applicable.

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. This action relates to the requirement in the CAA for States to submit SIPs in response to findings of substantial inadequacy under CAA section 110(k)(5).

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. This action relates to the requirement in the CAA for States to submit SIPs in response to findings of substantial inadequacy under CAA section 110(k)(5).

E. Unfunded Mandates Reform Act of 1995 (UMRA)

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

F. Executive Order 13132: Federalism

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

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

This action does not have Tribal implications as specified in Executive Order 13175. No Tribe is subject to the requirement to submit an implementation plan under the findings of inadequacy relevant to 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 relates to the requirement in the CAA for States to submit SIPs in response to findings of substantial inadequacy under CAA section 110(k)(5).

Furthermore, the EPA’s Policy on Children’s Health does not apply to this action.

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

This action is not a “significant energy action” because it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. This action relates to the requirement in the CAA for States to submit SIPs in response to findings of substantial inadequacy under CAA section 110(k)(5).

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 the 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).

L. 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 D.C. Circuit, and petitions for judicial review of actions that are locally or regionally applicable must be filed in the appropriate regional circuit.¹⁰ 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

¹⁰ CAA section 307(b)(1).

action the Administrator finds and publishes that such action is based on such a determination.”¹¹

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.¹² If the action is locally or regionally applicable, venue lies in the appropriate regional circuit unless the “nationwide scope or effect” exception applies to override the default rule of regional circuit review.¹³ The exception applies, and judicial review of the EPA’s action belongs in the D.C. Circuit, if the Agency invokes the exception for a final action that is “based on a determination of nationwide scope or effect” and accompanied by an EPA finding of this basis.¹⁴

This rulemaking describes a number of final actions that are “locally or regionally applicable” because each action withdraws a previous final action by the EPA finding that a State failed to submit a required SIP revision under CAA section 110. Each withdrawal action is a separate “action” for the purposes of determining venue under CAA section 307(b)(1) and, because each action only applies to a single State, each action is locally or regionally applicable. The Administrator has not made and published a finding that these actions are based on a determination of nationwide scope or effect.

Under CAA section 307(b)(1), petitions for judicial review of these actions must be filed in the United States Court of Appeals for the appropriate circuit by August 11, 2026.

List of Subjects in 40 CFR Part 52

Environmental protection, Administrative practice and procedures, Air pollution control, Approval and promulgation of implementation plans, Incorporation by reference, Intergovernmental relations, and Reporting and recordkeeping requirements.

Dated: June 9, 2026.

Aaron Szabo,

Assistant Administrator, Office of Air and Radiation.

[FR Doc. 2026–11884 Filed 6–11–26; 8:45 am]

BILLING CODE 6560–50–P

¹¹ *Id.*

¹² *Calumet*, 605 U.S. at 636–39.

¹³ *Id.* at 642.

¹⁴ *Id.*

Proposed Rules

Federal Register

Vol. 91, No. 113

Friday, June 12, 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 HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 201, 3280, 3285, and 3286

[Docket No. FR-6537-P-01]

RIN 2502-AJ80

Revising the Definition of “Manufactured Home” to Lower Housing Costs

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, U.S. Department of Housing and Urban Development (HUD).

ACTION: Notice of proposed rulemaking.

SUMMARY: This proposed rule would amend the definition of “manufactured home” in HUD’s Manufactured Home Construction and Safety Standards (MHCSS), Model Manufactured Home Installation Standards (MMHIS), and Manufactured Home Installation Program (MHIP) to provide that a transportable section of a manufactured home serving as part of an upper floor of a manufactured home would not need to be transported or built on a permanent chassis.

DATES: Comment due August 11, 2026.

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule. There are two methods for submitting public comments. All submissions must refer to the above docket number and title. To receive consideration as public comments, comments must be submitted through one of the two methods specified below.

1. Electronic Submission of Comments. Interested persons may submit comments electronically through the Federal eRulemaking Portal at www.regulations.gov. There, interested parties may also find a plain language summary of the proposed rule.

2. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, U.S. Department of Housing and Urban Development, 451

7th Street SW, Room 10276, Washington, DC 20410–0500.

FOR FURTHER INFORMATION CONTACT:

Mary Jo Houton, Administrator, Office of Manufactured Housing Programs, Department of Housing and Urban Development, 451 7th Street SW, Room 9252, Washington, DC 20410; telephone number (202) 402–2186 (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>.

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory Framework

The National Manufactured Housing Construction and Safety Standards Act of 1974 (Pub. L. 93–383, 88 Stat. 633, codified at 42 U.S.C. 5401 *et seq.*) (“the Act”) authorizes HUD to establish the Manufactured Home and Construction Safety Standards (MHCSS). The Act was later amended by the Manufactured Housing Improvement Act of 2000 (Pub. L. 106–569, 114 Stat. 2944).

Section 602 of the Act identifies specific goals related to manufactured housing, which include protecting the quality, durability, safety and affordability of manufactured homes; facilitating the affordability of manufactured homes; and encouraging innovative and cost-effective construction techniques for manufactured homes. 42 U.S.C. 5401(b).

Section 604(a)(3) of the Act establishes the Manufactured Housing Consensus Committee (MHCC), which is responsible for considering potential changes to the MHCSS based on technical expertise and providing recommendations to the Secretary. 42 U.S.C. 5403. Section 604(a)(5)(A) of the Act requires the Secretary to accept, modify, or reject the MHCC’s proposed recommendations. Section 605 of the Act also authorizes HUD to establish the Model Manufactured Home Installation Standards (MMHIS) and the Manufactured Home Installation Program (MHIP). 42 U.S.C. 5404.

The Act defines relevant terms for regulated parties. Most relevant for this rule, section 603(6) of the Act defines manufactured home as a structure

transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis. 42 U.S.C. 5402(6). The Act is silent on whether each transportable section must be constructed on a permanent chassis.

Under section 616 of the Act, manufacturers are required to certify that a manufactured home complies with its provisions, including the permanent chassis requirement. 42 U.S.C. 5415. Section 610 of the Act further prohibits a person from using any means or instrumentality of interstate commerce to manufacture, sell, or deliver a manufactured home that does not comply with the MHCSS or other related requirements. 42 U.S.C. 5409(a)(1).

B. Regulatory Framework

HUD regulations governing manufactured homes are divided into several parts. The MHCSS is codified in 24 CFR part 3280. The MMHIS is codified at 24 CFR part 3285 and the MHIP is codified at 24 CFR part 3286. HUD regulations for carrying out various procedural and enforcement activities related to these requirements are codified in 24 CFR part 3282. Consistent with the Act’s goal of fostering innovation in the manufactured housing industry (42 U.S.C. 5401(b)(4)), these procedural and enforcement regulations allow manufacturers to request approval from HUD in the form of an Alternative Construction (AC) letter to build manufactured homes that would be prohibited by the MHCSS provided certain requirements are satisfied. The process for requesting an AC letter is set forth in 24 CFR 3282.14.

The MHCSS, MMHIS, and MHIP regulations define manufactured home to mean a structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width or 40 body feet or more in length or which when erected on-site is 320 or more square feet, and which is built on a permanent chassis. 24 CFR 3280.2 (MHCSS), 3285.3 (MMHIS), 3286.3 (MHIP). HUD has generally interpreted these regulatory definitions as requiring each transportable section to be built on a permanent chassis.

For the purposes of a manufactured home, the term “chassis” means the entire transportation system comprising the drawbar and coupling mechanism, frame, running gear assembly, and lights. 24 CFR 3280.902(a). A chassis is defined in the regulations at 24 CFR 3280.902(a) as the entire transportation system comprising the following subsystems: drawbar and coupling mechanism, frame, running gear assembly, and lights. Generally, HUD considers the chassis as permanent if, upon installation, the frame remains in place as the substructure of the manufactured home, which, in the vast majority of cases, requires only the maintenance of two steel I-beams and other components welded to the beams. In short, a permanent chassis refers to a non-removable transportation system of a manufactured home.

Historically, HUD’s AC program allowed for the construction of multistory manufactured homes, provided that manufacturers’ designs were submitted to and reviewed by HUD and were determined to provide performance that is equivalent to or superior to that required by the Standards. In HUD’s publication of a January 2021 final rule based on the third set of MHCC recommendations, HUD codified revisions that established design and construction standards for multi-story manufactured homes that allowed manufacturers to continue building multi-story manufactured homes without the costly and burdensome AC process. 86 FR 2496.

On September 16, 2024, HUD published a final rule based on the fourth and fifth sets of MHCC recommendations. 89 FR 75704. In addition to revising a large number of updated standards through incorporation by reference and codifying technical standards supporting more modern design approaches, installation of alternative materials, and quality improvements, this final rule revised the definition of dwelling in 24 CFR 3280.2 to allow for the construction of up to four unit multi-dwelling unit manufactured homes, supporting industry innovation and efforts to address the nation’s critical need for increased affordable housing supply. The effective date of this rule was delayed from March 17, 2025, until September 15, 2025, to allow manufacturers and stakeholders additional time to modify manufactured home floorplan designs and submit them through Design Approval Primary Inspection Agencies (DAPIA) review, deviation, and approval to ensure compliance with new or amended requirements. 90 FR 10593.

C. Executive Action

On January 20, 2025, President Trump issued a Presidential Memorandum entitled “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis” that directed each executive agency, including HUD, to deliver emergency price relief measures by eliminating unnecessary administrative barriers and expenses. 90 FR 8245. The memorandum specifically called for actions to lower the cost of housing and expand the housing supply in the United States. In response to this Presidential Memorandum, the agency reviewed portions of the manufactured housing program and identified savings that could be gained by eliminating the requirement for a permanent chassis on the upper floors of multistory manufactured homes.

D. Technical Background

Historically, the manufactured housing industry has presented designs of multi-section manufactured homes, in part due to transportation-based size restrictions, as sectioned structures that are transportable on a permanent steel chassis. This industry practice pre-dates the Federal government’s authority to regulate manufactured homes under the Act. These manufactured home designs focused on single-story construction comprised mainly of structures whose size varied by the number of horizontally connected transportable sections that are joined together to constitute the whole structure of the home. Homes based on these designs have predominately been placed in areas of the United States with lower population densities and higher land availability. As a result, most manufactured homes are single-story, single-family dwellings sited in rural and suburban communities and on individual land parcels. According to the 2023 American Housing Survey, most existing manufactured homes are single section homes (57 percent). The rest are composed of multiple sections joined on site: 41 percent are two section homes, and 2 percent are comprised of three or more sections or larger. The median area of existing manufactured homes is 1,154 square feet compared to 1,800 square feet for single family detached homes. According to the 2024 Survey of Manufactured Housing, most new manufactured homes produced in recent years, are multi-section (about 55 percent).

HUD has issued thirty-four Alternative Construction (AC) Letters ¹

¹ An AC approval under 3282.14 allows a manufacturer to produce homes using an alternative

authorizing the construction of several thousand multistory manufactured homes. Several hundred multistory manufactured homes have been built under these limited approvals.² However, the factory design, construction, and site installation of multistory manufactured homes have been complicated by the requirement to use a permanent chassis for every transportable section, including the sections that are used as the upper floors of the homes. Specifically, the requirement to use a permanent chassis for each transportable section of a multistory manufactured home increases the production, transportation, and installation costs of a multistory manufactured home by anywhere from \$4,800 to \$6,700 per unit based off of estimates providing privately to HUD from a range of small and large manufacturers.

The permanent chassis requirement on the upper floors of a multistory manufactured home provides no practical benefit to homeowners or manufacturers, increases production and installation costs, and stifles innovation that can create more widely available, affordable homes for the American people. Given the lack of a practical benefit, continuing to mandate a permanent chassis on non-ground story floors runs counter to Congress’ explicit statutory mandate to promote the affordability of manufactured homes (42 U.S.C. 5401(b)(1)). From a design standpoint, a permanent chassis on upper floors serves no essential structural purpose after a transportable section is transported to the site.³ Instead of providing any benefit, a permanent chassis on upper floors creates design and aesthetic challenges as it limits where staircases can be

design that meets or exceeds HUD Code standards. AC approvals are design authorizations, not a production guarantee, which means that while an AC approval could authorize thousands of potential units, actual production depends on market demand, costs, and manufacturer capacity. Manufacturers are required to provide an estimate of the maximum number of manufactured home units to be affected by an AC letter request (24 CFR 3282.14b5). These estimate are prospective and are not based on orders or known data. Generally, manufacturers over estimate to avoid the need for amendments that would revise production limits imposed by HUD in issued AC letters.

² AC letters are granted on a case-by-case basis and are not available publicly. Pursuant to 24 CFR 3282.54(b), manufacturers are able to submit alternative construction requests confidentially as they contain information that is of a confidential and/or commercial nature.

³ In single story construction, the weight of the steel chassis prevents benefits resistance to strong winds from overturning of the manufactured home. However, in the case where the steel is suspended from the floor of the second story of a home, the center of gravity shifts and must be considered in evaluating structural design.

placed and creates wasted space between floors. The permanent chassis requirement is also a hindrance to cost-effective construction techniques and industry innovation. The standard permanent chassis currently used for upper floors requires the use of significant amounts of steel, which increases material costs for both producers and consumers. Moreover, the permanent chassis requirement means that a multistory manufactured home must meet additional structural requirements because the lowest floor and the foundation of the home must be designed to transmit and bear the full dead weight of a permanent upper floor chassis, which generally exceeds 2,500 pounds. This increases the amount of wood, concrete, and piers used in a multistory manufactured home, which further increases material costs. The permanent chassis requirement also increases labor costs due to the need to construct and install the chassis.

The permanent chassis requirement thus adds thousands of dollars to the cost of a multistory manufactured home for producers and consumers. Several manufacturers report that the chassis requirement can add anywhere from approximately \$3,300 to \$4,600 in production costs and that the requirement adds \$4,776 to \$6,672 in costs for consumers due to the need for chassis materials, transportation, installation, and labor. Accordingly, not only is the permanent chassis requirement for every transportable section of a multistory manufactured home not required by statute, but it creates challenges to carrying out the Act's purposes of protecting the affordability of manufactured housing, facilitating the availability of affordable manufactured homes, and encouraging innovative and cost-effective construction techniques. Multistory manufactured homes could be built more cost effectively and in a more innovative fashion if the permanent chassis requirement was not applicable for upper floors.

II. Legal Authority

Section 602 of the Act defines a “manufactured home” as a “structure transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis.” 42 U.S.C. 5402(6). The statute does not specify whether each individual transportable section must independently be constructed on a permanent chassis, nor does it identify the stage of construction at which that

requirement must be satisfied. By defining “manufactured home” in general terms and authorizing the Secretary to promulgate standards and regulations necessary to carry out the purposes of the Act, Congress granted the Secretary authority to address these questions through rulemaking.

HUD has previously interpreted this definition as requiring that each transportable section be built on a permanent chassis, based in part on historical manufacturing and transportation practices. Upon further consideration of the statutory text, structure, and context, the Department concludes that the permanent chassis requirement applies to the manufactured home as a whole—that is, to the completed “structure”—rather than to individual transportable sections or components of that structure. The statutory definition frames the chassis requirement in terms of the singular “structure” that “is built on a permanent chassis,” indicating that the requirement attaches to the manufactured home as the regulated structure.

The Act does not impose a separate chassis requirement for each transportable section or otherwise provide that individual sections must independently satisfy the definition. In the absence of such language, HUD interprets the requirement to apply at the level of the completed manufactured home. This interpretation is the best reading of the statutory text and in keeping with Congress’s stated purposes in enacting the Act, including ensuring the availability of affordable manufactured housing. Interpreting the statute to require a permanent chassis for each transportable section would impose additional design and construction constraints not expressly required by the text and could increase costs in a manner not compelled by the statute. HUD’s interpretation therefore gives effect to the language Congress enacted while advancing the Act’s objective of promoting safe, durable, and affordable manufactured housing.

In exercising its authority under the Act, HUD proposes an interpretation of “manufactured home” that adheres to the statutory text while accommodating current construction and transportation methods. The Department recognizes that prior interpretations may have informed certain industry practices and seeks comment on this proposed interpretation, including any reliance interests that may warrant consideration in developing a final rule and whether a transition period would be appropriate. HUD also seeks comment on the extent to which the statutory

requirement that the “structure” be built on a permanent chassis permits satisfaction of that requirement where a permanent chassis is incorporated into one transportable section and, upon assembly, supports the completed manufactured home.

III. This Proposed Rule

MHCC Proposed Revised Standards

On June 6, 2025, HUD published a notice in the **Federal Register** advising the public of the schedule and proposed agenda for a meeting of the Manufactured Housing Consensus Committee (MHCC) to discuss this proposal. 90 FR 24284. The MHCC met on June 24, 2025 pursuant to the **Federal Register** notice to consider HUD’s proposed modifications to the chassis requirements for multistory manufactured homes. The MHCC was generally supportive of the proposed language provided by HUD and suggested several technical edits to further harmonize the proposed regulatory text with the statutory definition of “manufactured home.” The MHCC recommended additional changes to ensure that new designs incorporating the proposed changes would be readily integrated into existing manufacturing and transportation processes. Most notably, the MHCC clarified that the permanent chassis would be required on the lowest floor of the home.⁴ Final recommendations to HUD were unanimously approved by the MHCC. HUD reviewed the MHCC’s recommendations and incorporated them in this proposed rule. The MHCC received several comment letters from modular building manufacturers and a modular building association in advance of the meeting. The letters generally opposed the draft changes citing concerns that the distinction between their products and manufactured homes could become less clear. While modular housing is built in a factory, these housing products are designed and constructed in accordance

⁴ The MHCC supported deleting the permanent chassis requirement for upper floors if no chassis is present. They added language to the structural design section requiring that each story be securely fastened above or below to maintain load continuity, except that upper floors do not need chassis connections “when a chassis is not present.” The MHCC recommended changing “ground floor” to “lowest floor” to avoid ambiguity, particularly with homes with basements or elevated foundations. They proposed that a metal plate with the serial number be affixed to the “foremost floor joist” since the serial number is typically stamped on the chassis and added a provision to Subpart J for transport design that allows units without chassis to be transported without a chassis. The MHCC meeting’s minutes may be accessed at <https://www.hud.gov/sites/dfiles/Housing/documents/MHCC-Minutes-06-24-2025.pdf>.

with state and local standards and are not subject to the Federal Manufactured Home Construction and Safety Standards. None of the modular industry entities that submitted comments were present at the meeting.

Overview of Proposed Changes

HUD proposes changing the definition of a manufactured home to provide that the permanent chassis requirement for a manufactured home could be met by building only the lowest level transportable sections of a manufactured home on a permanent chassis. Under this proposed rule, transportable sections of a manufactured home used for the upper floor or floors would not need to be transported or built on a permanent chassis.

The proposed rule would make changes to the MHCSS applicable to structural design requirements and transportation requirements. HUD proposes revising the definition of a manufactured home in regulations implementing the provisions of section 2 of Title I of the National Housing Act, in the MMIHS, and in the MHIP to ensure that the definition of a manufactured home is consistent across its regulations.

24 CFR 201.2

HUD proposes revising the definition of a manufactured home in § 201.2 to clarify that the definition in this section retains the same meaning as when used in 24 CFR 3280.2. This revision would ensure that manufactured homes where the upper floors are not built on a permanent chassis would remain eligible for Title I loans under 24 CFR part 201.

24 CFR 3280.2

HUD proposes changing the definition of a manufactured home to provide that a transportable section used for an upper floor of a manufactured home would not need to be transported or built on a permanent chassis.

24 CFR 3280.6

HUD proposes changing the serial number requirement to provide that a metal plate stamped with the serial number must be securely affixed, using screws, to the inside face of the foremost floor joist when a section of a manufactured home designed to be an upper floor and where the chassis is removeable.

24 CFR 3280.113

HUD proposes to take the opportunity afforded by this rulemaking to correct internal citations in § 3280.113. In HUD's prior rulemaking (86 FR 2517)

based on the third set of MHCC recommendations, paragraph (b) was added to § 3280.113 that redesignated subsequent paragraphs within the section without updating internal citations within those paragraphs. This proposed rule includes technical corrections to the internal citations in this section consistent with the logical structure of the section. This would not be a substantive change and does not require public notice or comment.

24 CFR 3280.305

This proposed rule would revise the structural design requirements in § 3280.305(a) to separate general requirements for an integrated manufactured home structure from requirements that are specifically for multistory manufactured homes. For multistory manufactured homes, HUD proposes revisions that would make clear that upper floors do not need to be fastened to a chassis and that a multistory structure is limited to a single manufactured home consisting of one to four dwelling units.

In addition, HUD proposes revising § 3280.305(e), which governs the fastening of structural systems, to create a distinction between general requirements for manufactured homes and requirements that are specifically for multistory manufactured homes. The revised paragraph (e) would also clarify that upper floors in multistory manufactured homes do not need to be fastened to a permanent chassis.

24 CFR 3280.901, 3280.902, 3280.904

HUD proposes revising the transportation requirements in § 3280.901 to add a sentence providing that nothing in the transportation subpart would require a transportable section designed to be used as an upper floor of a multistory manufactured home to be built or transported on a permanent chassis.

HUD proposes technical updates to § 3280.902 and § 3280.904. The definition of a transportation system in § 3280.902(f) would be revised so that it means a chassis as defined in § 3280.902(a). In § 3280.904(b)(9)(i), the definition of braking axles would be revised to provide that transportable sections used for an upper floor of multistory manufactured home would not need to have two axles equipped with brake assemblies.

24 CFR 3285.5

HUD proposes revising the definition of a manufactured home in § 3285.5 to ensure that manufactured home in this section maintains the same definition as located in § 3280.2.

24 CFR 3286.3

HUD proposes revising the definition of a manufactured home in § 3286.3 to state that manufactured home in this section maintains the same definition as located in § 3280.2.

IV. Questions for Public Comments

HUD welcomes comments on all aspects of this proposed rule. In addition, HUD specifically requests comments on the following topics:

Question for Comment #1: Further Reducing the Chassis Requirement to a Single Section of a Multi-Section Manufactured home—Under the proposed rule, HUD would continue to require a permanent chassis for each transportable section that is designed to serve as part of the lowest floor of a manufactured home. HUD is also seeking comment on an alternative approach that HUD is considering under which a manufactured home would be required to have a permanent chassis under only one transportable section of the lowest floor. This alternative would apply to both multi-section, single-story manufactured homes and multi-story manufactured homes.

In the Regulatory Impact Analysis for this proposed rule, HUD assumes that 20 to 25 multi-story manufactured homes could annually benefit from the proposed change. HUD also notes that a much larger share of newly produced manufactured homes are multi-section, single story homes; according to the 2024 Survey of Manufactured Housing, about 55 percent of new manufactured homes produced in recent years (roughly 60,000 manufactured homes annually) are multi-section, single-story designs. Would multi-section, single-story manufactured homes realize production or installation cost savings if only one section of the lowest floor were required to be built on a permanent chassis? If so, what types of savings would be expected? What construction, safety, and installation standards would be implicated and/or potentially require revision to support this alternative? Would this alternative create any additional costs, risks, benefits, or other implementation considerations which HUD should take into account? Are there engineering, design, construction, transportation, and/or installation challenges that manufacturers, transporters, and installers would need to consider and adjust in order to leverage this alternative?

Question for Comment #2: Installation Standards—Are there any additional installation standards or set-up requirements that should be considered for multistory manufactured homes that

are not already addressed in the Model Manufactured Home Installation Standards located at 24 CFR part 3285)?

Question for Comment #3: Lifting Instructions—Should manufactured home manufacturers be required to identify lift points and provide lifting instructions for the placement and installation of upper floors of multi-section manufactured homes? If so, where in title 24 of the Code of Federal Regulations would be the most appropriate place to codify the requirements?

Question for Comment #4: Transportation Requirements—The proposed rule would amend the transportation requirements for manufactured homes that are codified in 24 CFR part 3280 (subpart J). Would the transportation requirements, as amended by the proposed rule, be sufficient to ensure that manufactured homes could be transported in a manner that would not take a home out of compliance with the MHCSS?

Question for Comment #5: Reliance Interests—Are there reliance interests that would be implicated by this rule? If so, how significant are these interests and would a transition period for implementation be appropriate to mitigate the effect of this proposed rule on these interests?

V. Findings and Certifications

Regulatory Review—Executive Order 12866

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the executive order. Executive Order 14219 (Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative) reinforces that directive and instructs agencies "to follow the processes set out in Executive Order 12866 for submitting regulations for review by OIRA." Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are "outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned." Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that

reduce burdens and maintain flexibility and freedom of choice for the public.

The proposed rule has been determined to be a "significant regulatory action," as defined in section 3(f) of Executive Order 12866, but not economically significant under section 3(f)(1) of the Order. The docket file is available for public inspection online at www.regulations.gov.

Regulatory Costs—Executive Order 14192

Executive Order 14192, entitled "Unleashing Prosperity Through Deregulation," was issued on January 31, 2025. Section 3(a) of Executive Order 14192 provides that "whenever an executive department or agency (agency) publicly proposes for notice and comment or otherwise promulgates a new regulation, it shall identify at least ten existing regulations to be repealed." The Office of Management and Budget provided subsequent guidance through "Guidance Implementing Section 3 of Executive Order 14192, Titled 'Unleashing Prosperity through Deregulation,'" which explained that a regulatory action for Executive Order 14192 purposes is either a significant regulatory action that is finalized and imposes costs greater than zero or a significant guidance document that is finalized and imposes costs greater than zero.

Under the proposed rule, only the lowest level transportable sections of a manufactured home would be required to be built upon a permanent chassis. The transportable sections of a manufactured home used for the upper floor or floors would not need to be transported or built on a permanent chassis. This change would decrease the costs of building and transporting manufactured homes by approximately \$6,000 per multistory manufactured housing unit. These cost savings represents the minimum level of benefits from the reduction in production, transportation, and installation costs per unit. This proposed rule is therefore deregulatory under Executive Order 14192.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601) requires an agency to conduct a regulatory flexibility analysis of a rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. It is HUD's position that this proposed rule would not have a significant economic impact on a substantial number of small entities. This proposed

rule would regulate establishments primarily engaged in making manufactured homes. The Small Business Administration's size standards define an establishment primarily engaged in making manufactured homes as small if it does not exceed 1,250 employees. 13 CFR 121.201. Of the 562 firms registered to do business under this North American Industry Classification System (NAICS) definition (321991), approximately 37 produce manufactured homes subject to the MHCSS. Of the 37 manufacturers subject to the MHCSS, 34 are considered small businesses based on the threshold of 1250 employees or less. The proposed rule would apply to manufacturers and thus would affect a substantial number of small entities.

However, this proposed rule would provide small manufacturers with cost savings resulting from the elimination of the permanent chassis requirement for transportable sections of upper floors of multistory manufactured housing. The proposed rule would reduce the production, transportation, and installation costs of a multistory manufactured home by anywhere from \$4,800 to \$6,700 per unit. There are no costs associated with this proposed rule because manufacturers may elect to not build multistory manufactured home.

Although a substantial number of small manufacturers will be affected by this rule HUD anticipates that the rule will not have a significant economic impact on them, as explained in the regulatory impact analysis. Accordingly, the undersigned certifies that this rule would not have a significant economic impact on a substantial number of small entities.

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 or is not required by statute, or the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This final rule does not have federalism implications and does not impose substantial direct compliance costs on State and local governments nor preempt State law within the meaning of the Executive Order.

Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the

National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection on www.regulations.gov and between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410–0500.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments, and on the private sector. This rule would not impose any Federal mandates on any State, local, or Tribal governments, or on the private sector, within the meaning of the UMRA.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid Office of Management and Budget (OMB) control number. The information collection requirements were previously approved by OMB under the Paperwork Reduction Act and assigned OMB control number 2502–0253.

VI. Electronic Access and Filing

Comments submitted electronically through the www.regulations.gov website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

HUD will make all properly submitted comments and communications available for public inspection and copying during regular business hours at the above address. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the public comments by calling the Regulations Division at 202–708–3055 (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 all comments submitted are available for inspection

and downloading at www.regulations.gov.

Lists of Subjects

24 CFR Part 201

Claims, Health facilities, Historic preservation, Home improvement, Loan programs—housing and community development, Manufactured homes, Mortgage insurance, Reporting and recordkeeping requirements.

24 CFR Part 3280

Fire prevention, Housing standards.

24 CFR Part 3285

Housing standards, Installation, Manufactured homes.

24 CFR Part 3286

Administrative practice and procedure, Consumer protection, Intergovernmental relations, Manufactured homes, Recordkeeping and recordkeeping requirements.

For the reasons stated in the preamble, HUD proposes to amend 24 CFR parts 201, 3280, 3285, and 3286 to read as follows:

PART 201—TITLE I PROPERTY IMPROVEMENT AND MANUFACTURED HOME LOANS

■ 1. The authority citation for 24 CFR part 201 continues to read as follows:

Authority: 12 U.S.C. 1703; 15 U.S.C. 1639c; 42 U.S.C. 3535(d).

■ 2. In § 201.2, revise the definition of “manufactured home” to read as follows:

§ 201.2 Definitions.

* * * * *

Manufactured home has the same meaning as defined in 24 CFR 3280.2. A new manufactured home must comply with the minimum property standards prescribed by the Secretary to assure its livability and durability that are published as the Manufactured Home Construction and Safety Standards at 24 CFR part 3280, which implement the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. 5401–5426. To qualify for a manufactured home loan insured under this part, an existing manufactured home must have been constructed in accordance with standards published at 24 CFR part 3280 and must meet standards similar to the minimum property standards applicable to existing homes insured under title II of the Act, as prescribed by the Secretary.

* * * * *

PART 3280—MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS

■ 3. The authority citation for 24 CFR part 3280 continues to read as follows:

Authority: 15 U.S.C. 2697, 42 U.S.C. 3535(d), 5403, and 5424.

■ 4. In § 3280.2, revise the definition of “manufactured home” to read as follows:

§ 3280.2 Definitions.

* * * * *

Manufactured home means a structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width or 40 body feet or more in length, or when erected on-site is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities; and includes plumbing, heating, air-conditioning, and electrical systems contained in the structure. This term includes all structures that meet the above requirements except the size requirements and with respect to which the manufacturer voluntarily files a certification pursuant to § 3282.13 of this chapter and complies with the construction and safety standards set forth in this part 3280. The term does not include any self-propelled recreational vehicle. Calculations used to determine the number of square feet in a structure will include the total of square feet for each transportable section comprising the completed structure and will be based on the structure's exterior dimensions measured at the largest horizontal projections when erected on site. These dimensions will include all expandable rooms, cabinets, and other projections containing interior space, but do not include bay windows. Nothing in this definition should be interpreted to mean that a manufactured home necessarily meets the requirements of HUD's Minimum Property Standards or that it is automatically eligible for financing under 12 U.S.C. 1709(b). Nothing in this definition requires each transportable section to be built on a permanent chassis except for the transportable sections designed to be used as the lowest floor of a manufactured home.

* * * * *

■ 5. Amend § 3280.6 by revising paragraph (a) to read as follows:

§ 3280.6 Serial number.

(a) A manufactured home serial number which will identify the manufacturer and the state in which the manufactured home is manufactured,

must be stamped into the foremost cross member. In cases where a section is designed to be an upper floor and where the chassis is removable, a metal plate stamped with the serial number must be securely affixed, using screws, to the inside face of the foremost floor joist. Letters and numbers must be $\frac{3}{8}$ inch minimum in height. Numbers must not be stamped into hitch assembly or drawbar.

* * * * *

§ 3280.113 [Amended]

■ 6. Amend § 3280.113 as follows:

■ a. In paragraph (c) introductory text, remove the citation to “paragraph (d)” and add, in its place, a citation to “paragraph (e)”, and remove the citation to “paragraph (c)” and add, in its place, a citation to “paragraph (d)”;

■ b. In paragraph (e) introductory text, remove the citation to “paragraph (b)” and add, in its place, a citation to “paragraph (d)”;

■ c. In paragraph (e)(4), remove the citation to “paragraph (b)(6)” and add, in its place, a citation to “paragraph (c)(6)”;

■ d. In paragraph (e)(5), remove the citation to “paragraph (b)(7)” and add, in its place, a citation to “paragraph (c)(7)”.

■ 7. Amend § 3280.305 by revising paragraphs (a) and (e) to read as follows:

§ 3280.305 Structural design requirements.

(a) General.

(1) *Integrated structure requirement.* Each manufactured home must be designed and constructed as a completely integrated structure capable of sustaining the design load requirements of this part and must be capable of transmitting these loads to stabilizing devices without exceeding the allowable stresses or deflections. Roof framing must be securely fastened to wall framing, walls to floor structure, and floor structure to chassis to secure and maintain continuity between the floor and chassis, so as to resist wind overturning, uplift, and sliding as imposed by design loads in this part. Uncompressed finished flooring greater than $\frac{1}{8}$ inch in thickness must not extend beneath load-bearing walls that are fastened to the floor structure.

(2) *Multistory manufactured homes.* In multistory construction, each story must be securely fastened to the story above and/or below to provide continuity and resist design loads in this part, except that upper floors do not need to be fastened to a chassis when a chassis is not present. Each multistory structure must be limited to a single

manufactured home consisting of one to four dwelling units.

* * * * *

(e) *Fastening of structural systems.*

(1) *General requirements.* Roof framing must be securely fastened to wall framing, walls to floor structure, and floor structure to chassis, to secure and maintain continuity between the floor and chassis in order to resist wind overturning, uplift, and sliding, and to provide continuous load paths for these forces to the foundation or anchorage system. The number and type of fasteners used must be capable of transferring all forces between elements being joined.

(2) *Multistory manufactured homes.* In addition to the requirements in paragraph (e)(1) of this section, in multistory construction, each story must be securely fastened to the story above and/or below to provide continuity and resist design loads in this section, except that upper floors do not need to be fastened to a chassis when a chassis is not present.

(3) *Impact of Wind Zones.* For Wind Zone II and Wind Zone III, roof framing members must be securely fastened at the vertical bearing points to resist design overturning, uplift, and sliding forces. When engineered connectors are not installed, roof framing members must be secured at the vertical bearing points to wall framing members (studs), and wall framing members (studs) must be secured to floor framing members, with 0.016 inch base metal, minimum steel strapping or engineered connectors, or by a combination of 0.016 inch base metal, minimum steel strapping or engineered connectors, and structural-rated wall sheathing that overlaps the roof and floor system if substantiated by structural analysis or by suitable load tests. Steel strapping or engineered connectors are to be installed at a maximum spacing of 24 inches on center in Wind Zone II, and 16 inches on center in Wind Zone III. *Exception:* Where substantiated by structural analysis or suitable load tests, the 0.016 inch base metal minimum steel strapping or engineered connectors may be omitted at the roof to wall and/or wall to floor connections, when structural rated sheathing that overlaps the roof and wall and/or wall and floor is capable of resisting the applicable design wind loads.

* * * * *

■ 8. Revise § 3280.901 to read as follows:

§ 3280.901 Scope.

Subpart J of this standard covers the general requirement for designing the

structure of the manufactured home to fully withstand the adverse effects of transportation shock and vibration without degradation of the integrated structure or of its component parts and the specific requirements pertaining to the transportation system and its relationship to the structure. In multistory construction, nothing in this subpart shall require a transportable section designed to be used as an upper floor of a multistory manufactured home to be built or transported on a permanent chassis.

■ 9. Amend § 3280.902 by revising paragraph (f) to read as follows:

§ 3280.902 Definitions.

* * * * *

(f) *Transportation system* refers to the chassis.

* * * * *

■ 10. In § 3280.904, revise paragraph (b)(9)(i) to read as follows:

§ 3280.904 Specific requirements for designing the transportation system.

* * * * *

(b) * * *

(9) * * *

(i) *Braking axles.* The number, type, size, and design of brake assemblies required to assist the towing vehicle in providing effective control and stopping of the manufactured home must be determined and documented by engineering analysis. Those alternatives listed in § 3280.903(b)(1) may be accepted in place of such an analysis. Unless substantiated in the design to the satisfaction of the approval agency by either engineering analysis in accordance with § 3280.903(b)(1) or tests in accordance with paragraph (b)(9)(ii) of this section, there must be a minimum of two axles equipped with brake assemblies on each transportable section of the manufactured home including any transportation system used for an upper floor of a multistory manufactured home.

* * * * *

PART 3285—MODEL MANUFACTURED HOME INSTALLATION STANDARDS

■ 10. The authority citation for 24 CFR part 3285 continues to read as follows:

Authority: 42 U.S.C. 3535(d), 5403, 5404, and 5424.

■ 11. In § 3285.5, revise the definition of “manufactured home” to read as follows:

§ 3285.5 Definitions.

* * * * *

Manufactured home has the same meaning as defined in 24 CFR 3280.2.

* * * * *

PART 3286—MANUFACTURED HOME INSTALLATION PROGRAM

■ 12. The authority citation for 24 CFR part 3286 continues to read as follows:

Authority: 42 U.S.C. 3535(d), 5404, and 5424.

■ 13. In § 3286.3, revise the definition of “manufactured home” to read as follows:

§ 3286.3 Definitions.

* * * * *

Manufactured home has the same meaning as defined in 24 CFR 3280.2.

* * * * *

Joseph Gormley,

President of the National Mortgage Association Performing the Delegable Duties of the Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. 2026–11851 Filed 6–11–26; 8:45 am]

BILLING CODE 4210–67–P

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 51**

[EPA–HQ–OAR–2025–0201; FRL–11817.1–01–OAR]

RIN 2060–AW81

Ozone Reclassification State Implementation Plan Rule

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is reconsidering certain aspects of the January 2025 final rule entitled State Implementation Plan Submittal Deadlines and Implementation Requirements for Reclassified Nonattainment Areas Under the Ozone National Ambient Air Quality Standards (“January 2025 final rule”). Among other things, the January 2025 final rule codified a policy that certain State Implementation Plan (SIP) requirements for a prior classification remain due upon an area’s reclassification to a higher classification. In this proposed action, the EPA is proposing a new interpretation that, upon reclassification, an area is subject only to those requirements in Clean Air Act (CAA) section 182 that are specific to that area’s current classification. If finalized, this proposed rule would apply nationwide to all past and future reclassifications associated with the 2008, 2015, and any future ozone National Ambient Air Quality Standards

(NAAQS). The EPA is not reconsidering or reopening any other aspect of the January 2025 final rule in this rulemaking and is not addressing the scope of applicable requirements for NAAQS other than the ozone NAAQS.

DATES: Comments must be received on or before July 13, 2026.

Public hearing: If anyone contacts us requesting a public hearing on or before June 17, 2026, the EPA will hold a virtual public hearing on June 29, 2026. See **SUPPLEMENTARY INFORMATION** for information on requesting and registering for a public hearing.

ADDRESSES: You may send comments, identified by Docket ID No. EPA–HQ–OAR–2025–0201, by any of the following methods:

- **Federal eRulemaking Portal:** <https://www.regulations.gov> (our preferred method). Follow the online instructions for submitting comments. You can also find a plain language summary of the rule on the Federal eRulemaking Portal.
- **Email:** a-and-r-docket@epa.gov. Include Docket ID No. EPA–HQ–OAR–2025–0201 in the subject line of the message.

- **Fax:** (202) 566–9744.
- **Mail:** U.S. Environmental Protection Agency, EPA Docket Center, Office of Air and Radiation Docket, Mail Code 28221T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.
- **Hand Delivery or Courier (by scheduled appointment only):** EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20004. The Docket Center’s hours of operations are 8:30 a.m. to 4:30 p.m., Monday through Friday (except Federal holidays).

Instructions: All submissions received must include the Docket ID No. for this rulemaking. Comments received may be posted without change to <https://www.regulations.gov>, including any personal information provided. For detailed instructions on sending comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document. For information on EPA Docket Center services, please visit us online at <https://www.epa.gov/dockets>.

FOR FURTHER INFORMATION CONTACT: For information about this proposed rule, contact Stephen Senter, U.S. EPA, Office of State Air Partnerships, Air Quality Planning Division, C531–H Research Triangle Park, NC 27709; telephone number: (919) 541–3042; email address: senter.stephen@epa.gov.

SUPPLEMENTARY INFORMATION:

Participation in virtual public hearing. To request a virtual public

hearing, contact the public hearing team at (919) 541–9782 or by email at OSAPpublichearing@epa.gov. If requested, the hearing will be held via virtual platform on June 29, 2026. The hearing will convene at 10 a.m. Eastern Time (ET) and will conclude at 4 p.m. ET; additional hearing hours may be added at the discretion of the EPA. The EPA may close a session 15 minutes after the last pre-registered speaker has testified if there are no additional speakers. The EPA will announce further details at <https://www.epa.gov/ground-level-ozone-pollution/ozone-implementation-regulatory-actions>.

If a public hearing is requested, the EPA will begin pre-registering speakers for the hearing no later than one business day after a request has been received. To register to speak at the virtual hearing, please use the online registration form available at <https://www.epa.gov/ground-level-ozone-pollution/ozone-implementation-regulatory-actions> or contact the public hearing team at (919) 541–9782 or by email at OSAPpublichearing@epa.gov. The last day to pre-register to speak at the hearing will be June 24, 2026. Prior to the hearing, the EPA will post a general agenda that will list pre-registered speakers in approximate order at: <https://www.epa.gov/ground-level-ozone-pollution/ozone-implementation-regulatory-actions>.

The EPA will make every effort to follow the schedule as closely as possible on the day of the hearing; however, please plan for the hearings to run either ahead of schedule or behind schedule.

Each commenter will have approximately four minutes to provide oral testimony. The EPA recommends submitting the text of your oral testimony as written comments to the rulemaking docket.

During the hearing, the EPA may ask clarifying questions but will not respond to comments made during oral testimonies. Written statements and supporting information submitted during the comment period will be considered with the same weight as oral testimony and supporting information presented at the public hearing.

Please note that any updates made to any aspect of the hearing will be posted online at <https://www.epa.gov/ground-level-ozone-pollution/ozone-implementation-regulatory-actions>. While the EPA expects the hearing to be conducted as set forth earlier, please monitor our website to determine if there are any updates. The EPA reserves the right to delay the date of the public hearing for any reason including scheduling conflicts. If this occurs, the

comment period will be extended by the delayed number of days. The EPA does not intend to publish a document in the **Federal Register** announcing updates. All updates and announcements will be communicated on the web page listed above.

If you require the services of a translator or special accommodations, please pre-register for the hearing with the public hearing team and describe your needs by June 19, 2026. The EPA may not be able to arrange accommodations without advanced notice.

Docket. The EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2025-0201. 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 and a plain language summary of the proposed rulemaking are available electronically at <https://www.regulations.gov>.

Instructions. Direct your comments to Docket ID No. EPA-HQ-OAR-2025-0201. The EPA's policy is that all comments received will be included in the public docket without change and may be made available online at <https://www.regulations.gov>, including any personal information provided, unless the comment includes information claimed to be CBI or other information the disclosure of which is restricted by statute. Do not submit electronically to <https://www.regulations.gov> any information that you consider to be CBI or other information the disclosure of which is restricted by statute. This type of information should be submitted as discussed below.

The EPA may publish any comment received to the Agency's public docket. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e., on the Web, cloud, or other file sharing system). For

additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

The <https://www.regulations.gov> website allows you to submit your comment anonymously, which means the EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to the EPA without going through <https://www.regulations.gov>, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the internet. If you submit an electronic comment, the EPA recommends that you include your name and other contact information in the body of your comment and with any digital storage media you submit. If the EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, the Agency may not be able to consider your comment. Electronic files should not include special characters or any form of encryption and should be free of any defects or viruses. For additional information about the EPA's public docket, visit the EPA Docket Center homepage at <https://www.epa.gov/dockets>.

Submitting CBI. Do not submit information containing CBI to the EPA through <https://www.regulations.gov>. Clearly mark the part or all of the information that you claim to be CBI. For CBI information on any digital storage media that you mail to the EPA, note the docket ID, mark the outside of the digital storage media as CBI, and identify electronically within the digital storage media the specific information that is claimed as CBI. In addition to one complete version of the comments that includes information claimed as CBI, you must submit a copy of the comments that does not contain the information claimed as CBI directly to the public docket through the procedures outlined in *Instructions* above. If you submit any digital storage media that does not contain CBI, mark the outside of the digital storage media clearly that it does not contain CBI and note the docket ID. Information not marked as CBI will be included in the public docket and the EPA's electronic public docket without prior notice. Information marked as CBI will not be disclosed except in accordance with procedures set forth in 40 Code of Federal Regulations (CFR) part 2.

Our preferred method to receive CBI is electronic transmission using email attachments, File Transfer Protocol (FTP), or other online file sharing services (e.g., Dropbox, OneDrive, Google Drive). Electronic submissions must be transmitted directly to the Office of State Air Partnerships (OSAP) CBI Office at the email address osapcbi@epa.gov and, as described above, should include clear CBI markings and note the docket ID. If assistance is needed with submitting large electronic files that exceed the file size limit for email attachments, and if you do not have your own file sharing service, please email osapcbi@epa.gov to request a file transfer link. If sending CBI information through the postal service, please send it to the following address: U.S. EPA, Attn: OSAP Document Control Officer, 4930 Old Page Rd. C404-02, Durham, NC 27703, Attention Docket ID No. EPA-HQ-OAR-2025-0201. The mailed CBI material should be double wrapped and clearly marked. Any CBI markings should not show through the outer envelope.

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:

CAA Clean Air Act
CBI Confidential Business Information
CFR Code of Federal Register
CTG Control Technique Guideline
DAAD Determination of Attainment by the Attainment Date
DV Design Value
FIP Federal Implementation Plan
FTP File Transfer Protocol
I/M Inspection and Maintenance
NAAQS National Ambient Air Quality Standards
NNSR Nonattainment New Source Review
NSR New Source Review
NO_x Nitrogen Oxides
NTTAA National Technology Transfer Advancement Act
OSAP Office of State Air Partnerships
PBI Proprietary Business Information
PRA Paperwork Reduction Act
RACM Reasonably Available Control Measures
RACT Reasonably Available Control Technology
RFA Regulatory Flexibility Act
RFP Reasonable Further Progress
ROP Rate of Progress
SIP State Implementation Plan
TAR Tribal Authority Rule
TIP Tribal Implementation Plan
TPY Tons Per Year
UMRA Unfunded Mandates Reform Act

VMT Vehicle Miles Traveled
VOC Volatile Organic Compounds

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I. Overview and Basis of Proposal

A. Overview of Proposal

In the January 2025 final rule, the EPA codified a policy—referred to herein as the “leftover SIP elements policy”—providing that, upon reclassification, certain elements of a SIP associated with an area’s prior classification are no longer applicable requirements, while other SIP elements remain applicable requirements.¹ This policy meant that States must continue to comply with certain statutory requirements that apply to an area’s prior classification even after the area has been reclassified to a new, higher, classification subject to a different, and generally more restrictive, set of requirements. The EPA based this policy primarily on its interpretation at the time of CAA section 182,² which

prescribes escalating requirements for nonattainment areas designated Marginal, Moderate, Serious, Severe, and Extreme and includes additional provisions with respect to compliance milestones and reclassification.³

The EPA is reconsidering the leftover SIP elements policy to ensure consistency with the best reading of the statute, including the text and structure of CAA section 182 and the function of the statute’s provisions for ozone NAAQS implementation as a whole. In this proposed action, the EPA is proposing to revise the Agency’s regulations at 40 CFR 51.1403 to provide that, upon reclassification, the area’s new (current) classification level governs which SIP requirements are applicable to that area. The EPA is not reconsidering or proposing any changes to any other regulatory provision addressed in the January 2025 final rule at this time.

As explained further in section II.C of this preamble, reclassified areas would be required to submit SIP elements specific to the applicable classification level, as though that area had originally been classified at that classification level—referred to herein as the “reclassified area SIPs policy.” If a required SIP element for an area’s new classification level was already satisfied for that NAAQS when the area was at a lower classification, the requirement would be considered fulfilled and would not be triggered anew upon reclassification. The EPA believes that this interpretation better reflects the text and structure of CAA section 182 and related provisions, under which each nonattainment area can only be subject to a single classification at a time. The area’s current classification level defines a State’s requirements for that area under CAA section 182, which provides for requirements applicable to that classification and specifies when the requirements for that classification level incorporate certain requirements for a prior classification.⁴ Just as an area can

only be subject to a single classification at a given time, an area can similarly only be subject to the requirements associated with a single classification at a given time.

Upon the effective date of reclassification, the area would be subject to the requirements for that new classification only. For example, for an area that is reclassified from Moderate to Serious, the State is required to submit only Serious area requirements because the area is now Serious, and a single nonattainment area can be subject to only one nonattainment classification at any point in time for the same ozone NAAQS. However, per the instruction in CAA section 182(c), States with Serious nonattainment areas are required to make the SIP submissions described under CAA section 182(a) and (b) in addition to the other submissions described under CAA section 182(c). The newly classified Serious area does not escape the Moderate area requirements. The State must submit the Serious area SIP elements, which necessarily include all of the Moderate area SIP elements, on the timeline that accords with the new Serious area classification. The statute is clear that higher classifications are allotted more time to attain the NAAQS⁵ and therefore are afforded more time to develop and implement some plans and controls to reduce emissions.

It is the EPA’s intent that this rule, if finalized, would apply with respect to all past and future ozone nonattainment areas reclassified by operation of law from (1) Marginal to Moderate, (2) Moderate to Serious, and (3) Serious to Severe, and also to any voluntary reclassification request granted by the EPA traversing any of these classifications, including voluntary reclassifications to Extreme.⁶ Put another way, if finalized, this proposed rule would apply to the EPA’s past reclassification actions such that it would relieve States subject to those actions from the SIP submission obligations associated with the lower classification (the classification that predated the reclassification). If, for example, the EPA had issued a finding of failure to submit for the lower classification SIP submittals, the

³ In this preamble, the EPA is using the phrase “applicable requirement” to denote whether a State is legally required to submit certain SIP revisions, or not. If the requirement is applicable, the State does have a legal requirement to submit the SIP revision associated with that requirement. If the requirement is not applicable, the State is not legally required to submit that SIP revision. The phrase “applicable requirement” appears in certain CAA provisions that are not relevant to this proposal. The EPA is not interpreting the statutory phrase “applicable requirement” in this proposal.

⁴ See, e.g., 42 U.S.C. 7511a(b) (providing that upon reclassification from Marginal to Moderate, States must “make the submissions described under subsection (a) of this section (relating to Marginal Areas) and shall also submit the revisions to the applicable implementation plan described under this subsection.”), 7511a(c) (similar for

reclassification from Moderate to Serious), 7511a(d) (similar for reclassification from Serious to Severe); see also *id.* 7511a(i) (providing that when “an ozone nonattainment area” is “reclassified” for failure to attain by operation of law, the State “shall meet such requirements of subsections (b) through (d) of this section as may be applicable to the area as reclassified” (emphasis added)).

⁵ 42 U.S.C. 7511(a)(1).

⁶ See e.g., 81 FR 26697 (May 4, 2016), 84 FR 44238 (August 23, 2019), 87 FR 60926 (October 7, 2022), 87 FR 60897 (October 7, 2022).

¹ 90 FR 5651, 5665 (January 17, 2025); see 40 CFR 51.1403.

² 42 U.S.C. 7511a.

finalization of this action as proposed would render such a finding obsolete because those SIP submittals would no longer be due to the Agency. Moreover, because this interpretation is specific to the ozone provisions of CAA section 182, it would apply to nonattainment areas for any future ozone NAAQS and all current ozone NAAQS (*i.e.*, the 2008 and 2015 standards) and not to nonattainment areas for any other NAAQS not addressed in CAA section 182. While the EPA is soliciting comments on all aspects of the proposed changes, the Agency is specifically seeking comments on the concept that this proposed rulemaking, if finalized, would apply to reclassification actions that occurred in the past.

Under CAA section 301(d) and the Tribal Authority Rule (TAR), Tribes may, but are not required to, submit implementation plans to the EPA for approval.⁷ Accordingly, for Tribal nonattainment areas, a Tribe is not required to submit any Tribal Implementation Plan (TIP) revisions applicable to nonattainment areas pursuant to CAA section 182. Tribes that are part of multi-jurisdictional nonattainment areas are also not required to submit TIP revisions.

B. What is the background for the proposed actions?

On March 27, 2008, the EPA issued a final rule to revise the NAAQS for ozone to establish a more stringent 8-hour standard (“2008 ozone NAAQS”).⁸ In that rule, the EPA promulgated identical primary and secondary ozone standards that specified an 8-hour ozone level of 0.075 ppm. Specifically, the standards require that the 3-year average of the annual fourth highest daily maximum 8-hour average ozone concentration may not exceed 0.075 ppm.

Effective July 20, 2012, the EPA designated 45 areas throughout the country as nonattainment for the 2008 ozone NAAQS.⁹ In a separate rule, the EPA assigned classification thresholds and attainment dates based on the severity of an area’s ozone levels, determined by the area’s design value (DV).¹⁰ That separate rule also established the attainment dates for Marginal, Moderate, Serious, Severe, and Extreme nonattainment areas as 3 years, 6 years, 9 years, 15 years, and 20

years, respectively, from the effective date of the final designations.¹¹ Therefore, the attainment dates for each initial nonattainment area classification for the 2008 ozone NAAQS are as follows: July 20, 2015, for Marginal areas; July 20, 2018, for Moderate areas; July 20, 2021, for Serious areas; July 20, 2027, for Severe areas; and July 20, 2032, for Extreme areas. On March 6, 2015, the EPA also promulgated a rule interpreting the CAA’s ozone nonattainment area implementation requirements for the 2008 ozone NAAQS (“2008 implementation rulemaking”).¹² The 2008 implementation rule articulated the CAA’s substantive requirements for ozone nonattainment areas for each classification level and established deadlines for the submission of SIP revisions to address those requirements that were triggered by the areas’ initial nonattainment designations.¹³

On October 26, 2015, the EPA issued a final rule that revised the NAAQS for ozone to establish a more stringent 8-hour standard (“2015 ozone NAAQS”).¹⁴ In that rule, the EPA promulgated identical primary and secondary ozone standards that specified an 8-hour ozone level of 0.070 ppm. Specifically, the standards require that the 3-year average of the annual fourth highest daily maximum 8-hour average ozone concentration may not exceed 0.070 ppm.

Effective August 3, 2018, the EPA designated 51 areas throughout the country as nonattainment for the 2015 ozone NAAQS.¹⁵ In a separate rule, the EPA assigned classification thresholds and attainment dates based on the severity of an area’s ozone levels, determined by the area’s DV.¹⁶ That separate rule also established the attainment date for Marginal, Moderate, Serious, Severe, and Extreme nonattainment areas as 3 years, 6 years, 9 years, 15 years, and 20 years, respectively, from the effective date of the final designations.¹⁷ Therefore, the attainment dates for each initial nonattainment area classification for most of the 2015 ozone NAAQS nonattainment areas are as follows: August 3, 2021, for Marginal areas; August 3, 2024, for Moderate areas; August 3, 2027, for Serious areas; August 3, 2033, for Severe areas; and August 3, 2038, for Extreme areas. On

December 6, 2018, the EPA also promulgated a rule interpreting the CAA’s ozone nonattainment area implementation requirements for the 2015 ozone NAAQS (“2015 implementation rulemaking”).¹⁸ The 2015 implementation rulemaking articulated the CAA’s substantive requirements for ozone nonattainment areas for each classification level and established deadlines for the submission of SIP revisions to address those requirements that were triggered by the areas’ initial nonattainment designations.¹⁹

On October 4, 2024, the EPA proposed a rulemaking that, among other things, included a policy that certain prior classification SIP requirements remain due upon an area’s reclassification to a higher classification.²⁰ On January 17, 2025, the EPA finalized the January 2025 final rule.²¹ In addition to the leftover SIP elements policy, the January 2025 final rule established universal default deadlines for submitting SIP revisions and for implementation of relevant control requirements that apply for reclassified Moderate, Serious, and Severe nonattainment areas. The default deadlines apply when an area fails to attain the standard by the applicable attainment date or if the EPA grants a voluntary reclassification request. The January 2025 final rule includes different default SIP submission deadlines for different SIP elements that can be adjusted, if necessary and appropriate, through separate notice-and-comment actions. In this proposed action, the EPA is reconsidering the leftover SIP elements policy and proposing changes to the January 2025 final rule solely with respect to this issue.

C. What is the statutory authority for the proposed actions?

The statutory authority for the actions proposed in this rule is provided by the CAA, as amended.²² Relevant portions of the CAA include, but are not limited to, CAA sections 172, 181, and 182 (42 U.S.C. 7502, 7511, and 7511a).

CAA section 181(a)(1) requires each area designated as nonattainment for a revised ozone NAAQS to be classified at the time of designation. Each area’s classification is based on the level of ozone pollution in the area, which is determined based on the area’s

⁷ 42 U.S.C. 7601(d); 40 CFR part 49; *see generally* 63 FR 7254 (February 12, 1998).

⁸ 73 FR 16436 (March 27, 2008).

⁹ 77 FR 30088 (May 21, 2012).

¹⁰ 77 FR 30160 (May 21, 2012). Design values are the metrics that are compared to the NAAQS levels to determine a nonattainment area’s classification at the time of initial designations and compliance with the NAAQS. *See* 40 CFR part 50, appendix P.

¹¹ 77 FR 30160 at 30171 (May 21, 2012).

¹² 80 FR 12264 (March 6, 2015).

¹³ *Id.*; 40 CFR 51.1100 through 1119.

¹⁴ 80 FR 65292 (October 26, 2015).

¹⁵ 83 FR 25776 (June 4, 2018).

¹⁶ 83 FR 10376 (March 9, 2018).

¹⁷ *Id.* at 10380.

¹⁸ 83 FR 62998 (December 6, 2018).

¹⁹ *Id.*; 40 CFR 51.1300 through 1319.

²⁰ 89 FR 80833 (October 4, 2024).

²¹ 90 FR 5651 (January 17, 2025).

²² 42 U.S.C. 7401 *et seq.*

monitored DV.²³ CAA section 172 governs nonattainment area plan provisions in general, and CAA section 182 provides the specific attainment planning and additional requirements that apply to each ozone nonattainment area based on its classification. CAA sections 172 and 182 also establish the timeframes by which air agencies must submit and implement SIP revisions to satisfy the applicable attainment planning elements. Such plans “shall provide for attainment of the NAAQS,”²⁴ and that the “primary standard attainment date for ozone shall be as expeditiously as practicable” but not later than a maximum attainment date.²⁵ CAA section 182(i) lists the State planning requirements and SIP submission deadlines for reclassified areas. Specifically, CAA section 182(i) provides that areas that are reclassified by operation of law for failure to attain by the attainment date “shall meet such requirements of subsections (b) through (d) of this section as may be applicable to the area as reclassified.”²⁶ Subsections (b) through (d) of CAA section 182 cover the required SIP revisions for the Moderate (section 182(b)), Serious (section 182(c)), and Severe (section 182(d)) classification levels. Each subsection requires the relevant State to “make the submissions” set out in the prior subsection (*i.e.*, for the lower classification) in addition to the submissions required in the applicable subsection (*i.e.*, for the new, higher classification), unless explicitly stated otherwise.²⁷ The SIP revisions, control measures, and timing of such submissions and controls are intended to, among other things, ensure that areas will attain the NAAQS as expeditiously as practicable, but no later than the applicable attainment date.²⁸

Unless provided otherwise by statute, an agency may revise or rescind prior actions so long as it acknowledges the change in position, provides a reasonable explanation for the new position, and considers legitimate reliance interests in the prior position.²⁹

The EPA proposes that nothing in the language of the statute prohibits or conditions the Agency’s general authority to rescind prior actions, and specifically nothing limits the Agency’s authority to reconsider and revise the leftover SIP elements policy from the January 2025 final rule. Within this preamble, the EPA acknowledges the change in position (the change in statutory interpretation for CAA section 182). The EPA provides a reasonable explanation for the new position (that it is the best reading of the CAA). Lastly, the EPA considered legitimate reliance interests which are minimal, if any, due to the effect of the proposed revisions being to relieve States of SIP submissions that are currently required. Since the nature of the proposed revisions are deregulatory (require less of States compared to the status quo), reliance interests do not weigh heavily. The EPA believes this to be true for States that contain ozone nonattainment areas because this action would relieve the State of SIP submittal obligations that were previously imposed on the States. If a State still wishes to provide those SIP submissions to the EPA, the State is free to do so, and the revisions proposed in this rulemaking would not impede the State’s ability in any way. So, if a State were relying on making such SIP submissions for some reason, the State is still free to make those submissions if this rulemaking is finalized. Further, the EPA is not aware of situations in which members of the public would have made decisions in reliance on the leftover SIP elements policy from the January 2025 final rule. That policy did not have a direct impact on the public. The EPA is specifically soliciting comments on whether any reliance interest exists that the Agency did not consider here.

II. What is the EPA proposing and what is the rationale?

A. Summary of the Policy Codified in the January 2025 Final Rule and the Underlying Rationale

The January 2025 final rule codified a policy that, upon reclassification, certain SIP elements associated with the area’s prior classification are no longer considered applicable requirements, while other SIP elements from the prior classification are still considered applicable. Specifically, the policy provided that, following reclassification, the following SIP requirements related to the prior classification level for an ozone nonattainment area no longer apply: (1) a demonstration of attainment by the prior attainment date; (2) a reasonably available control measures

(RACM) analysis tied to the prior attainment date; and (3) for areas that are voluntarily reclassified before the lower classification’s attainment date, contingency measures specifically related to the area’s failure to attain by the prior attainment date.

Under the leftover SIP elements policy, all other SIP elements associated with the area’s prior classification are still applicable after reclassification to a higher classification. For example, a State required to submit a SIP revision addressing Moderate area Reasonably Available Control Technology (RACT) under CAA section 182(b)(2) by January 1, 2023, that had yet to fulfill that submission requirement would still be required to submit that Moderate RACT SIP by the January 1, 2023, deadline, even after the area was reclassified to Serious at a date later than January 1, 2023. If the EPA issued a finding that the State had failed to submit that Moderate RACT SIP revision by that deadline, that finding would continue to have legal effect and consequences even after the area was reclassified to Serious. To be specific, the legal consequences stemming from such a finding would be the imposition of sanctions in the area and a requirement for the EPA to promulgate a Federal Implementation Plan (FIP). In this scenario, under the EPA’s previous policy, reclassification would not terminate either of the legal consequences clocks stemming from the finding.

This policy relied on two underlying rationales that the EPA now proposes can no longer be sustained. First, the EPA asserted that interpreting the statute to carry forward certain obligations from a prior classification level is “supported by and consistent with the relevant statutory provisions and is the best interpretation of relevant CAA provisions.”³⁰ In the preamble to the January 2025 final rule, the EPA asserted that tiered ozone nonattainment area requirements in CAA section 182 are cumulative and that reclassification does not mean that certain requirements tied to a lower classification are no longer applicable.³¹ Second, notwithstanding the EPA’s position at the time that requirements are cumulative, the Agency specified exceptions for certain elements of the lower classification that cannot logically be fulfilled after the attainment date for the lower classification no longer applies.³² To support this conclusion, the EPA relied on the principle that requirements that would produce an

²³ 42 U.S.C. 7511(a)(1).

²⁴ 42 U.S.C. 7502(c)(1).

²⁵ 42 U.S.C. 7511(a)(1).

²⁶ 42 U.S.C. 7511a(i).

²⁷ See, e.g., 42 U.S.C. 7511a(b) (requiring Moderate areas to make submissions relating to Marginal areas in addition to the revisions for the Moderate classification).

²⁸ 42 U.S.C. 7502(c)(1); see also 42 U.S.C. 7511a.

²⁹ See *FDA v. Wages & White Lion Invs., L.L.C.*, 604 U.S. 542 (2025); *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502 (2009); *Motor Vehicle Mfrs. Ass’n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29 (1983); *Clean Air Council v. Pruitt*, 862 F.3d 1, 8 (D.C. Cir. 2017) (“Agencies obviously have broad discretion to reconsider a regulation at any time.”).

³⁰ 90 FR 5666 (January 17, 2025).

³¹ *Id.* at 5667.

³² *Id.* at 5668.

absurd result need not be given legal effect, that certain SIP elements were “as a matter of logic, impossible to fulfill” after the attainment date has passed, and that “[t]o give sensible construction to the terms of the CAA,” the EPA must “avoid an absurd result.”³³

B. Summary of New Proposed Approach and Underlying Rationale

In this proposed action, the EPA is proposing to revise the regulations codified in the January 2025 final rule that reflect the leftover SIP elements policy. Upon further consideration, the EPA has determined that the Agency’s prior interpretation of CAA section 182 as imposing cumulative obligations that continue to apply upon reclassification of a nonattainment area to a higher classification is not the best reading of the statute and is therefore impermissible.³⁴ The text and structure of the statute make plain that areas can only be subject to one classification at a time for an ozone NAAQS, which is the area’s current classification. Because an area can only be subject to a single classification for an ozone NAAQS at any given time, the EPA proposes that an area can only be subject to the SIP submittal and implementation requirements associated with its current classification. Under this interpretation, no absurd result is produced, and there is no need to exempt certain requirements that cannot logically carry forward because the statute’s most natural reading does not carry any requirements forward except as expressly stated, thereby solving the absurdity of certain carry-forward obligations being impossible to carry out upon reclassification. Therefore, for the reasons stated in this section, the EPA is proposing that the SIP submittal obligations in CAA section 182 attached to a prior classification are not intended to accumulate upon reclassification.

In the January 2025 final rule, the EPA used the term “cumulative” in this context to mean that all SIP submittal obligations accumulate over time irrespective of the area’s current classification. The EPA’s position was that an area is still directly governed by the obligations associated with a lower classification after reclassification such that the State must still submit all SIP elements for the lower classification on the schedules that were established while the area was governed by that lower classification, even after the area

is no longer subject to that classification. The EPA is now proposing that the best reading of CAA section 182 is that, upon reclassification, an area’s only ozone SIP planning obligations are those associated with the area’s current classification and are to be submitted and implemented on the schedule applicable to the current classification. The EPA is proposing that a reclassified area would only be subject to one set of SIP submittal obligations in CAA section 182, not two, three, or more, as the leftover SIP policy requires in certain instances.

Under the structure and language of CAA section 182, a State with a Moderate area must meet all requirements under CAA section 182(a) and (b), a State with a Serious area must meet all requirements under CAA section 182(b) and (c), a State with a Severe area must meet all requirements under CAA section 182(c) and (d), and a State with an Extreme area must meet all requirements under CAA section 182(d) and (e). Therefore, if this proposal is finalized, as an area is reclassified, the State would not be relieved of any substantive obligations upon reclassification because the substantive SIP submittal obligations of the lower classification are also required under the area’s current classification. The State would be required to fulfill its obligations for the nonattainment area in accordance with the area’s current legal status as opposed to its former legal status, which was extinguished upon reclassification and no longer applies.

If a State has already satisfied a required SIP element for an area’s new classification level for that NAAQS at a time when the area was at a lower classification, the EPA is proposing that the requirement would be considered fulfilled and would not be triggered anew upon reclassification. For instance, under CAA section 182(a)(1), States with Marginal areas are required to submit a baseline emissions inventory. Upon reclassification, Moderate area SIPs are to meet the requirements under CAA section 182 (a) and (b). However, the EPA is proposing that a State with an area reclassified from Marginal to Moderate would not need to resubmit a baseline emissions inventory if the State already submitted that requirement when the area was classified as Marginal.

In the proposal for the January 2025 final rule, the EPA asserted that the statute does not specify what happens to the lower classification requirements that were applicable to the area upon

reclassification.³⁵ On this basis, the EPA purported to fill an alleged gap with the leftover SIP elements policy. However, CAA section 182(i) is clear: “Each State containing an ozone nonattainment area reclassified under [181(b)(2)] of this title shall meet the applicable requirements of subsections (b) through (d) of this section as may be applicable to the area as reclassified.”³⁶ CAA section 181(b)(2) specifies that areas that are determined to have failed to attain by their applicable attainment date “shall be reclassified by operation of law in accordance with table 1 of subsection (a) of this section to the higher of” either the next higher classification “or” the classification representative of the area’s current DV.³⁷ CAA section 181(b)(3), for voluntary reclassification, includes a similar cross reference to Table 1 of subsection (a) and states that the EPA would reclassify to “a higher classification.”³⁸ Table 1, which is within CAA section 181(a)(1), specifies the available classification levels. That same provision makes clear that at initial designation, each ozone nonattainment area shall be classified “as a Marginal Area, a Moderate Area, a Serious Area, a Severe Area, or an Extreme Area.”³⁹ The term “or” clearly indicates that a nonattainment area can only be subject to one classification at a time. The cited language also states that areas be given “a” classification level, indicating that the classification level is singular at any given time. As such, “the applicable requirements” referenced in CAA section 182(i) can only be those associated with one nonattainment classification: the reclassification status that is applicable after the reclassification.

Upon reconsideration, the EPA now believes that the previously identified gap is not a gap at all, but a logical consequence of what the text and structure of CAA section 182 provide with respect to the effect of reclassification. There is no ambiguity in the statute to resolve through a policy decision regarding which elements of the prior classification continue to apply and which do not. The EPA therefore proposes to depart from the rationale stated in support of the January 2025 final rule and to modify the regulations to align with the plain

³⁵ 89 FR 80843 (October 4, 2024) (“In contrast, the CAA does not specify what then happens to the requirements that were applicable to the area as it was formerly classified.”); *see also* 90 FR 5665 (January 17, 2025) (finalizing this approach as proposed and responding to comments).

³⁶ 42 U.S.C. 7511a(i).

³⁷ 42 U.S.C. 7511(b)(2).

³⁸ 42 U.S.C. 7511(b)(3).

³⁹ 42 U.S.C. 7511(a)(1) (emphases added).

³³ *Id.* at 5666.

³⁴ *Loper Bright Enters. v. Raimondo*, 603 U.S. 369 (2024) (requiring Agency statutory interpretations to be based on the best interpretation, or best reading, of the statute).

language and best reading of the CAA. Congress intended, for example, for a Serious area to meet a set of requirements inclusive of the requirements of CAA section 182(a) and (b), but as part of the Serious area plan, not as part of a retroactive plan untethered to the area's new attainment date and current, more stringent classification. Nothing in the language of the statute suggests that the requirements in each subsection of CAA section 182 accumulate upon reclassification.

This interpretation has the added benefit of resolving the absurdity the EPA identified in the January 2025 final rule with respect to carry-forward requirements that would be impossible to implement at the higher classification level. The EPA stands by the Agency's prior identification of that problem, but now proposes that such impossibilities support interpreting the statute to require only those SIP elements that apply to an area's current classification. In other words, in the January 2025 final rule, the EPA identified a real problem but reached the wrong conclusion. The text of the statute does not itself differentiate between requirements for a prior classification that are practicable or impracticable. Rather than interpreting the statute to leave such problems for resolution through rulemaking, the Agency now proposes that the best reading is the one that gives effect to all provisions without the need for further clarification. The interpretation set out in this preamble does so by concluding that the applicable SIP requirements are those set out in the relevant subsection addressing the area's current classification.

To be clear, the regulatory modifications proposed in this action would not relieve a State of substantive planning obligations upon reclassification. Rather, upon reclassification, States would remain obligated to develop, submit, and implement SIP elements in accordance with the subsection of CAA section 182 that applies to the area's now-current nonattainment classification. States would remain obligated to address the substance of the requirements associated with lower classifications to the extent specified in the subsection of CAA section 182 that governs the area's current classification level and in accordance with the timing requirements applicable to the area's current classification.⁴⁰ But those

requirements and associated timelines flow from the State's current planning requirements as a result of the area's current classification and do not flow from earlier obligations associated with a classification that no longer applies.

One outcome of reclassification is an acknowledgement that a State needs additional time to implement more stringent requirements and controls in order for an area to attain. As such, the CAA provides States with additional time to focus on the full suite of more stringent applicable requirements and deadlines. The plain language of CAA section 182(i) unequivocally states that the applicable requirements for reclassified areas are those applicable to the area as reclassified. Congress' intent is clear, and the EPA does not need to, and cannot, "gap fill" where gaps do not exist. Further, when this provision is read in conjunction with the introductory language in subsections (b), (c), (d), and (e) laying out the additive nature of CAA section 182's structure, the best reading of the CAA in the approach proposed here.

The EPA's proposed change provides a consistent and uniform regulatory landscape for all States, upon reclassification, to develop and implement effective plans on a single, harmonized schedule. If a State with an area that is reclassified has not met all applicable requirements associated with a prior lower classification, the State must submit those SIP elements on the timeline specific to the area's current classification. This aligns with how Congress designed the process for an initially designated Severe area, for example. Such an area is not required to submit four distinct plans (a Marginal, Moderate, Serious, and Severe plan). An initially designated Severe area is required to submit only one plan: a Severe area plan that is inclusive of all of the requirements listed under CAA section 182(a) through (d). For an area reclassified as Severe, the requirements of CAA section 182(a)–(c) certainly continue upon reclassification, but strictly in the sense that they are now subsumed into the area's Severe area plan. Requirements associated with a prior classification cannot continue to apply in the same manner in which they were originally designed once that prior classification has been extinguished by reclassification.

Under this proposed approach, which is based on the best reading of the CAA, States would no longer be required to submit requirements for a classification that has been extinguished upon

reclassification, and there is no need to exempt certain lower classification SIP elements inherently tied to a date in the past to avoid absurd results. Since the EPA is now proposing that no SIP requirements from the prior classification are "leftover," there is no need for any such exemptions. As noted above, the EPA continues to believe that certain lower classification SIP elements cannot logically carry over to a higher classification, but is now proposing to reach a different conclusion based on that observation.

The reclassified area SIPs policy enables States to focus their planning efforts and resources on attaining by their current classification's attainment date. The EPA believes that the approach proposed here has the added benefit of focusing States' efforts on the requirements applicable to an area's current classification status, thereby reducing the burdens involved in implementing requirements from multiple classification levels on multiple timelines (and, for some areas, for multiple versions of the ozone NAAQS). The EPA further believes that the approach proposed here has the added benefit of eliminating differential treatment among areas that reached the same classification level through different pathways.

C. Proposed Status of Requirements for Each Classification Level

1. Marginal Area Requirements

"Marginal" is the lowest ozone nonattainment area classification and is not a classification that can be assigned as a result of a reclassification action. CAA section 182(a) specifies the applicable requirements for nonattainment areas designated as Marginal. The CAA requires a SIP submission for a Marginal area containing a baseline emissions inventory, emissions statements, and periodic emissions inventory updates to be submitted to the EPA no later than two years after the effective date of designation, and a NNSR program to be submitted to the Agency no later than three years after the effective date of designation.⁴¹ Each ozone nonattainment area must achieve the NAAQS by its respective attainment date, which corresponds to its classification.⁴² The EPA is required to issue determinations of attainment by the attainment date within six months of the attainment date. If an area is determined to have failed to attain by its respective attainment date, it is

⁴⁰ See 40 CFR 51.1402 for the EPA's approach to SIP submission deadlines and implementation deadlines. The EPA is including citation to 40 CFR

51.1402 for informational purposes only and is not proposing to reopen this regulation.

⁴¹ 40 CFR 51.1314 and 1315.

⁴² See CAA section 181 (establishing attainment dates from previous ozone NAAQS).

reclassified by operation of law to the next higher classification.⁴³ If the EPA finds that a Marginal nonattainment area fails to attain by the attainment date, the area is reclassified by operation of law to Moderate. A State with a Marginal nonattainment area may also request a voluntary reclassification for that area to Moderate or higher classification.

2. Moderate Area Requirements

Upon reclassification from Marginal to Moderate, a nonattainment area is subject to the requirements under CAA section 182(b). Requirements from CAA section 182(a) must be included in the SIP submission for Moderate areas pursuant to CAA section 182(b). Specifically, NNSR, baseline emissions inventories, emissions statements, and periodic emissions inventory updates are all requirements pursuant to CAA section 182(b). A State with a reclassified area is required to submit a plan that meets all these requirements in accordance with the deadlines applicable to the reclassification status.

SIP submissions for a Moderate area must contain, in addition to the elements listed in CAA section 182(a), the requirements listed under CAA sections 182(b) and 172(c) and 40 CFR part 58. Specifically, the CAA requires the SIP submission for a Moderate area to contain the following SIP elements detailed in CAA section 182(b): RACT for major stationary sources (greater than 100 tons per year (tpy)) of nitrogen oxides (NO_x) and volatile organic compounds (VOCs) and categories of sources covered by control technique guidelines (CTG), a 15 percent reasonable further process (RFP) plan over six years, and a basic vehicle inspection and maintenance (I/M) program; the following SIP elements detailed in CAA section 172(c): a modeled attainment demonstration and contingency measures for failure to attain or achieve RFP; and the following SIP elements detailed in 40 CFR part 58: an enhanced monitoring plan. If any requirement of CAA section 182(a) had previously been satisfied while the area was Marginal for the ozone NAAQS in question, the EPA is proposing that the requirement is deemed satisfied and a SIP revision need not be made by the State for that element again. If the State did not make a required SIP submission under CAA section 182(a) while an area was Marginal, that SIP submission is still due to the EPA after reclassification of the area to Moderate. However, the SIP element is now part of the area's Moderate area plan and therefore is due

to the EPA in accordance with the deadline applicable to reclassified Moderate areas.

If a State had yet to submit a Marginal area requirement upon reclassification to Moderate or higher classification, the EPA is proposing that it would no longer be required to submit that Marginal area requirement in the context of a Marginal area plan. If the EPA issued a finding of failure to submit a complete SIP for any Marginal SIP elements, the Agency is proposing that the finding would be moot as the Marginal elements would no longer be required SIP elements upon reclassification. After the reclassification, the area is no longer Marginal, and the EPA is proposing that there is no obligation to submit a SIP revision to meet requirements for the now extinguished classification. If the EPA disapproved a Marginal area requirement, upon reclassification to Moderate or higher classification the Agency anticipates not needing to rescind or withdraw that disapproval, but associated sanctions clocks would be stopped pursuant to 40 CFR 52.31. The EPA is proposing that the Agency would not be obligated to promulgate a FIP because the element would no longer be considered a required SIP element as triggered by a Marginal classification. A revised SIP submission addressing that element would be evaluated anew by the EPA as part of the Moderate or higher classification plan. Unless the EPA specifies otherwise in the Agency's determination of attainment by the attainment date (DAAD) action, the applicable submittal and implementation deadlines for the Moderate area plan remain the default deadlines established at 40 CFR 51.1402. The EPA is not proposing to change these default deadlines in this rulemaking.

3. Serious Area Requirements

Upon reclassification from Moderate to Serious, a nonattainment area is subject to the requirements under CAA section 182(c). Requirements from CAA section 182(a) and (b) must be included in the SIP submission for Serious areas pursuant to CAA section 182(c). Specifically, NNSR, baseline emissions inventories, emissions statements, periodic emissions inventory updates, RACT for major stationary sources (greater than 100 tpy) of NO_x and VOCs and categories of sources covered by a CTG, the 15 percent RFP plan, the modeled attainment demonstration, contingency measures for failure to attain or achieve RFP, and the 40 CFR part 58 enhanced monitoring plan are all requirements pursuant to CAA

section 182(c).⁴⁴ The State with a reclassified area is required to submit a plan that meets all these requirements in accordance with the deadlines applicable to the reclassification status.

The CAA requires the SIP submission for a Serious area to contain, in addition to the elements listed in CAA section 182(a) and (b), the requirements listed under CAA section 182(c). Specifically, the CAA requires the SIP submission for a Serious area to contain the following SIP elements detailed in CAA section 182(c): an enhanced monitoring plan, a modeled attainment demonstration, an RFP demonstration that complies with the EPA's 40 CFR part 51 regulations, an enhanced vehicle I/M program, a clean fuel fleets program, NSR requirements for existing source modifications, contingency measures for failure to attain or achieve RFP, vehicle miles traveled (VMT) reporting, and RACT for major stationary sources (greater than 50 tpy) of NO_x and VOCs. If any requirement of CAA section 182(a), (b), or 40 CFR part 58 had previously been satisfied while the area was Marginal or Moderate for the ozone NAAQS in question, the EPA is proposing that that requirement is deemed satisfied and a SIP revision need not be made by the State for that element again.⁴⁵ If the State did not make a required SIP submission under CAA section 182(a) while the area was Marginal or under CAA section 182(a) and (b) while the area was Moderate, that SIP submission is still due to the EPA after reclassification to Serious. However, the SIP element is now part of the area's Serious area plan and is therefore due to the EPA in accordance with the deadline applicable to reclassified Serious areas.

If a State had yet to submit a Moderate area requirement upon reclassification to Serious or higher classification, the EPA is proposing that it would no longer be required to submit that Moderate area element in the context of a Moderate area plan. If the EPA issued a finding of failure to submit a complete SIP for any Moderate elements, the

⁴⁴ Basic I/M is not required to be implemented in Serious and above ozone nonattainment areas. Enhanced I/M is the requirement for Serious and above classifications pursuant to 40 CFR 51.350(a)(2).

⁴⁵ If the CAA section 182(b) major stationary source RACT requirements have previously been satisfied for the ozone NAAQS in question, the CAA section 182(c) RACT requirement can be satisfied by addressing sources with a potential to emit (PTE) of 50 tpy and greater but less than 100 tpy of VOC or NO_x. See the change in definition of the term "major stationary source" in CAA section 182(c). Similarly, if RACT for sources covered by CTGs has previously been satisfied for the ozone NAAQS in question, areas reclassified to Serious do not need to resubmit CTG RACT.

⁴³ CAA section 181(b)(2)(A).

Agency is proposing that the finding would be moot as the elements would no longer be required SIP elements upon reclassification. After the reclassification, the area is no longer Moderate, and the EPA is proposing that there is no obligation to submit for the now extinguished classification. If the EPA disapproved a Moderate area requirement, upon reclassification to Serious or higher classification the Agency anticipates not needing to rescind or withdraw that disapproval, but associated sanctions clocks would be stopped pursuant to 40 CFR 52.31. The EPA is proposing that the Agency would not be obligated to promulgate a FIP because the element would no longer be considered a required SIP element as triggered by a Moderate classification. A revised SIP submission addressing that element would be evaluated anew by the EPA as part of the Serious or higher classification plan.

Unless the EPA specifies otherwise in the Agency's DAAD action, the applicable SIP submittal and implementation deadlines for the Serious area plan remain the default deadlines established at 40 CFR 51.1402. The EPA is not proposing to change or reopen the default deadlines in this rulemaking.

4. Severe Area Requirements

Upon reclassification from Serious to Severe, a nonattainment area is subject to the requirements under CAA section 182(d). Requirements from CAA section 182(a) through (c) must be included in the SIP submission for Severe areas pursuant to CAA section 182(d). Specifically, NNSR, baseline emissions inventories, emissions statements, periodic emissions inventory updates, RACT for major stationary sources (greater than 50 tpy) of NO_x and VOCs and categories covered by a CTG, an enhanced monitoring plan, a modeled attainment demonstration, an RFP demonstration that complies with the EPA's 40 CFR part 51 regulations, an enhanced vehicle I/M program, a clean fuel fleets program, NSR requirements for existing source modifications, contingency measures for failure to attain or achieve RFP, and VMT reporting are all requirements pursuant to CAA section 182(d). The State with a reclassified area is required to submit a plan that meets all these requirements in accordance with the deadlines applicable to the reclassification status.

The CAA requires the SIP submission for a Severe area to contain, in addition to the elements listed in CAA section 182(a) through (c), the requirements listed under CAA section 182(d). Specifically, the CAA requires the SIP

submission for a Severe area to contain the following SIP elements detailed in CAA section 182(d): a CAA section 185 penalty fee program for major stationary sources, a VMT growth demonstration, and RACT for major stationary sources (greater than 25 tpy) of NO_x and VOCs. If any requirement of CAA section 182(a)–(c) had previously been satisfied while the area was Marginal, Moderate, or Serious for the ozone NAAQS in question, the EPA is proposing that the requirement is deemed to have been satisfied and a SIP revision need not be made by the State for that element again.⁴⁶ If the State did not make a required SIP submission under CAA section 182(a) through (c) while the area was Marginal, Moderate, or Serious, that SIP submission (or SIP element) is still due to the EPA after reclassification to Severe. However, the SIP element is now part of the area's required Severe area plan and is therefore due to the EPA in accordance with the deadline applicable to reclassified Severe areas.

If a State had yet to submit a Serious area requirement upon reclassification to Severe or higher classification, the EPA is proposing that it would no longer be required to submit that Serious area requirement in the context of the Serious area plan. If the EPA issued a finding of failure to submit a complete SIP for any Serious elements, the Agency is proposing that the finding would be moot as the Serious area elements would no longer be required SIP elements upon reclassification. After the reclassification, the area is no longer Serious, and there is no obligation to submit for the now extinguished classification. If the EPA disapproved a Serious area requirement, upon reclassification to Severe or higher classification the Agency anticipates not needing to rescind or withdraw that disapproval, but associated sanctions clocks would be stopped pursuant to 40 CFR 52.31. Further, the EPA is proposing that the Agency would not be obligated to promulgate a FIP because the element would no longer be considered a required SIP element as triggered by a Serious classification. A revised SIP submission addressing that element would be evaluated anew by

⁴⁶ If the CAA section 182(c) major stationary source RACT requirements have previously been satisfied for the ozone NAAQS in question, the CAA section 182(d) RACT requirement can be satisfied by addressing sources with a PTE of 25 tpy and greater but less than 50 tpy of VOC or NO_x. See the change in definition of the term "major stationary source" in CAA section 182(d). Similarly, if RACT for sources covered by CTGs has previously been satisfied for the ozone NAAQS in question, areas reclassified to Serious do not need to resubmit CTG RACT.

the EPA as part of the Severe or higher classification plan.

Unless the EPA specifies otherwise in the Agency's DAAD action, the applicable submittal and implementation deadlines for the Severe area plan remain the default deadlines established at 40 CFR 51.1402. The EPA is not proposing to change or reopen the default deadlines in this rulemaking.

5. Extreme Area Requirements

If a State requests a voluntary reclassification of a nonattainment area to Extreme under CAA section 181(b)(3), the nonattainment area is subject to the requirements under CAA section 182(e). Requirements from CAA section 182(a) through (d) must be included in the SIP submission for Extreme areas pursuant to CAA section 182(e). Specifically, NNSR, baseline emissions inventories, emissions statements, periodic emissions inventory updates, RACT for major stationary sources (greater than 25 tpy) of NO_x and VOCs and categories covered by a CTG, an enhanced monitoring plan, a modeled attainment demonstration, an RFP demonstration that complies with the EPA's 40 CFR part 51 regulations, an enhanced vehicle I/M program, a clean fuel fleets program, NSR requirements for existing source modifications, contingency measures for failure to attain or achieve RFP, VMT reporting, a CAA section 185 penalty fee program for major stationary sources, and a VMT growth demonstration are all requirements pursuant to CAA section 182(e). The State with a reclassified area is required to submit a plan that meets all these requirements in accordance with the deadlines applicable to the reclassification status.

The CAA requires the SIP submission for an Extreme area to contain, in addition to the elements listed in CAA section 182(a) through (d), the requirements listed under CAA section 182(e). Specifically, the CAA requires the SIP submission for an Extreme area to contain the following SIP elements detailed in CAA section 182(e): clean fuels requirements for boilers, traffic congestion controls, and RACT for major stationary sources (greater than 10 tpy) of NO_x and VOCs. If any requirement of CAA section 182(a) through (d) had previously been satisfied while the area was Marginal, Moderate, Serious, or Severe for the ozone NAAQS in question, the EPA is proposing that the requirement is deemed satisfied and a SIP revision need not be made by the State for that

element again.⁴⁷ If the State did not make a required SIP submission under CAA section 182(a) through (d) while the area was Marginal, Moderate, Serious, or Severe, that SIP submission (or SIP element) is still due to the EPA after reclassification to Extreme. However, the SIP element is now part of the area's Extreme area plan and is therefore due to the EPA in accordance with the deadline applicable to reclassified Extreme areas.

If a State had yet to submit a Severe area requirement upon reclassification to Extreme, the EPA is proposing that it would no longer be required to submit that Severe area requirement in the context of a Severe area plan. If the EPA issued a finding of failure to submit a complete SIP for any Severe elements, the Agency is proposing that the finding would be moot as the Severe area elements would no longer be required SIP elements upon reclassification. After the reclassification, the area is no longer Severe, and the EPA is proposing that there is no obligation to submit for the now extinguished classification. If the EPA disapproved a Severe area requirement, upon reclassification to Extreme the Agency anticipates not needing to rescind or withdraw that disapproval, but associated sanctions clocks would be stopped pursuant to 40 CFR 52.31. Further, the EPA is proposing that the Agency would not be obligated to promulgate a FIP because the element would no longer be considered a required SIP element as triggered by the Severe classification. A revised SIP submission addressing that element would be evaluated anew by the EPA as part of the Extreme classification plan.

Unless the EPA specifies otherwise in the Agency's voluntary reclassification of an area to Extreme, the applicable submittal and implementation deadlines for the Extreme area plan remain the default deadlines established at 40 CFR 51.1402. The EPA is not proposing to change or reopen the default deadlines in this rulemaking.

D. Implementation Impacts

While the EPA is soliciting public comment on the reclassified area SIPs policy proposed in this rulemaking, the

Agency is also soliciting comment on implementation impacts related to this proposed rulemaking. For example, the proposed rule, if finalized, would affect States that contain 2015 ozone NAAQS nonattainment areas that were reclassified from Moderate to Serious in 2024 and 2025.

States with ozone nonattainment areas designated Moderate under the 2015 ozone standard were required to submit Moderate ozone planning SIP elements in accordance with CAA section 182(b) by January 1, 2023.⁴⁸ Effective November 17, 2023, the EPA issued a finding that 11 States had failed to submit complete Moderate area SIP requirements by the January 1, 2023, due date ("October 2023 FFS").⁴⁹ The October 2023 FFS initiated sanctions clocks and a deadline for the EPA to promulgate a FIP for those SIP requirements. The sanctions clocks could be terminated by an EPA determination that a State submitted a complete SIP. The FIP obligation could be obviated by a final Agency action approving the requisite SIP elements.

In late 2024 into 2025, EPA Regions issued actions under CAA section 181(b)(2), including determinations of attainment by the 2015 ozone Moderate area attainment date and findings of failure to attain in region-specific actions. Eighteen 2015 ozone Moderate nonattainment areas in a total of 15 States were reclassified by operation of law from Moderate to Serious as a result of these findings.⁵⁰ In accordance with 40 CFR 51.1402, which the EPA is not proposing to revise or reopen here, States with reclassified Serious areas were required to submit Serious area SIPs by January 1, 2026.

Under the leftover SIPs policy as codified in the January 2025 final rule, States with nonattainment areas that were once classified as Moderate but have since been reclassified as Serious still remain obligated to submit their Moderate area SIP revisions if they have not done so (except for RACM and the Moderate area attainment demonstration in accordance with 40 CFR 51.1403(a)(2)). Furthermore, the EPA's October 2023 FFS for those Moderate area SIP revisions remains in effect even after the relevant areas were reclassified to Serious.

Under the approach proposed in this rulemaking, if a State with an area that has been reclassified from Moderate to Serious has not submitted a Moderate area requirement, the EPA is proposing

that the State would no longer be required to do so in the context of a Moderate area plan. If this rule is finalized as proposed, the October 2023 FFS for the Moderate area SIP submissions would be moot since the Moderate elements would no longer be required SIP elements upon reclassification to Serious. After the reclassification, the area is no longer Moderate, and the EPA is proposing that there is no obligation to submit for the now extinguished classification.⁵¹ Further, if this proposed rule is finalized, the EPA would not be obligated to promulgate a FIP as a result of the October 2023 FFS because the elements would no longer be considered required SIP elements. A revised SIP submission addressing all relevant elements would be evaluated anew by the EPA as part of the Serious or higher classification plan.

In addition to the reclassified area SIPs policy, the EPA is soliciting public comment on the implementation impacts of this rule that may be informative for the Agency. For a complete survey of 2008 and 2015 ozone nonattainment areas that may be impacted by this rule, the EPA recommends that commenters reference 40 CFR part 81 and the "Required State Implementation Plan Elements Dashboard."⁵²

III. 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 proposed action is a significant regulatory action that was submitted to the Office of Management and Budget (OMB) for review. Any changes made in response to Executive Order 12866 review have been documented in the docket.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This proposed action is expected to be an Executive Order 14192 deregulatory action. This proposed rule is expected to provide burden reduction by

⁴⁷ If the CAA section 182(d) major stationary source RACT requirements have previously been satisfied for the ozone NAAQS in question, the CAA section 182(e) RACT requirement can be satisfied by addressing sources with a PTE of 10 tpy and greater but less than 25 tpy of VOC or NO_x. See the change in definition of the term "major stationary source" in CAA section 182(e). Similarly, if RACT for sources covered by CTGs has previously been satisfied for the ozone NAAQS in question, areas reclassified to Serious do not need to resubmit CTG RACT.

⁴⁸ 87 FR 60897 (October 7, 2022).

⁴⁹ 88 FR 71757 (October 18, 2023).

⁵⁰ E.g., 89 FR 101901 (December 17, 2024) and 89 FR 103657 (December 19, 2024).

⁵¹ Note that the sanctions clocks associated with the October 2023 FFS have already been terminated by completeness determinations for all 11 States implicated by that finding. See <https://www.epa.gov/air-quality-implementation-plans/status-active-sanctions-clocks-under-clean-air-act>.

⁵² <https://awsedap.epa.gov/public/extensions/specs-element-dashboard/index.html>.

codifying a policy that, following reclassification, a State is only required to submit SIP revisions addressing requirements associated with its current classification.

C. Paperwork Reduction Act (PRA)

This proposed rule does not impose any new information collection burden under the PRA not already approved by OMB. This proposed action codifies the EPA's interpretation that, following reclassification, a State is no longer required to submit SIP revisions addressing certain requirements related to the prior classification level for an ozone nonattainment area. OMB has previously approved the EPA's information collection activities contained in the existing regulations and has assigned OMB control number 2060-0695.

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 but rather will relieve States of duplicative NAAQS planning requirements.

E. Unfunded Mandates Reform Act (UMRA)

This proposed action does not contain an unfunded mandate as described in UMRA, 2 U.S.C. 1531-1538, and does not significantly or uniquely affect small governments. The action implements mandate(s) specifically and explicitly set forth in CAA section 182 without the exercise of any policy discretion by the EPA.

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 will not impose substantial direct costs upon the Tribes or preempt tribal law. The CAA requires SIP revisions for all nonattainment areas that are reclassified from a lower classification to a higher classification. For nonattainment areas that include portions of Indian reservation lands, the plan requirements

that apply to States upon reclassification do not directly apply to Tribes. 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 environmental 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, the 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 a "significant energy action" because it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. This action codifies the EPA's interpretation that, following reclassification, a State is no longer required to submit SIP revisions addressing certain requirements related to the prior classification level for an ozone nonattainment area.

J. National Technology Transfer Advancement Act (NTTAA)

This rulemaking does not involve technical standards.

List of Subjects in 40 CFR Part 51

Environmental protection, Administrative practice and procedure, Air pollution control, Designations and classifications, Incorporation by reference, Intergovernmental relations, Nitrogen oxides, Ozone, Reporting and recordkeeping requirements, and Volatile organic compounds.

Lee Zeldin,

Administrator.

[FR Doc. 2026-11843 Filed 6-11-26; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 174 and 180

[EPA-HQ-OPP-2026-0332; FRL-13201-01-OCSPP]

Receipt of Pesticide Petitions Filed for Residues of Pesticide Chemicals in or on Various Commodities—January 2026

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of filing of petitions and request for comment.

SUMMARY: This document announces the Agency's receipt of and solicits public comment on initial filings of pesticide petitions requesting the establishment or modification of regulations for residues of pesticide chemicals in or on various commodities. The Agency is providing this notice in accordance with the Federal Food, Drug, and Cosmetic Act (FFDCA). EPA uses the month and year in the title to identify when the Agency compiled the petitions identified in this notice of filing. Unit II. of this document identifies certain petitions received in 2023, 2024 and 2025 that are currently being evaluated by EPA, along with information about each petition, including who submitted the petition and the requested action.

DATES: Comments must be received on or before July 13, 2026.

ADDRESSES: Submit your comments, identified by docket identification (ID) number and the pesticide petition (PP) of interest identified in Unit II. of this document, online at <https://www.regulations.gov>. Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Additional instructions on commenting on and visiting the docket, along with more information about dockets generally, are available at <https://www.epa.gov/dockets>.

FOR FURTHER INFORMATION CONTACT: Each application summary in Unit II. specifies a contact division. The appropriate division contacts are identified as follows:

- RD (Registration Division) (Mail Code 7505T); Charles Smith; main telephone number: (202) 566-1030; email address: RDNotices@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Executive Summary

A. Does this action apply to me?

This action provides information that is directed to the public in general.

B. What is the Agency's authority for taking this action?

EPA regulations for residues of pesticide chemicals in or on various food commodities are established under section 408 of the Federal Food, Drug, and Cosmetic Act (FFDCA), 21 U.S.C. 346a. FFDCA section 408(d)(3), 21 U.S.C. 346a(d)(3), requires EPA to publish a notice of receipt of these petitions in the **Federal Register** and provide an opportunity for public comment on the requests.

C. What action is the Agency taking?

As specified in FFDCA section 408(d)(3), 21 U.S.C. 346a(d)(3), EPA is publishing notice of the receipt of pesticide petitions filed under FFDCA section 408 that request the establishment or modification of regulations for residues of pesticide chemicals in or on various food commodities. The Agency is taking public comments on the requests before responding to the petitioner. Pursuant to 40 CFR 180.7(f), a summary of the petition identified in this document, prepared by the petitioner, is included in a docket. EPA has determined that the pesticide petitions described in this document contain data or information prescribed in FFDCA section 408(d)(2), 21 U.S.C. 346a(d)(2), and 40 CFR 180.7(b); however, EPA has not fully evaluated the sufficiency of the submitted data at this time or whether the data supports granting the pesticide petitions. After considering the public comments, EPA intends to evaluate whether and what action may be warranted. Additional data may be needed before EPA can make a final determination on these pesticide petitions.

Based upon review of the data supporting these petitions and in accordance with its authority under FFDCA section 408(d)(4)(A)(i), EPA may establish a final tolerance or tolerance exemption that "may vary from that sought by the petitioner." For example, EPA may determine that it is appropriate to vary the commodity name for consistency with EPA's Food and Feed Commodity Vocabulary, which is located here <https://www.epa.gov/pesticide-tolerances/food-and-feed-commodity-vocabulary>, or vary the tolerance level based on available data, harmonization interests, or the trailing zeros policy. In addition, when evaluating a petition's requests for

a tolerance or exemption, EPA will consider how use of the pesticide on a crop for which a tolerance is requested may result in residues in or on commodities related to that requested commodity (e.g., whether use on sugar beets for which a tolerance was requested on sugar beet root also requires a tolerance on sugar beet tops or whether use on a cereal grain for which a grain tolerance was requested also requires a tolerance on related animal feed commodities derived from that cereal grain). Public commenters should consider the possibility of such revisions in preparing comments on these petitions.

D. What should I consider as I prepare my comments for EPA?

1. **Submitting CBI.** Do not submit CBI to EPA through <https://www.regulations.gov> or email. If you wish to include CBI in your comment, please follow the applicable instructions at <https://www.epa.gov/dockets/commenting-epa-dockets#rules> and clearly mark the information that you claim to be CBI. In addition to one complete version of the comment that includes CBI, a copy of the comment without CBI must be submitted for inclusion in the public docket. Information marked as CBI will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. **Tips for preparing your comments.** When preparing and submitting your comments, see the commenting tips at <https://www.epa.gov/epa-dockets>.

II. Petitions Received

This unit provides the following information about the petitions:

- The Pesticide Petition (PP) Identification (IN) number;
- EPA docket ID number for the petition;
- Information about the petition (i.e., name of the petitioner, name of the pesticide chemical residue and the commodities for which a tolerance or exemption is sought);
- The analytical method available to detect and measure the pesticide chemical residue or the petitioner's statement about why such a method is not needed; and
- The division to contact for that petition.

Additional information on the petitions may be obtained through the petition summaries that were prepared by the petitioners pursuant to 21 U.S.C. 346a(d)(2)(A)(i)(I) and 40 CFR 180.7(b)(1), which are included in the docket for the petition as identified in this unit.

- **PP 3F9072.** (EPA-HQ-OPP-2024-0140). Valent U.S.A. LLC, 4600 Norris Canyon Road, San Ramon, CA 94583, requests to establish a tolerance in 40 CFR part 180 for residues of the fungicide inpyrfluxam in or on crop subgroup 15–22B, barley subgroup hay at 0.5 parts per million (ppm); crop subgroup 15–22B, barley subgroup straw at 0.4 ppm; crop subgroup 15–22B, barley subgroup grain at 0.01 ppm; crop subgroup 1C, tuberous and corm vegetables subgroup at 0.03 ppm. An independently validated analytical method has been submitted for determining inpyrfluxam residues with appropriate sensitivity in all crop commodities for which tolerances are being requested. *Contact:* RD.

- **PP 4F9113.** (EPA-HQ-OPP-2024-0140). Valent U.S.A. LLC, 4600 Norris Canyon Road, San Ramon, CA 94538, requests to establish a tolerance in 40 CFR part 180 for residues of the fungicide inpyrfluxam in or on crop group 11–10, pome fruit group at 0.01 ppm. An independently validated analytical method has been submitted for determining inpyrfluxam residues with appropriate sensitivity in all crop commodities for which tolerances are being requested. *Contact:* RD.

- **PP 5E9201.** (EPA-HQ-OPP-2026-0331). United States Department of Agriculture, Foreign Agricultural Service, 1400 Independence Avenue SW, Washington, DC 20250–1032, requests to establish a tolerance in 40 CFR part 180 for residues of the fungicide mancozeb in or on longan at 15 ppm. The keppel colorimetric method (method III) is used to measure and evaluate the chemical mancozeb measured by degradation to CS2. *Contact:* RD.

Authority: 21 U.S.C. 346a.

Dated: June 8, 2026.

Edward Messina,

Director, Office of Pesticide Programs.

[FR Doc. 2026–11844 Filed 6–11–26; 8:45 am]

BILLING CODE 6560–50–P

**ENVIRONMENTAL PROTECTION
AGENCY****40 CFR Part 257****[EPA-HQ-OLEM-2020-0107; FRL-7814.3-03-OLEM]****RIN 2050-AH39****Hazardous and Solid Waste
Management System: Disposal of Coal
Combustion Residuals From Electric
Utilities; Legacy/CCRMU Amendments;
Extension of Comment Period****AGENCY:** Environmental Protection
Agency (EPA).**ACTION:** Proposed rule; extension of
comment period.**SUMMARY:** The Environmental Protection
Agency (EPA or the Agency) is
extending the comment period for the
proposed rule entitled “Hazardous and
Solid Waste Management System:
Disposal of Coal Combustion Residuals
From Electric Utilities; Legacy/CCRMU
Amendments.” EPA is extending the
comment period until June 29, 2026, in
response to stakeholders’ requests for a
comment period extension.**DATES:** The comment period for the
proposed rule published in the **Federal
Register** (FR) on April 13, 2026 (91 FR
18968) is being extended by 17 days.Comments must be received on or
before June 29, 2026.**ADDRESSES:** Submit your comments,
identified by Docket ID No. EPA-HQ-
OLEM-2020-0107, online at [https://
www.regulations.gov](https://www.regulations.gov). Follow the
detailed online instructions provided
under **ADDRESSES** in the **Federal
Register** document published on April
13, 2026 (91 FR 18968). Do not submit
electronically any information you
consider to be Confidential Business
Information (CBI), Proprietary Business
Information (PBI), or other information
whose disclosure is restricted by statute.
Additional instruction on commenting
and visiting the docket, along with more
information about dockets generally, is
available at [https://www.epa.gov/
dockets](https://www.epa.gov/dockets).**FOR FURTHER INFORMATION CONTACT:**
Taylor Holt, Office of Resource
Conservation and Recovery, Materials
Recovery and Waste Management
Division, Environmental Protection
Agency, 1200 Pennsylvania Avenue
NW, MC: 5304T, Washington, DC
20460; telephone number: (202) 566-
1439; email address: [holt.taylor@
epa.gov](mailto:holt.taylor@epa.gov). For more information on this
rulemaking please visit [https://
www.epa.gov/coalash](https://www.epa.gov/coalash).**SUPPLEMENTARY INFORMATION:** On April
13, 2026, EPA published a proposedrule (91 FR 18968) entitled “Hazardous
and Solid Waste Management System:
Disposal of Coal Combustion Residuals
From Electric Utilities; Legacy/CCRMU
Amendments.” The original deadline to
submit comments was June 12, 2026. On
April 17, 2026 and June 1, 2026, EPA
received requests for the Agency to
extend the comment period by a period
of 30 days and 17 days, respectively.In response to those requests for a
comment period extension, this action
extends the comment period of the
proposed rule for 17 days, until June 29,
2026. Written comments must now be
received by June 29, 2026.To submit comments or access the
docket, please follow the detailed
instructions provided under **ADDRESSES**
in the **Federal Register** document
published on April 13, 2026 (91 FR
18968). Comments previously submitted
need not be resubmitted as they are
already incorporated into the public
record and will be considered in the
final action as appropriate. If you have
questions, consult the people listed
under **FOR FURTHER INFORMATION
CONTACT**.**Thomas D. Croci,***Acting Assistant Administrator, Office of
Land and Emergency Management.*

[FR Doc. 2026-11885 Filed 6-11-26; 8:45 am]

BILLING CODE 6560-50-P

Notices

Federal Register

Vol. 91, No. 113

Friday, June 12, 2026

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

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Docket No. AMS–SC–26–0694]

Pecans Grown in the States of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas; Notice of Request for Extension and Revision of a Currently Approved Information Collection

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Agricultural Marketing Service's (AMS) intention to request an extension for, and revision to, a currently approved information collection for Pecans Grown in the States of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas, Marketing Order No. 986.

DATES: Comments on this notice must be received by August 11, 2026.

ADDRESSES: Interested persons are invited to submit written comments concerning this notice. Comments can be sent to the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237. Comments can also be submitted to the Docket Clerk electronically by email: MarketingOrderComment@usda.gov or via the internet at: <https://www.regulations.gov>. Comments should reference the docket number and the date and page number of this issue of the **Federal Register**. Comments

submitted in response to this notice will be included in the record, will be made available to the public, and may be viewed at: <https://www.regulations.gov>. Please be advised that comments are posted to [regulations.gov](https://www.regulations.gov) without change.

FOR FURTHER INFORMATION CONTACT:

Taylor Johnson, Marketing Specialist, or Matthew Pavone, Chief, Rulemaking Services Branch, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, Stop 0237, Washington, DC 20250–0237; Telephone: (202) 720–8085, or Email: Taylor.Johnson3@usda.gov or Matthew.Pavone@usda.gov.

SUPPLEMENTARY INFORMATION:

Title: Pecans Grown in the States of Alabama et al., Marketing Order No. 986.

OMB Number: 0581–0291.

Expiration Date of Approval: December 31, 2026.

Type of Request: Extension and revision of a currently approved information collection.

Abstract: The information collection requirements in this request are essential to carry out the intent of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), to provide respondents the type of service they request and to administer Marketing Order No. 986 (7 CFR part 986, the Order), which regulates the handling of pecans grown in the states of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas.

The Order and its rules and regulations authorize the American Pecan Council (Council), the organization responsible for local administration of the marketing order, to require handlers and other certain entities to submit information.

The purpose of this notice is to solicit public comments on the 14 forms included in this OMB package. These forms include a grower referendum ballot (SC–313), two ballots for Council nominations (SC–307 and SC–308), two nomination forms for growers and shellers (SC–309 and SC–310), and two background and acceptance statements forms for growers, shellers, and public members (SC–8 and SC–9). Two marketing agreement forms (SC–242 and

SC–242A) are also included. In addition, this package includes five reporting forms the Council uses to track shipments and inventory: APC–1, “Summary Report/U.S. Pecans Received For Your Account;” APC–2, “Pecans Purchased Outside of the United States;” APC–3 “Exports by Country of Destination;” APC–4 “Annual Agreement of Inter-Handler Transfer;” and APC–5, “Year-End Inventory Report.”

The information collected is used only by authorized representatives of USDA, including the AMS Specialty Crops Program's regional and headquarters' staff, and authorized employees and agents of the Council. Authorized Council employees, agents, and the industry are the primary users of the information, and AMS is the secondary user.

Estimate of Burden: Public reporting burden for this collection of information is estimated to average 0.31 hours (rounded) per response.

Respondents: Pecan producers, handlers, shellers and public members.

Estimated Number of Respondents: 4,503.

Estimated Total Annual of Responses: 4,538.

Estimated Number of Responses per Respondent: 1.01 (rounded).

Estimated Number of Recordkeeping hours: 0 hours.

Estimated Total Annual Burden on Respondents: 1,404.94 hours (rounded).

Comments are invited on: (1) Whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (2) the accuracy of the agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on those who respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All responses to this notice will be summarized and included in the request

for OMB approval. All comments will also become a matter of public record.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–11847 Filed 6–11–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Doc. No. AMS–SC–26–0430]

Pecans Grown in the States of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas; Continuance Referendum

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Referendum order.

SUMMARY: This document directs that a referendum be conducted among eligible pecan growers to determine whether they favor continuance of the marketing order regulating the handling of pecans grown in the states of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas.

DATES: The referendum will be conducted from July 6 through August 3, 2026. Only current pecan growers within the production area who have produced a minimum average of 50,000 pounds of inshell pecans over the four years from October 1, 2021, to September 30, 2025, or who own a minimum of 30 pecan acres, are eligible to vote in this referendum. Ballots delivered to AMS via U.S. mail or electronic ballot must show proof of delivery by no later than 11:59 p.m. Eastern Time on August 3, 2026, to be included in the vote tabulation.

ADDRESSES: Copies of the marketing order may be obtained from the office of the referendum agents at U.S. Department of Agriculture Southeast Marketing Field Office, 1124 1st Street South, Winter Haven, FL 33880; telephone: (863) 324–3375; or from the Docket Clerk, Market Development Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237; telephone (202) 720–8085; or on the internet: <https://www.ecfr.gov/current/title-7/subtitle-B/chapter-IX/part-986>.

FOR FURTHER INFORMATION CONTACT:

Jennie M. Varela, Marketing Specialist, or Christian D. Nissen, Branch Chief, Southeast Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA, 1124 1st Street South, Winter Haven, FL 33880; telephone: (863) 324–3375; or email:

Jennie.Varela@usda.gov or

Christian.Nissen@usda.gov.

SUPPLEMENTARY INFORMATION: Pursuant to Marketing Order No. 986, as amended (7 CFR part 986; the Order), and the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), it is hereby directed that a referendum be conducted to ascertain whether continuance of the Order is favored by pecan growers in the states of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas. The referendum will be conducted from July 6 through August 3, 2026, among pecan growers in the production area. Only current pecan growers within the production area that produced a minimum average of 50,000 pounds of inshell pecans over the four years from October 1, 2021, to September 30, 2025, or that own a minimum of 30 pecan acres, are eligible to vote in this referendum.

USDA has determined that continuance referenda are an effective means for determining whether growers favor the continuation of marketing order programs. Under § 986.94(d), USDA must conduct a referendum every five years to ascertain whether continuance of the provisions of this part applicable to pecans are favored by two-thirds by number or volume of growers voting in the referendum. USDA will consider termination of the Order if less than two-thirds of the growers voting in the referendum, and less than two-thirds of the pecan volume represented in the referendum, vote in favor of continuance. In evaluating the merits of continuance versus termination, USDA will not exclusively consider the results of the continuance referendum. USDA will also consider all other relevant information concerning the operation of the Order and relative benefits and costs to growers, handlers, and consumers to determine whether continued operation of the Order would tend to effectuate the declared policy of the Act.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the ballot materials used in the referendum have been approved by the Office of Management and Budget

(OMB) and have been assigned OMB No. 0581–0291, Federal Marketing Order for Pecans. It has been estimated it will take an average of 20 minutes for each of the approximately 4,500 pecan growers to cast a ballot. Participation is voluntary. Ballots postmarked after August 3, 2026, will not be included in the vote tabulation.

Delaney Fuhrmeister, Rebecca Geller, Steven Kauffman, Christian Nissen, and Jennie Varela of the Southeast Region Branch, Specialty Crops Program, AMS, USDA, are hereby designated as the referendum agents of the Secretary of Agriculture to conduct this referendum. The procedure applicable to the referendum shall be the “Procedure for the Conduct of Referenda in Connection with Marketing Orders for Fruits, Vegetables, and Nuts Pursuant to the Agricultural Marketing Agreement Act of 1937, as Amended” (7 CFR part 900.400 *et seq.*).

Ballots and voting instructions will be sent by U.S. mail, or through electronic mail, to all pecan growers of record and may also be obtained from the referendum agents or their appointees.

Authority: 7 U.S.C. 601–674.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–11883 Filed 6–11–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding: whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency’s estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and 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.

Comments regarding this information collection received by July 13, 2026 will be considered. 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.

An agency 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.

Rural Housing Service

Title: Form RD 410–8, Application Reference Letter (A Request for Credit Reference).

OMB Control Number: 0575–0091.

Summary of Collection: The Rural Housing Service (RHS), under Section 502 of Title V of the Housing Act of 1949, as amended, provides financial assistance to construct, improve, alter, repair, replace, or rehabilitate dwellings, which will provide modest, decent, safe, and sanitary housing to eligible individuals in rural areas. To receive a loan or grant, applicants must provide the Agency with a standard housing application (used by government and private lenders), and provide documentation, including their credit history, to support the same.

Need and Use of the Information: Form RD 410–8, “Applicant Reference Letter” is used by the Agency to obtain information about an applicant’s credit history that does not appear on a credit report. The form can be used to document the applicant’s ability to handle credit effectively in cases where an applicant has used nontraditional sources of credit which do not appear on a credit report. It also provides a mechanism for verifying repayment history for debts reported by the applicant on the loan application that do not appear on the credit report. This form asks only for specific, relevant information to determine the applicant’s creditworthiness and to establish the applicant’s history of prompt payments on debts. This information enables RHS to make better creditworthiness decisions.

Description of Respondents: Individuals or Households.

Number of Respondents: 5,200.

Frequency of Responses: Reporting: On occasion.

Total Burden Hours: 520.

Levi S. Harrell,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–11839 Filed 6–11–26; 8:45 am]

BILLING CODE 3410–XV–P

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and approval under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding: whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency’s estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and 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. Comments regarding these information collections are best assured of having their full effect if received by July 13, 2026.

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.

An agency 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.

Agricultural Marketing Service

Title: Regulations for the Inspection of Eggs.

OMB Control Number: 0581–0113.

Summary of Collection: Congress enacted the Egg Products Inspection Act

(21 U.S.C. 1031 1056) (EPIA) to provide a mandatory inspection program to assure egg products are processed under sanitary conditions, are wholesome, unadulterated, and properly labeled; to control the disposition of dirty and checked shell eggs; to control unwholesome, adulterated, and inedible egg products and shell eggs that are unfit for human consumption; and to control the movement and disposition of imported shell eggs and inedible egg products that are unwholesome and inedible.

Need and Use of the Information: The information collection and recordkeeping requirements in this request are essential to carry out the intent of Congress, to administer the mandatory inspection program, and to take regulatory action, in accordance with the regulations and the EPIA. If the information is not collected, AMS would not be able to control the processing, movement, and disposition of restricted shell eggs and egg products and take regulatory action in case of noncompliance.

Description of Respondents: Business or other for-profit; Federal Government; State, Local or Tribal Government.

Number of Respondents: 1,097.

Frequency of Responses: Recordkeeping; Reporting: On occasion; Quarterly.

Total Burden Hours: 1,985.

Levi S. Harrell,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–11840 Filed 6–11–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding: whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency’s estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and 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 and other forms of information technology.

Comments regarding this information collection received by July 13, 2026 will be considered. 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.

An agency 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.

Forest Service

Title: Federal Excess Personal and Firefighter Property Program Administration.

OMB Control Number: 0596–0223.

Summary of Collection: Federal Excess Personal Property (FEPP) and Firefighter Property (FFP) programs provide state (including US territories) forestry agencies the opportunity to obtain excess Department of Defense and other Federal agencies equipment and supplies to be used in firefighting and emergency services. The authority to provide excess supplies to state agencies comes from Federal Property and Administration Services Act of 1949, as amended, 40 U.S.C., Sec 202. Authority to loan excess supplies comes from 10 U.S.C., Subtitle A, Part IV, Chapter 153, 2576b grants the authority for the FFP.

Need and Use of the Information: The Forest Service Federal Excess Property Management Information System (FEPMIS) database allows the Forest Service to collect FEPP and FFP information used to manage property inventory electronically. Access to the database is limited to those state employees with access authorized by Forest Service Management Officers working in the Fire and Aviation staff.

Description of Respondents: State and local government.

Number of Respondents: 76.

Frequency of Responses: Recordkeeping; Reporting: Annual.

Total Burden Hours: 600.

Forest Service

Title: Public Lands Corps Participant Tracking Sheet.

OMB Control Number: 0596–0247.

Summary of Collection: The Public Lands Corps (PLC) is a work and education program involving the nation’s land management agencies, conservation and service corps, and environmental organizations that contribute to the rehabilitation, restoration, and repair of public lands resources and infrastructure. PLC provides opportunities for community and national service, work experience, and training to young people who are unemployed or underemployed. The law authorizing this program is 16 U.S.C. 1721–1726, Chapter 37—Public Lands Corps and Resources Assistants Program (Public Lands Corps Healthy Forest Restoration Act of 2005 [Pub. L. 109–154]) as amended in 1993, hereafter referred to as “the Act.”

Need and Use of the Information: This information collection request establishes policies and procedures for the implementation of a form or system to ensure uniform collection of information regarding tracking and monitoring work accomplished and participant engagement to determine the completion of requirements for non-competitive hiring eligibility as defined in the Act and to comply with statutory reporting requirements. Data collected through the Public Lands Corps Participant Tracking Sheet will allow the Forest Service (FS) and other Federal Land Management Agencies who sponsor PLC programs to support collaborating partners who manage eligible participants and their participation in PLC projects. If the FS is unable to collect data regarding PLC participants, it and other Federal Land Management Agencies would be unable to participate in a legally mandated program as outlined in the Act.

Description of Respondents: Non-profit Organizations and Non-Federal Government entities.

Number of Respondents: 247.

Frequency of Responses: Reporting; Semi-annually.

Total Burden Hours: 494.

Levi S. Harrell,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–11842 Filed 6–11–26; 8:45 am]

BILLING CODE 3411–15–P

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and approval under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency’s estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and 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.

Comments regarding this information collection received by July 13, 2026 will be considered. 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.

An agency 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.

Food Safety and Inspection Service

Title: Advanced Meat Recovery Systems.

OMB Control Number: 0583–0130.

Summary of Collection: The Food Safety and Inspection Service (FSIS) requires that official establishments producing meat from Advanced Meat Recovery (AMR) systems ensure that bones used in AMR systems do not contain brain, trigeminal ganglia, or spinal cord; that they test for calcium (at levels consistent with the requirements of 9 CFR 318.24), iron, spinal cord, and dorsal root ganglia (DRG); that they

document their testing protocols; that they assess the age of cattle product used in the AMR system; that they document procedures for handling product in a manner that prevents misbranding or adulteration; and that they maintain records of all documentation and test results, as required under 9 CFR 318.24. FSIS has been delegated the authority to exercise the functions of the Secretary as provided in the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et seq.*). This statute mandates that FSIS protect the public by ensuring that meat products are safe, wholesome, and properly labeled.

Need and Use of the Information: FSIS will collect information from establishments to verify that meat products produced through the use of Advanced Meat Recovery (AMR) systems are free from Bovine Spongiform Encephalopathy (BSE).

Description of Respondents: Business or other for-profit.
Number of Respondents: 47.
Frequency of Responses: Recordkeeping; Reporting: On occasion.
Total Burden Hours: 21,159.

Levi S. Harrell,

Departmental Information Collection
 Clearance Officer.

[FR Doc. 2026-11841 Filed 6-11-26; 8:45 am]

BILLING CODE 3410-DM-P

COMMISSION ON CIVIL RIGHTS

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

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of virtual briefing.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the New Jersey Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold a public briefing and meeting via Zoom. The Committee will receive testimony on their topic of antisemitism and civil rights and will continue planning the Implementation Stage.

DATES: Wednesday, July 15, 2026, at 3:00 p.m. Eastern Time.

ADDRESSES:

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_jPZO043RSS4z8D2e6wj3g.
Join by Phone (Audio Only): 1-833-435-1820 USA Toll Free; Webinar ID: 160 018 9179 #.

Agenda Link: <https://usccr.box.com/s/vkx41xtf2ldq27kelqsengft5ej3ic0f> (note: final agenda will be available prior to the meeting date).

FOR FURTHER INFORMATION CONTACT:

Victoria Moreno, Designated Federal Officer, at vmoreno@usccr.gov or 1-434-515-0204.

SUPPLEMENTARY INFORMATION:

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

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the scheduled meeting. Written comments may be emailed to Evelyn Bohor at <https://wkf.ms/4de4nCi>. Persons who desire additional information may contact the Regional Programs Coordination Unit at 1-202-656-8937.

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

Dated: June 10, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026-11873 Filed 6-11-26; 8:45 am]

BILLING CODE P

COMMISSION ON CIVIL RIGHTS

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

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of virtual business meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the South Carolina Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold a public briefing via Zoom. The purpose of the briefing is for the Committee to hear testimony as part of their study on Occupational Licensing.

DATES: Monday, July 30, 2026, from 12:00 p.m.–2:00 p.m. Eastern Time.

ADDRESSES: The meeting will be held via Zoom.

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_TH8tPmMeRtKed_nrt2iVgA.

Join by Phone (Audio Only): 1-833-435-1820 USA Toll Free; Webinar ID: 165 355 0223#.

FOR FURTHER INFORMATION CONTACT:

Victoria Moreno, Designated Federal Officer, at vmoreno@usccr.gov or (434) 515-0204.

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

comments may be submitted via the following form: <https://wkf.ms/4n7DKT3>. Persons who desire additional information may contact the Regional Programs Coordination Unit at (434) 515-0204.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the meeting. Records of the meetings will be available via the file sharing website, <https://usccr.box.com/s/uc7rr59hi2y8p1uapgemt6y1opr61zyv>. 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 csanders@usccr.gov.

Agenda: Will be available at the following link in advance of the meeting date—<https://usccr.box.com/s/9k6tkhepougxwu5h0zpyiuzw2s0xzgpl>.

Dated: June 10, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026-11871 Filed 6-11-26; 8:45 am]

BILLING CODE P

COMMISSION ON CIVIL RIGHTS

Notice of Public Briefing of the Montana Advisory Committee to the U.S. Commission on Civil Rights; Cancellation.

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice; cancellation of briefing.

SUMMARY: The U.S. Commission on Civil Rights published a notice in the **Federal Register** concerning a meeting of the Montana Advisory Committee. The briefing scheduled for Thursday, June 11, 2026, at 3:00 p.m. Mountain Standard Time, has been cancelled. The notice is in the **Federal Register** on Friday May 29, 2026, in FR Document Number 2026-10758 on pages 31998 and 31999.

FOR FURTHER INFORMATION CONTACT: Ana Victoria Fortes, Designated Federal Officer, at afortes@usccr.gov or (202) 681-0857.

Dated: June 10, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026-11874 Filed 6-11-26; 8:45 am]

BILLING CODE P

DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; DOC-Census Workforce Development Collection

AGENCY: Census Bureau, Department of Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act (PRA) of 1995, 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 on the proposed new information collection, prior to the submission of the information collection request (ICR) to OMB for approval.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before August 11, 2026.

ADDRESSES: Interested persons are invited to submit written comments by email to adrm.pra@census.gov. Please reference DOC-Census Workforce Development Collection in the subject line of your comments. You may also submit comments, identified by Docket Number USBC-2026-0100, to the Federal e-Rulemaking Portal: <http://www.regulations.gov>. All comments received are part of the public record. No comments will be posted to <http://www.regulations.gov> for public viewing until after the comment period has closed. Comments will generally be posted without change. All Personally Identifiable Information (for example, name and address) voluntarily submitted by the commenter may be publicly accessible. Do not submit Confidential Business Information or otherwise sensitive or protected information. You may submit attachments to electronic comments in Microsoft Word, Excel, or Adobe PDF file formats.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Barbara Downs, Evaluation Officer, 301-763-6551, barbara.a.downs@census.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

The information acquired from this collection will be used to obtain data on individuals who participate in workforce development training programs sponsored by the National Institutes of Standards and Technology (NIST) and the Economic Development Administration (EDA) within the Department of Commerce. Respondents, who include Manufacturing USA Institutes, grant recipients under EDA's Recompete and Good Jobs Challenge 2 programs, and affiliated training providers will be asked to provide data on participants. The collected data will be linked to Census Bureau data sets—including demographic, household, and jobs data—to produce measurable metrics that inform workforce training program outcomes and support evidence-based decision-making for future investments. This data collection and subsequent analysis will enable NIST and EDA to evaluate the long-term performance and impact of sponsored workforce programs.

II. Method of Collection

Respondents will be asked to complete a data collection tool (accessible via Microsoft Excel) that will allow them to provide data on individuals who participate in workforce development training programs, including name, date of birth, address, program start and end dates, and job status upon completion of training. They will then submit completed files by uploading them electronically (internet) to a secure web-based collection portal using the Census Bureau's data collection IT system (Centurion).

III. Data

OMB Control Number: 0607-XXXX.
Form Number(s): None.

Type of Review: Regular submission, New Information Collection Request.

Affected Public: Business or other for-profit organizations; Not-for-profit institutions; State, Local, or Tribal government.

Estimated Number of Respondents: 230. This includes 100 Manufacturing USA Institutes and/or its affiliated training providers (public/private sector), 60 grant recipients under the Recompete program and/or their affiliated training providers, and 70 grant recipients under the Good Jobs Challenge 2 program and/or their affiliated training providers.

Estimated Time Per Response: 1 hour annually.

Estimated Total Annual Burden Hours: 230 hours.

Estimated Total Annual Cost to Public: \$0. (This is not the cost of respondents' time, but the indirect costs respondents may incur for such things as purchases of specialized software or hardware needed to report, or expenditures for accounting or records maintenance services required specifically by the collection.)

Respondent's Obligation: Voluntary.

Legal Authority: NIST's authority for the collection of this information is provided under the National Institute of Standards and Technology Organic Act, 15 U.S.C. 272(b) and (c). EDA's authority for this collection is the Stevenson Wydler Technology Innovation Act of 1980 (Stevenson Wydler), 15 U.S.C. 3701 *et seq.* and 42 U.S.C. 3121 *et seq.* The U.S. Census Bureau is conducting this survey on behalf of EDA and NIST under the authority of 13 U.S.C. 8(b). Confidentiality of the information is assured by 13 U.S.C. 9.

IV. Request for Comments

We are soliciting public comments to permit the Department/Bureau to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include, or summarize, each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Sheleen Dumas,

Departmental PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2026–11886 Filed 6–11–26; 8:45 am]

BILLING CODE 3510–07–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[S–306–2026]

Foreign-Trade Zone 163; Application for Subzone; Pompina Mayaguez LLC; Ponce, Puerto Rico

An application has been submitted to the Foreign-Trade Zones (FTZ) Board by CODEZOL, C.D., grantee of FTZ 163, requesting subzone status for the facility of Pompina Mayaguez LLC, located in Ponce, Puerto Rico. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a–81u), and the regulations of the FTZ Board (15 CFR part 400). It was formally docketed on June 8, 2026.

The proposed subzone (3.2137 acres) is located at Barrio Canas, Sector Pámpanos, Road 2 Corner Eduardo Ruberté Avenue, Ponce, Puerto Rico. No authorization for production activity has been requested at this time. The proposed subzone would be subject to the existing activation limit of FTZ 163.

In accordance with the FTZ Board's regulations, Camille Evans of the FTZ Staff is designated examiner to review the application and make recommendations to the Executive Secretary.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is July 22, 2026. Rebuttal comments in response to material submitted during the foregoing period may be submitted through August 6, 2026.

A copy of the application will be available for public inspection in the "Online FTZ Information Section" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Camille Evans at Camille.Evans@trade.gov.

Dated: June 8, 2026.

Elizabeth Whiteman,

Executive Secretary.

[FR Doc. 2026–11791 Filed 6–11–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–67–2026]

Foreign-Trade Zone (FTZ) 26, Notification of Proposed Production Activity; Trinidad Benham Corporation; (Rolls of Aluminum Foil and Aluminum Foil Containers); LaGrange, Georgia

Trinidad Benham Corporation submitted a notification of proposed production activity to the FTZ Board (the Board) for its facility in LaGrange, Georgia within FTZ 26. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on June 5, 2026.

Pursuant to 15 CFR 400.14(b), FTZ production activity would be limited to the specific foreign-status material(s)/ component(s) and specific finished product(s) described in the submitted notification (summarized below) and subsequently authorized by the Board. The benefits that may stem from conducting production activity under FTZ procedures are explained in the background section of the Board's website—accessible via www.trade.gov/ftz.

The proposed finished products include aluminum foil rolls for food contact and aluminum foil containers for food contact (duty rate ranges from 3 to 5.7%).

The proposed foreign-status materials/components include aluminum foil bulk rolls (duty rate ranges from 3 to 5.3%).

The request indicates that certain materials/components are subject to duties under section 122 of the Trade Act of 1974 (Section 122), section 232 of the Trade Expansion Act of 1962 (section 232), or section 301 of the Trade Act of 1974 (section 301), depending on the country of origin. The applicable section 122, section 232, and section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign (PF) status (19 CFR 146.41). The request also indicates that aluminum is subject to an antidumping/ countervailing duty (AD/CVD) order/ investigation if imported from certain countries. The Board's regulations (15 CFR 400.13(c)(2)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in PF status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive

Secretary and sent to: ftz@trade.gov. The closing period for their receipt is July 22, 2026.

A copy of the notification will be available for public inspection in the "Online FTZ Information System" section of the Board's website.

For further information, contact Brian Warnes at brian.warnes@trade.gov.

Dated: June 9, 2026.

Elizabeth Whiteman,
Executive Secretary.

[FR Doc. 2026-11793 Filed 6-11-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-872]

Non-Oriented Electrical Steel From Japan: Preliminary Results of Antidumping Duty Administrative Review; 2023-2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Nippon Steel Corporation (NSC) did not sell subject merchandise at less than normal value (NV) during the period of review (POR), December 1, 2023, through November 30, 2024. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable June 12, 2026.

FOR FURTHER INFORMATION CONTACT: Krisha Hill, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-4037.

SUPPLEMENTARY INFORMATION:

Background

On January 27, 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 non-oriented electrical steel (NOES) from Japan.¹ On March 19, 2025, we issued the antidumping duty questionnaire to the sole company under review, NSC.²

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 8187 (January 27, 2025); see also *Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 FR 71741 (December 3, 2014) (*Order*).

² See Commerce's Letter, "Request for Information," dated March 19, 2025.

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings 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 Governmental shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁴ On February 2, 2026, and June 1, 2026, Commerce extended the deadline for issuing the preliminary results of this review by 113 and seven days, respectively, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).⁵ The deadline for issuing these preliminary results of review is now June 8, 2026.

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁶ A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via 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 NOES from Japan. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Act. We calculated constructed export price in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full

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 Memoranda, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated February 2, 2026, and "Second Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated June 1, 2026.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Non-Oriented Electrical Steel from Japan; 2023-2024," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period December 1, 2023, through November 30, 2024:

Producer/exporter	Weighted-average dumping margin (percent)
Nippon Steel Corporation	0.00

Disclosure

Commerce intends to disclose its calculations and analysis performed for these preliminary results of review to parties to the proceeding within five days of any public announcement of the preliminary results, 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 the information relied upon in the final results of this review.

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.⁷ 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.⁸ 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

⁷ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

⁸ See 19 CFR 351.309(c)(2) and (d)(2).

in their briefs.⁹ Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the 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).¹⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, 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.¹¹

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, 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.

If NSC's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.50 percent) in the final results of this review, Commerce intends to calculate 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.¹² 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 NSC'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.¹³

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by NSC for which it 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.¹⁴

Commerce intends to issue assessment instructions to CBP regarding NSC 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 NSC will be that rate 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 in the most recent segment of this proceeding for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 135.59 percent, the all-others rate established in the LTFV investigation.¹⁵ 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) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these 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: June 8, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Affiliation
- V. Discussion of the Methodology
- VI. Currency Conversion
- VII. Recommendation

[FR Doc. 2026-11864 Filed 6-11-26; 8:45 am]

BILLING CODE 3510-DS-P

⁹ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁰ See *APO and Service Procedures*.

¹¹ See 19 CFR 351.310(d).

¹² See 19 CFR 351.212(b)(1).

¹³ 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).

¹⁴ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁵ See *Order*, 79 FR at 71743.

DEPARTMENT OF COMMERCE**International Trade Administration****[A-533-883]****Glycine From India: 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 producers and/or exporters subject to this administrative review made sales of subject merchandise below normal value during the period of review (POR) June 1, 2023, through May 31, 2024.

DATES: Applicable June 12, 2026.

FOR FURTHER INFORMATION CONTACT: Tyler Weinhold, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1121.

SUPPLEMENTARY INFORMATION:**Background**

On November 18, 2025, Commerce published the *Preliminary Results* of the 2023–2024 administrative review of the antidumping duty order on glycine from India.¹ 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 21 days.² Between April 3 and May 20, 2026, Commerce extended the deadline for these final results by 60 days.³ Accordingly, the deadline for these final results is now June 8, 2026.⁴

For a complete description of the events that followed the *Preliminary Results*, see the Issues and Decision

Memorandum.⁵ Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order⁶

The merchandise subject to the *Order* is glycine from India. For a complete description of the scope of this *Order*, see the Issues and Decision Memorandum.⁷

Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by interested parties in this administrative review are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as an appendix. The Issues and Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties on the *Preliminary Results*, we find it appropriate to apply a dumping margin based on facts available to Kumar Industries (Kumar), in accordance with section 776(a) of the Act, because necessary information is not available on the record, Kumar withheld requested information, failed to provide such information by the established deadlines, and significantly impeded this proceeding. Further, Commerce determines that an adverse inference is warranted in selecting from among the facts otherwise available pursuant to section 776(b) of the Act because Kumar failed to cooperate by not acting to the best of its ability to comply with a request for information. We made no changes to the margin calculations for Paras Intermediaries Private Limited.⁸ For further discussion,

see the Issues and Decision Memorandum.

Final Results of Review

We determine that the following estimated weighted-average dumping margins exist for the POR June 1, 2023, through May 31, 2024:

Producer/exporter	Weighted-average dumping margin (percent)
Kumar Industries	57.17
Paras Intermediaries Private Limited	0.00

Disclosure

Commerce intends to disclose its analysis performed to interested parties in the final results of this administrative review within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(1), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by the final results of this review.⁹ For any individually examined respondents whose weighted-average dumping margin is above *de minimis* (i.e., 0.5 percent), we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis*, Commerce will issue instructions directly to CBP to assess antidumping duties on appropriate entries.

To determine whether the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the amount of dumping calculated for all U.S. sales to that

¹ See *Glycine from India: Preliminary Results and Rescission, In Part, of Antidumping Duty Administrative Review; 2023–2024*, 90 FR 51650 (November 18, 2025) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

³ See Memoranda, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated April 3, 2026; "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated May 20, 2026.

⁴ The deadline for these final results is June 7, 2026. However, because the extended deadline falls on the weekend, the deadline becomes the next business day (i.e., June 8, 2026). See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533 (May 10, 2005).

⁵ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Glycine from India; 2023–2024," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁶ See *Glycine from India and Japan: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Orders*, 84 FR 29170 (June 21, 2019) (*Order*).

⁷ See Issues and Decision Memorandum at 2.

⁸ As explained in Comment 3 of the Issues and Decision Memorandum, we intend to revise the final liquidation instructions to include the U.S. importer and/or customer information.

⁹ In these final results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

importer or customer and dividing this amount by the total entered value of the sales to that importer (or customer). Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent has reported reliable entered values, we will apply the assessment rate to the entered value of the importer's/customer's entries during the POR.

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this administrative review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of this notice for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of these final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be equal to the weighted-average dumping margins established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 7.23 percent, the all-others rate established in the LTFV investigation, adjusted for the export-subsidy rate in the companion countervailing duty investigation.¹⁰ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers Regarding the Reimbursement of Duties

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 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.

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and 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, and 19 CFR 351.221(b)(5).

Dated: June 8, 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. Changes Since the *Preliminary Results*
- V. Application of Facts Available and Adverse Inferences
- VI. Discussion of the Issues
 - Comment 1: The Application of Total Adverse Facts Available (AFA) to Kumar
 - Comment 2: Financial Statements Used to Calculate Constructed Value (CV)
 - Comment 3: Importer-Specific Assessment Rates
- VII. Recommendation

[FR Doc. 2026-11863 Filed 6-11-26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-873]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel From India: 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 Goodluck India Limited (Goodluck) and Tube Products of India, Ltd., a unit of Tube Investments of India Limited (collectively, TII), made sales of certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from India in the United States at prices below normal value (NV) during the period of review (POR). The POR is June 1, 2023, through May 31, 2024.

DATES: Applicable June 12, 2026.

FOR FURTHER INFORMATION CONTACT: Colin Thrasher or Eliza DeLong, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3004 or (202) 482-3878, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 3, 2025, Commerce published in the **Federal Register** the *Preliminary Results* of this administrative review.¹

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.² 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.³ On March 9, 2026,

¹ See *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Preliminary Results of Antidumping Duty Administrative Review; 2023-2024*; 90 FR 48026 (October 3, 2025) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

³ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

¹⁰ See *Order*, 84 FR at 29171.

Commerce postponed the final results of this review by 52 days,⁴ and, on May 28, 2026, we extended the deadline by an additional eight days.⁵ Accordingly, the deadline for these final results is now June 8, 2026.

For a complete description of the events that occurred since Commerce published the *Preliminary Results*, see the Issues and Decision Memorandum.⁶ The Issues and Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Commerce conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order⁷

The product covered by this *Order* is cold-drawn mechanical tubing from India. 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. A list of the issues addressed in the Issues

and Decision Memorandum is attached to this notice as an Appendix.

Changes Since the Preliminary Results

Based on our review of the record, Commerce made certain revisions to the margin calculations for Goodluck and made no changes to the margin calculations for TII. For a detailed discussion of the changes since the *Preliminary Results*, see the Issues and Decision Memorandum.

Final Results of the Administrative Review

We determine that the following weighted-average dumping margin exists for the period June 1, 2023, through May 31, 2024:

Exporter/producer	Weighted-average dumping margin (percent)
Goodluck India Limited	0.91
Tube Products of India, Ltd., a unit of Tube Investments of India Limited	4.58

Disclosure

Commerce intends to disclose the calculations performed for the final results of this review to parties in this proceeding within five days after public announcement of the final results or, if there is no public announcement, within five days of the date of publication of this notice in the *Final Register*, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Because Goodluck and TII's weighted-average dumping margins are not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, we calculated an importer-specific assessment rate based on the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Where an importer-specific assessment rate is zero or *de*

minimis (i.e., less than 0.5 percent), the entries by that importer will be liquidated without regard to antidumping duties. The final results of this administrative review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.⁸

For entries of subject merchandise during the POR produced by either of the individually examined respondents for which these companies did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.⁹

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (i.e., within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of cold-drawn mechanical tubing from India entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for Goodluck and TII will be equal to the weighted-average dumping margin established in these final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior completed segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, or the less-than-fair-value 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 subject merchandise; and (4) the cash deposit rate for all other producers and exporters will continue to be the all-others rate (i.e., 5.87 percent *ad valorem*).¹⁰ These cash deposit requirements, when imposed,

⁴ See Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated March 9, 2026.

⁵ See Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated May 28, 2026.

⁶ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty

Order on Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India; 2023–2024," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁷ See *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China, the Federal Republic of Germany, India, Italy, the Republic of Korea, and Switzerland: Antidumping Duty Orders; and Amended Final*

Determinations of Sales at Less Than Fair Value for the People's Republic of China and Switzerland, 83 FR 26962 (June 11, 2018) (*Order*).

⁸ See section 751(a)(2)(C) of the Act.

⁹ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁰ See *Order*, 83 FR at 26905.

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 and/or countervailing duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return, or destruction, of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.221(b)(5).

Dated: June 8, 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. Changes Since the *Preliminary Results*
- V. Discussion of the Issues
 - Comment 1: Revised Differential Pricing Analysis
 - Comment 2: Liquidation Instructions
 - Comment 3: Goodluck's General and Administrative Expense Ratio
 - Comment 4: Goodluck's Interest Expense Ratio
 - Comment 5: Goodluck's Home Market Early Payment and Quantity Discounts
 - Comment 6: Goodluck's Home Market Negative Billing Adjustments
 - Comment 7: Goodluck's U.S. Market Expense Fields GRSUPR3U and BILLADJU
 - Comment 8: Petitioners' Untimely Submission of Comments
 - Comment 9: Application of Partial Adverse Facts Available

Comment 10: Correction of Certain Errors in the *Preliminary Results*
VI. Recommendation

[FR Doc. 2026–11862 Filed 6–11–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–980]

Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind Review, in Part; 2023

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies were provided to producers and exporters of crystalline silicon photovoltaic cells, whether or not assembled into modules, (solar cells) from the People's Republic of China (China) during the period of review (POR), January 1, 2023, through December 31, 2023. In addition, we intend to rescind this review with respect to the companies listed in Appendix III. Interested parties are invited to comment on these preliminary results and Commerce's intent to rescind the review in part.

DATES: Applicable June 12, 2026.

FOR FURTHER INFORMATION CONTACT: Jose Rivera, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0842, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 27, 2025, Commerce initiated this administrative review of the countervailing duty (CVD) order¹ on solar cells from China.² BYD (H.K.) Co., Ltd. (BYD HK) and Vietnam Sunergy Joint Stock Company (VSUN) are the mandatory respondents. On September 30, 2025 we extended the time period

¹ See *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Countervailing Duty Order*, 77 FR 73017 (December 7, 2012) (*Order*).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 8187 (January 27, 2025).

for issuing these preliminary results to December 1, 2025.³

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁴ 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.⁵

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁶ A list of topics discussed in the Preliminary Decision Memorandum is included 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 products covered by the *Order* are crystalline silicon photovoltaic cells, and modules, laminates, and panels, consisting of crystalline silicon photovoltaic cells, whether or not partially or fully assembled into other products, including, but not limited to, modules, laminates, panels, and building integrated materials. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Intent To Rescind Review, in Part

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended. Normally,

³ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated September 30, 2025.

⁴ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁵ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review, and Intent to Rescind in Part: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China; 2023," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period. Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated countervailing duty assessment rate calculated for the review period. According to the CBP import data, 70 companies subject to this review, which were not chosen as mandatory respondents, did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR by these 70 companies, we intend to rescind this administrative review with respect to these 70 companies, in accordance with 19 CFR 351.213(d)(3).⁷

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs preliminarily found to be countervailable, we preliminarily determine that there is a countervailable subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient and that the subsidy is specific.⁸ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on facts available with adverse inferences pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

Preliminary Rate for Non-Selected Companies Under Review

There are nine companies for which a review was requested and not Commerce does not intend to rescind review, which had reviewable entries, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent (*see* Appendix II). The Act does 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(e)(2) of the Act. However,

Commerce's regulation at 19 CFR 351.109(g) states that Commerce will determine the rate for non-selected companies by following the process set forth in 19 CFR 351.109(f)(1)–(2), which generally parallels the process for determining the all-others rate in an investigation under section 705(c)(5) of the Act. Section 705(c)(5)(A) of the Act and 19 CFR 351.109(f) state that for companies not investigated, in general, we will determine an all-others rate by weight averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based entirely on facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce's practice is to weight average the net subsidy rates for the selected mandatory respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁹ Because the rate calculated for moth mandatory respondents is above *de minimis* and not based entirely on facts available, we are applying to the non-selected companies the weighted average of the net subsidy rates calculated for BYD HK and VSUN, which we calculated using the publicly-ranged sales dated submitted by BYD HK and VSUN.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following net countervailable subsidy rates exist for the POR, January 1, 2023, through December 31, 2023:

Company	Subsidy rate (percent <i>ad valorem</i>)
BYD (H.K.) Co., Ltd ¹⁰	9.70
Vietnam Sunergy Joint Stock Company ¹¹	0.53
Non-Selected Companies Under Review ¹²	8.15

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).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. For these preliminary results Commerce is setting two separate briefing schedules. Case briefs related to arguments regarding Commerce's "intent to rescind, in part" as described at section IV of these preliminary results, and including what companies should be listed in Appendix III, are due seven days after the publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.

For all other issues, interested parties are to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹³ Rebuttal briefs, limited to issues raised in the case briefs, may be filed 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) and (d)(2), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁶ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested

selected for individual examination and to which Commerce has preliminarily assigned the non-selected company rate.

¹³ See 19 CFR 351.309.

¹⁴ See 19 CFR 351.309(d); *see also* *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service 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.

⁷ See Appendix II for a complete list of those companies.

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

¹⁰ This rate applies to BYD (H.K.) Co., Ltd; and its cross-owned companies: BYD Company Ltd.; Shanghai BYD Co. Ltd.; and BYD (Shangluo) Industrial Co., Ltd.

¹¹ This rate applies to Vietnam Sunergy Joint Stock and its cross-owned companies: Vietnam Sunergy (Bac Ninh) Company Limited; Vietnam Sunergy Cell Company Limited; and VSUN China Co., Ltd.

¹² See Appendix II of this notice for a list of all companies that remain under review but were not

parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁷

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 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

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review.

For the companies listed in Appendix III for which Commerce intends to rescind, Commerce intends to instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2023, through December 31, 2023, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of publication of the final results in the **Federal Register**.

For the companies remaining subject to the review, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at the subsidy rates calculated in the final results of this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If the rate calculated is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption, on or after the date of publication of the final results of this review. If a timely summons is filed at the U.S. Court of International Trade,

the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rates

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act.

Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: June 8, 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. Diversification of China's Economy
- V. Subsidies Valuation
- VI. Interest Rate Benchmarks, Discount Rates, and Benchmarks for Measuring Adequacy of Remuneration
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Analysis of Programs
- IX. Recommendation

Appendix II

Non-Selected Companies Under Review

1. Anji Dasol Solar Energy Science & Technology Co., Ltd.
2. Boviet Solar Technology Co., Ltd.
3. JA Solar International Limited

4. JA Solar Vietnam Company Limited
5. LONGi Malaysia Sdn. Bhd.
6. LONGi Solar Technology Co., Ltd.; LERRI Solar Technology Co., Ltd.
7. Shenzhen Sungold Solar Co., Ltd.
8. Trina Solar Energy Development Company Limited
9. Trina Solar Science & Technology (Thailand) Ltd.

Appendix III

Companies for Which We Intend To Rescind the Review

1. Astronergy Co., Ltd.
2. Astronergy Solar
3. Baoding Jiasheng Photovoltaic Technology Co., Ltd.
4. Baoding Tianwei Yingli New Energy Resources Co., Ltd.
5. Beijing Tianneng Yingli New Energy Resources Co., Ltd.
6. Canadian Solar Inc.; Canadian Solar Manufacturing (Changshu) Inc.; Canadian Solar Manufacturing (Luoyang) Inc.; Changshu Tegu New Materials Technology Co., Ltd.; Changshu Tlian Co., Ltd.; CSI Cells Co., Ltd.; CSI New Energy Holding Co., Ltd.; CSI Solar Manufacture Inc.; CSI Solar Power (China) Inc.; CSI Solar Technologies Inc.; CSI Solartronics (Changshu) Co., Ltd.; CSI-GCL Solar Manufacturing (Yancheng) Co., Ltd.; Suzhou Sansolar Materials Technology Co., Ltd.; Changshu Tegu New Material Technology Co., Ltd.
7. Canadian Solar International Limited
8. Canadian Solar Manufacturing (Thailand) Co., Ltd.
9. Canadian Solar Photovoltaic Technology (Luoyang) Co., Ltd.
10. Changzhou Trina Hezhong Photoelectric Co., Ltd.
11. Changzhou Trina PV Ribbon Materials Co., Ltd.; Changzhou Trina Solar Energy Co., Ltd.; Changzhou Trina Solar Yabang Energy Co., Ltd.; Hubei Trina Solar Energy Co., Ltd.; Trina Solar (Changzhou) Science and Technology Co., Ltd.; Trina Solar Co., Ltd.; Turpan Trina Solar Energy Co., Ltd.; Yancheng Trina Solar Energy Technology Co., Ltd.
12. Chint Solar (Hong Kong) Company Limited
13. Chint Solar (Zhejiang) Co., Ltd.; Chint New Energy Technology Co., Ltd.; Haining Chint Solar Energy Technology Co., Ltd.; Chint New Energy Technology (Yancheng) Co., Ltd.; Chint Solar (Yancheng) Co., Ltd.; Jiuquan Chint New Energy Technology Co., Ltd.; Chint Group Co., Ltd.; Zhejiang Chint Electrics Co., Ltd.; Zhejiang Chint New Energy Development Co., Ltd.; Chint Solar (Jiuquan) Co., Ltd.; Chint Solar (Shanghai) Co., Ltd.
14. CSI Modules (Dafeng) Co., Ltd.
15. CSI Solar Co., Ltd.
16. CSI Solar Manufacturing (Fu Ning) Co., Ltd.
17. CSI Wafer (Fu Ning) Co., Ltd.
18. DelSolar (Wujiang) Ltd.
19. DelSolar Co., Ltd.
20. De-Tech Trading Limited HK
21. Dongguan Sunworth Solar Energy Co., Ltd.

¹⁷ See *APO and Service Procedures*.

¹⁸ See 19 CFR 351.310(d).

22. Donghai JA Solar Technology Co., Ltd.; Hebei Ningjin Songgong Semiconductor Co., Ltd.; Hebei Ningdong Electronic Materials Co., Ltd.; Hebei Yujing Electronic Science and Technology Co., Ltd.; Hefei JA Solar Technology Co., Ltd.; JA (Hefei) Renewable Energy Co., Ltd.; Jing Hai Yang Semiconductor Material (Donghai) Co., Ltd.; JingAo Solar Co., Ltd.; JA SOLAR TECHNOLOGY YANGZHOU CO., LTD.; Shanghai JA Solar Technology Co., Ltd.; JA Solar Investment China Co., Ltd.; Donghai JingAo Solar Energy Science and Technology Co., Ltd.; Solar Silicon Valley Electronic Science and Technology Co., Ltd.; Beijing Jinfeng Investment Co., Ltd.; Ningjin Songgong Electronic Materials Co., Ltd.; Jinglong Industry and Commerce Group Co., Ltd.; Ningjin County Jingyuan New Energy Investment Co., Ltd.; Hebei Jinglong New Materials Technology Group Co., Ltd.; Hebei Jinglong Sun Equipment Co. Ltd.; Hebei Jingle Optoelectronic Technology Co., Ltd.; Ningjin Jingxing Electronic Material Co., Ltd.; Ningjin Saimei Ganglong Electronic Materials Co., Ltd.; JA Solar (Xingtai) Co., Ltd.; Xingtai Jinglong Electronic Material Co., Ltd.; Xingtai Jinglong PV Materials Co., Ltd.; JA PV Technology Co., Ltd.; Ningjin Jinglong PV Industry Investment Co., Ltd.; Baotou JA Solar Technology Co., Ltd.; Xingtai Jinglong New Energy Co., Ltd.; Ningjin County Jing Tai Fu Technology Co., Ltd.; JA Solar Technology Co., Ltd.; Jinglong Technology Holdings Co., Ltd.; Ningjin Guiguang Electronics Investment Co., Ltd.; Ningjin Longxin Investment Co., Ltd.; Beijing JA Solar PV Technology Co., Ltd.; Solar Silicon Peak Electronic Science and Technology Co., Ltd.; Jingwei Electronic Materials Co., Ltd.; Taicang Juren PV Material Co., Ltd.
23. Elite Solar Power Holding Pte. Ltd.
24. Elite Solar Power Hong Kong Ltd.
25. Eopply New Energy Technology Co., Ltd.
26. ERA Solar Co., Ltd.
27. ET Solar Energy Limited
28. Fuzhou Sunmodo New Energy Equipment Co., Ltd.
29. GCL System Integration Technology Co., Ltd.
30. Hainan Yingli New Energy Resources Co., Ltd.
31. Hangzhou Sunny Energy Science and Technology Co., Ltd.
32. Hengdian Group DMEGC Magnetics Co., Ltd.
33. Hengshui Yingli New Energy Resources Co., Ltd.
34. JA Solar PV Vietnam Company Limited
35. Jiangsu High Hope Intl Group, High Hope Zhongtian Corporation, Jiangsu Suhui Asset Management Co., Ltd.
36. Jiangsu Jinko Tiansheng Solar Co., Ltd.
37. Jinko Solar Import And Export Co., Ltd.; Jinko Solar Co., Ltd.; Zhejiang Jinko Solar Co., Ltd.; Jiangxi Jinko Photovoltaic Materials Co., Ltd.; Xinjiang Jinko Solar Co., Ltd.; JinkoSolar (Chuzhou) Co., Ltd.; JinkoSolar (Shangrao) Co., Ltd.; JinkoSolar (Sichuan) Co., Ltd.; JinkoSolar (Yiwu) Co., Ltd.; JinkoSolar Technology (Haining) Co., Ltd.; Ruixu Industrial Co., Ltd.; Yuhuan Jinko Solar Co., Ltd.; Jinko Solar (Shanghai) Management Co., Ltd.
38. Jinko Solar International Limited
39. Lightway Green New Energy Co., Ltd.; Light Way Green New Energy Co., Ltd.
40. Lixian Yingli New Energy Resources Co., Ltd.
41. Longi (HK) Trading Ltd.
42. Luoyang Suntech Power Co., Ltd.
43. Nice Sun PV Co., Ltd.
44. Ningbo ETDZ Holdings, Ltd.
45. ReneSola Jiangsu Ltd.
46. Renesola Zhejiang Ltd.
47. Risen Energy Co., Ltd.; Risen (Wuhai) New Energy Co., Ltd.; Zhejiang Twinsel Electronic Technology Co., Ltd.; Risen (Luoyang) New Energy Co., Ltd.; Risen Energy (Changzhou) Co., Ltd.; Risen Energy (Yiwu) Co., Ltd.; Zhejiang Boxin Investment Co., Ltd.; Jiangsu Sveck New Material Co., Ltd.; Changzhou Sveck Photovoltaic New Material Co., Ltd. (including Changzhou Sveck Photovoltaic New Material Co., Ltd. Jintan Danfeng Road Branch); Changzhou Sveck New Material Technology Co., Ltd.; Ninghai Risen Energy Power Development Co., Ltd.; Risen (Ningbo) Electric Power Development Co., Ltd.; Risen Energy (Ningbo) Co., Ltd.; Changzhou Jintan Ningsheng Electricity Power Co., Ltd.; Risen (Changzhou) Import and Export Co., Ltd.; Jiujiang Shengchao Xinye Technology Co., Ltd.; Jiujiang Shengchao Xinye Trade Co., Ltd.
48. Ruichang Branch.
49. Shanghai Nimble Co., Ltd.
50. Shenzhen Topray Solar Co., Ltd.
51. Shenzhen Yingli New Energy Resources Co., Ltd.
52. Sumec Hardware & Tools Co., Ltd.
53. Sunprime Solar Technology (Jiaxing) Co., Ltd.
54. Suntech Power Co., Ltd.
55. Suntimes Technology Co., Limited
56. Systems Versilis, Inc.
57. Taimax Technologies Inc.
58. Taizhou BD Trade Co., Ltd.
59. Talesun Energy
60. Talesun Solar
61. tenKsolar (Shanghai) Co., Ltd.
62. Tianjin Yingli New Energy Resources Co., Ltd.
63. Toenergy Technology Hangzhou Co., Ltd.
64. Trina (Hefei) Science and Technology Co., Ltd.
65. Wuxi Suntech Power Co., Ltd.
66. Wuxi Tianran Photovoltaic Co., Ltd.
67. Yingli Energy (China) Company Ltd.
68. Yingli Green Energy International Trading Company Limited
69. Zhejiang ERA Solar Technology Co., Ltd.
70. Zhejiang Sunflower Light Energy Science & Technology Limited Liability Company

[FR Doc. 2026–11867 Filed 6–11–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–552–833]

Raw Honey From the Socialist Republic of Vietnam: 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 Ban Me Thout Honeybee Joint Stock Company (BMT) and DakLak Honeybee Joint Stock Company (DakHoney), sold raw honey from the Socialist Republic of Vietnam (Vietnam) in the United States at less than normal value during the period of review (POR) June 1, 2023, through May 31, 2024.

DATES: Applicable June 12, 2026.

FOR FURTHER INFORMATION CONTACT: Krisha Hill, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4037.

SUPPLEMENTARY INFORMATION:

Background

On November 18, 2025, Commerce published the *Preliminary Results* of the 2023–2024 administrative review of the antidumping duty (AD) order on raw honey from Vietnam.¹ We invited interested parties to comment on the *Preliminary Results*. Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.² 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 21 days.³ On March 18 and May 29, 2026, Commerce extended the time period for

¹ See *Raw Honey From the Socialist Republic of Vietnam: Preliminary Results of Antidumping Duty Administrative Review; 2023–2024*, 90 FR 51653 (November 18, 2025) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” dated November 14, 2025.

³ See Memorandum, “Tolling of all Case Deadlines,” dated November 24, 2025.

issuing the final results in this review.⁴ Accordingly, the deadline for these final results is June 8, 2026.

For details of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁵

Scope of the Order⁶

The product covered by this order is raw honey from Vietnam. For a full description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

A summary of the events that occurred since Commerce published the *Preliminary Results*, as well as a full discussion of the issues raised by parties for these final results, may be found in the Issues and Decision Memorandum.⁷ A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum is provided in Appendix I. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s 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>.

Changes Since the Preliminary Results

Based on a review of the record and the comments received from interested parties, and for the reasons explained in the Issues and Decision Memorandum, we made certain changes to the preliminary weighted-average dumping margin calculations for BMT and DakHoney. For further discussion of these changes, see the Issues and Decision Memorandum.

Separate Rates

No parties commented on our preliminary separate rate determination.⁸ Therefore, we have continued to grant separate rate status to

12 companies/company groups.⁹ Additionally, consistent with the *Preliminary Results*, we have continued to deny separate rate status to 18 companies/company groups.¹⁰

Rate for Non-Examined Separate Rate Respondents

The statute and Commerce’s regulations do not address what rate to apply to respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for non-selected respondents that are not examined individually in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by averaging the weighted-average dumping margins for individually-examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available. When the rates for individually examined companies are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use “any reasonable method” to establish the all-others rate.

For these final results, we assigned the separate rate respondents identified in Appendix II, a dumping margin equal to the simple average of the dumping margins for BMT and DakHoney,¹¹ consistent with the guidance in section 735(c)(5)(A) of the Act.¹²

⁹ See Appendix II. We listed 14 companies/ company groups in the *Preliminary Results*. For these final results, we have removed the separate listings for “Nguyen Hong Honey, Co Ltd.” and “H.T. Honey Co., Ltd.” and have added these companies to “Dak Nguyen Hong Exploitation of Honey Company Limited TA” and “Hoang Tri Honey Bee Company Limited,” respectively.

¹⁰ See Appendix III.

¹¹ 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).

¹² See Memorandum, “Final Calculation of the Dumping Margin for Respondents Not Selected for Individual Examination,” dated concurrently with,

Final Results of Review

We determine that the following dumping margins exist for the period June 1, 2023, through May 31, 2024:

Exporter	Weighted-average dumping margin (percent)
Ban Me Thuot Honeybee Joint Stock Company	26.77
Daklak Honeybee Joint Stock Company	8.83
Companies Receiving a Separate Rate ¹³	17.80

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties for these final results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by the final results of this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the publication date of these final results in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (*i.e.*, less than 0.5 percent), Commerce intends to calculate importer/customer-specific assessment rates.¹⁴ Where the respondent reported reliable entered values, Commerce intends to calculate importer/customer-specific ad valorem assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer/customer and dividing this amount by the total entered value of the

and hereby adopted by, this notice for the discussion of this issue.

¹³ See Appendix II for a list of these companies.

¹⁴ See *Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification*).

⁴ See Memorandum, “Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated March 18, 2026; see also Memorandum, “Second Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated May 29, 2026.

⁵ See Memorandum, “Issues and Decision Memorandum for the Final Results of the 2023–2024 Administrative Review of the Antidumping Duty Order on Raw Honey from the Socialist Republic of Vietnam,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁶ See *Raw Honey From Argentina, Brazil, India, and the Socialist Republic of Vietnam: Antidumping Duty Orders*, 87 FR 35501 (June 10, 2022) (*Order*).

⁷ See Issues and Decision Memorandum.

⁸ See *Preliminary Results*.

merchandise sold to the importer/customer.¹⁵ Where the respondent did not report entered values, Commerce will calculate importer/customer-specific assessment rates by dividing the amount of dumping for reviewed sales to the importer/customer by the total quantity of those sales. Commerce will calculate an estimated ad valorem importer/customer-specific assessment rate to determine whether the per-unit assessment rate is *de minimis*; however, Commerce will use the per-unit assessment rate where entered values were not reported.¹⁶ Where an importer/customer-specific ad valorem assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis*, or an importer/customer-specific ad valorem assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁷

Pursuant to Commerce's refinement to its practice, for sales that were not reported in the U.S. sales database submitted by a respondent individually examined during this review, Commerce will instruct CBP to liquidate the entry of such merchandise at the dumping margin assigned to the Vietnam-wide entity (*i.e.*, 60.03 percent).¹⁸ For respondents not individually examined in this administrative review that qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to the respondents in these final results of review.¹⁹

Additionally, where Commerce determines that an exporter under review had no shipments of subject merchandise to the United States during the POR, any suspended entries of subject merchandise that entered under that exporter's CBP case number during

the POR will be liquidated at the dumping margin assigned to the Vietnam-wide entity.

In accordance with section 751(a)(2)(C) of the Act, 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 antidumping duties, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be equal to the weighted-average dumping margins established in the final results of this review, except if the rate is *de minimis*, in which case the cash deposit rate will be zero; (2) for previously-examined Vietnamese and non-Vietnamese exporters not listed above that at the time of entry are eligible for a separate rate based on a prior completed segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific cash deposit rate; (3) for all Vietnam exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate previously established for the Vietnam-wide entity (60.03 percent); and (4) for all non-Vietnamese exporters of subject merchandise which at the time of entry do not have a separate rate, the cash deposit rate will be the rate applicable to the Vietnamese exporter that supplied the non-Vietnamese exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification of 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 the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of

their responsibility to return or destroy proprietary information disclosed under an APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

Notification to Interested Parties

Commerce is issuing and publishing the final results of this review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: June 8, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Changes Since the *Preliminary Results*
- V. Discussion of the Issues
 - Comment 1: Selection of Surrogate Country
 - Comment 2: Surrogate Value for Raw Honey
 - Comment 3: Selection of Surrogate Financial Statements
 - Comment 4: Financial Ratio Calculations
 - Comment 5: Surrogate Value Calculation for Alcohol
 - Comment 6: Surrogate Value Calculation for Drums
 - Comment 7: Brokerage and Handling Expense for DakHoney
 - Comment 8: Additional Company Name
- VI. Recommendation

Appendix II

List of Companies Receiving a Separate Rate

1. Ban Me Thuot Honeybee Joint Stock Company
2. Daklak Honeybee Joint Stock Company
3. Bao Nguyen Honeybee Co., Ltd.
4. Daisy Honey Bee J.S.C., Daisy Honey Bee Joint Stock Company, Daisy Honey Bee JSC
5. Dak Nguyen Hong Exploitation of Honey Company Limited TA, Nguyen Hong Honey Co., LTD TA
6. Dongnai HoneyBee Corporation
7. Hoang Tri Honey Bee Company Limited, H.T. Honey Co., Ltd
8. Huong Rung Co., Ltd.; Huong Rung Trading—Investment and Export Company
9. Southern Honey Bee Co., Ltd.
10. Spring Honeybee Co., Ltd.
11. Thanh Hao Bees Company Limited
12. Viet Thanh Food Technology Development Investment Company

¹⁵ See 19 CFR 351.212(b)(1).

¹⁶ *Id.*

¹⁷ See *Final Modification*, 77 FR at 8103.

¹⁸ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011); see also, *Raw Honey From the Socialist Republic of Vietnam: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 87 FR 22184 (April 14, 2022).

¹⁹ See *Drawn Stainless Steel Sinks from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments: 2014–2015*, 81 FR 29528 (May 12, 2016), and accompanying PDM at 10–11, unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; Final Determination of No Shipments: 2014–2015*, 81 FR 54042 (August 15, 2016).

Limited; Viet Thanh Food Co., Ltd.

Appendix III

List of Companies Included in the Vietnam-Wide Entity

1. Bee Honey Corporation of Ho Chi Minh City
2. Golden Bee Company Limited
3. Golden Honey Co., Ltd.
4. Hai Phong Honeybee Company Limited
5. Hanoi Honey Bee Joint Stock Company
6. Hanoi Honeybee Joint Stock Company
7. HanoiBee JSC
8. Highlands Honeybee Travel Co., Ltd.
9. Hoa Viet Honeybee One Member Company Limited (also known as Hoa Viet Honeybee Co., Ltd.)
10. Hung Binh Phat/Hung Binh Phat Co., Ltd.
11. Hung Thinh Trading Pvt.
12. Huong Viet Honey Co., Ltd.
13. Nhieu Loc Company Limited
14. Phong Son Limited Company/Phong Son Co., Ltd.
15. Saigon Bees Company Limited/Saigon Bees Co., Limited
16. Thai Hoa Viet Mat Bees Raising Co./Thai Hoa Mat Bees Rasing Co., Ltd./Thai Hoa Mat Bees Raising Co., Ltd.
17. TNB Foods Co., Ltd.
18. Vinawax Producing Trading and Service Company Limited

[FR Doc. 2026–11866 Filed 6–11–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–357–823]

Raw Honey From Argentina: Final Results of the 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 certain exporters of raw honey from Argentina subject to this administrative review made sales of subject merchandise at less than normal value during the period of review (POR) June 1, 2023, through May 31, 2024.

DATES: Applicable June 12, 2026.

FOR FURTHER INFORMATION CONTACT: Thomas Martin, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3936.

SUPPLEMENTARY INFORMATION:

Background

On October 3, 2025, Commerce published the *Preliminary Results* in the *Federal Register* and invited comments

from interested parties.¹ On December 3, 2025, we suspended the briefing schedule set forth in the *Preliminary Results*.² On May 13, 2026, we issued post-preliminary analysis regarding Commerce's exchange rate and cost of production (COP) allocation methodology.³ On May 20, 2026, the American Honey Producers Association and Sioux Honey Association (collectively, the domestic parties), Asociación De Cooperativas Argentinas Cooperativa Limitada (ACA), NEXCO S.A. (NEXCO), and the Government of Argentina (GOA) submitted case briefs.⁴ On May 27, 2026, the domestic parties, ACA, NEXCO, the GOA and Compania Apicola Argentina S.A.; D'Ambros Maria De Los Angeles D'Ambros Maria Daniela SH and D'Ambros Maria De Los Angeles D'Ambros Maria Daniela SRL; Prairie Imports LLC; Patagonik Food S.A.; and Villamora S.A. (collectively, Unexamined Parties) submitted rebuttal briefs.⁵ On May 29, 2026, Commerce held a hearing.

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁶ 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.⁷ On March 25, 2026, Commerce extended the final results of this review by 53 days.⁸ On June 1, 2026, Commerce extended the final results of this review by 7 days.⁹ Accordingly, the deadline for these final results is now June 8, 2026.

For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.¹⁰ The Issues and Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order¹¹

The merchandise covered by the Order is raw honey from Argentina. 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 and Post Preliminary Analysis

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we have made certain changes to the margin calculations for ACA. For further discussion, see the Issues and Decision Memorandum.

Rate for Non-Individually Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to

⁷ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁸ See Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated March 25, 2026.

⁹ See Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated June 1, 2026.

¹⁰ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Antidumping Duty Administrative Review of Raw Honey from Argentina; 2023–2024," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

¹¹ See *Raw Honey from Argentina, Brazil, India, and the Socialist Republic of Vietnam: Antidumping Duty Orders*, 87 FR 35501 (June 10, 2022) (Order).

¹ See *Raw Honey from Argentina: Preliminary Results and Rescission, In Part, of Antidumping Duty Administrative Review; 2023–2024*, 90 FR 48035, 48036 (October 3, 2025) (*Preliminary Results*), accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Suspension of Deadline to Submit Case and Rebuttal Briefs," dated December 3, 2025.

³ See Memorandum, "Post-Preliminary Analysis for the Second Administrative Review of Raw Honey from Argentina," dated May 13, 2026 (Post Preliminary Analysis).

⁴ See Petitioner's Letter, "Petitioners' Letter in Lieu of Case Brief," dated May 20, 2026; see also ACA's Letter, "Case Brief," dated May 20, 2026; NEXCO's Letter, "NEXCO's Case Brief," dated May 20, 2026; GOA's Letter, "Comments from the Government of Argentina to the Post-Preliminary Analysis for the Second Review of Raw Honey from Argentina," dated May 20, 2026.

⁵ See Petitioners' Letter, "Petitioners' Rebuttal Brief," dated May 27, 2026; see also NEXCO's Letter, "NEXCO's Rebuttal Brief," dated May 27, 2026; ACA's Letter, "Rebuttal Brief," dated May 27, 2026; (ACA's Rebuttal Brief); GOA's Letter, "Comments from the Government of Argentina to the Post-Preliminary Analysis for the Second Review of Raw Honey from Argentina" dated May 27, 2026 (GOA's Rebuttal Brief); Unexamined Parties' Letter, "Rebuttal Brief" dated May 27, 2026 (Unexamined Parties' Rebuttal Brief).

⁶ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

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 zero and *de minimis* margins, and any margins determined entirely on the basis of facts available.”

For the final results, we have calculated a weighted-average dumping margin for ACA that is not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, consistent with our practice, for the final results of this review, we have determined that the weighted-average dumping margin for the non-examined companies to be equal to the weighted-average dumping margin calculated for ACA, *i.e.*, 21.35 percent.

Final Results of Review

As a result of this review, we determine the following estimated weighted-average dumping margin exists for the period June 1, 2023, through May 31, 2024:

Exporter or producer	Weighted-average dumping margin (percent)
Asociación De Cooperativas Argentinas Cooperativa Limitada	21.35
NEXCO S.A	0.00
Review-Specific Rate for Non-Examined Companies	21.35

Disclosure

Commerce intends to disclose the calculations performed for the final results of this review to parties in this proceeding within five days after public announcement of the final results or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).¹²

¹² See 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review.

Pursuant to 19 CFR 351.212(b)(1), where the respondent reported the entered value of its U.S. sales, we calculated importer-specific assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of those same sales. Where the respondent did not report entered value, we calculated a per-unit assessment rate for each importer by dividing the total amount of dumping calculated for the examined sales made to that importer by the total quantity associated with those sales. To determine whether an importer-specific, per-unit assessment rate is *de minimis* (*i.e.*, less than 0.5 percent), in accordance with 19 CFR 351.106(c)(2), we also calculated an importer-specific *ad valorem* rate based on estimated entered values. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.¹³

For the non-examined companies, we intend to instruct CBP to assess antidumping duties at a rate equal to the weighted-average dumping margin determined in these final results of review.

Commerce's “automatic assessment” practice will apply to entries of subject merchandise during the POR produced by ACA and NEXCO for which it did not know that the merchandise it sold to an intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate such entries at the all-others rate (*i.e.*, 16.92 percent),¹⁴ if there is no rate for the intermediate company(ies) involved in the transaction.¹⁵

¹³ See 19 CFR 352.106(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).

¹⁴ See *Raw Honey from Argentina: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 87 FR 22179, 22181 (April 14, 2022).

¹⁵ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the 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 subject merchandise exported by ACA and NEXCO will be equal to the weighted-average dumping margin that is established in the final results of this review; (2) for subject merchandise exported by previously investigated or reviewed companies not covered in this review, the cash deposit rate will continue to be equal to the company-specific weighted-average dumping margin 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 equal to the company-specific weighted-average dumping margin established for the most recently completed segment for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers and exporters will continue to be 16.92 percent, the all-others rate established in the amended final determination of the LTFV investigation.¹⁶

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 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 or countervailing duties occurred and the

¹⁶ See *Amended Final*, 87 FR at 935.

subsequent assessment of double antidumping duties, and/or increase in the amount of antidumping duties by the amount of the countervailing duties.

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to 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 the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: June 8, 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: Date of Sale
 - Comment 2: Acquisition Costs Based on the Color of the Honey Purchased
 - Comment 3: Right to Additional Briefing
 - Comment 4: Weighted-Average Dumping Margin for Non-Examined Companies
 - Comment 5: ACA's Reported Price Adjustments for Dollar Agro Revenues
 - Comment 6: Inclusion of Variable Cost Variance in Total Cost of Manufacturing
 - Comment 7: Disclosure of Calculations of Revised Official Exchange Rates
 - Comment 8: Errors in Beekeeper And Middleman Costs
- V. Recommendation

[FR Doc. 2026-11865 Filed 6-11-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF838]

Fisheries of the Gulf of America; Southeast Data, Assessment, and Review; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and

Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of webinar.

SUMMARY: The Southeast Data Assessment and Review (SEDAR) 108 assessment process of South Atlantic Black Sea Bass will consist of a SEDAR led introduction webinar followed by internal agency led data and assessment stages. See **SUPPLEMENTARY INFORMATION**.

DATES: The SEDAR 108 Introduction webinar will be held June 29, 2026, from 3–4 p.m. EST.

ADDRESSES: *Meeting address:* The meeting will be held via webinar. The webinar is open to members of the public. Those interested in participating should contact Emily Ott at SEDAR (See **FOR FURTHER INFORMATION CONTACT**) to request an invitation providing webinar access information. Please request webinar invitations at least 24 hours in advance of each webinar. SEDAR address: 4055 Faber Place Drive, Suite 201, North Charleston, SC 29405.

FOR FURTHER INFORMATION CONTACT: Emily Ott, SEDAR Coordinator; (843) 302-8434. Email: *Emily.Ott@safmc.net*.

SUPPLEMENTARY INFORMATION: The Gulf, South Atlantic, and Caribbean Fishery Management Councils, in conjunction with the National Marine Fisheries Service and the Atlantic and Gulf States Marine Fisheries Commissions have implemented the SEDAR process. SEDAR is a participatory process for developing, evaluating and reviewing information used for fisheries management advice. This multi-step process for determining the status of fish stocks in the Southeast Region may include (1) a Data stage, and (2) an Assessment stage, and (3) a Review stage. Each stage produces a report summarizing decisions made during that stage. A final stock assessment report is produced at the end of a SEDAR process documenting data sets used, model configurations and the opinions from the independent peer review. Participants for SEDAR projects are appointed by the Gulf, South Atlantic, and Caribbean Fishery Management Councils and National Marine Fisheries Service Southeast Regional Office, Highly Migratory Species Management Division, and Southeast Fisheries Science Center. Participants may include data collectors and database managers; stock assessment scientists, biologists, and researchers; constituency representatives including fishermen, environmentalists, and non-governmental organizations; International experts; and staff of

Councils, Commissions, and state and Federal agencies.

The items of discussion during the SEDAR 108 Introduction webinar are as follows:

The lead assessment team will present new and old data that is expected to be used in the assessment.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically identified in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the intent to take final action to address the emergency.

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to the Council office (see **ADDRESSES**) at least 5 business days prior to each workshop.

Note: The times and sequence specified in this agenda are subject to change.

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

Dated: June 10, 2026.

Key Israel Marquez,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026-11859 Filed 6-11-26; 8:45 am]

BILLING CODE 3510-22-P

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Agency Information Collection Activities; Comment Request; AmeriCorps State and National Application Instructions

AGENCY: Corporation for National and Community Service.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Corporation for National and Community Service (operating as AmeriCorps) is proposing to renew an information collection for all AmeriCorps application instructions, including State, National Direct, State Education Award Program, Direct Education Award Program, National Professional Corps, Indian Tribes, States & Territories.

DATES: Written comments must be submitted to the individual and office listed in the **ADDRESSES** section by August 11, 2026.

ADDRESSES: You may submit comments, identified by the title of the information collection activity, by any of the following methods:

(1) Electronically through www.regulations.gov (preferred method).

(2) *By mail sent to:* AmeriCorps, Attention: Colleen Holohan, AmeriCorps, 250 E Street SW, Washington, DC 20525.

(3) By hand delivery or by courier to the AmeriCorps mailroom at the mail address given in paragraph (2) above, between 9 a.m. and 4 p.m. Eastern Time, Monday through Friday, except Federal holidays.

Comments submitted in response to this notice may be made available to the public through regulations.gov. For this reason, please do not include in your comments information of a confidential nature, such as sensitive personal information or proprietary information. If you send an email comment, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the internet. Please note that responses to this public comment request containing any routine notice about the confidentiality of the communication will be treated as public comment that may be made available to the public, notwithstanding the inclusion of the routine notice.

FOR FURTHER INFORMATION CONTACT: Colleen Holohan, Acting Deputy Director, AmeriCorps State and National, 202-606-6656, or by email at cholohan@americorps.gov.

SUPPLEMENTARY INFORMATION:

Title of Collection: AmeriCorps State and National Application Instructions.

OMB Control Number: 3045-0047.

Type of Review: Revision.

Respondents/Affected Public:

Businesses and organizations, and State, local, or Tribal governments.

Total Estimated Number of Annual Responses: 450.

Total Estimated Number of Annual Burden Hours: 18,000.

Abstract: The application instructions conform to AmeriCorps' online grant application system, eGrants, which applicants must use to respond to AmeriCorps Notices of Funding Opportunities. AmeriCorps is seeking to revise the application instructions to address how unexpended funds are handled (see Carry Forward Funding section in Continuations); remove the

fixed percentage rate method as an option for calculating administrative/indirect costs for cost-reimbursement grants (see Attachment B of the form); update the *de minimis* indirect cost rate; add a new Attachment I: State Commission Recommendation and Ranking Guidance; add clarifying language (e.g., identifying the hours for a full Member Service Year (MSY); and reflect regulatory changes since the last renewal, including, for example, updating the match requirements and updating terminology. AmeriCorps also seeks to continue using the currently approved information collection until the revised information collection is approved by OMB. The currently approved information collection is due to expire on September 30, 2026.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; to develop, acquire, install and utilize technology and systems for the purpose of collecting, validating and verifying information, processing and maintaining information, and disclosing and providing information; to train personnel and to be able to respond to a collection of information, to search data sources, to complete and review the collection of information; and to transmit or otherwise disclose the information. All written comments will be available for public inspection on regulations.gov.

Arminda Pappas,

Acting Director, AmeriCorps State and National.

[FR Doc. 2026-11887 Filed 6-11-26; 8:45 am]

BILLING CODE 6050-28-P

DEPARTMENT OF EDUCATION

[Docket No.: ED-2026-SCC-1156]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Grant Reallotment

AGENCY: Office of Special Education and Rehabilitative Services (OSERS), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing an extension without change of a currently approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before July 13, 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 David Steele, (202) 245-6358.

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: Grant Reallotment.

OMB Control Number: 1820–0692.

Type of Review: Extension without change of a currently approved ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 323.

Total Estimated Number of Annual Burden Hours: 11.

Abstract: The Rehabilitation Act of 1973, as amended (the Act), authorizes the Rehabilitation Services Administration (RSA) Commissioner to reallot to other grant recipients that portion of a recipient's annual grant that cannot be used. To maximize the use of appropriated funds under the formula grant programs, RSA has established a reallotment process for the State Vocational Rehabilitation Services (VR); State Supported Employment Services (Supported Employment); Independent Living Services for Older Individuals Who Are Blind (OIB); Client Assistance Program (CAP); and Protection and Advocacy of Individual Rights (PAIR) programs. The authority for RSA to reallot formula grant funds is found at sections 110(b)(2) (VR), 622(b) (Supported Employment), 752(i)(4) (OIB), 112(e)(2) (CAP), and 509(e) (PAIR) of the Act.

The information will be used by the RSA State Monitoring and Program Improvement Division (SMPID) to reallot formula grant funds for the awards mentioned above.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–11835 Filed 6–11–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

Notice Announcing Centers Aligned With Areas of National Need Program Competition

AGENCY: Department of Education, Department of State.

ACTION: Notice.

SUMMARY: In coordination with the Bureau of Educational and Cultural Affairs at the U.S. Department of State (State), the U.S. Department of Education (ED) is soliciting applications in support of the administration of the Fiscal Year (FY) 2026 Centers Aligned with Areas of National Need program, Assistance Listing Number 84.015C.

DATES: Complete proposals must be submitted electronically through the *Grants.gov* “APPLY” function by 11:59:59 p.m. Eastern time July 7, .

FOR FURTHER INFORMATION CONTACT: Margarita Melendez, Telephone: 202–987–0408, Email: CAANN@ed.gov.

SUPPLEMENTARY INFORMATION: This program provides grants to institutions of higher education (IHEs) or consortia of IHEs to address one or more of the following areas of national need: teaching modern foreign languages, such as Spanish, Portuguese, Italian, Hungarian, Polish, Russian, Czech, Arabic, Swahili, Hausa, Hindi, Urdu, Mandarin, Korean, Japanese, Farsi, Bahasa, Thai and other languages; providing instruction in fields needed to provide understanding of areas, regions, or countries in which the language is used; supporting research and training in international studies and the international and foreign language aspects of professional and other fields of study; and providing instruction and research on issues in world affairs in areas such as Latin America, Europe, Eurasia, Middle East, Africa, and Asia. The FY 2026 competition includes four absolute priorities, two competitive preference priorities, selection criteria, and requirements. The absolute priorities are Centers Creating Programs of Linkage, Projects Addressing Areas of National Need, Comprehensive Center Projects, and Undergraduate Center Projects. The competitive preference priorities are: Returning Education to the States and Artificial Intelligence.

Maximum Award: \$1,400,000 for the entire 48-month project period.

Eligible Applicants: An institution of higher education or a consortium of institutions of higher education is eligible to receive a grant under this part as either a comprehensive Center or undergraduate Center.

Program Authority: Title VI, Part A, Section 602(a) of the Higher Education Act of 1965, as amended (20 U.S.C. 1122).

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-higher-education/international-and-foreign-language-education>, and on *Grants.gov* at <https://grants.gov/search-results-detail/362705>. 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.

Note: Victoria Roberts signs this notice in furtherance of State's role in providing support to ED.

David Barker,

Assistant Secretary, Office of Postsecondary Education, Department of Education.

In concurrence.

Victoria Roberts,

Deputy Assistant Secretary for Academic Programs, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2026–11893 Filed 6–11–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[CP26–534–000]

Northern Natural Gas Company; Notice of Application and Establishing Intervention Deadline

Take notice that on May 28, 2026, Northern Natural Gas Company (Northern), 1111 South 103rd Street, Omaha, Nebraska 68124–1000, filed an application under section 7(c), of the Natural Gas Act (NGA) and Part 157 of the Commission's regulations requesting authorization for its Permian Basin Expansion Project (Project). The Project consists of (1) installing 15.1 miles of 24-inch-diameter and 1.1 miles of 16-inch-diameter new pipelines in Lea County, New Mexico and Gaines County, Texas; (2) constructing a new ISO-rated 7,700-HP Solar Tarus 60 gas turbine compressor station in Lea County, New Mexico; (3) constructing an interconnect with Transwestern Pipeline Company, LLC within the existing Phillip 66 Linam Ranch Plant; (4) constructing a receiver within Northern's existing launcher facility; (5) replacing an existing recycle valve within Northern's existing Plains Compressor Station; and (6) constructing a delivery point at the Southwestern Public Service Company (SPS) Gaines County Generating Station. The Project will provide peak day firm transportation service of approximately 361,600 dekatherms per day to the new SPS generation facility as well as provide benefits to Northern's existing system through increased reliability and system flexibility. Northern estimates the total cost of the Project to be \$104,996,682 and requests a presumption of rolled-in rate treatment for the expansion costs for the Project, all as more fully set forth in the application which is on file with the Commission and open for public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (<http://www.ferc.gov>). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. Email the Public Reference Room at public.referenceroom@ferc.gov.

Any questions regarding the proposed project should be directed to Bret Fritch, Regulatory Specialist, Northern Natural Gas Company, P.O. Box 3330, Omaha, Nebraska 68103-0330, by phone at (402) 398-7140, or by email at bret.fritch@nngco.com.

Pursuant to section 157.9 of the Commission's Rules of Practice and Procedure,¹ within 90 days of this Notice the Commission staff will either: complete its environmental review and place it into the Commission's public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff's issuance of the final environmental impact statement (FEIS) or environmental assessment (EA) for this proposal. The filing of an EA in the Commission's public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff's FEIS or EA.

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file comments on the project, you can protest the filing,

and you can file a motion to intervene in the proceeding. There is no fee or cost for filing comments or intervening. The deadline for filing a motion to intervene is 5:00 p.m. Eastern Time on June 30, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502-6595 or OPP@ferc.gov.

Comments

Any person wishing to comment on the project may do so. Comments may include statements of support or objections, to the project as a whole or specific aspects of the project. The more specific your comments, the more useful they will be.

Protests

Pursuant to sections 157.10(a)(4)² and 385.211³ of the Commission's regulations under the NGA, any person⁴ may file a protest to the application. Protests must comply with the requirements specified in section 385.2001⁵ of the Commission's regulations. A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

To ensure that your comments or protests are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on June 30, 2026.

There are three methods you can use to submit your comments or protests to the Commission. In all instances, please reference the Project docket number CP26-534-000 in your submission.

(1) You may file your comments electronically by using the eComment feature, which is located on the Commission's website at www.ferc.gov under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project;

(2) You may file your comments or protests electronically by using the eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must

first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Comment on a Filing"; or

(3) You can file a paper copy of your comments or protests by mailing them to the following address below. Your written comments must reference the Project docket number (CP26-534-000).

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of comments (options 1 and 2 above) and has eFiling staff available to assist you at (202) 502-8258 or FercOnlineSupport@ferc.gov.

Persons who comment on the environmental review of this project will be placed on the Commission's environmental mailing list, and will receive notification when the environmental documents (EA or EIS) are issued for this project and will be notified of meetings associated with the Commission's environmental review process.

The Commission considers all comments received about the project in determining the appropriate action to be taken. However, the filing of a comment alone will not serve to make the filer a party to the proceeding. To become a party, you must intervene in the proceeding. For instructions on how to intervene, see below.

Interventions

Any person, which includes individuals, organizations, businesses, municipalities, and other entities,⁶ has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure⁷ and the regulations under the NGA⁸ by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on June 30, 2026. As described further in Rule 214, your motion to intervene must state, to the

¹ 18 CFR 157.9.

² 18 CFR 157.10(a)(4).

³ 18 CFR 385.211.

⁴ Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

⁵ 18 CFR 385.2001.

⁶ 18 CFR 385.102(d).

⁷ 18 CFR 385.214.

⁸ 18 CFR 157.10.

extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at <https://www.ferc.gov/resources/guides/how-to/intervene.asp>.

There are two ways to submit your motion to intervene. In both instances, please reference the Project docket number CP26–534–000 in your submission.

(1) You may file your motion to intervene by using the Commission's eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Intervention." The eFiling feature includes a document-less intervention option; for more information, visit <https://www.ferc.gov/docs-filing/efiling/document-less-intervention.pdf>; or

(2) You can file a paper copy of your motion to intervene, along with three copies, by mailing the documents to the address below. Your motion to intervene must reference the Project docket number CP26–534–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of motions to intervene (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or FercOnlineSupport@ferc.gov.

Protests and motions to intervene must be served on the applicant either by mail at: Bret Fritch, Regulatory Specialist, Northern Natural Gas Company, P.O. Box 3330, Omaha, Nebraska 68103–0330 or by email (with a link to the document) at bret.fritch@nngco.com. Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online. Service can be via email with a link to the document.

All timely, unopposed⁹ motions to intervene are automatically granted by operation of Rule 214(c)(1).¹⁰ Motions to intervene that are filed after the intervention deadline are untimely, and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations.¹¹ A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Tracking the Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502–6595 or on the FERC website at www.ferc.gov using the "eLibrary" link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to www.ferc.gov/docs-filing/esubscription.asp.

Intervention Deadline: 5:00 p.m. Eastern Time on June 30, 2026.

(Authority: 18 CFR 2.1)

Dated: June 9, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–11879 Filed 6–11–26; 8:45 am]

BILLING CODE 6717–01–P

⁹ The applicant has 15 days from the submittal of a motion to intervene to file a written objection to the intervention.

¹⁰ 18 CFR 385.214(c)(1).

¹¹ 18 CFR 385.214(b)(3) and (d).

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2100–184]

California Department of Water Resources; Notice of Availability and Adoption of Final Environmental Assessment

Pending before the Federal Energy Regulatory Commission (Commission) is an application filed by the California Department of Water Resources (licensee) for a non-capacity amendment for the Feather River Hydroelectric Project No. 2100. The licensee is proposing to make improvements to an existing recreation area, including a campground, day-use area, and boat launch, at the Oroville Wildlife Area adjacent to the Thermalito Afterbay.

In accordance with the National Environmental Policy Act of 1969 (NEPA), the Commission's regulations at 18 CFR part 380, Commission staff have decided to adopt the Environmental Assessment (EA) reviewed and by the U.S. Army Corps of Engineers (Corps) for the proposed work.¹ In determining whether to adopt the EA, Commission staff independently reviewed the EA. The actions analyzed by the Corps are essentially the same as those being proposed in the licensee's application, and therefore, Commission staff concludes that the EA adequately assesses the environmental impacts of the proposed action and can be adopted. Commission staff also agrees with the Corps' finding that the proposed work is not a major federal action significantly affecting the quality of the human environment.

The licensee is working in conjunction with its partner agency the Sutter Butte Flood Control Agency to construct recreation improvements at the existing Oroville Wildlife Area within the Feather River Hydroelectric Project's boundary adjacent to the Thermalito Afterbay outlet. The EA reviewed by the Corps titled "Final Environmental Assessment for the Oroville Wildlife Area Thermalito Recreation Improvements Project" can be viewed in the licensee's supplement filed in the Commission's eLibrary system on February 27, 2026, under docket P–2100 and is being reissued concurrent with this notice.

For public inquiries and assistance with making filings such as interventions, comments, or requests for

¹ The unique identification number for documents relating to this environmental review is: EAXX–019–20–000–1778592430.

rehearing, please contact the Office of Public Participation at (202) 502–6595 or OPP@ferc.gov.

For further information, contact Mary Karwoski at (678) 245–3027 or mary.karwoski@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: June 9, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–11878 Filed 6–11–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[CP26–532–000; PF26–3–000]

Rio Grande LNG Train 6, LLC; Notice of Application and Establishing Intervention Deadline

Take notice that on May 26, 2026, Rio Grande LNG Train 6, LLC (RGLNG Train 6), 1000 Louisiana Street, Suite 3300, Houston, Texas 77002, filed an application under section 3(a) of the Natural Gas Act (NGA) and Part 153 of the Commission's regulations requesting authorization for its Rio Grande LNG Expansion Project (Project). RGLNG Train 6 requests to add an additional liquefaction train, a new marine jetty and associated facilities at the Rio Grande LNG terminal in Cameron County, Texas, which was previously approved in Docket Nos. CP16–454–000 and CP24–70–000 and is currently under construction (Authorized RGLNG Terminal). The Project would add approximately 6.03 million tonnes per annum of LNG production capacity to the Authorized RGLNG Terminal, and increase the authorized LNG carrier vessels per year to 510, all as more fully set forth in the application which is on file with the Commission and open for public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (<http://www.ferc.gov>). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at public.referenceroom@ferc.gov.

Any questions regarding the proposed project should be directed to Paul Nielson, Rio Grande LNG Train 6, LLC, 1000 Louisiana Street, Suite 3300, Houston, Texas 77002, by phone at (832) 900–4274, or by email at pnielson@next-decade.com.

On December 22, 2025, the Commission granted the Applicant's request to utilize the National Environmental Policy Act Pre-Filing Process and assigned Docket No. PF26–3–000 to staff activities involved in the Project. Now, as of the filing of the May 26, 2026 application, the Pre-Filing Process for this project has ended. From this time forward, this proceeding will be conducted in Docket No. CP26–532–000 as noted in the caption of this Notice.

Pursuant to section 157.9 of the Commission's Rules of Practice and Procedure,¹ within 90 days of this Notice the Commission staff will either: complete its environmental review and place it into the Commission's public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff's issuance of the final environmental impact statement (FEIS) or environmental assessment (EA) for this proposal. The filing of an EA in the Commission's public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff's FEIS or EA.

RGLNG Train 6 requests any waiver the Commission may deem necessary to accept this Application, including, but not limited to, limited waiver of the remainder of the pre filing process. Through the pre-filing process, staff has determined that the proposal does not involve significant state and local safety considerations that have not been previously addressed. The RGLNG Train 6 Project facilities, other than the

marine berth, would be within the previously developed or disturbed footprint of the Rio Grande LNG Terminal, within the previously evaluated storm surge and security enclosure being built to contain the already authorized facilities, and would be an extension of Rio Grande LNG Terminal facilities that utilize in-kind or upgraded pretreatment facilities, liquefaction facilities, marine facilities, and other facilities with in-kind or upgraded safety systems, security systems, and other systems recently authorized by the Commission and under construction. Therefore, we waive the requirement in 18 CFR 157.21(a)(2)(i) as part of this notice.

Water Quality Certification

RGLNG Train 6 stated that a water quality certificate under section 401 of the Clean Water Act is required for the project from the Railroad Commission of Texas. When available, RGLNG Train 6 should submit to the Commission a copy of the request for certification for the Commission authorization, including the date the request was submitted to the certifying agency, and either (1) a copy of the certifying agency's decision or (2) evidence of waiver of water quality certification.

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file comments on the project, you can protest the filing, and you can file a motion to intervene in the proceeding. There is no fee or cost for filing comments or intervening. The deadline for filing a motion to intervene is 5:00 p.m. Eastern Time on June 30, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502–6595 or OPP@ferc.gov.

Comments

Any person wishing to comment on the project may do so. Comments may include statements of support or objections, to the project as a whole or specific aspects of the project. The more specific your comments, the more useful they will be.

Protests

Pursuant to sections 157.10(a)(4)² and 385.211³ of the Commission's

¹ 18 CFR 157.9.

² 18 CFR 157.10(a)(4).

³ 18 CFR 385.211.

regulations under the NGA, any person⁴ may file a protest to the application. Protests must comply with the requirements specified in section 385.2001⁵ of the Commission's regulations. A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

To ensure that your comments or protests are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on June 30, 2026.

There are three methods you can use to submit your comments or protests to the Commission. In all instances, please reference the Project docket number CP26–532–000 in your submission.

(1) You may file your comments electronically by using the eComment feature, which is located on the Commission's website at www.ferc.gov under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project;

(2) You may file your comments or protests electronically by using the eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Comment on a Filing"; or

(3) You can file a paper copy of your comments or protests by mailing them to the following address below. Your written comments must reference the Project docket number (CP26–532–000).

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of comments (options 1 and 2 above) and has eFiling staff available to assist you at (202) 502–8258 or FercOnlineSupport@ferc.gov.

Persons who comment on the environmental review of this project will be placed on the Commission's environmental mailing list, and will

receive notification when the environmental documents (EA or EIS) are issued for this project and will be notified of meetings associated with the Commission's environmental review process.

The Commission considers all comments received about the project in determining the appropriate action to be taken. However, the filing of a comment alone will not serve to make the filer a party to the proceeding. To become a party, you must intervene in the proceeding. For instructions on how to intervene, see below.

Interventions

Any person, which includes individuals, organizations, businesses, municipalities, and other entities,⁶ has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure⁷ and the regulations under the NGA⁸ by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on June 30, 2026. As described further in Rule 214, your motion to intervene must state, to the extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at <https://www.ferc.gov/resources/guides/how-to/intervene.asp>.

There are two ways to submit your motion to intervene. In both instances, please reference the Project docket number CP26–532–000 in your submission.

(1) You may file your motion to intervene by using the Commission's eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Intervention." The eFiling feature

includes a document-less intervention option; for more information, visit <https://www.ferc.gov/docs-filing/efiling/document-less-intervention.pdf>; or

(2) You can file a paper copy of your motion to intervene, along with three copies, by mailing the documents to the address below. Your motion to intervene must reference the Project docket number CP26–532–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of motions to intervene (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or FercOnlineSupport@ferc.gov.

Protests and motions to intervene must be served on the applicant either by mail at: Paul Nielson, Rio Grande LNG Train 6, LLC, 1000 Louisiana Street, Suite 3300, Houston, Texas 77002 or by email (with a link to the document) at pnielson@next-decade.com. Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online. Service can be via email with a link to the document.

All timely, unopposed⁹ motions to intervene are automatically granted by operation of Rule 214(c)(1).¹⁰ Motions to intervene that are filed after the intervention deadline are untimely, and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations.¹¹ A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Tracking the Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502–

⁹ The applicant has 15 days from the submittal of a motion to intervene to file a written objection to the intervention.

¹⁰ 18 CFR 385.214(c)(1).

¹¹ 18 CFR 385.214(b)(3) and (d).

⁴ Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

⁵ 18 CFR 385.2001.

⁶ 18 CFR 385.102(d).

⁷ 18 CFR 385.214.

⁸ 18 CFR 157.10.

6595 or on the FERC website at www.ferc.gov using the “eLibrary” link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to www.ferc.gov/docs-filing/subscription.asp.

Intervention Deadline: 5:00 p.m. Eastern Time on June 30, 2026.

(Authority: 18 CFR 2.1)

Dated: June 9, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–11880 Filed 6–11–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[CP26–530–000; CP26–533–000]

Venture Global CP2 LNG, LLC, Venture Global CP Express, LLC; Notice of Application and Establishing Intervention Deadline

Take notice that on May 26, 2026, Venture Global CP2 LNG, LLC (CP2 LNG), and Venture Global CP Express, LLC (CP Express) (together the Applicants), 1401 McKinney Street, Suite 2600, Houston, Texas 77010, jointly filed an application under sections 3 and 7 of the Natural Gas Act (NGA) and Parts 153 and 157 of the Commission’s regulations requesting (i) authorization pursuant to NGA section 3 to site, construct, own, operate and maintain an expansion of CP2 LNG’s liquefied natural gas (LNG) export terminal and associated facilities which are currently under construction on the east side of the Calcasieu Ship Channel in Cameron Parish, Louisiana (CP2 LNG Terminal);¹ and (ii) a certificate of public convenience and necessity pursuant to NGA section 7(c) for CP

Express to construct, own, operate and maintain an expansion created by the addition of new compression and related facilities on the CP Express Pipeline, which is also under construction and will extend from Jasper County in east Texas to the CP2 LNG Terminal. The CP2 LNG Terminal expansion and the CP Express Pipeline expansion proposed in this application are related projects that are collectively referred to herein as the CP2 LNG Expansion Project. The proposed terminal expansion consists of six additional liquefaction blocks, a new gas-fired power plant, and a third marine berth and will increase the maximum peak liquefaction and export capacity of the CP2 LNG Terminal by approximately 11.7 million metric tonnes per annum (MTPA). The pipeline expansion will add approximately 1,900 million cubic feet per day of incremental firm transportation capacity. CP Express estimates the total cost of its expansion project to be \$825,971,448, all as more fully set forth in the application which is on file with the Commission and open for public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission’s Home Page (<http://www.ferc.gov>). From the Commission’s Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission’s website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at public.referenceroom@ferc.gov.

Any questions regarding the proposed project should be directed to J. Patrick Nevins, Counsel to Venture Global CP2 LNG, LLC and Venture Global CP Express, LLC, Latham & Watkins LLP, 555 Eleventh Street, NW, Suite 1000, Washington, DC 20004, by phone at (202) 637–3363, or by email at patrick.nevins@lw.com.

Pursuant to section 157.9 of the Commission’s Rules of Practice and

Procedure,² within 90 days of this Notice the Commission staff will either: complete its environmental review and place it into the Commission’s public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff’s issuance of the final environmental impact statement (FEIS) or environmental assessment (EA) for this proposal. The filing of an EA in the Commission’s public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff’s FEIS or EA.

Water Quality Certification

Applicants stated that a water quality certificate under section 401 of the Clean Water Act is required for the project from the Railroad Commission of Texas (RRC) and the Louisiana Department of Environmental Quality (LDEQ). When available, Applicants should submit to the Commission a copy of the request for certification for the Commission authorization, including the date the request was submitted to the certifying agency, and either (1) a copy of the certifying agency’s decision or (2) evidence of waiver of water quality certification.

Public Participation

There are three ways to become involved in the Commission’s review of this project: you can file comments on the project, you can protest the filing, and you can file a motion to intervene in the proceeding. There is no fee or cost for filing comments or intervening. The deadline for filing a motion to intervene is 5:00 p.m. Eastern Time on June 30, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502–6595 or OPP@ferc.gov.

Comments

Any person wishing to comment on the project may do so. Comments may include statements of support or objections, to the project as a whole or

¹ *Venture Global CP2 LNG, LLC; Venture Global CP Express, LLC*, 187 FERC ¶ 61,199 (2024) (“Authorization Order”), *reh’g*, 189 FERC ¶ 61,148 (2024) (“First Rehearing Order”), *reh’g*, 191 FERC ¶ 61,153 (2025) (“Supplemental Rehearing Order”), *reh’g and stay denied*, 192 FERC ¶ 61,155 (2025), *appeal pending sub nom. Dardar v. FERC*, Case No. 24–1291, *et al.* (D.C. Cir. filed Sept. 24, 2024).

² 18 CFR 157.9.

specific aspects of the project. The more specific your comments, the more useful they will be.

Protests

Pursuant to sections 157.10(a)(4)³ and 385.211⁴ of the Commission's regulations under the NGA, any person⁵ may file a protest to the application. Protests must comply with the requirements specified in section 385.2001⁶ of the Commission's regulations. A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

To ensure that your comments or protests are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on June 30, 2026.

There are three methods you can use to submit your comments or protests to the Commission. In all instances, please reference the Project docket numbers CP26–530–000 and CP26–533–000 in your submission.

(1) You may file your comments electronically by using the eComment feature, which is located on the Commission's website at www.ferc.gov under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project;

(2) You may file your comments or protests electronically by using the eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Comment on a Filing"; or

(3) You can file a paper copy of your comments or protests by mailing them to the following address below. Your written comments must reference the Project docket numbers (CP26–530–000 and CP26–533–000).

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225

Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of comments (options 1 and 2 above) and has eFiling staff available to assist you at (202) 502–8258 or FercOnlineSupport@ferc.gov.

Persons who comment on the environmental review of this project will be placed on the Commission's environmental mailing list, and will receive notification when the environmental documents (EA or EIS) are issued for this project and will be notified of meetings associated with the Commission's environmental review process.

The Commission considers all comments received about the project in determining the appropriate action to be taken. However, the filing of a comment alone will not serve to make the filer a party to the proceeding. To become a party, you must intervene in the proceeding. For instructions on how to intervene, see below.

Interventions

Any person, which includes individuals, organizations, businesses, municipalities, and other entities,⁷ has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure⁸ and the regulations under the NGA⁹ by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on June 30, 2026. As described further in Rule 214, your motion to intervene must state, to the extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at <https://www.ferc.gov/resources/guides/how-to/intervene.asp>.

There are two ways to submit your motion to intervene. In both instances, please reference the Project docket numbers CP26–530–000 and CP26–533–000 in your submission.

(1) You may file your motion to intervene by using the Commission's eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Intervention." The eFiling feature includes a document-less intervention option; for more information, visit <https://www.ferc.gov/docs-filing/efiling/document-less-intervention.pdf>; or

(2) You can file a paper copy of your motion to intervene, along with three copies, by mailing the documents to the address below. Your motion to intervene must reference the Project docket numbers CP26–530–000 and CP26–533–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of motions to intervene (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or FercOnlineSupport@ferc.gov.

Protests and motions to intervene must be served on the applicant either by mail at: J. Patrick Nevins, Counsel to Venture Global CP2 LNG, LLC and Venture Global CP Express, LLC, Latham & Watkins LLP, 555 Eleventh Street, NW, Suite 1000, Washington, DC 20004, or by email (with a link to the document) at patrick.nevins@lw.com.

Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online. Service can be via email with a link to the document.

All timely, unopposed¹⁰ motions to intervene are automatically granted by operation of Rule 214(c)(1).¹¹ Motions to intervene that are filed after the intervention deadline are untimely, and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the

³ 18 CFR 157.10(a)(4).

⁴ 18 CFR 385.211.

⁵ Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

⁶ 18 CFR 385.2001.

⁷ 18 CFR 385.102(d).

⁸ 18 CFR 385.214.

⁹ 18 CFR 157.10.

¹⁰ The applicant has 15 days from the submittal of a motion to intervene to file a written objection to the intervention.

¹¹ 18 CFR 385.214(c)(1).

Commission's Rules and Regulations.¹² A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Tracking the Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502-6595 or on the FERC website at www.ferc.gov using the "eLibrary" link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to www.ferc.gov/docs-filing/subscription.asp.

Intervention Deadline: 5:00 p.m. Eastern Time on June 30, 2026.

(Authority: 18 CFR 2.1)

Dated: June 9, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-11881 Filed 6-11-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. IC26-16-000; RD25-8-000]

Commission Information Collection Activities (Ferc-725b). Comment Request; Extension

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of information collection and request for comments.

SUMMARY: In compliance with the requirements of the Paperwork Reduction Act of 1995, the Federal Energy Regulatory Commission (Commission or FERC) is soliciting public comment on the currently approved information collection, FERC-725B, (Mandatory Reliability Standards, Critical Infrastructure Protection (CIP)). This submission is for an extension

request and changes to CIP-002-8. No comments were received on the 60-day notice.

DATES: Comments on the collection of information are due July 13, 2026.

ADDRESSES: Send written comments on FERC-725B to OMB through https://www.reginfo.gov/public/do/PRA/icrPublicCommentRequest?ref_nbr=202606-1902-002. You can also visit <https://www.reginfo.gov/public/do/PRAMain> and use the drop-down under "Currently under Review" to select the "Federal Energy Regulatory Commission" where you can see the open opportunities to provide comments. Comments should be sent within 30 days of publication of this notice.

Please submit a copy of your comments to the Commission via email to DataClearance@FERC.gov. You must specify Docket No. (IC26-16-000) and the FERC Information Collection number (FERC-725B) in your email. If you are unable to file electronically, comments may be filed by USPS mail or by hand (including courier) delivery:

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

- *All other delivery methods:* Federal Energy Regulatory Commission, Secretary of the Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

Docket: To view comments and issuances in this docket, please visit <https://elibrary.ferc.gov/eLibrary/search>. Once there, you can also sign up for automatic notification of activity in this docket.

FOR FURTHER INFORMATION CONTACT:

Kayla Williams, (202) 502-6468.
DataClearance@FERC.gov.

SUPPLEMENTARY INFORMATION:

Title: FERC-725B (Mandatory Reliability Standards, Critical Infrastructure Protection (CIP)).

OMB Control No.: 1902-0248.

Type of Request: Three-year extension of the FERC-725B information collection requirements and implement changes due to updates to the CIP-002-8.

Abstract: On August 8, 2005, Congress enacted the Energy Policy Act of 2005.¹ The Energy Policy Act of 2005 added a new section 215 to the FPA,² which requires a Commission-certified Electric Reliability Organization to develop mandatory and enforceable Reliability Standards,³ including requirements for

cybersecurity protection, which are subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the Electric Reliability Organization subject to Commission oversight, or the Commission can independently enforce Reliability Standards.

On February 3, 2006, the Commission issued Order No. 672,⁴ implementing FPA section 215. The Commission subsequently certified NERC as the Electric Reliability Organization. The Reliability Standards developed by NERC become mandatory and enforceable after Commission approval and apply to users, owners, and operators of the Bulk-Power System, as set forth in each Reliability Standard.⁵ The CIP Reliability Standards require entities to comply with specific requirements to safeguard critical cyber assets. These standards are result-based and do not specify a technology or method to achieve compliance, instead leaving it up to the entity to decide how best to comply.

On January 18, 2008, the Commission issued Order No. 706,⁶ approving the initial eight CIP Reliability Standards, CIP version 1 Standards, submitted by NERC. Subsequently, the Commission has approved multiple versions of the CIP Reliability Standards submitted by NERC, partly to address the evolving nature of cyber-related threats to the Bulk-Power System. On November 22, 2013, the Commission issued Order No. 791,⁷ approving CIP version 5

provide for reliable operation of existing bulk-power system facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the Bulk-Power System. However, the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. *Id.* at 824o(a)(3).

⁴ *Rules Concerning Certification of the Elec. Reliability Org.; and Procedures for the Establishment, Approval, and Enft of Elec. Reliability Standards*, Order No. 672, 71 FR 8661 (Feb. 17, 2006), 114 FERC ¶ 61,104, *order on reh'g*, Order No. 672-A, 71 FR 19814 (Apr. 28, 2006), 114 FERC ¶ 61,328 (2006).

⁵ NERC uses the term "registered entity" to identify users, owners, and operators of the Bulk-Power System responsible for performing specified reliability functions with respect to NERC Reliability Standards. *See, e.g., Version 4 Critical Infrastructure Protection Reliability Standards*, Order No. 761, 77 FR 24594 (Apr. 25, 2012), 139 FERC ¶ 61,058, at P 46, *order denying clarification and reh'g*, 140 FERC ¶ 61,109 (2012). Within the NERC Reliability Standards are various subsets of entities responsible for performing various specified reliability functions. We collectively refer to these as "entities."

⁶ Order No. 706, 122 FERC ¶ 61,040 at P 1.

⁷ *Version 5 Critical Infrastructure Protection Reliability Standards*, Order No. 791, 78 FR 72755 (Dec. 13, 2013), 145 FERC ¶ 61,160 (2013), *order on reh'g*, Order No. 791-A, 146 FERC ¶ 61,188 (2014).

¹² 18 CFR 385.214(b)(3) and (d).

¹ Energy Policy Act of 2005, Public Law 109-58, sec. 1261 *et seq.*, 119 Stat. 594 (2005).

² 16 U.S.C. 824o.

³ FPA section 215 defines Reliability Standard as a requirement, approved by the Commission, to

Standards, the last major revision to the CIP Reliability Standards. The CIP version 5 Standards implement a tiered approach to categorize assets, identifying them as high, medium, or low risk to the operation of the Bulk Electric System (BES)⁸ if compromised. High impact systems include large control centers. Medium impact systems include smaller control centers, ultra-high voltage transmission, and large substations and generating facilities. The remainder of the BES Cyber Systems⁹ are categorized as low impact systems. Most requirements in the CIP Reliability Standards apply to high and medium impact systems; however, a technical controls requirement in Reliability standard CIP-003, described below, applies only to low impact systems. Since 2013, the Commission has approved new and modified CIP Reliability Standards that address specific issues such as supply chain risk management, cyber incident reporting, communications between control centers, and the physical security of critical transmission facilities.¹⁰

On March 19, 2026, the order within RD25-8 approved Reliability Standard

⁸ In general, NERC defines BES to include all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy. See NERC, *Bulk Electric System Definition Reference Document*, Version 3, at page iii (August 2018). In Order No. 693, the Commission found that NERC's definition of BES is narrower than the statutory definition of Bulk-Power System. The Commission decided to rely on the NERC definition of BES to provide certainty regarding the applicability of Reliability Standards to specific entities. See *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, 72 FR 16415 (Apr. 4, 2007), 118 FERC ¶ 61,218, at PP 75, 79, 491, order on reh'g, Order No. 693-A, 72 FR 49717 (July 25, 2007), 120 FERC ¶ 61,053 (2007).

⁹ NERC defines BES Cyber System as "[o]ne or more BES Cyber Assets logically grouped by a responsible entity to perform one or more reliability tasks for a functional entity." NERC, Glossary of Terms Used in NERC Reliability Standards, at 5 (2020), https://www.nerc.com/files/glossary_of_terms.pdf (NERC Glossary of Terms). NERC defines BES Cyber Asset as

A Cyber Asset that if rendered unavailable, degraded, or misused would, within 15 minutes of its required operation, mis-operation, or non-operation, adversely impact one or more Facilities, systems, or equipment, which, if destroyed, degraded, or otherwise rendered unavailable when needed, would affect the reliable operation of the Bulk Electric System. Redundancy of affected Facilities, systems, and equipment shall not be considered when determining adverse impact. Each BES Cyber Asset is included in one or more BES Cyber Systems.

Id. at 4.

¹⁰ See, e.g., Order No. 791, 78 FR 72755; *Revised Critical Infrastructure Protection Reliability Standards*, Order No. 822, 81 FR 4177 (Jan. 26, 2016), 154 FERC ¶ 61,037, reh'g denied, Order No. 822-A, 156 FERC ¶ 61,052 (2016); *Revised Critical Infrastructure Protection Reliability Standard CIP-003-7—Cyber Security—Security Management Controls*, Order No. 843, 163 FERC ¶ 61,032 (2018).

CIP-002-8 related to the identification and categorization of BES cyber systems and their associated BES cyber assets. The Commission approved the proposed Reliability Standard CIP-002-8 pursuant to section 215(d)(2) of the FPA because the Standard would advance reliability by revising the threshold for applicable transmission owners and transmission operators to categorize their BES cyber systems based on the impact to their associated facilities, systems, and equipment, which, if destroyed, degraded, misused, or otherwise rendered unavailable would affect the reliability of the BES. Also, to revise the definition of the term control center in the NERC Glossary to alleviate confusion from a lack of common understanding of the term "control" as opposed to "authority".

The CIP Reliability Standards currently consist of 14 standards specifying a set of requirements that entities must follow to ensure the cyber and physical security of the Bulk-Power System. There is also one physical security standard.

• *CIP-002-8 (formerly CIP-002-7) A Bulk Electric System Cyber System Categorization*: requires entities to identify and categorize BES Cyber Assets for the application of cyber security requirements commensurate with the adverse impact that loss, compromise, or misuse of those BES Cyber Systems could have on the reliable operation of the BES.

• *CIP-003-10 Security Management Controls*: requires entities to specify consistent and sustainable security management controls that establish responsibility and accountability to protect BES Cyber Systems against compromise that could lead to mis-operation or instability in the BES.

• *CIP-004-8 Personnel and Training*: requires entities to minimize the risk against compromise that could lead to mis-operation or instability in the BES from individuals accessing BES Cyber Systems by requiring an appropriate level of personnel risk assessment, training, and security awareness in support of protecting BES Cyber Systems.

• *CIP-005-8 Electronic Security Perimeter(s)*: requires entities to manage electronic access to BES Cyber Systems by specifying a controlled Electronic Security Perimeter in support of protecting BES Cyber Systems against compromise that could lead to mis-operation or instability in the BES.

• *CIP-006-7.1 Physical Security of Bulk Electric System Cyber Systems*: requires entities to manage physical access to BES Cyber Systems by specifying a physical security plan in

support of protecting BES Cyber Systems against compromise that could lead to mis-operation or instability in the BES.

• *CIP-007-7.1 System Security Management*: requires entities to manage system security by specifying select technical, operational, and procedural requirements in support of protecting BES Cyber Systems against compromise that could lead to mis-operation or instability in the BES.

• *CIP-008-7.1 Incident Reporting and Response Planning*: requires entities to mitigate the risk to the reliable operation of the BES as the result of a cybersecurity incident by specifying incident response requirements.

• *CIP-009-7.1 Recovery Plans for Bulk Electric System Cyber Systems*: requires entities to recover reliability functions performed by BES Cyber Systems by specifying recovery plan requirements in support of the continued stability, operability, and reliability of the BES.

• *CIP-010-5 Configuration Change Management and Vulnerability Assessments*: requires entities to prevent and detect unauthorized changes to BES Cyber Systems by specifying configuration change management and vulnerability assessment requirements in support of protecting BES Cyber Systems from compromise that could lead to mis-operation or instability in the BES.

• *CIP-011-4.1 Information Protection*: requires entities to prevent unauthorized access to BES Cyber System Information by specifying information protection requirements in support of protecting BES Cyber Systems against compromise that could lead to mis-operation or instability in the BES.

• *CIP-012-2 Communications between Control Centers*: requires entities to protect the confidentiality and integrity of Real-time Assessment and Real-time monitoring data transmitted between Control Centers.

• *CIP-013-3 Supply Chain Risk Management*: requires entities to mitigate cybersecurity risks to the reliable operation of the BES by implementing security controls for supply chain risk management of BES Cyber Systems.

• *CIP-014-3 Physical Security*: Set out to identify and protect Transmission stations and Transmission substations, and their associated primary control centers, that if rendered inoperable or damaged as a result of a physical attack could result in instability, uncontrolled separation, or Cascading within an Interconnection.

• *CIP-015-1 Internal Network Security Monitoring*: purpose is to improve the probability of detecting anomalous or unauthorized network activity in order to facilitate improved response and recovery from an attack.

The CIP Reliability Standards, viewed as a whole, implement a defense-in-depth approach to protecting the security of BES Cyber Systems at all impact levels.¹¹ The CIP Reliability Standards are objective-based and allow

entities to choose compliance approaches best tailored to their systems.¹²

FERC-725B—(MANDATORY RELIABILITY STANDARDS FOR CRITICAL INFRASTRUCTURE PROTECTION [CIP] RELIABILITY STANDARDS) FOR IC26-16-000 (RENEWAL)

	Number and type of respondent ¹³	Annual number of responses per respondent	Total number of responses	Average burden per response (hours) & cost per response	Total annual burden (hours) & total annual cost ¹⁴ (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)
CIP-002-8	1,573	1	1,573	2 hrs.; \$194	3,146 hrs.; \$305,162.
	100	1	100	4 hrs.; \$388	400 hrs.; \$38,800.
CIP-003-10, CIP-004-8, CIP-005-8, CIP-006-7.1, CIP-007-7.1, CIP-008-7.1, CIP-009-7.1, CIP-010-5, CIP-011-4.1.	100	4	400 (per standard)	600 hrs.; \$46,380	240,000 hrs.; \$18,552,000.
CIP-013-3	400	1	400	30 hrs.; \$2,319	12,000 hrs.; \$927,600.
CIP-014-3	321	1	321	2 hrs.; \$154.6	642 hrs.; \$49,626.60.
CIP-012-2	724	1	724	83 hrs.; \$6,415.90	60,092 hrs.; \$4,645,111.60.
CIP-15-1	400	6	2,400	56.67 hrs. \$4,380.59.	136,008 hrs.; \$10,513,418.40.
Total Burden One time burden for years 1-3 from recently approved RM24-8 affecting the following CIP Standards: CIP2-7, CIP-003-10, CIP-004-8, CIP-005-8, CIP-006-7.1, CIP-007-7.1, CIP-008-7.1, CIP-009-7.1, CIP-010-5, CIP-011-4.1, and CIP-013-3.	4,000 (400 per standard).	1	4,000 (400 per standard).	577 (57.7 per standard).	230,800 (23,080 per standard).
Total Burden of FERC-725B Renewal .....	.....	.....	15,091 .....	.....	683,088 hrs.; \$52,802,702.40.

RD25-8 (Changes):

The Commission bases its paperwork burden estimates on the additional paperwork burden presented by the proposed revisions to Reliability Standard CIP-002-8. Reliability Standards are objective-based and allow entities to choose compliance approaches best tailored to their systems. The NERC Compliance Registry, as of June 2025, identifies

approximately 1,673¹⁵ U.S. entities that are subject to mandatory compliance with Reliability Standards.

Of this total, we estimate that 1,573 entities will face a minor increase in paperwork burden of two hours each for a total burden hours increase of 3,146 at \$97¹⁶ per hour for \$194 per entity and a total \$305,162 burden for the first year and ongoing burdens in addition to the burden already accounted for in the

OMB control number for CIP Reliability Standards.

Additionally, we estimate that another 100 entities will have a burden of four hours each for a total burden hour increase of 400 at \$97 per hour for a total burden of \$38,800 for the first year and no ongoing burdens in addition to the burden already accounted for in the OMB control number for CIP Reliability Standards.

CHANGES FOR CIP-002-8 IN FERC-725B—(MANDATORY RELIABILITY STANDARDS FOR CRITICAL INFRASTRUCTURE PROTECTION [CIP] RELIABILITY STANDARDS)

	Number and type of respondent ¹⁷	Annual number of responses per respondent	Total number of responses	Average burden per response (hours) & cost per response	Total one-time burden (hours) & total annual cost ¹⁸ (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)
CIP-002-8	1,573	1	1,573	2 hrs.; \$194	3,146 hrs.; \$305,162.
	100	1	100	4 hrs.; \$388	400 hrs.; \$38,800.

¹¹ Order No. 822, 154 FERC ¶ 61,037 at 32.

¹² Order No. 706, 122 FERC ¶ 61,040 at 72.

¹³ The number of respondents is based on the NERC Compliance Registry as of June 22, 2025. Currently there are 1,508 unique NERC Registered, subtracting 16 Canadian Entities yields 1492 U.S. entities.

¹⁴ The estimates for cost per hour are \$77.30/hour (averaged based on the following occupations):

• Manager (Occupational Code: 11-0000): \$83.41/hour; and

• Electrical Engineer (Occupational Code 17-2071): \$71.19/hour. The estimated hourly cost (salary plus benefits) is a combination of the following categories from the Bureau of Labor Statistics (BLS) website, May 2025 http://www.bls.gov/oes/current/naics2_22.htm.

¹⁵ The "Number of Entity" data is compiled from the June 2025 edition of the NERC Compliance Registry.

¹⁶ The hourly cost for wages is based in part on the average of the occupational categories from the Bureau of Labor Statistics website (http://www.bls.gov/oes/current/naics2_22.htm) plus benefits: Legal (Occupation Code: 23-0000): \$162.66; Electrical Engineer (Occupation Code: 17-2071): \$79.31; Office and Administrative Support (Occupation Code: 43-0000): \$48.59 (\$162.66 + \$79.31 + \$48.59) ÷ 3 = \$96.85. The figure is rounded to \$97.00 for use in calculating wage figures in this Order.

CHANGES FOR CIP-002-8 IN FERC-725B—(MANDATORY RELIABILITY STANDARDS FOR CRITICAL INFRASTRUCTURE PROTECTION [CIP] RELIABILITY STANDARDS)—Continued

	Number and type of respondent ¹⁷	Annual number of responses per respondent	Total number of responses	Average burden per response (hours) & cost per response	Total one-time burden (hours) & total annual cost ¹⁸ (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)
Total for one time burden for CIP-002-8.	1,673	.....	1,673	.....	3,546 hrs.; \$343,962.

The responses and burden hours for Years 1–3 will total respectively as follows:

- Year 1–3 each: for proposed Reliability Standard CIP-002-8 will be 557.67 responses; 1,182 hours;

- The annual cost burden for each Year 1–3 is \$101,803 for proposed Reliability Standard CIP-002-8.

Comments: Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Dated: June 9, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026-11877 Filed 6-11-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: PR26-61-000.

Applicants: DCP Guadalupe Pipeline, LLC.

Description: § 284.123(g) Rate Filing: Rate Case Petition 2026 to be effective 7/1/2026.

Filed Date: 6/8/26.

Accession Number: 20260608-5140.

Comment Date: 5 p.m. ET 6/29/26.

§ 284.123(g) Protest: 5 p.m. ET 8/7/26.

Docket Numbers: RP26-921-000.

Applicants: Transcontinental Gas Pipe Line Company, LLC.

Description: § 4(d) Rate Filing: Non-Conforming—FTP—LLOG Permt Rls to KUSA—Correction to be effective 4/1/2024.

Filed Date: 6/8/26.

Accession Number: 20260608-5101.

Comment Date: 5 p.m. ET 6/22/26.

Docket Numbers: RP26-922-000.

Applicants: Transcontinental Gas Pipe Line Company, LLC.

Description: § 4(d) Rate Filing: Negotiated Rates—FTP—LLOG Permt Rls to KUSA—Correction to be effective 4/1/2024.

Filed Date: 6/8/26.

Accession Number: 20260608-5121.

Comment Date: 5 p.m. ET 6/22/26.

Docket Numbers: RP26-923-000.

Applicants: Tennessee Gas Pipeline Company, L.L.C.

Description: § 4(d) Rate Filing: Negotiated Rate Agreement—Castleton Commodities Merchant Trading L.P to be effective 6/10/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5038.

Comment Date: 5 p.m. ET 6/22/26.

Docket Numbers: RP26-924-000.

Applicants: Columbia Gas Transmission, LLC.

Description: § 4(d) Rate Filing:

Negotiated Rate Amendment—Ascent 195969-8 to be effective 6/9/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5093.

Comment Date: 5 p.m. ET 6/22/26.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

Filings in Existing Proceedings

Docket Numbers: RP26-802-002.

Applicants: Southern Star Central Gas Pipeline, Inc.

Description: Compliance filing: Rate Case (RP26-802) Compliance Filing to be effective N/A.

Filed Date: 6/8/26.

Accession Number: 20260608-5166.

Comment Date: 5 p.m. ET 6/22/26.

Docket Numbers: RP26-820-001.

Applicants: ANR Pipeline Company.

Description: Compliance filing: ANR—Out-of-Cycle Fuel Adjustment Compliance to be effective 6/1/2026.

Filed Date: 6/8/26.

Accession Number: 20260608-5134.

Comment Date: 5 p.m. ET 6/22/26.

Any person desiring to protest in any of the above proceedings must file in accordance with Rule 211 of the Commission's Regulations (18 CFR 385.211) on or before 5:00 p.m. Eastern time on the specified comment date.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/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.

¹⁷ The number of respondents is based on the NERC Compliance Registry as of June 22, 2025. Currently there are 1,508 unique NERC Registered, subtracting 16 Canadian Entities yields 1492 U.S. entities.

¹⁸ The estimates for cost per hour are \$77.30/hour (averaged based on the following occupations):

- Manager (Occupational Code: 11-0000): \$83.41/hour; and
- Electrical Engineer (Occupational Code 17-2071): \$71.19/hour. The estimated hourly cost (salary plus benefits) is a combination of the following categories from the Bureau of Labor Statistics (BLS) website, May 2025 http://www.bls.gov/oes/current/naics2_22.htm.

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: June 9, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026-11846 Filed 6-11-26; 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 rate filings:

Docket Numbers: ER24-3021-001; ER23-401-002; ER21-2005-002.

Applicants: Hickory Park Solar, LLC, CED Timberland Solar, LLC, Ashwood Solar I, LLC.

Description: Notice of Change in Status and Request for Extension of Time of Ashwood Solar I, LLC, et al. under ER24-3021, et al.

Filed Date: 6/5/26.

Accession Number: 20260605-5174.

Comment Date: 5 p.m. ET 6/26/26.

Docket Numbers: ER26-344-002.

Applicants: Wisconsin Electric Power Company.

Description: Compliance filing: Amendment to Order No. 898 Compliance Filing to be effective 12/31/2025.

Filed Date: 6/9/26.

Accession Number: 20260609-5045.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2694-000.

Applicants: Michigan Electric Transmission Company, LLC.

Description: MISO Schedule 50 Cost Recovery Filing of Michigan Electric Transmission Company, LLC.

Filed Date: 5/29/26.

Accession Number: 20260529-5270.

Comment Date: 5 p.m. ET 6/22/26.

Docket Numbers: ER26-2723-000.

Applicants: Louisiana Generating LLC.

Description: Request to Recover Costs Associated with Acting as a Local Balancing Authority of Louisiana Generating LLC.

Filed Date: 5/29/26.

Accession Number: 20260529-5425.

Comment Date: 5 p.m. ET 6/22/26.

Docket Numbers: ER26-2760-000.

Applicants: Southwest Power Pool, Inc.

Description: § 205(d) Rate Filing: 3126R7 WAPA NITSA and NOA to be effective 6/1/2026.

Filed Date: 6/8/26.

Accession Number: 20260608-5165.

Comment Date: 5 p.m. ET 6/29/26.

Docket Numbers: ER26-2761-000.

Applicants: Three Rivers Solar Power, LLC.

Description: Initial Rate Filing: Application for Market Based Rate to be effective 7/17/2026.

Filed Date: 6/8/26.

Accession Number: 20260608-5169.

Comment Date: 5 p.m. ET 6/29/26.

Docket Numbers: ER26-2762-000

Applicants: Indiana Michigan Power Company.

Description: § 205(d) Rate Filing: Indiana Michigan Power Company submits tariff filing per 35.13(a)(2)(iii): AEP submits one Facilities Agmt—SA No. 5120 to be effective 9/1/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5021.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2763-000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Amendment to ISA, Service Agreement No. 7117; Queue No. AF2-122 to be effective 8/9/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5022.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2764-000.

Applicants: Southwest Power Pool, Inc.

Description: § 205(d) Rate Filing: Southwest Power Pool, Inc. submits tariff filing per 35.13(a)(2)(iii): 1628R32 Western Farmers Electric Cooperative NITSA NOAs to be effective 6/1/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5037.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2765-000.

Applicants: Midcontinent Independent System Operator, Inc.

Description: § 205(d) Rate Filing: Midcontinent Independent System Operator, Inc. submits tariff filing per 35.13(a)(2)(iii): 2026-06-09 SA 4780 NIPSCO-Moss Creek Solar FCA (AF2-205) to be effective 6/1/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5039.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2766-000.

Applicants: Midcontinent Independent System Operator, Inc.

Description: § 205(d) Rate Filing: 2026-06-09 SA 4349 NSP-Sherco Solar 2 1st Rev GIÁ (J1605) to be effective 6/4/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5042.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2767-000.

Applicants: Southwest Power Pool, Inc.

Description: § 205(d) Rate Filing: Transource Oklahoma, LLC—Tariff Clean-Up Filing Effective 20230101 to be effective 1/1/2023.

Filed Date: 6/9/26.

Accession Number: 20260609-5059.

Comment Date: 5 p.m. ET 6/30/26.

Docket Numbers: ER26-2768-000.

Applicants: Ameren Illinois Company, Midcontinent Independent System Operator, Inc.

Description: § 205(d) Rate Filing: Ameren Illinois Company submits tariff filing per 35.13(a)(2)(iii): 2026-06-09 SA 4781 Ameren Illinois-MCEC RA to be effective 8/9/2026.

Filed Date: 6/9/26.

Accession Number: 20260609-5060.

Comment Date: 5 p.m. ET 6/30/26.

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: June 9, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026-11845 Filed 6-11-26; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL OPRM-FAD-226]

Environmental Impact Statements; Notice of Availability

Responsible Agency: Office of Federal Activities, General Information 202-993-3272 or <https://www.epa.gov/nepa>.

Weekly receipt of Environmental Impact Statements (EIS)
 Filed June 1, 2026 10 a.m. EST Through
 June 8, 2026 10 a.m. EST
 Pursuant to CEQ Guidance on 42 U.S.C.
 4332.

Notice: Section 309(a) of the Clean Air Act requires that EPA make public its comments on EISs issued by other Federal agencies. EPA's comment letters on EISs are available at: <https://cdxapps.epa.gov/cdx-enepa-II/public/action/eis/search>.

EIS No. 20260070, Final, BLM, NV,
 Purple Sage Energy Center Project,
 Review Period Ends: 07/13/2026,
 Contact: Jessica Headen 702-515-
 5000.

EIS No. 20260071, Draft, USFS, CO, Rio
 Grande National Forest Over Snow
 Travel Management Project, Comment
 Period Ends: 07/29/2026, Contact:
 Carlos Gonzales 719-872-4021.

Dated: June 8, 2026.

Nancy Abrams,

Deputy Director, Federal Activities Division.

[FR Doc. 2026-11853 Filed 6-11-26; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OPP-2025-0026; FRL-13199-01-
OCSPP]

Pesticide Product Registration; Receipt of Applications for New Uses (January 2026)

AGENCY: Environmental Protection
Agency (EPA).

ACTION: Notice of receipt and request for
comment.

SUMMARY: This document announces the Agency's receipt of and solicits comments on applications to register new pesticide products containing currently registered active ingredients that would entail a change in use pattern. The Agency is providing this notice in accordance with the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). EPA uses the month and year in the title to identify when the Agency compiled the applications identified in this notice of receipt. Unit II. of this document identifies certain applications received in 2023, 2024, and 2025 that are currently being evaluated by EPA, along with information about each application, including when it was received, who submitted the application, and the purpose of the application.

DATES: Comments must be received on
or before July 13, 2026.

ADDRESSES: Submit your comments, identified by the docket identification (ID) number and the *EPA File Symbol* or the *EPA Registration Number* of interest as shown in Unit II. of this document, online at <https://www.regulations.gov>. Follow the online instructions for submitting comments. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Additional instructions on commenting on and visiting the docket, along with more information about dockets generally, are available at <https://www.epa.gov/>.

FOR FURTHER INFORMATION CONTACT:

Each application summary in Unit II. specifies a contact division. The appropriate division contacts are identified as follows:

- RD (Registration Division) (Mail Code 7505T); Charles Smith; main telephone number: (202) 566-1030; email address: RD@EPA.gov.

SUPPLEMENTARY INFORMATION:

I. Executive Summary

A. Does this action apply to me?

This action provides information that is directed to the public in general.

B. What is the Agency's authority for taking this action?

EPA is taking this action pursuant to section 3(c)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), 7 U.S.C. 136a(c)(4), and 40 CFR 152.102.

C. What action is the Agency taking?

EPA is hereby providing notice of receipt and opportunity to comment on applications to register new pesticide products containing currently registered active ingredients that would entail a change in use pattern. EPA provides a notice of receipt monthly, using the month and year in the title to help distinguish one document from the other. This document identifies the applications that were received since the last notice that was issued and are currently being evaluated by EPA in accordance with the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). Notice of receipt of these applications does not imply a decision by the Agency on these applications. For actions being evaluated under EPA's public participation process for registration actions, there will be an additional opportunity for public comment on the proposed decisions. Please see EPA's public participation website for additional information on this process (<https://www.epa.gov/>

registration/public-participation-process-registration-actions).

D. What should I consider as I prepare my comments for EPA?

1. *Submitting CBI.* Do not submit CBI to EPA through <https://www.regulations.gov> or email. If you wish to include CBI in your comment, please follow the applicable instructions at <https://www.epa.gov/dockets/commenting-epa-dockets#rules> and clearly mark the information that you claim to be CBI. In addition to one complete version of the comment that includes CBI, a copy of the comment without CBI must be submitted for inclusion in the public docket. Information marked as CBI will not be disclosed except in accordance with procedures set forth in 40 CFR part 2.

2. *Tips for preparing your comments.* When preparing and submitting your comments, see the commenting tips at <https://www.epa.gov/dockets/commenting-epa-dockets>.

II. Applications To Register New Uses

This unit provides the following information about each application received: The EPA File Symbol or Registration number(s); EPA docket ID number for the application; name and address of the applicant; name of the active ingredient, product type and proposed uses; and the division to contact for that application. Additional information about the application may also be available in the docket for the application as identified in this unit.

- *EPA Registration Number:* 352-931. *Docket ID number:* EPA-HQ-OPP-2026-0397. *Applicant:* Corteva Agriscience, LLC, 930 Zionsville Road, Indianapolis, IN, 46268. *Active ingredient:* Fluazaindolizine. *Product type:* Nematicide. *Proposed use:* Turf. *Date of receipt:* August 25, 2025. *Contact:* RD.

- *EPA Registration Number:* 59639-233, 59639-230. *Docket ID number:* EPA-HQ-OPP-2024-0140. *Applicant:* Valent U.S.A. LLC, 4600 Norris Canyon Road, San Ramon, CA 94538. *Active ingredient:* Inpyrfluxam. *Product type:* Fungicide. *Proposed use:* Cucurbit Vegetables Group 9. *Date of receipt:* August 31, 2023. *Contact:* RD.

- *EPA Registration Number:* 59639-233, 59639-230. *Docket ID number:* EPA-HQ-OPP-2024-0140. *Applicant:* Valent U.S.A. LLC, 4600 Norris Canyon Road, San Ramon, CA 94583. *Active ingredient:* Inpyrfluxam. *Product type:* Fungicide. *Proposed use:* Barley crop subgroup 15-22B; Tuberous and corn vegetables crop subgroup 1C. *Date of receipt:* July 24, 2023. *Contact:* RD.

• *EPA Registration Number*: 59639–233, 59639–230, 59639–272. *Docket ID number*: EPA–HQ–OPP–2024–0140. *Applicant*: Valent U.S.A. LLC, 4600 Norris Canyon Road, San Ramon, CA 94583. *Active ingredient*: Inpyrfluxam. *Product type*: Fungicide. *Proposed use*: Pome fruit group 11–10. *Date of receipt*: January 3, 2024. *Contact*: RD.

Authority: 7 U.S.C. 136 *et seq.*

Dated: June 8, 2026.

Edward Messina,

Director, Office of Pesticide Programs.

[FR Doc. 2026–11848 Filed 6–11–26; 8:45 am]

BILLING CODE 6560–50–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 13, 2026.

A. Federal Reserve Bank of Chicago (Christopher Koopmans, Senior Vice President) 230 South LaSalle Street, Chicago, Illinois 60690–1414.

Comments can also be sent electronically to

Comments.applications@chi.frb.org:

1. *Fidelity Ban Corporation, Independence, Iowa*; to acquire Welcome State Bank, Welcome, Minnesota.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–11895 Filed 6–11–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–0222]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled, “Occupational Exposures to Waste Anesthetic Gases in Healthcare Professionals” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection Submitted for Public Comment and Recommendations” notice on June 16, 2025 to obtain comments from the public and affected agencies. CDC received one comment related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) 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;

(b) Evaluate the accuracy of the agencies 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;

(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; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. 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. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

Occupational Exposures to Waste Anesthetic Gases in Healthcare Professionals—New—National Institute for Occupational Safety and Health (NIOSH), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

Waste anesthetic gases (WAGs) refer to anesthetic gases and vapors that are released or leaked into the surrounding areas during the administration of anesthesia to patients in operating rooms (ORs), recovery in postanesthetic care units (PACUs), and patient care in intensive care units in human and veterinary hospitals. Common inhaled anesthetics involve nitrous oxide (N₂O) and halogenated agents such as isoflurane, desflurane, and sevoflurane. These agents may be used individually or in combination, depending on the type of surgery being performed.

While human and veterinary medical environments differ, occupational exposure to WAGs is detrimental in both sectors. Acute WAG exposure is linked to symptoms including nausea, dizziness, headache, fatigue, irritability, drowsiness, and difficulties with judgement and coordination. Chronic exposure health effects include DNA

damage, genotoxicity, increased oxidative stress, cancer, and liver and kidney disease. However, adverse reproductive outcomes (AROs) of spontaneous abortion, premature delivery, genetic damage, and birth defects are a particular matter of concern because of conflicting published results. Conflicting evidence on WAGs and AROs are primarily attributed to methodological errors and weak study designs, including lack of exposure data and related job exposure matrices (JEM), use of gas mixtures, insufficient sample size, selection bias, etc. Accurate quantification of WAG exposures is key to the epidemiologic study of AROs among healthcare and veterinary workers (HCVWs) and in developing JEMs for healthcare workers in PACUs in human hospitals and veterinary hospitals (VHs). However, only a few studies have collected WAG exposures for HCVWs in PACUs of human hospitals and VHs.

In addition, most health effect studies were conducted when co-exposure to halogenated agents and N₂O, which often happens in human hospitals, occurred. There is a need to determine whether adverse health outcomes are caused by halogenated agents alone. To our knowledge, this is the first study to investigate the relationship between WAG exposure and acute symptoms in HCVWs. This is also one of the few studies to assess halogenated agents without co-exposure to N₂O. Most VHs use only a halogenated agent during anesthesia and assessing WAG exposures and acute health symptoms

among workers in VHs is critical to determine acute health effect by halogenated agents only. Finally, limited data on HCVW exposures to WAGs in PACUs and VHs suggest that recommending and implementing control strategies to minimize WAG exposure is challenging.

The purpose of the proposed data collection is to assess occupational exposures to WAGs in HCVWs in PACUs and VHs, examine associated adverse acute health effects of WAGs, and recommend control measures to reduce WAG exposures in PACUs and VHs. We will focus on sevoflurane (primary gas used), desflurane, and isoflurane, which are the most commonly used anesthetic gases in human hospitals.

The target number of total participants is 280–150 subjects for the exposure assessment (75 each with PACUs/VHs) and 130 for the post-shift questionnaire (65 each with PACUs/VHs)—covering multiple hospitals. Our goal is to have 150 participants—75 from each of the PACUs and VHs—who complete both the exposure assessment and the post-shift questionnaire. However, in practice, some healthcare workers might participate in the exposure assessment without completing the post-shift questionnaire, and vice versa. If this occurs, we need 150 workers (75 from PACUs and 75 from VHs) to complete the exposure assessments, regardless of their participation in the questionnaire and at least 130 workers to complete the questionnaires (65 from PACUs and 65

from VHs) regardless of their involvement in the exposure assessment. Therefore, the maximum sample size for this study will be 280 (in the unlikely event that the 150 that complete the exposure assessment are different from the 130 that complete the post-shift questionnaires).

The burden hour estimates for the exposure assessment and post-shift questionnaire are presented in the table below. The anticipated duration of worker contact is approximately 55 minutes: 10 minutes each for obtaining the informed consent forms, 10 minutes for putting on and taking off sampling devices, 20 minutes for completing the full post-shift questionnaire, and five minutes for completing the questionnaire that focuses solely on acute health symptoms. For workers participating in our study over multiple days, the post-shift questionnaire will concentrate solely on acute health symptoms related to that specific sampling date, requiring less than five minutes to finish. However, due to uncertainty regarding how many workers will participate in our study across multiple days, we estimated the burden hours by assuming that 50% of participants would take part in the study at least twice. The total estimated respondent burden is 124 hours (62 hours for the healthcare workers in PACUs and 62 for the healthcare workers in VHs). CDC is requesting OMB approval for three years. There is no cost to respondents other than their time to participate.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Healthcare workers in PACUs	Informed Consent (Exposure assessment)	75	1	10/60
	Informed Consent (Questionnaire)	65	1	10/60
	Donning/Doffing sampling devices	75	1	10/60
	Post-shift questionnaire (full)	65	1	20/60
	Post-shift questionnaire (acute symptoms focused) ...	33	1	5/60
Healthcare workers in veterinary hospitals	Informed Consent (Exposure assessment)	75	1	10/60
	Informed Consent (Questionnaire)	65	1	10/60
	Donning/Doffing sampling devices	75	1	10/60
	Post-shift questionnaire (full)	65	1	20/60
	Post-shift questionnaire (acute symptoms focused) ...	33	1	5/60

Jeffrey M. Zirger,
Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.
[FR Doc. 2026–11821 Filed 6–11–26; 8:45 am]
BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Disease Control and Prevention****[30Day–26–1406]****Agency Forms Undergoing Paperwork Reduction Act Review**

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled “Traveler-based Genomic Surveillance (TGS)” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection Submitted for Public Comment and Recommendations” notice on January 13, 2026, to obtain comments from the public and affected agencies. CDC received four comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) 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;

(b) Evaluate the accuracy of the agencies 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;

(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; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. 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. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

Traveler-based Genomic Surveillance (TGS) (OMB Control No. 0920–1406, Exp. 6/30/2026)—Revision—National Center for Emerging and Zoonotic Infectious Diseases (NCEZID), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The goal of CDC’s Traveler-based Genomic Surveillance (TGS) program is to monitor for communicable diseases among arriving international air travelers at select U.S. airports. The TGS program enables the early detection of communicable disease importations of public health concern and fills gaps in global biosurveillance by monitoring trends in global circulation of

communicable diseases. Travelers who volunteer to participate in the program at the airport and provide written, informed consent complete a short, anonymous questionnaire asking for travel information and general demographics. Participants then self-collect two lower nasal swab samples. One swab is pooled with other traveler swabs in batches of 5–10 samples. Pooled samples undergo initial testing for pathogens of public health importance (including SARS–CoV–2, Influenza A virus, and RSV [respiratory syncytial virus]) via reverse transcription polymerase chain reaction (RT–PCR) testing. If any pool of swabs registers with any positive test, then all secondary swab samples (stored individually) corresponding to those in the pool are tested individually. Pathogen genomic sequencing may be performed on samples to determine the pathogen lineage. Some samples may be sent to CDC for further testing. No human genetic testing will be performed.

This request is a Revision of the approved collection request titled: Traveler-based Genomic Surveillance (OMB Control No. 0920–1406). The program has since broadened to include testing nasal swabs for pathogens beyond SARS–CoV–2. The program has also streamlined the questions asked of participants based on data from previous versions of the questionnaire, participant feedback received through program staff at the airports, and direct input from the program staff at the airports. The updated information collection has fewer questions, and question wording has been tailored to improve participant comprehension and response rates.

CDC requests OMB approval for an estimated 26,667 annualized burden hours. There is no cost to respondents other than their time to participate.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Inbound international air travelers	TGS Participant Questionnaire	400,000	1	4/60

Jeffrey M. Zirger,

*Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.*

[FR Doc. 2026–11822 Filed 6–11–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Submission for Office of Management and Budget Review; Temporary Assistance for Needy Families (TANF) Pilot Evaluation

AGENCY: Office of Planning, Research, and Evaluation; Administration for Children and Families; U.S. Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office of Planning, Research, and Evaluation (OPRE), Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS), is proposing to collect data for the new Temporary Assistance for Needy Families (TANF) Pilot Evaluation.

DATES: Comments due July 13, 2026.

ADDRESSES: The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202606-0970-006. You can also obtain copies of the proposed collection

of information by emailing opreinfocollection@acf.hhs.gov. Identify all emailed requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: The TANF Pilot Evaluation will include implementation and outcomes studies of pilot programs authorized under the Fiscal Responsibility Act (FRA) of 2023 (Pub. L. 118–5), which authorizes HHS to select up to five states to test new outcomes-based performance benchmarks in the TANF program. The implementation study will describe pilot design, staffing, service provision, partnerships, contextual details, and factors that support or hinder the pilot’s implementation. The outcomes study will assess changes in participant outcomes using surveys and administrative data. This new information collection request includes a semi-structured discussion guide, staff survey, time-use survey, cost and resource workbooks, and in-depth participant interview guide for the implementation study. It also includes a 12-month post-TANF-exit survey for the outcomes study. These instruments will provide information on how states implement the pilots, how services and

staffing evolve, and how outcomes change under the new performance benchmarks. The data will be used to produce a report on outcomes to be submitted to Congress, as required by the FRA; inform future TANF policy development; and contribute to the broader evidence base on outcomes-based performance monitoring.

Respondents: Most of the implementation study data collection instruments will be conducted with TANF staff including state and local-level leadership staff, data specialists, supervisors, and frontline staff. The in-depth interview guide will be conducted with TANF participants. The 12-month post-TANF-exit survey will be conducted with TANF participants who provided contact information through the Study Information Form, which was approved under ACF’s generic clearance for formative research (Office of Management and Budget #: 0970–0356), and agreed to be contacted for this survey.

Annual Burden Estimates:

Instruments 1, 2, and 5 will be tailored based on the respondent and, therefore, the burden table shows the breakdown by respondent type.

Instrument	Respondent	Total number of respondents	Total number of responses per respondent	Average burden per response	Total burden hours	Annual burden hours
Instrument 1: Pilot staff discussion guide	state-level leadership staff	50	6	1.5	450	90
	local-level leadership staff	200	6	1.5	1,800	360
	data specialists	10	6	1	60	12
	supervisors	100	6	1	600	120
	frontline staff	200	6	1	1,200	240
Instrument 2: Leadership survey	local-level leadership staff	500	2	0.33	330	66
	supervisors	500	2	0.33	330	66
Instrument 3: Staff survey	frontline staff	2,140	2	0.33	1,412	282
Instrument 4: Staff time use survey	frontline staff	2,140	9	0.17	3,274	655
Instrument 5: Pilot costs and resources workbook	state-level leadership staff	10	3	4	120	24
	local-level leadership staff	10	3	4	120	24
Instrument 6: In-depth participant interview guide	participants	100	1	1.25	125	25
Instrument 7: 12-Month post-TANF-exit survey	participants	3,000	1	0.75	2,250	450
Estimated Total Annual burden Hours .....	.....	.....	.....	.....	.....	2,414

Note: Annual burden is calculated based on 5 years of data collection. An extension request will be submitted to OMB within 3 years of initial approval.

(Authority: 42 U.S.C. 613)

Mary C. Jones,

ACF/OPRE Certifying Officer.

[FR Doc. 2026–11797 Filed 6–11–26; 8:45 am]

BILLING CODE 4184–09–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Proposed Information Collection Activity; Head Start State Collaboration Office Grant Application

AGENCY: Office of Head Start, Administration for Children and Families, Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office of Head Start (OHS), Administration for Children and Families (ACF) is proposing a new information collection activity for the Head Start State Collaboration Office (HSCO) Grant Application. HSCO grants are authorized under the Head Start Act and support coordination between Head Start agencies and state systems serving young children and families. OHS has developed new application instructions

to align HSCO grant activities with states and federal priorities, including improving outcomes in child welfare, strengthening family formation, supporting effective service delivery, and enhancing early childhood education. This proposed information collection is necessary to support consistent implementation of program objectives and alignment across all states.

DATES: Comments due August 11, 2026.

ADDRESSES: In compliance with the requirements of the Paperwork Reduction Act (PRA), ACF is soliciting public comment on the specific aspects of the information collection described above. You can obtain copies of the

proposed collection of information and submit comments by emailing infocollection@acf.hhs.gov. Identify all requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: OHS proposes collecting application materials from all states and territories receiving HSCO grants. These grants are non-competing and statutorily required. The new application instructions will guide states in aligning Collaboration Office activities with updated federal priorities and strengthening integration of Head Start within state early childhood systems.

The application will include brief narrative and structured responses describing state plans for coordination,

systems integration, and program implementation. The request will ensure consistent documentation of proposed activities and enable ACF OHS to effectively administer and oversee the grants.

Existing HSCO grants will be extended through February 28, 2027, to allow time for PRA approval and transition to new grant awards. Following approval, OHS will issue new application instructions, and states will be provided with a defined application window to submit materials in advance of new 5-year grant awards.

Respondents: State governments (including the 50 states, the District of Columbia, and territories) receiving HSCO grants.

ANNUAL BURDEN ESTIMATE

Instrument	Total number of respondents	Annual number of responses per respondent	Average burden hours per response	Annual burden hours
HSCO Grant Application	52	1	10.4	540.8

Comments: The Department specifically requests comments on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted within 60 days of this publication.

Authority: Head Start Act (42 U.S.C. 9801 *et seq.*); PRA (44 U.S.C. 3501 *et seq.*)

Mary C. Jones,

ACF/OPRE Certifying Officer.

[FR Doc. 2026-11882 Filed 6-11-26; 8:45 am]

BILLING CODE 4184-40-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

[Office of Management and Budget #: 0970-0060]

Submission for Office of Management and Budget Review; Annual Report on Households Assisted by the Low Income Home Energy Assistance Program (LIHEAP)

AGENCY: Office of Community Services, Administration for Children and Families, U.S. Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office of Community Services (OCS), Division of Energy Assistance, is requesting to reinstate the Annual Report on Households Assisted by the Low Income Home Energy Assistance Program (LIHEAP) (LIHEAP Household Report; Office of Management and Budget (OMB) #: 0970-0060). The current OMB expiration date is March 31, 2026. Submission of the completed report is one requirement for LIHEAP grant recipients applying for federal LIHEAP block grant funds; the next report is due September 2026. OCS proposes changes to reduce the number of items requested and, therefore, related administrative and reporting burden.

DATES: Comments due July 13, 2026.

ADDRESSES: The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202606-0970-007. You can also obtain copies of the proposed collection of information by emailing infocollection@acf.hhs.gov. Identify all emailed requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: States, the District of Columbia, and the Commonwealth of Puerto Rico are required by the Low-Income Energy Assistance Act of 1981 (42 U.S.C. 8624, sec. 2610) to report statistics for the previous federal fiscal year on the following:

- Assisted and applicant households, by type of LIHEAP assistance and funding source.

- Assisted households receiving nominal payments of \$50 or less, by funding source.

- Assisted households receiving only utility payment assistance, by funding source; this information will automatically be transferred to the grant recipient's Performance Data Form.

- Assisted households, regardless of the type(s) of LIHEAP assistance or funding source, excluding households that only receive nominal payments of \$50 or less.

- Assisted households, by type of LIHEAP assistance and funding source, having at least one vulnerable member who is at least 60 years or older, disabled, or 5 years old or younger.

- Assisted households, by type of LIHEAP assistance and funding source, with at least one member age 2 years or under.
- Assisted households, by type of LIHEAP assistance and funding source, with at least one member ages 3 years through 5 years.
- Assisted households, regardless of the type(s) of LIHEAP assistance or funding source, having at least one member 60 years or older, disabled, or 5 years old or younger.

Indian tribal grant recipients are required to submit data only on the number of households, by funding source, receiving heating, cooling, energy crisis, and/or weatherization benefits. To account for this difference, tribal grant recipients use the Annual LIHEAP Household Report Short Format.

The information is being collected for the department’s annual LIHEAP report to Congress. The data also provides information about the need for LIHEAP funds. Finally, the data are used in the calculation of LIHEAP performance measures under the Government Performance and Results Act of 1993. The data elements will allow for the accuracy of measuring LIHEAP targeting performance and LIHEAP cost efficiency.

OCS proposes revisions to reduce the administrative burden and length of

form. The proposed revisions include the following:

- Remove reporting requirements related to sex, race, and ethnicity, which are not required for statutory LIHEAP reporting or performance measurement.
- Remove data elements associated with supplemental LIHEAP funding provided under the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act, as these funding sources have expired and are no longer applicable to ongoing program operations.

Additionally, OCS proposes to adjust the burden estimates to no longer account for burden at the household level. This report is an administrative request for grant recipients, and the LIHEAP statute gives grant recipients flexibility on how they collect household data.

Overall, these targeted changes reduce respondent burden, improve clarity of reporting instruments, and ensure the collection remains focused on current statutory and programmatic requirements.

Respondents: State governments, tribal governments, U.S. territories, and the District of Columbia.

Annual Burden Estimates

Burden estimates have been updated to reflect the changes described above, which include revisions to the report as well as an adjustment to the burden

estimates for respondents, to reduce burden at the household level. This burden has been reduced by analyzing fiscal year 2026 LIHEAP Model Plans to calculate how grant recipients determine eligibility. Based on LIHEAP Model Plans, 25 of the 52 state grant recipients use categorical eligibility to determine LIHEAP household eligibility. LIHEAP categorical eligibility makes a household automatically income-eligible for energy assistance if *any* member receives benefits from programs like Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, or Supplemental Security Income, bypassing the typical income test, though income is still used to set benefit amounts. This simplifies and reduces the burden on households. Based on past average data, those 25 states make up about 55 percent of all assisted households. To calculate this burden, we used an estimate for the annual number of LIHEAP household applicants multiplied by an average of 1/3 of an hour to provide the data required by the Household Report. The estimated time per response for the short format, completed by tribal governments some small territories, was reduced from 10 hours to six hours per response. The long format, completed by all states, District of Columbia, and Puerto Rico, was reduced from 67 hours to 41 hours per response.

Instrument	Number of respondents	Annual number of responses per respondent	Average hour burden per response	Annual burden hours
Long Format	52	1	41	2,132
Short Format	133	1	6	798
Household Application	6,160,000	1	.3	1,848,000
Total Annual Burden Hours .....	.....	.....	.....	1,850,930

Authority: U.S.C. 8629 and 45 CFR 96.82.

Mary C. Jones,
ACF/OPRE Certifying Officer.
[FR Doc. 2026–11834 Filed 6–11–26; 8:45 am]
BILLING CODE 4184–80–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Agency Information Collection Activities: Submission to OMB for Review and Approval; Public Comment Request; Delta States Rural Development Network Grant Program, OMB No. 0915–0386—Revision

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995,

HRSA submitted an Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and approval. Comments submitted during the first public review of this ICR will be provided to OMB. OMB will accept further comments from the public during the review and approval period. OMB may act on HRSA’s ICR only after the 30-day comment period for this notice has closed.

DATES: Comments on this ICR should be received no later than July 13, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/

PRAMain. Find this particular information collection by selecting “Currently under Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: To request a copy of the clearance requests submitted to OMB for review, email Samantha Miller, the HRSA Information Collection Clearance Officer, at paperwork@hrsa.gov or call (301) 443-3983.

SUPPLEMENTARY INFORMATION:

Information Collection Request Title: Delta States Rural Development Network Grant Program, OMB No.0915-0386—Revision.

Abstract: The Delta States Rural Development Network Grant (Delta) Program is authorized by the Public Health Service Act, Section 330A(f) (42 U.S.C. 254c(f)). The Delta Program supports projects that demonstrate evidence-based and/or promising approaches around cardiovascular disease, diabetes, acute ischemic stroke, or obesity to improve health status in rural communities throughout the Delta Region. Key features of Delta Program-supported projects are collaboration, adoption of an evidence-based approach, demonstration of health outcomes, program replicability, and sustainability. HRSA collects information from Delta Program award recipients using an OMB-approved set of performance measures and wants to revise that information collection.

A 60-day notice published in the **Federal Register** on March 18, 2026, vol. 91, No. 52; pp. 13041–13042. There were no public comments.

Need and Proposed Use of the Information: The purpose of the data collection is for HRSA to assess Delta Program awardees’ progress in meeting the program goals, and how well each awardee meets their community needs. Additionally, HRSA will be able to monitor and assess the impact of the Delta Program and ensure funds are effectively used to provide services that meet the target population’s needs.

HRSA seeks to revise the approved information collection, which Delta Program awardees will submit to HRSA on an annual basis. The proposed revisions include modifying how HRSA displays race and ethnicity measures in the data collection platform by making it display as two separate questions for current Delta Program recipients. As the Delta Program recipients are currently in an active project period, this proposed revision would minimize any disruptions to their existing data collection processes and help maintain consistent data reporting to HRSA.

Additionally, the estimated total burden hours have increased to reflect the time required for current Delta Program awardees to complete data collection-related training for their internal staff as well as staff within their network partnerships. There are several additional contributing factors to the

increase in estimated total burden. These grantee organizations vary in data collection and reporting capacity as well as vary in the number of network organizations they must coordinate with to report this data to HRSA. Furthermore, the grantee organization and its network organizations may not share the same data collection systems/platforms. As a result, this increase in total burden accounts for the time that Delta Program awardees will need to compile and review data quality from its network organizations prior to submitting the data to HRSA.

Likely Respondents: Respondents will be the Delta Program award recipients.

Burden Statement: Burden in this context means the time expended by persons to generate, maintain, retain, disclose, or provide the information requested. This includes the time needed to review instructions; to develop, acquire, install, and utilize technology and systems for the purpose of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; to train personnel and to be able to respond to a collection of information; to search data sources; to complete and review the collection of information; and to transmit or otherwise disclose the information. The total annual burden hours estimated for this ICR are summarized in the table below.

TOTAL ESTIMATED ANNUALIZED BURDEN HOURS

Form name	Number of respondents	Number of responses per respondent	Total responses	Average burden per response (in hours)	Total burden hours
Delta States Rural Development Network Program Performance Measures	12	1	12	72.75	873
Total	12	1	12	72.75	873

Maria G. Button,

Director, Executive Secretariat.

[FR Doc. 2026-11828 Filed 6-11-26; 8:45 am]

BILLING CODE 4165-15-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Biomedical Imaging and Bioengineering; Notice of Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a

meeting of the National Advisory Council for Biomedical Imaging and Bioengineering.

The meeting will be open to the public as indicated below, with attendance limited to space available. Individuals who plan to attend and need special assistance, such as sign language interpretation or other reasonable accommodations, should notify the Contact Person listed below in advance of the meeting.

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.

The meeting will be videocast and can be accessed from the NIH Videocast website at the following links: <https://videocast.nih.gov/> or <https://www.nibib.nih.gov/about-nibib/advisory-council>.

Name of Committee: National Advisory Council for Biomedical Imaging and Bioengineering.

Date: September 16, 2026.

Open: 9:00 a.m. to 12:25 p.m.

Agenda: Call to order; Director's report; ORA Director's Updates; Speaker; Adjournment.

Address: National Institutes of Health, Rockledge II, Conference Room 260 C/D/E/F, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: In Person.

Closed: 1:25 p.m. to 3:15 p.m.

Agenda: Conflict of Interest; Review of Applications, Adjournment.

Address: National Institutes of Health, Rockledge II, Conference Room 260 C/D/E/F, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: In Person.

Contact Person: Thomas Cheever, Ph.D., Acting Associate Director for Research Administration, Office of Research Administration, National Institute of Biomedical Imaging, And Bioengineering, 6707 Democracy Boulevard, Bethesda, MD 20892, thomas.cheever@nih.gov.

Any interested person may file written comments with the committee by forwarding the statement to the Contact Person listed on this notice. The statement should include the name, address, telephone number and when applicable, the business or professional affiliation of the interested person. Information is also available on the Institute's/Center's home page: <http://www.nibib1.nih.gov/about/NACBIB/NACBIB.htm>, where an agenda and any additional information for the meeting will be posted when available.

Dated: June 8, 2026.

Margaret N. Vardanian,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-11890 Filed 6-11-26; 8:45 am]

BILLING CODE 4167-05-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Proposed Collection; 60-Day Comment Request; Specimen Resource Locator (National Cancer Institute)

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995 to provide an opportunity for public comments on proposed data collection projects, the National Cancer Institute (NCI) will publish periodic summaries of proposed projects to be submitted to the Office of Management and Budget (OMB) for review and approval.

DATES: Comments regarding this information collection are best assured of having their full effect if received by August 11, 2026.

FOR FURTHER INFORMATION CONTACT: To obtain a copy of the data collection plans and instruments, submit comments in writing, or request more information on the proposed project, contact Melissa Park, PRA Liaison, Office of Management Policy and Compliance, National Cancer Institute, 9609 Medical Center Drive, Room 2E196, Bethesda, MD 20892 or call non-toll-free number (240) 276-5717 or email your request, including your address to: melissa.park@nih.gov. Formal requests for additional plans and instruments must be requested in writing.

SUPPLEMENTARY INFORMATION: Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires: written comments and/or suggestions from the public and affected agencies are invited to address one or more of the following points: (1) Whether the proposed collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility; (2) The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) 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 the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Proposed Collection Title: Specimen Resource Locator (NCI), 0925-0703: Expiration Date 08/31/2026, EXTENSION, National Cancer Institute (NCI), National Institutes of Health (NIH).

Need and Use of Information

Collection: The availability of specimens and associated data is critical to increase our knowledge of cancer biology and to translate important research discoveries into clinical applications. The development of molecular technologies in cancer patients with defined molecular abnormalities advances the identification and development of clinically useful biomarkers and diagnostic assays that guide treatment.

The discovery and validation of cancer prevention markers require researchers' access to quality clinical biospecimens. In response to this need, NCI's Cancer Diagnosis Program developed, and is expanding, a searchable database: Specimen Resource Locator (SRL) <https://specimens.cancer.gov/tissue/default.htm>. The SRL allows scientists in the research community and the NCI to locate specimens needed for their research. The SRL lists all NCI-supported and non-NCI-supported biospecimens repositories and their links. It is not NCI's intent to collect the biospecimens; instead, the collections are descriptions of the available data that can act as a resource and be shared with interested researchers and scientists. This submission does not involve any analysis.

OMB approval is requested for 3 years. There are no costs to respondents other than their time. The total estimated annualized burden hours are 105.

ESTIMATED ANNUALIZED BURDEN HOURS

Form name	Type of respondent	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total annual burden hours
Initial Request	Private Sector	70	1	30/60	35
	State Government	70	1	30/60	35
	Federal Government	60	1	30/60	30
Annual Update	Private Sector	20	1	5/60	2
	State Government	20	1	5/60	2
	Federal Government	10	1	5/60	1
Total .....	.....	.....	250	.....	105

Dated: June 10, 2026.

Vivian Horovitch-Kelley,

Project Clearance Liaison, National Cancer Institute, National Institutes of Health.

[FR Doc. 2026-11892 Filed 6-11-26; 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: Digestive, Kidney and Urological Systems Integrated Review Group; Digestive System Host Defense, Microbial Interactions and Immune and Inflammatory Disease Study Section.

Date: July 7, 2026.

Time: 9:00 a.m. to 8:00 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: Jianxin Hu, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2156, Bethesda, MD 20892, 301-827-4417, jianxin@csr.nih.gov.

Name of Committee: Digestive, Kidney and Urological Systems Integrated Review Group; Digestive and Nutrient Physiology and Diseases Study Section.

Date: July 9, 2026.

Time: 8:30 a.m. to 8:00 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: Aster Juan, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20817, 301-435-5000, juana2@mail.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; NIH Research Enhancement Award (R15) in Oncological Sciences.

Date: July 10, 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: Elisaveta Ninova Voynova, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (202) 934-2336, voynovae@mail.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training: Immunology and Infectious Diseases.

Date: July 10, 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: Noton K. Dutta, Ph.D., Scientific Review Officer, National Institutes of Health, Center for Scientific Review, 6701 Rockledge Drive, Bethesda, MD 20892, (240) 669-2857, noton.dutta@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Program Projects: Community-Partnered Nursing Research Centers Panel B.

Date: July 10, 2026.

Time: 10:00 a.m. to 4:00 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: Anna Ghambaryan, Ph.D., MD, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (301) 443-4032, anna.ghambaryan@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Cancer Intervention and Surveillance Modeling Network (CISNET).

Date: July 10, 2026.

Time: 11:00 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: Lan Tian, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594-8877, tianl@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: June 9, 2026.

Rosalind M Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-11888 Filed 6-11-26; 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; Clinical Endocrinology.

Date: July 13, 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: Tori Stone, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594-7549, tori.stone@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Fellowships: Epidemiology and Population Sciences.

Date: July 13-14, 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: Rebecca I Tinker, Ph.D., MS Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 435-0637, tinkerri@csr.nih.gov.

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393-93.396, 93.837-93.844, 93.846-93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: June 10, 2026.

Bruce A. George,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-11889 Filed 6-11-26; 8:45 am]

BILLING CODE 4167-05-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Submission for OMB Review; 30-Day Comment Request Regular Clearance for the National Institute of Mental Health Data Archive (NDA), (NIMH)

Correction

In notice document 2026-11045, appearing on page 33185-33186, in the issue of Wednesday, June 3, 2026, make the following correction:

On page 33186, in the first column, in the **DATES** section, in the fourth line, "June 3, 2026." should read "July 6, 2026."

[FR Doc. C1-2026-11045 Filed 6-11-26; 8:45 am]

BILLING CODE 0099-01-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID: FEMA-2026-0331; OMB No. 1660-0005]

Agency Information Collection Activities: Proposed Collection, Comment Request; FEMA Inspection and Claims Forms

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 collection of information related to the flood insurance claims process and the housing inspection damage assessment process.

DATES: Comments must be submitted on or before August 11, 2026.

ADDRESSES: To avoid duplicate submissions to the docket, please

submit comments at <http://www.regulations.gov> under Docket ID FEMA-2026-0331. 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:

Freda Copeland, Division Director (A), FEMA Resilience, 202-710-6061, freda.copeland@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: Pertaining to National Flood Insurance Program (NFIP) Direct claim forms, Congress created the NFIP through the National Flood Insurance Act of 1968 (NFIA), Title XIII of Public Law 90-448, 82 Stat. 476, codified at 42 U.S.C. 4001 *et seq.* The NFIP enables property owners in participating communities to purchase flood insurance. Communities participate in the NFIP based on an agreement between the community and Federal Emergency Management Agency (FEMA). If a community adopts and enforces a floodplain management ordinance to reduce future flood risk to new construction in floodplains, FEMA makes flood insurance available within the community as a financial protection against flood losses. Accordingly, the NFIP is comprised of three key activities: flood insurance, floodplain management, and flood hazard mapping.

A prospective policyholder may purchase an NFIP flood insurance policy, known as a Standard Flood Insurance Policy (SFIP), either: (1) directly from the Federal Government through a direct servicing agent (referred to as "NFIP Direct"), or (2) from a participating private insurance company through the Write Your Own (WYO) Program. *See* 44 CFR 62.23-24. The SFIP is a single-peril (flood) policy that pays for direct physical damage to insured property. There are three SFIP policy forms (*i.e.*, insurance contracts): (1) Dwelling Form, (2) General Property Form, and (3) Residential Condominium Building Association Policy (RCBAP)

Form, which are published in FEMA's regulations. *See* 44 CFR 61.13; *see also* 44 CFR part 61, Appendices A(1), A(2), and A(3). The SFIP sets out the terms and conditions of insurance. FEMA establishes terms, rate structures, and premium costs of the SFIP. The terms, coverage limits, and flood insurance premiums are the same whether purchased from the NFIP Direct or the WYO Program. *See* 44 CFR 62.23(c), (h).

All flood loss claims presented under the NFIP are paid directly with U.S. Treasury funds, regardless of whether the policy is issued by the NFIP Direct or by a WYO company. The information in the NFIP Direct collection includes all the data necessary to adjudicate claims for damages and provide SFIP benefits resulting from flood losses. In addition to the requirements of the NFIA, section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, 118 Stat. 726, (42 U.S.C. 4011 note) required FEMA to establish a claims appeals process. *See* 44 CFR 62.20.

Pertaining to housing inspections, also part of this collection, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), Public Law 93-288, as amended, is the legal basis for FEMA to provide financial assistance and services to individuals applying for disaster assistance benefits in the event of a Federally declared disaster. Regulations in 44 CFR 206.110—Federal Assistance to Individuals and Households implement the policy and procedures set forth in Section 408 of the Stafford Act, 42 U.S.C. 5174, as amended.

This program provides financial assistance and, if necessary, direct assistance to eligible individuals and households who, as a direct result of a major disaster or emergency, have uninsured or under-insured expenses and serious needs, and are unable to meet such expenses or needs through other means.

Individuals and households applying for assistance must provide information detailing their losses and needs through the disaster assistance registration process covered under collection 1660-0002, Disaster Assistance Registration. If FEMA determines the applicant had home or personal property damage, has no insurance, or that the applicant's insurance coverage may not meet their needs, an inspection is needed to verify disaster caused damage.

All pertinent information for a specific applicant is stored under a unique registration identification (ID) within the National Emergency Management Information System (NEMIS). An inspection request occurs

due to NEMIS-driven business rules (automatically), applicant request, or a FEMA caseworker request. The scope of an inspection for owners includes noting real and personal property (furnishing and appliances) damages to the interior and exterior of the dwelling, addressing special needs, transportation, unmet needs, and miscellaneous purchases. Inspectors do not note real property specifications for renters.

Once the inspector validates the information provided by the applicant during registration intake, the inspector begins an assessment of real and/or personal property damages utilizing Automated Construction Estimator (ACE) software. The same ACE software screens are used regardless of how the inspection occurs (*i.e.*, via onsite, via voice over the phone, or via video). The inspector then uploads this information back to FEMA via the NEMIS through use of a secure connection. The inspector only records observed disaster-caused damages and does not determine eligibility or damage award levels. FEMA's policies and business rules determine eligibility and award levels based upon the damage assessment and other available information.

Collection of Information

Title: FEMA Inspection and NFIP Direct Claims Forms.

Type of Information Collection: Extension of a currently approved information collection.

OMB Number: 1660-0005.

FEMA Forms: FF-206-FY-21-106 Personal Property (Contents) Worksheet; FF-206-FY-21-107 Building Property Worksheet; FF-206-FY-21-108 Proof of Loss—Building & Contents (Policyholder-Prepared); FF-206-FY-21-109 Proof of Loss—Increased Cost of Compliance (ICC); FF-206-FY-21-110 First Notice of Loss; FF-206-FY-21-111 Manufactured (Mobile) Home/Travel Trailer Worksheet; FF-206-FY-21-112 Proof of Loss—Building & Contents (Adjuster-Prepared); FF-206-FY-21-115 Claim Appeal; FF-104-FY-22-220 Onsite Housing Inspection; FF-104-FY-22-221, Remote Voice Housing Inspection; FF-104-FY-22-222, Remote Video Housing Inspection.

Abstract: After a flood loss, claims forms are used by NFIP Direct policyholders to provide information needed to investigate, document, evaluate, and adjudicate claims against FEMA policies for flood damage to insured property or determine eligibility and settlement for benefits under Coverage D, Increased Cost of Compliance coverage. After a federally-

declared disaster, FEMA inspectors use household inspection instruments to verify applicant information and document damage to determine award eligibility.

Affected Public: Individuals or households, businesses or other for-profit or not-for-profit institutions, and state, local or Tribal governments.

Estimated Number of Respondents: 300,493.

Estimated Number of Responses: 300,493.

Estimated Total Annual Burden Hours: 306,947.

Estimated Total Annual Respondent Cost: \$14,926,833.

Estimated Respondents' Operation and Maintenance Costs: \$0.

Estimated Respondents' Capital and Start-Up Costs: \$0.

Estimated Total Annual Cost to the Federal Government: \$102,314,333.

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.

Russell R. Bard,

Acting Director, Information Management Division, Office of the Chief Administrative Officer, Mission Support, Federal Emergency Management Agency, Department of Homeland Security.

[FR Doc. 2026-11826 Filed 6-11-26; 8:45 am]

BILLING CODE 9111-52-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7093-N-02; OMB Control No.: 2535-0113]

60-Day Notice of Proposed Information Collection:

Standardization Form for Race and Other Demographic Data Reporting Form—HUD 27061

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.

DATES: *Comments Due Date:* August 11, 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: Christine Brown, Senior Management and Program Analyst, 2415 Eisenhower Avenue, W 6157, Alexandria, Virginia 22314.

FOR FURTHER INFORMATION CONTACT: Christine Brown, Senior Management and Program Analyst, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410-5000; christine.w.brown@hud.gov; 202-402-2440. 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 Christine Brown.

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: Standard form for "Race and Ethnic Data Reporting Form".

OMB Approval Number: 2535-0113.

Type of Request: Renewal of current approved collection.

Form Number: HUD 27061.

Description of the need for the information and proposed use: All HUD program offices use this form when

collecting information concerning the race, ethnicity, and other protected class data of the populations intended to benefit from HUD funding as required by Title VI of the Civil Rights Act of

1964; the Fair Housing Act; and HUD's *regulations*.

Members of affected public:

Applicants/recipients for HUD's financial assistance programs that are

subject to Title VI of the Civil Rights Act of 1964 and the Fair Housing Act.

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-27061	14,375	1.2	17,250	0.50	8,625.00	*\$48.44	\$417,795

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 L. Dennis,

Principal Deputy Chief Financial Officer,
Office of the Chief Financial Officer.

[FR Doc. 2026-11891 Filed 6-11-26; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS-HQ-ES-2026-1883;
FXES111609C0000-267-FF09E41000; OMB
Control Number 1018-0177]

Agency Information Collection Activities; Policy Regarding Voluntary Prelisting Conservation Actions

AGENCY: Fish and Wildlife Service,
Interior.

ACTION: Notice of information collection;
request for comment.

SUMMARY: In accordance with the
Paperwork Reduction Act of 1995, we,

the U.S. Fish and Wildlife Service (Service), are proposing to renew an information collection without change.

DATES: Comments will be accepted on or before August 11, 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-HQ-ES-2026-1883] 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-HQ-ES-2026-1883, 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:* Service Information Collection Clearance Officer, Attn: Docket No. FWS-HQ-ES-2026-1883, 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>.

FOR FURTHER INFORMATION CONTACT:

Madonna Baucum, Service Information Collection Clearance Officer, by email at Info_Coll@fws.gov, or by telephone at (703) 358-2503. Individuals who are hearing or speech impaired may call the Federal Relay Service at 1-800-877-8339 for TTY assistance. You may also view the information collection request (ICR) at <http://www.reginfo.gov/public/do/PRAMain>.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

As part of our continuing effort to reduce paperwork and respondent burdens, we are soliciting comments from the public and other Federal agencies on the proposed ICR described below. We are especially interested in public comments addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of

public record. Before including your address, phone number, email address, or other personally identifiable information in your comment, you should be aware that your entire comment—including your personally identifiable information—may be 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 Service is charged with implementing the Endangered Species Act of 1973, as amended (Act; 16 U.S.C. 1531 *et seq.*). The goal of the Act is to provide a means to conserve the ecosystems upon which listed species depend and a program for listed species conservation. Through our Candidate Conservation program, we encourage the public to take conservation actions for species prior to them being listed under the Act. Doing so may result in precluding the need to list a species, may result in listing a species as threatened instead of endangered, or, if a species becomes listed, may provide the basis for its recovery and eventual removal from the protections of the Act.

This policy provides incentives to landowners, government agencies, and others to carry out voluntary conservation actions for unlisted species. It allows the use of any benefits to the species from voluntary

conservation actions undertaken prior to listing under the Act—by the person who undertook such actions or by third parties—to mitigate or offset the detrimental effects of other actions undertaken after listing. The policy requires participating States to track the voluntary conservation actions and provide this information to us on an annual basis. We require this information in order to provide the entities that have taken the conservation actions with proper credit that can later be used to mitigate for any detrimental actions they take after the species is listed.

We plan to collect the following information:

- Description of the prelisting conservation action being taken.
- Location of the action (does not include a specific address).
- Name of the entity taking the action and their contact information (email address only).
- Frequency of the action (ongoing for X years, or one-time implementation) and an indication if the action is included in a State Wildlife Action Plan.
- Any transfer to a third party of the mitigation or compensatory measure rights.

Each State that chooses to participate will collect this information from landowners, businesses and organizations, and Tribal, Federal, and

local governments that wish to receive credit for voluntary prelisting conservation actions. States may collect this information via an Access database, Excel spreadsheet, or other database of their choosing and submit the information to the Fish and Wildlife Service (via email) annually. States will use this information to calculate the number of credits that the entity taking the conservation action will receive and will keep track of the credits and notify the entity of how much credit they have earned. The States will report the number of credits to the Service, and we will determine how many credits are needed by the entity to mitigate or offset the detrimental effects of other actions they take after the species is listed (assuming it is listed).

Title of Collection: Policy Regarding Voluntary Prelisting Conservation Actions.

OMB Control Number: 1018–0177.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: State governments.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion for new submissions, ongoing for recordkeeping requirements, and annually for reporting requirements.

Total Estimated Annual Nonhour Burden Cost: None.

Information collection requirement	Annual number of respondents	Average number of responses each	Annual number of responses	Average completion time per response (hours)	Estimated annual burden hours *
State-Developed Voluntary Conservation Action Program.	1	1	1	320	320
Development of Conservation Strategy.	1	1	1	200	200
Amendments to Conservation Strategy.	1	1	1	16	16
Credit Agreement/Transfer of Credits.	3	1	3	80	240
Annual Reports.	3	1	3	20	60
State Recordkeeping Requirements.	3	1	3	240	720
State Reports—Voluntary Prelisting Conservation Actions Taken Under Program.	3	1	3	.25	1
Site-Level Agreements.	1	1	1	100	100
Formal Agreements.	1	1	1	4	4
Monitoring Reports.	3	1	3	24	72
Site-Level Reports.	3	1	3	24	72
Management Plans.	1	1	1	120	120
Totals:	24	.....	24	.....	1,925

* Rounded.

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Madonna Baucum,

Information Collection Clearance Officer, U.S. Fish and Wildlife Service.

[FR Doc. 2026-11827 Filed 6-11-26; 8:45 am]

BILLING CODE 4333-15-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS-R4-ES-2026-1750;
FXES11140400000-267-FF04EF4000]

Receipt of Incidental Take Permit Application and Proposed Habitat Conservation Plan for Sand Skink; Lake County, FL; Categorical Exclusion

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comments and information.

SUMMARY: We, the Fish and Wildlife Service (Service), announce receipt of an application from Lake County Development Partners, LLC (Casa del Rosa) (applicant) for an incidental take permit (ITP) under the Endangered Species Act (ESA). The applicant requests the ITP to take the federally listed threatened sand skink (*Neopseps* (= *Plestiodon*) *reynoldsi*) (skinks) incidental to the construction of a mixed multi-phase residential and commercial development and the associated clearing, infrastructure, and landscaping in Lake County, Florida. We request public comment on the application, which includes the applicant's proposed habitat conservation plan, and on the Service's preliminary determination that the proposed permitting action may be eligible for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA), the Department of the Interior's (DOI) NEPA regulations, and the DOI Departmental Manual. To make this preliminary determination, we prepared a draft screening form and NEPA statement for habitat conservation plans, which are available for public review. We invite comment from the public and local, State, Tribal, and Federal agencies.

DATES: We must receive your written comments on or before July 13, 2026.

To ensure your comment is received and considered, you must submit it

using one of the methods identified in the **ADDRESSES** section of this document. Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered.

ADDRESSES:

Obtaining Documents: The documents this notice announces, as well as any comments and other materials that we receive, will be available for public inspection online in Docket No. FWS-R4-ES-2026-1750 at <https://www.regulations.gov>.

Submitting Comments: All submissions must include the docket number [FWS-R4-ES-2026-1750] for this document. You must submit comments using one of the following methods:

- **Online:** <https://www.regulations.gov>.

Follow the instructions for submitting comments on Docket No. FWS-R4-ES-2026-1750.

- **U.S. mail:** Public Comments

Processing, Attn: Docket No. FWS-R4-ES-2026-1750; U.S. Fish and Wildlife Service, MS: PRB/3W; 5275 Leesburg Pike; Falls Church, VA 22041-3803.

Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered. We will not accept comments via email, fax, or hand delivery. We are not required to consider comments that are submitted after the comment period ends or that are submitted via a method outside of these instructions. Comments containing profanity, vulgarity, threats, or other inappropriate content will not be considered.

We will post all comments at <https://www.regulations.gov>. You may request that we withhold personal identifying information from public review; however, we cannot guarantee that we will be able to do so. See Public Availability of Comments for more information.

FOR FURTHER INFORMATION CONTACT: Erin Gawera, Jacksonville Ecological Services Field Office, by phone at 904-404-2464 or via email at erin_gawera@fws.gov. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: We, the U.S. Fish and Wildlife Service (Service), announce receipt of an application from Lake County Development Partners, LLC

(Casa del Rosa) (applicant) for incidental take permit (ITP) under the Endangered Species Act, as amended (ESA; 16 U.S.C. 1531 *et seq.*). The applicant requests the ITP to take the federally listed threatened sand skink (*Neopseps* (= *Plestiodon*) *reynoldsi*) incidental to the construction of a mixed multi-phase residential and commercial development and the associated clearing, infrastructure, and landscaping in Lake County, Florida.

We request public comment on the application, which includes the applicant's habitat conservation plans (HCP), and on the Service's preliminary determination that this proposed ITP may qualify for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*), the Department of the Interior's (DOI) NEPA regulations (43 CFR part 46), and the DOI's Departmental Manual (DM; 516 DM 8.5(C)(2)). To make this preliminary determination, we prepared a draft screening form and NEPA statement for HCPs, both of which are available for public review.

Proposed Project

The applicant requests a 10-year ITP to take skinks via the conversion of approximately 0.85 acres (ac) of occupied nesting, foraging, and sheltering skink habitat incidental to the construction and operation of a mixed multi-phase residential and commercial development on 69.25 ac, located 1 mile south of the intersection of Edwards Road and S. U.S. Highway 27 at latitude 28.890766 North and longitude -81.908939 West; within Section 28, Township 18 South, Range 24 East, Lady Lake, Lake County, Florida.

The applicant proposes to mitigate for take of the skinks by purchasing credits equivalent to 1.7 ac of skink-occupied habitat within the Lake Wales Ridge Conservation Bank or another Service approved skink conservation bank. The Service would require the applicant to purchase the credits prior to engaging in any phase of the project.

Our Preliminary Determination

The Service has made a preliminary determination that reasonably foreseeable effects of the applicant's proposed project, including the construction of a mixed multi-phase residential and commercial development and the associated clearing, infrastructure, and landscaping, would have a minor effect on skinks and the human environment and that extraordinary circumstances in 43 CFR 46.215 do not apply. Reasonably foreseeable effects encompass effects of implementation of the action including

effects of the action in addition to other past, present, and reasonably foreseeable future effects.

Therefore, we have preliminarily determined that the proposed ESA section 10(a)(1)(B) permit would be a low-effect ITP that may qualify for application of a categorical exclusion (516 DM 8.5(C)(2)), pursuant to NEPA, the DOI's NEPA regulations, and the DOI DM. A low-effect ITP is one that would result in (1) negligible or minor individual or cumulative effects on species covered in the HCP; (2) no significant effect on the human environment; and (3) reasonably foreseeable effects that would not result in significant effects to the human environment.

Next Steps

The Service will evaluate the application and the comments to determine whether to issue the requested ITP. We will also conduct an intra-Service consultation pursuant to section 7 of the ESA to evaluate the effects of the proposed take. After considering the preceding and other matters, we will determine whether the permit issuance criteria of section 10(a)(1)(B) of the ESA have been met. If met, the Service will issue ITP number PER25914032 to Lake County Development Partners, LLC (Casa del Rosa).

Public Availability of Comments

Before including your address, phone number, email address, or other personal identifying information in your comment, be aware that your entire comment, including your personal identifying information, may be made available to the public. If you submit a comment at <https://www.regulations.gov>, your entire comment, including any personal identifying information, will be posted on the website. If you submit a hardcopy comment that includes personal identifying information, such as your address, phone number, or email address, you may request at the top of your document that we withhold this information from public review. However, we cannot guarantee that we will be able to do so. Moreover, all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public disclosure in their entirety.

Authority

The Service provides this notice under section 10(c) of the Endangered

Species Act (16 U.S.C. 1531 *et seq.*), its implementing regulations (50 CFR 17.32), National Environmental Policy Act (42 U.S.C. 4321 *et seq.*), as amended, and the and the Department of Interior's implementing regulations (43 CFR part 46).

Jose Rivera,

Manager, Division of Environmental Review, Florida Ecological Services Field Office, U.S. Fish and Wildlife Service.

[FR Doc. 2026-11870 Filed 6-11-26; 8:45 am]

BILLING CODE 4333-15-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS-R8-ES-2026-2410; FXES11140800000-267-FF08EVEN00]

Receipt of Incidental Take Permit Application and Proposed Habitat Conservation Plan for the Coastal California Gnatcatcher, Ventura County, CA; Categorical Exclusion

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comment.

SUMMARY: We, the Fish and Wildlife Service (Service), announce receipt of an application from Moorpark 67, LLC (applicant) for an incidental take permit (ITP) under the Endangered Species Act. The applicant requests the ITP to take the federally listed coastal California gnatcatcher (*Poliophtila californica californica*) incidental to residential development in the City of Moorpark, Ventura County, California. We request public comment on the application, which includes the applicant's proposed habitat conservation plan, and on the Service's preliminary determination that the proposed permitting action may be eligible for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA), the Department of the Interior's (DOI) NEPA regulations, and the DOI Departmental Manual. To make this preliminary determination, we prepared a low-effect screening form, which is also available for public review. We invite comment from the public and local, State, Tribal, and Federal agencies.

DATES: We must receive your written comments on or before July 13, 2026.

To ensure your comment is received and considered, you must submit it using one of the methods identified in the **ADDRESSES** section of this document. Comments submitted through any method not authorized in this

document, or sent to an address not listed here, will not be considered.

ADDRESSES:

Obtaining Documents: The documents this notice announces, as well as any comments and other materials that we receive, will be available for public inspection online in Docket No. FWS-R8-ES-2026-2410 at <https://www.regulations.gov>.

Submitting Comments: All submissions must include the docket number [FWS-R8-ES-2026-2410] 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-R8-ES-2026-2410, 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-R8-ES-2026-2410, 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.

FOR FURTHER INFORMATION CONTACT: Mr. Chris Dellith, Senior Fish and Wildlife Biologist, by email at chris_dellith@fws.gov, via phone at 805-644-1766, or by U.S. mail at 2493 Portola Road, Suite B, Ventura, CA 93003. 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 Fish and Wildlife Service (Service), announce receipt of an application from the applicant for an incidental take permit (ITP) under the Endangered Species Act of 1973, as amended (ESA;

16 U.S.C. 1531 *et seq.*). The applicant requests the ITP to take the federally threatened coastal California gnatcatcher (*Polioptila californica californica*) incidental to the development of a mixed-density residential community (project) in the City of Moorpark, Ventura County, California. We request public comment on the application, which includes the applicant's habitat conservation plan (HCP), and on the Service's preliminary determination that this proposed ITP qualifies as low effect, and may qualify for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*), the Department of the Interior's (DOI) NEPA regulations (43 CFR part 46), and the DOI's Departmental Manual (516 DM 1, Appendix 2 Section 8.5C(2)). To make this preliminary determination, we prepared a low-effect screening form, which is available for public review.

Background

On March 30, 1993 (58 FR 16742), the Service listed the coastal California gnatcatcher (*Polioptila californica californica*) as threatened. Section 9 of the ESA prohibits "take" of fish and wildlife species listed as endangered (16 U.S.C. 1538), where take is defined to include the following activities: "to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct" (16 U.S.C. 1532). The take prohibitions of section 9 are extended to species listed as threatened at the discretion of the DOI Secretary of and were extended to coastal California gnatcatcher, with exceptions. On December 20, 1993, the Service published a 4(d) rule, which includes exceptions to incidental take associated land-use activities addressed in an approved Natural Community Conservation Planning Act program undertaken by the State of California and local governments (58 FR 65088).

Under section 10(a)(1)(B) of the ESA (16 U.S.C. 1539(a)(1)(B)), we may issue permits to authorize take of listed fish and wildlife species that is incidental to, and not the purpose of, carrying out an otherwise lawful activity. Regulations governing incidental take permits for endangered and threatened species are in the Code of Federal Regulations (CFR) at 50 CFR 17.22 and 17.32, respectively. Issuance of an ITP also must not jeopardize the existence of federally listed fish, wildlife, or plant species. The permittee would receive assurances under our "No Surprises" regulations (50 CFR 17.22(b)(5) and 17.32(b)(5)).

Applicant's Proposed Activities

The applicant has applied for a permit for incidental take of the coastal California gnatcatcher. The take would occur in association with activities necessary for the development of a largely vacant 68-acre (ac) site by constructing residences, associated infrastructure, flood-control facilities, a new road providing access to the site, as well as enhancement and permanent protection of disturbed coastal sage scrub vegetation on 28.76 ac of conserved land for the coastal California gnatcatcher.

The HCP includes avoidance and minimization measures for the coastal California gnatcatcher, and mitigation for unavoidable loss of occupied habitat. The applicant will commensurately offset impacts by placing conservation easements over approximately 13.22 ac of the project site, which will be restored and/or enhanced, and 15.54 ac on adjacent conserved open space areas owned by the City of Moorpark, which will be enhanced.

Public Availability of Comments

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment, including your personal identifying information, may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public view, we cannot guarantee that we will be able to do so.

Our Preliminary Determination

The Service has made a preliminary determination that the applicant's proposed project would individually and cumulatively have a minor effect on the coastal California gnatcatcher and the human environment. Therefore, we have preliminarily determined that the proposed ESA section 10(a)(1)(B) permit would be a "low-effect" ITP that individually or cumulatively would have a minor effect on the species and may qualify for application of a categorical exclusion pursuant to NEPA, DOI's NEPA regulations, and the DOI Departmental Manual. A "low-effect" ITP is one that would result in (1) minor or nonsignificant effects on species covered in the HCP; (2) nonsignificant effects on the human environment; and (3) impacts that, when added together with the impacts of other past, present, and reasonable foreseeable actions, would not result in significant cumulative effects to the human environment.

Next Steps

The Service will evaluate the application and the comments received to determine whether to issue the requested ITP. We will also conduct an intra-Service consultation pursuant to section 7 of the ESA to evaluate the effects of the proposed take. After considering the preceding and other matters, we will determine whether the permit issuance criteria of section 10(a)(1)(B) of the ESA have been met. If met, the Service will issue an ITP to the applicant.

Authority

We provide this notice under section 10(c) of the Endangered Species Act (16 U.S.C. 1531 *et seq.*) and its implementing regulations (50 CFR 17.22 and 17.32) and the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) and the Department's NEPA implementing regulations (43 CFR part 46).

Catherine Darst,

Field Supervisor, Ventura Fish and Wildlife Office, Ventura, California.

[FR Doc. 2026-11869 Filed 6-11-26; 8:45 am]

BILLING CODE 4333-15-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS-R8-ES-2025-1035; FXES11140800000-267-FF08EVEN00]

Receipt of Incidental Take Permit Application and Proposed Habitat Conservation Plan for Brand Partnerships, 3615 Foothill Road (APN 005-280-041), Carpinteria, Santa Barbara County, CA; Categorical Exclusion

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comment.

SUMMARY: We, the Fish and Wildlife Service (Service), announce receipt of an application from Johnny Brand, landowner, Brand Partnerships (applicant) for an incidental take permit (ITP) under the Endangered Species Act. The applicant requests the ITP to take the federally listed California red-legged frog (*Rana draytonii*) and southwestern pond turtle (*Actinemys pallida*), a species proposed for listing, incidental to agricultural activities in the City of Carpinteria, Santa Barbara County, California. We request public comment on the application, which includes the applicant's proposed habitat conservation plan (HCP), and on the

Service's preliminary determination that the proposed permitting action may be eligible for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA), the Department of the Interior's (DOI) NEPA regulations, and the DOI Departmental Manual. To make this preliminary determination, we prepared a low-effect screening form, which is also available for public review. We invite comment from the public and local, State, Tribal, and Federal agencies.

DATES: We must receive your written comments on or before July 13, 2026.

To ensure your comment is received and considered, you must submit it using one of the methods identified in the **ADDRESSES** section of this document. Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered.

ADDRESSES:

Obtaining Documents: The documents this notice announces, as well as any comments and other materials that we receive, will be available for public inspection online in Docket No. FWS-R8-ES-2025-1035 at <https://www.regulations.gov>.

Submitting Comments: All submissions must include the docket number [FWS-R8-ES-2025-1035] for this document. You must submit comments using one of the following methods:

- **Online:** <https://www.regulations.gov>. Follow the instructions for submitting comments on Docket No. FWS-R8-ES-2025-1035.

- **U.S. mail:** Public Comments Processing; Attn: Docket No FWS-R8-ES-2025-1035; U.S. Fish and Wildlife Service; MS: PRB/3W; 5275 Leesburg Pike; Falls Church, VA 22041-3803.

Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered. We will not accept comments via email, fax, or hand delivery. We are not required to consider comments that are submitted after the comment period ends or that are submitted via a method outside of these instructions. Comments containing profanity, vulgarity, threats, or other inappropriate content will not be considered.

FOR FURTHER INFORMATION CONTACT: Mr. Chris Dellith, Senior Fish and Wildlife Biologist, by email at chris_dellith@fws.gov, by phone at 805-644-1766, via the Federal Relay Service at 1-800-877-8339 for TTY assistance, email at fw8venturaitp@fws.gov, or by U.S. mail at 2493 Portola Road, Suite B, Ventura, CA 93003. Individuals in the United

States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: We, the U.S. Fish and Wildlife Service (Service), announce receipt of an application from Brand Partnerships, for an incidental take permit (ITP) under the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*). The applicant requests the ITP to take the federally threatened California red-legged frog (*Rana draytonii*) and the southwestern pond turtle (*Actinemys pallida*), a species proposed for listing as threatened, incidental to the native riparian habitat restoration required by the County of Santa Barbara (County) and California Coastal Commission (Coastal Commission), as well as ongoing agricultural operations and maintenance activities on the property (project) in the City of Carpinteria, Santa Barbara County, California. We request public comment on the application, which includes the applicant's habitat conservation plan (HCP), and on the Service's preliminary determination that this proposed ITP qualifies as low effect, and may qualify for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*), the Department of the Interior's (DOI) NEPA regulations (43 CFR 46), and the DOI's Departmental Manual (516 DM 8.5(C)(2)). To make this preliminary determination, we prepared a low-effect screening form, which is also available for public review.

Draft HCP Covered Species

Brand Partnerships has developed a draft HCP that includes measures to mitigate and minimize impacts to the California red-legged frog and southwestern pond turtle. The California red-legged frog was federally listed as threatened on May 23, 1996 (61 FR 25813), and the southwestern pond turtle was proposed for listing as threatened on October 3, 2023 (88 FR 68370). The ITP would authorize take of the California red-legged frog incidental to otherwise lawful activities associated with the HCP-covered activities. The draft HCP also includes minimization measures to reduce impacts on the southwestern pond turtle that has been proposed for listing. In the event this animal becomes listed, the ITP will be amended to authorize the take of this

species incidental to otherwise lawful activities as outlined in the HCP.

Background

Section 9 of the ESA prohibits the take of fish or wildlife species listed as endangered. As applicable to the species affected by the proposed action, the ESA implementing regulations also prohibit take of fish or wildlife species listed as threatened. "Take" is defined under the ESA to include the following activities: "[T]o harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct" (16 U.S.C. 1532); however, under section 10(a)(1)(B) of the ESA, we may issue permits to authorize incidental take of listed species.

"Incidental take" is defined by the ESA as take that is incidental to, and not the purpose of, carrying out of an otherwise lawful activity. Regulations governing incidental take permits for threatened and endangered species are in the Code of Federal Regulations (CFR) at 50 CFR 17.32 and 17.22, respectively. Under the ESA, protections for federally listed plants differ from the protections afforded to federally listed animals. Issuance of an incidental take permit also must not jeopardize the existence of federally listed fish, wildlife, or plant species. The permittees would receive assurances under our "No Surprises" regulations (50 CFR 17.22(b)(5) and 17.32(b)(5)) regarding conservation activities for the covered species.

Proposed Activities

The applicant has applied for a permit for incidental take of the California red-legged frog and southwestern pond turtle that could result from covered activities described in the HCP. The take would occur in association with activities necessary to restore native riparian habitat, agricultural operation and maintenance consisting of restoration within a 0.52-acre (ac) area adjacent to Arroyo Paredon Creek (Riparian Restoration Area); management of non-native, invasive vegetation in and adjacent to the Riparian Restoration Area; removal of an existing access road within 100 feet of Arroyo Paredon Creek; periodic maintenance/management of a detention basin and bioswale, such as repairs to banks, replacement of the existing piping, vegetation management, and sediment removal; general operations and maintenance activities including operation of greenhouse/processing facilities, vehicle use/repair and maintenance of roads, and waste removal via haul trucks; agricultural activities involving grazing animals and fruit trees; construction of an

agricultural storage barn; maintenance or repairs to septic system; expansion of a leech field; and installation of solar panels.

The HCP includes avoidance and minimization measures for the California red-legged frog and southwestern pond turtle. The covered activities will not result in loss of California red-legged frog or southwestern pond turtle upland or aquatic habitat. The applicant will commensurately offset impacts to the California red-legged frog and southwestern pond turtle by restoring 0.52-ac of riparian habitat, managing a detention basin to provide a perennial water source for California red-legged frog and southwestern pond turtle during the 30-year permit term. Although habitat protection in the plan area is not permanent via a legal conservation easement, the suite of measures proposed provides meaningful conservation benefits that mitigate impacts to Covered Species to the maximum extent practicable during the permit term.

Public Availability of Comments

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment, including your personal identifying information, may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public view, we cannot guarantee that we will be able to do so.

Our Preliminary Determination

The Service has made a preliminary determination that the applicant's proposed project would individually and cumulatively have a minor effect on the California red-legged frog, southwestern pond turtle, and the human environment. Therefore, we have preliminarily determined that the proposed ESA section 10(a)(1)(B) permit would be a "low-effect" ITP that individually or cumulatively would have a minor effect on the species and may qualify for application of a categorical exclusion pursuant to the NEPA, DOI's NEPA regulations, and the DOI Departmental Manual. A "low-effect" ITP is one that would result in (1) minor or nonsignificant effects on species covered in the HCP; (2) nonsignificant effects on the human environment; and (3) impacts that, when added together with the impacts of other past, present, and reasonable foreseeable actions, would not result in

significant cumulative effects to the human environment.

Next Steps

The Service will evaluate the application and the comments received to determine whether to issue the requested ITP. We will also conduct an intra-Service consultation pursuant to section 7 of the ESA to evaluate the effects of the proposed take. After considering the preceding and other matters, we will determine whether the permit issuance criteria of section 10(a)(1)(B) of the ESA have been met. If met, the Service will issue an ITP to the applicant.

Authority

We provide this notice under section 10(c) of the Endangered Species Act (16 U.S.C. 1531 *et seq.*) and its implementing regulations (50 CFR 17.22 and 17.32) and the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) and its implementing regulations (43 CFR 46).

Catherine Darst,

Field Supervisor, Ventura Fish and Wildlife Office, Ventura, California.

[FR Doc. 2026-11857 Filed 6-11-26; 8:45 am]

BILLING CODE 4333-15-P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS-WASO-BSO-CONC-NPS0042357;
OMB Control Number 1024-0029
PPWOBSDCO, PPMVSCS1Y.Y00000 (226)]

Agency Information Collection Activities; National Park Service Concessions Forms

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.

DATES: Interested persons are invited to submit comments on or before August 11, 2026.

ADDRESSES: Please send your comments to the NPS Information Collection Clearance Officer (ADIR-ICCO), 13461 Sunrise Valley Drive, (MS-263) Reston, VA 20191 (mail); or phadrea_ponds@ios.doi.gov (email). Please reference OMB Control Number "1024-0029" in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: Kurt Rausch, Contract Management Team Lead, National Park Service, 1849 C

Street NW, Washington, DC 20240; or by email at kurt_rausch@nps.gov. Please reference OMB Control Number 1024-0029 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.

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.

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 information collection request (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: More than 100 national parks contract with private businesses to provide lodging, food, tours, boating, whitewater rafting, and other visitor services. These concessions generate over \$1 billion annually and support more than 25,000 peak-season jobs.

Regulations at 36 CFR part 51 implement Title IV of the National Parks Omnibus Management Act of 1998 (54 U.S.C. 101911 *et seq.*), which establishes the authority and requirements for soliciting, awarding, and administering National Park Service (NPS) concession contracts. The law requires the Secretary of the Interior to award contracts through a competitive selection process to the best-qualified offeror, with simplified procedures for small, individually owned concessions.

The NPS uses standardized forms to evaluate proposals, ensure protection of park resources, and determine which offeror will provide the highest-quality visitor services. This submission requests an extension of currently approved information collections related to concession contract administration.

Concessioner Annual Financial Reports

- Form 10–356 Concessioner Annual Financial Report
- Form 10–356A Concessioner Annual Financial Report (For Concessioners with Gross Receipts Less than \$500,000)” (Gross Receipts under \$500,000)
- Form 10–356B Concessioner Annual Financial Report (Special Accounts and Utility Add-ons)

Forms for Concession Opportunity Proposals

- Forms 10–357A and 10–357B (Business Organization Information)
- Form 10–358 (Business History Information)
- Forms 10–359A and 10–359B (Financial Projections—Large and Small Concessions)

Additional narrative submissions include amendments, appeals, capital improvement requests, construction reports, applications to sell or transfer operations, and recordkeeping documentation Credit Report and Financial Statement, Offeror’s Transmittal Letter, Certificate of Business Entity Offeror.

Title of Collection: National Park Service Concessions, 36 CFR 51.

OMB Control Number: 1024–0029.

Form Number: NPS Forms 10–356, 10–356A, 10–356B, 10–357A, 10–357B, 10–358, 10–359A, and 10–359B.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individuals, businesses, and nonprofit organizations.

Respondent’s Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Responses: 1,383.

Estimated Completion Time per Response: 0.5 hours to 800 hours (hours vary depending upon the respondent and activity).

Total Estimated Annual Burden Hours: 159,892 hours.

Total Estimated Annual Non Hour Burden Cost: \$425,000, (\$420,000 for proposal-related expenses and \$5,000 for costs associated with preparing and submitting 20 applications to sell or transfer a concession operation).

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Phadrea Ponds,

*Information Collection Clearance Officer,
National Park Service.*

[FR Doc. 2026–11850 Filed 6–11–26; 8:45 am]

BILLING CODE 4312–52–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–637 and 731–TA–1471 (Review)]

Large Vertical Shaft Engines From China; Scheduling of Expedited Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to the Tariff Act of 1930 (“the Act”) to determine whether revocation of the antidumping duty and countervailing duty orders on large vertical shaft engines from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

DATES: May 8, 2026.

FOR FURTHER INFORMATION CONTACT: Rachel Devenney (202–205–3172), 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 May 8, 2026, the Commission determined that the domestic interested party group response to its notice of institution (91 FR 4625, February 2, 2026) of the subject five-year reviews was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act (19 U.S.C. 1675(c)(3)).

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).

Staff report.—A staff report containing information concerning the subject matter of the reviews has been placed in the nonpublic record and will be made available to persons on the Administrative Protective Order service list for these reviews on July 7, 2026. A public version will be issued thereafter, pursuant to § 207.62(d)(4) of the Commission’s rules.

Written submissions.—As provided in § 207.62(d) of the Commission’s rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the reviews may file written comments with the Secretary on what determination the

¹ A record of the Commissioners’ votes, the Commission’s statement on adequacy, and any individual Commissioner’s statements will be available from the Office of the Secretary and at the Commission’s website.

² The Commission has found the responses submitted on behalf of Briggs & Stratton, LLC and Discovery Energy, LLC to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

Commission should reach in the reviews. Comments are due on or before 5:15 p.m. on July 14, 2026, and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by July 14, 2026. However, should the Department of Commerce ("Commerce") extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the 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.

Determination.—The Commission has determined 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 § 207.62 of the Commission's rules.

By order of the Commission.

Issued: June 10, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–11913 Filed 6–11–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–639 and 641–642 and 731–TA–1475–1479, 1481–1483, and 1485–1492 (Review)]

Common Alloy Aluminum Sheet From Bahrain, Brazil, Croatia, Egypt, Germany, India, Indonesia, Italy, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan, and Turkey; Notice of Commission Determination To Conduct Full Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to the Tariff Act of 1930 to determine whether revocation of the countervailing duty orders on common alloy aluminum sheet ("CAAS") from Bahrain, India, and Turkey and the revocation of the antidumping duty orders on CASS from Bahrain, Brazil, Croatia, Egypt, Germany, India, Indonesia, Italy, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan, and Turkey would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date.

DATES: June 5, 2026.

FOR FURTHER INFORMATION CONTACT: Laurel Schwartz (202–205–2398), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

SUPPLEMENTARY INFORMATION: On June 5, 2026, the Commission determined that

it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)). The Commission found that the group responses of the domestic and respondent (Bahrain) interested parties to its notice of institution (91 FR 10139, March 2, 2026) were adequate, and determined to conduct full reviews of the antidumping and countervailing duty orders on imports from Bahrain. The Commission also found that the respondent interested party group responses from Brazil, Croatia, Egypt, Germany, India, Indonesia, Italy, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan, and Turkey were inadequate but determined to conduct full reviews of the orders on imports from those countries in order to promote administrative efficiency in light of its determinations to conduct full reviews of the orders with respect to Bahrain. A record of the Commissioners' votes will be available from the Office of the Secretary and at the Commission's website.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: June 9, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–11829 Filed 6–11–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1505]

Certain GPU Computing Systems, Data Processing Unit (DPU) Technologies, and Associated Components Thereof, and Products Containing the Same; 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 May 8, 2026, under section 337 of the Tariff Act of 1930, as amended, on behalf of Xockets, Inc. of Temple, Texas. The complaint 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 GPU computing systems, data processing unit (DPU) technologies, and associated

components thereof, and products containing the same by reason of the infringement of certain claims of U.S. Patent No. 10,223,297 (“the ‘297 patent”); U.S. Patent No. 9,378,161 (“the ‘161 patent”); U.S. Patent No. 10,212,092 (“the ‘092 patent”); U.S. Patent No. 9,436,640 (“the ‘640 patent”); and U.S. Patent No. 11,082,350 (“the ‘350 patent”). The complaint 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:

Pathenia M. Proctor, The Office of Unfair Import Investigations, U.S. International Trade Commission, telephone (202) 205–2560.

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 June 9, 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 1–7, 10, 12–14, and 16–18 of the ‘297 patent; claims 1, 2, and 5–7 of the ‘161

patent; claims 1, 2, 5, and 7–9 of the ‘092 patent; claims 1, 7–9, and 15–17 of the ‘640 patent; and claims 1, 2, 7, and 8 of the ‘350 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 “rack-scale GPU computing systems with network switches that implement a distributed compute fabric using programmable hardware acceleration, and associated components, and assemblies of the foregoing;”

(3) Pursuant to Commission Rule 210.50(b)(1), 19 CFR 210.50(b)(1), the presiding administrative law judge shall take evidence or other information and hear arguments from the parties or other interested persons with respect to the public interest in this investigation, as appropriate, and provide the Commission with findings of fact and a recommended determination on this issue, which shall be limited to the statutory public interest factors set forth in 19 U.S.C. 1337(d)(1), (f)(1), (g)(1);

(4) 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:
Xockets, Inc., 2027 South 61st Street,
Suite 107, Temple, TX 76504

(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:
NVIDIA Corporation, 2788 San Tomas
Expressway, Santa Clara, CA 95051
Microsoft Corporation, 1 Microsoft Way,
Redmond, WA 98052
Amazon.com, Inc., 410 Terry Avenue
North, Seattle, WA 98109
Amazon Web Services, Inc., 410 Terry
Avenue North, Seattle, WA 98109
Annapurna Labs (U.S.), Inc., 1501
Alterra Pkwy, Suite 200, Austin, TX
78758–3214

(c) The Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street SW, Suite 401, Washington, DC 20436; and

(5) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

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: June 9, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–11796 Filed 6–11–26; 8:45 am]

BILLING CODE 7020–02–P

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[NASA Document Number: 26–035; NASA Docket Number: NASA–2026–0364]

Name of Information Collection: NASA International Space Apps Challenge Applications

AGENCY: National Aeronautics and Space Administration (NASA).

ACTION: Notice of new information collection.

SUMMARY: NASA, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act (PRA) of 1995.

DATES: Comments are due by August 11, 2026.

ADDRESSES: Written comments and recommendations for this information collection should be sent within 60 days

of publication of this notice at <http://www.regulations.gov> and search for NASA Docket NASA–2026–0364.

FOR FURTHER INFORMATION CONTACT:

Requests for additional information or copies of the information collection instrument(s) and instructions should be directed to NASA PRA Clearance Officer, Stayce Hoult, NASA Headquarters, 300 E Street SW, JC0000, Washington, DC 20546, or email hq-ocio-pra-program@mail.nasa.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

This collection of information supports NASA's International Space Apps Challenge, an international hackathon for coders, scientists, designers, storytellers, makers, builders, technologists, and others, where teams can engage with NASA's free and open data to address challenges we face on Earth and in space. This collection consists of applications for individuals and organizations from around the world that want to support and participate in the NASA International Space Apps Challenge.

II. Methods of Collection

Electronic.

III. Data

Title: NASA International Space Apps Challenge Applications.

OMB Number: 2700–xxxx.

Type of Review: New information collection.

Affected Public: Individuals.

Estimated Annual Number of Activities: 3.

Estimated Number of Respondents per Activity: 100 for two activities and 1500 for one.

Annual Responses: 1600.

Estimated Time per Response: 30 minutes.

Estimated Total Annual Burden Hours: 800.

IV. Request for Comments

Comments are invited on: (1) Whether the proposed collection of information is necessary for the proper performance of the functions of NASA, including whether the information collected has practical utility; (2) the accuracy of NASA's estimate of the burden (including hours and cost) 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 automated collection techniques or the use of other forms of information technology.

Comments submitted in response to this notice will be summarized and included in the request for OMB approval of this information collection. They will also become a matter of public record.

Stayce Hoult,

PRA Clearance Officer, National Aeronautics and Space Administration.

[FR Doc. 2026–11872 Filed 6–11–26; 8:45 am]

BILLING CODE 7510–13–P

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[NARA–2026–021]

Agency Information Collection Activities: Submission for OMB Review; Comment Request

AGENCY: National Archives and Records Administration (NARA).

ACTION: Notice of request to reinstate a previously-approved information collection.

SUMMARY: NARA is requesting a reinstatement from the Office of Management and Budget (OMB) of an information collection that expired on April 30, 2026. This is used by researchers who wish to do biomedical statistical research in archival records containing highly personal information. We invite you to comment on this proposed information collection.

DATES: We must receive written comments on or before August 11, 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: Kristin Phillips, Paperwork Reduction Act Officer, by email at kristin.phillips@nara.gov or by telephone at 616–254–0405.

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 collection:

Title: Statistical Research in Archival Records Containing Personal Information.

OMB number: 3095–0002.

Agency form number: None.

Type of review: Regular.

Affected public: Individuals.

Estimated number of respondents: 2.

Estimated time per response: 7 hours.

Frequency of response: On occasion.

Estimated total annual burden hours: 14 hours.

Abstract: The information collection is prescribed by 36 *CFR* 1256.28 and 36 *CFR* 1256.56. Respondents are researchers who wish to do biomedical statistical research in archival records containing highly personal information. NARA needs the information to evaluate requests for access to ensure that the requester meets the criteria in 36 *CFR* 1256.28 and that the proper safeguards will be made to protect the information.

Gulam Shakir,

Executive for Information Services/CIO.

[FR Doc. 2026–11897 Filed 6–11–26; 8:45 am]

BILLING CODE 7515–01–P

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[NARA–2026–020]

Agency Information Collection Activities; Proposals, Submissions, and Approvals

AGENCY: National Archives and Records Administration (NARA).

ACTION: Notice of request to reinstate a previously-approved information collection.

SUMMARY: NARA is proposing to request reinstatement of this information collection used by former Federal civilian employees or other authorized individuals to request information from or copies of documents in Official Personnel Files (OPF) or Employee Medical Files (EMF). We invite you to comment on this proposed information collection.

DATES: We must receive written comments on or before August 11, 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: Kristin Phillips, Paperwork Reduction Act Officer, by email at kristin.phillips@nara.gov or by telephone at 616–254–0405.

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 these information collections. If you have comments or suggestions, they should address one or more of the following points: (a) whether the proposed information collection is necessary for NARA to properly perform its 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 the 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:

Title: Requests for Civilian Service Records.

OMB number: 3095–0037.

Agency form number: NA Form 13022, Returned Request, NA Form 13068, Walk-In Request for OPM Records or Information.

Type of review: Regular.

Affected public: Individuals or households.

Estimated number of respondents: 10,429.

Estimated time per response: 5 minutes.

Frequency of response: On occasion.

Estimated total annual burden hours: 869 hours.

Abstract: In accordance with rules issued by the Office of Personnel Management, the National Personnel Records Center (NPRC) of the National Archives and Records Administration (NARA) administers Official Personnel Folders (OPF) and Employee Medical Folders (EMF) of former Federal civilian employees. When former Federal civilian employees and other authorized individuals request information from or copies of documents in OPF or EMF, they must provide in their requests

certain information about the employee and the nature of the request so that we can determine whether they are authorized to receive the information and so that we can find the correct records. The NA Form 13022, Returned Request Form, is used to request additional information about the former Federal employee. The NA Form 13064, Reply to Request Involving Relief Agencies, is used to request additional information about the former relief agency employee. The NA Form 13068, Walk-In Request for OPM Records or Information, is used by members of the public, with proper authorization, to request a copy of a personnel or medical record.

Gulam Shakir,

Executive for Information Services/CIO.

[FR Doc. 2026–11899 Filed 6–11–26; 8:45 am]

BILLING CODE 7515–01–P

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[NARA–2026–022]

Agency Information Collection Activities; Proposals, Submissions, and Approvals

AGENCY: National Archives and Records Administration (NARA).

ACTION: Notice.

SUMMARY: We are proposing to request that the Office of Management and Budget (OMB) renew three information collections. The first renewal information collection is necessary to handle the volume of requests for records in a timely manner and to obtain specific information from the researcher to search for the records sought. The second renewal information collection is prepared by organizations that want to make paper-to-paper copies of archival holdings with their personal copiers at the National Archives at the College Park facility. The third renewal is used to advise requesters of the correct procedures to follow when requesting certified copies of records for use in civil litigation or criminal actions in courts of law, and the information to be provided so that records may be identified. We invite you to comment on the proposed information collections.

DATES: OMB must receive written comments on or before August 11, 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:

Kristin Phillips, Paperwork Reduction Act Officer, by email at kristin.phillips@nara.gov or by telephone at 616–254–0405.

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. If you have comments or suggestions, they should address one or more of the following points: (a) whether the proposed information collection is necessary for NARA to properly perform its 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 the 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:** Order Forms for Genealogical Research in the National Archives.

OMB number: 3095–0027 CF.

Agency form numbers: NATF Forms 84, 85, and 86.

Type of review: Regular.

Affected public: Individuals or households.

Estimated number of respondents: 7,139.

Estimated time per response: 10 minutes.

Frequency of response: On occasion.

Estimated total annual burden hours: 1,190.

Abstract: Submission of requests on a form is necessary to handle in a timely fashion the volume of requests received for these records and the need to obtain specific information from the researcher to search for the records sought. As a convenience, the form will allow researchers to provide credit card information to authorize billing and expedited mailing of the copies. You can also use our online ordering web page (<https://www.archives.gov/research/order>) to complete the forms and order the copies.

2. **Title:** Request to use personal paper-to-paper copiers at the National Archives at College Park facility.

OMB number: 3095–0035.

Agency form number: None.

Type of review: Regular.

Affected public: Business or other for-profit.

Estimated number of respondents: 5.

Estimated time per response: 3 hours.

Frequency of response: On occasion.

Estimated total annual burden hours: 15 hours.

Abstract: The information collection is prescribed by 36 CFR 1254.86. Respondents are organizations that want to make paper-to-paper copies of archival holdings with their personal copiers. NARA uses the information to determine whether the request meets the criteria in 36 CFR 1254.86 and to schedule the limited space available.

3. *Title:* Court Order Requirements.

OMB number: 3095–0038.

Agency form number: NA Form 13027.

Type of review: Regular.

Affected public: Veterans and Former Federal civilian employees, their authorized representatives, state and local governments, and businesses.

Estimated number of respondents: 5,000.

Estimated time per response: 15 minutes.

Frequency of response: On occasion.

Estimated total annual burden hours: 1,250 hours.

Abstract: In accordance with rules issued by the Office of Personnel Management, the National Personnel Records Center (NPRC) of the National Archives and Records Administration (NARA) administers Official Personnel Folders (OPF) and Employee Medical Folders (EMF) of former Federal civilian employees. In accordance with rules issued by the Department of Defense (DOD) and the Department of Homeland Security (DHS), the NPRC also administers military service records of veterans after discharge, retirement, and death, and the medical records of these veterans, current members of the Armed Forces, and dependents of Armed Forces personnel. The NA Form 13027, Court Order Requirements, is used to advise requesters of (1) the correct procedures to follow when requesting certified copies of records for use in civil litigation or criminal actions in courts of law and (2) the information to be provided so that records may be identified.

Gulam Shakir,

Executive for Information Services/CIO.

[FR Doc. 2026–11898 Filed 6–11–26; 8:45 am]

BILLING CODE 7515–01–P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request; Antarctic Conservation Act Application Permit Form

AGENCY: National Science Foundation.

ACTION: Submission for OMB review; comment request.

SUMMARY: The National Science Foundation (NSF) has submitted the following information collection requirement to OMB for review and clearance under 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 submission to the Office of Management and Budget (OMB) for clearance simultaneously with the publication of this second notice.

DATES: Comments regarding this information collection are best assured of having their full effect if received by July 13, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT: Office of Information and Regulatory Affairs of OMB, Attention: Desk Officer for National Science Foundation, 725 17th Street NW, Room 10235, Washington, DC 20503, and Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, Randolph Building, 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).

Copies of the submission may be obtained by calling 703–292–7556.

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.

Comments regarding (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of burden including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on 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 should be addressed to the points of contact in the **FOR FURTHER INFORMATION CONTACT** section.

Title of Collection: Antarctic Conservation Act Application Permit Form.

OMB Number: 3145–0034.

Type of Request: Intent to seek approval to renew an information collection.

Proposed Project: The current Antarctic Conservation Act Application Permit Form (NSF 1078) has been in use for several years. The form requests general information, such as name, affiliation, location, etc., and more specific information such as the activities to be conducted including take and harmful interference of native bird, mammal, or plants, entrance into protected areas, import of non-native species to Antarctica, and import of covered samples to the United States.

Use of the Information: The purpose of the regulations (45 CFR 670) is to conserve and protect the native mammals, birds, plants, and invertebrates of Antarctica and the ecosystem upon which they depend and to implement the Antarctic Conservation Act of 1978, Public Law 95–541, as amended by the Antarctic Science, Tourism, and Conservation Act of 1996, Public Law 104–227.

Burden on the Public: NSF estimates about 25 responses annually at 45 minutes per response; this computes to approximately 19 hours annually.

Dated: June 10, 2026.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026–11858 Filed 6–11–26; 8:45 am]

BILLING CODE 7555–01–P

NEIGHBORHOOD REINVESTMENT CORPORATION**Sunshine Act Meetings**

TIME AND DATE: 2:00 p.m., Thursday, June 18, 2026.

PLACE: via ZOOM.

STATUS: Parts of this meeting will be open to the public. The rest of the meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Annual Board of Directors meeting.

The General Counsel of the Corporation has certified that in her opinion, one or more of the exemptions set forth in the Government in the Sunshine Act, 5 U.S.C. 552b(c)(2) permit closure of the following portion(s) of this meeting:

- Executive (Closed) Session

Agenda

- I. Call to Order
- II. Action Item: Resolution To Elect a Temporary Board Chair
- III. Sunshine Act Approval of Executive (Closed) Session
- IV. Executive Session: CEO Report
- V. Executive Session: CFO Report
- VI. Executive Session: Officer Annual Performance Discussion
- VII. Executive Session: General Counsel Report—Proposed Refinements to Board Governance
- VIII. Action Item: Approval of Meeting Minutes for April 16, 2026 Regular Board Meeting
- IX. Action Item: Board Elections
- X. Action Item: Appointment of Audit Committee
- XI. Action Item: Election of Corporate Officers
- XII. Action Item: Revision To Corporate Bylaws Article II To Require at Least Three Board Meetings per Year
- XIII. Action Item: Approval To Revise Delegation of Authority Policy To Authorize CEO To Spend Consistent With Board-Approved Budget
- XIV. Action Item: Approval To Revise Fundraising Policy to Increase Threshold at Which Board Approval Is Required To Accept Outside Funds
- XV. Approval To Increase President & CEO's Grant Making Authority
- XVI. Action Item: Affirming Delegation of Authority To Pay Monthly Health Insurance Premiums
- XVII. Action Item: Revision to the Delegation of Authority Policy Authorizing the President & CEO to Approve and Execute Master Investment Agreements
- XVIII. Action Item: Acceptance of Internal Audit Review—Corporate

- Codes of Conduct: Conflict of Interest/Whistleblower Policies, Anon. Reporting Systems
- XIX. Action item: Acceptance of Internal Audit Review—Housing Stability Counseling Program—Quality Control and Compliance
 - XX. Action Item: Acceptance of Internal Audit Review—Procure-to-Pay (P2P)
 - XXI. Action Item: Acceptance of Internal Audit Review—Procurement Process—Internal Controls
 - XXII. Discussion Item: Annual Ethics Review
 - XXIII. Management Program Background and Updates
 - a. General Counsel Report
 - b. CIO Report
 - c. CAE Report
 - d. CFO Report
 - i. Financials (Through 3/31/26)
 - ii. Single Invoice Approvals \$100K and Over
 - iii. Vendor Payments \$350K and Over
 - e. FY25–FY27 SP Scorecard—Q2
 - f. Grants to Capital Corporations
 - g. 2026 Board Calendar
 - h. 2026 Board Agenda Planner

PORTIONS OPEN TO THE PUBLIC:

Everything except the Executive (Closed) Session.

PORTIONS CLOSED TO THE PUBLIC:

Executive (Closed) Session.

CONTACT PERSON FOR MORE INFORMATION:

Jenna Sylvester, Paralegal, (202) 568–2560; jsylvester@nw.org.

Jenna Sylvester,
Paralegal.

[FR Doc. 2026–11921 Filed 6–10–26; 4:15 pm]

BILLING CODE 7570–01–P

NUCLEAR REGULATORY COMMISSION

[NRC–2026–2839]

Interim Staff Guidance: Security Requirements for Nonpower Production and Utilization Facility Applicants and Licensees

AGENCY: Nuclear Regulatory Commission.

ACTION: Final guidance; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing Interim Staff Guidance (ISG) DANU–ISG–2026–01, “Security Requirements for Nonpower Production and Utilization Facility Applicants and Licensees.” The purpose of this ISG is to clarify the required contents of a physical security plan for a non-power production or utilization facility (NPUF).

DATES: This guidance is effective on June 12, 2026.

ADDRESSES: Please refer to Docket ID NRC–2026–2839 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–2026–2839. 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(s) 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. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in 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:

Andrew Waugh, telephone: 301–415–0230; email: Andrew.Waugh@nrc.gov and Rebecca Ober, telephone: 301–287–9299; email: Rebecca.Ober@nrc.gov. Both are staff of the Office of Nuclear Reactor Regulation at the U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001.

SUPPLEMENTARY INFORMATION:**I. Background**

As defined in section 50.2 of title 10 of the *Code of Federal Regulations* (10 CFR), “Definitions,” an NPUF “means a production or utilization facility, licensed under 10 CFR 50.21(a) or (c), or 10 CFR 50.22, as applicable, that is not a nuclear power reactor or a production facility as defined under paragraphs (1) and (2) of the definition of Production facility in this section.” In accordance

with 10 CFR 73.67, the NRC requires applicable NPUFs licensed under 10 CFR part 50 to have security plans or procedures in place to detect, deter, assess, and respond to unauthorized activities. The NRC reviews and approves these plans before issuing an operating license.

II. Discussion

The purpose of this ISG is to clarify the required contents of a physical security plan for an NPUF. Physical security plans are a required part of an application for an operating license under 10 CFR part 50, "Domestic Licensing of Production and Utilization Facilities." The staff of the NRC should use this guidance in reviews of applications for new NPUFs and any changes to the security programs of licensed NPUFs. Applicants and licensees may use this guidance to support the development of security programs that comply with NRC requirements.

III. Additional Information

DANU-ISG-2026-01 "Security Requirements for Nonpower Production and Utilization Facility Applicants and Licensees," is being withheld from public release because it contains security-related information. Persons with a need to know, including NPUF licensees and persons who are applying or intend to apply for an NPUF license, can access the document through the NRC project manager assigned to the appropriate NPUF project. A publicly available redacted version of the document can be found in ADAMS (ML26140A323).

IV. Congressional Review Act

DANU-ISG-2026-01 "Security Requirements for Nonpower Production and Utilization Facility Applicants and Licensees" is a rule as defined in the Congressional Review Act (5 U.S.C. 801-808). However, the Office of Management and Budget has not found it to be a major rule as defined in the Congressional Review Act.

V. Executive Order (E.O.) 12866

The Office of Information and Regulatory Affairs determined that this final ISG is not a significant regulatory action under E.O. 12866.

Authority: 42 U.S.C. 2011 *et seq.*

Dated: June 10, 2026.

For the Nuclear Regulatory Commission.

Michael Wentzel,

*Chief, Advanced Reactor Policy Branch,
Division of Advanced Reactors and Non-
Power Production and Utilization Facilities,
Office of Nuclear Reactor Regulation.*

[FR Doc. 2026-11868 Filed 6-11-26; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105626; File No. SR-NYSEAMER-2026-47]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New Rule 5310 (Best Execution)

June 9, 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 29, 2026, NYSE American LLC ("NYSE American" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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 a new Rule 5310 governing member organization's and persons associated with a member organization's best execution obligations based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310. 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 a new Rule 5310 (Best Execution) that would govern member organization's and persons associated with a member organization's best execution obligations. Proposed Rule 5310 is based on Nasdaq PHLX Rule General 9, Section 11 (Best Execution and Interpositioning) and NYSE Rule 5310 (Best Execution). The purpose of the proposed rule is to enhance customer order protection by helping customers to receive efficient executions of their transactions at the best market prices.

Background and Proposed Rule Change

Nasdaq PHLX Rule General 9, Section 11, adopted in 2010, was based on NASD Rule 2320.⁴ In 2011, the Financial Industry Regulatory Authority ("FINRA") adopted NASD Rule 2320 as FINRA Rule 5310.⁵ Thereafter, on January 5, 2026, the Exchange's affiliate, NYSE, adopted NYSE Rule 5310 based on the Nasdaq PHLX and FINRA rules.⁶ These rules require broker-dealers to use "reasonable diligence" to ascertain the best market for a security and execute trades in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Other self-regulatory organizations have similar best execution rules.⁷

The Exchange proposes to adopt a new Rule 5310 that would govern the best execution obligations applicable to member organizations and persons associated with member organizations based on the Nasdaq PHLX, the NYSE and other self-regulatory organization rules.

⁴ See Securities Exchange Act Release No. 62877 (September 9, 2010), 75 FR 56633 (September 16, 2010) (SR-PHLX-2010-79) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the Establishment of NASDAQ OMX PSX as a Platform for Trading NMS Stocks).

⁵ See Securities Exchange Act Release No. 65895 (December 5, 2011), 76 FR 77042 (December 9, 2011) (SR-FINRA-2011-052) (Order Granting Approval of Proposed Rule Change to Adopt NASD Rule 2320 (Best Execution and Interpositioning) and Interpretive Material ("IM") 2320 as FINRA Rule 5310 in the Consolidated Rulebook)).

⁶ See Securities Exchange Act Release No. 104543 (January 5, 2026), 91 FR 731 (January 8, 2026) (SR-NYSE-2025-50) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt New Rule 5310).

⁷ See, e.g., Municipal Securities Rulemaking Board (MSRB) Rule G-18 (Best Execution).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

Proposed Rule 5310(a)(1) would provide that, in any transaction for or with a customer or a customer of another broker-dealer, a member organization and persons associated with a member organization shall use “reasonable diligence” to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. The proposed Rule would identify five factors among those to be considered in determining whether a member organization has used reasonable diligence:

(1) the character of the market for the security, *e.g.*, price, volatility, relative liquidity, and pressure on available communications;

(2) the size and type of transaction;

(3) the number of markets checked;

(4) accessibility of the quotation; and

(5) the terms and conditions of the order which result in the transaction, as communicated to the member organization or persons associated with the member organization.⁸

Proposed Rule 5310(a)(1) is based on Nasdaq PHLX Rule General 9, Section 11(a)(1)(A)–(E) and NYSE Rule 5310(a)(1)(A)–(E) without change.

Proposed Rule 5310(a)(2) would prohibit a member organization or person associated with a member organization, in any transaction for or with a customer or a customer of another broker-dealer, from interjecting a third party between the member organization or associated person and the best market for the subject security in a manner inconsistent with paragraph (a)(1) of the proposed Rule. Proposed Rule 5310(a)(2) is based on Nasdaq PHLX Rule General 9, Section 11(a)(2) and NYSE Rule 5310(a)(2) without change.

Proposed paragraph (b) would provide that when a member organization cannot execute directly with a market maker but must employ a broker’s broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so would be on the retail firm. The proposed Rule would further provide that examples of acceptable circumstances would be where a customer’s order is “crossed” with another retail firm which has a corresponding order on the other side, or where the identity of the retail firm, if known, would likely cause undue price movements adversely affecting the cost or proceeds to the customer. Proposed Rule 5310(b) is based on

Nasdaq PHLX Rule General 9, Section 11(b) and NYSE Rule 5310(b) without change.

Proposed paragraph (c) would provide that failure to maintain or adequately staff a department assigned to execute customers’ orders cannot be considered justification for executing away from the best available market; nor can channeling orders through a third party as described above as reciprocity for service or business serve to relieve a member organization of its obligations. The proposed Rule would further provide that channeling of customers’ orders through a broker’s broker or third party pursuant to established correspondent relationships under which executions are confirmed directly to the member organization acting as agent for the customer, such as where the third party gives up the name of the retail firm, would not be prohibited if the cost of such service is not borne by the customer. Proposed Rule 5310(c) is based on Nasdaq PHLX Rule General 9, Section 11(c) and NYSE Rule 5310(c) without change.

Proposed paragraph (d) would provide that a member organization through which a retail order is channeled, as described in the proposed Rule, and which knowingly is a party to an arrangement whereby the initiating member organization has not fulfilled its obligations under the proposed Rule, will also be deemed to have violated the proposed Rule. Except for replacing “his” with “its” before “obligations” in the proposed Rule, proposed Rule 5310(d) is identical to Nasdaq PHLX Rule General 9, Section 11(d). Proposed Rule 5310(d) is based on NYSE Rule 5310(d) without change.

Proposed paragraph (e) provides that the obligations in paragraphs (a) through (d) of the proposed Rule exist where the member organization acts as agent for the account of its customer but also where retail transactions are executed as principal and contemporaneously offset. Except for replacing “his” with “its” before “customer” in the proposed Rule, proposed Rule 5310(e) is identical to Nasdaq PHLX Rule General 9, Section 11(e). Proposed Rule 5310(e) is based on NYSE Rule 5310(e) without change.

Proposed Rule 5310 includes Supplementary Material based on Nasdaq PHLX Rule General 9, Section 11(f) and the supplementary material to NYSE Rule 5310 to provide additional guidance and clarity regarding the obligations of member organizations and persons associated with member organizations with respect to best execution requirements.

First, the Exchange would include an introductory paragraph that provides

that proposed Rule 5310(a) requires, among other things, that a member organization or person associated with a member organization comply with paragraph (a) when customer orders are routed to it from another broker/dealer for execution, and that the proposed Supplementary Material addresses certain interpretive questions concerning the applicability of the best execution rule. The proposed text is based on the first full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and the first full paragraph to the Supplementary Material of NYSE Rule 5310 without change.

Proposed Supplementary Material .01 titled “Definition of Market” would define “market” and provides that the singular or plural term should be construed broadly, and it encompasses a variety of different venues, including, but not limited to, market centers that are trading a particular security. Proposed Supplementary Material .01 further provides that the expansive interpretation is meant to both inform broker-dealers as to the breadth of the scope of venues that must be considered in the furtherance of their best execution obligations and to promote fair competition among broker-dealers, exchange markets, and markets other than exchange markets, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a firm’s best execution obligations. Proposed Supplementary Material .01 is based on the second full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .01 of NYSE Rule 5310 without change.

Proposed Supplementary Material .02, titled “Best Execution and Executing Brokers,” clarifies that a member organization’s duty to provide best execution in any transaction “for or with a customer of another broker-dealer” does not apply in instances when another broker-dealer is simply executing a customer order against the member organization’s quote or, stated in another manner, the duty to provide best execution to customer orders received from other broker-dealers arises only when an order is routed from the broker-dealer to the member organization for the purpose of order handling and execution. As proposed Supplementary Material .02 further provides, the clarification is intended to draw a distinction between those situations in which the member organization is acting solely as the buyer or seller in connection with orders presented by a broker-dealer against the member organization’s quote, as

⁸ See proposed Rule 5310(a)(1)(A)–(E).

opposed to those circumstances in which the member organization is accepting order flow from another broker-dealer for the purpose of facilitating the handling and execution of such orders. Proposed Supplementary Material .02 is based on the third full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .02 of NYSE Rule 5310 without change.

Finally, Supplementary Material .03, titled "Customer Instructions Regarding Order Handling," would specify that if a member organization receives an unsolicited instruction from a customer to route that customer's order to a particular market for execution, the member organization is not required to make a best execution determination beyond the customer's specific instruction. However, member organizations are still required to process that customer's order promptly and in accordance with the terms of the order. Further, where a customer has directed that an order be routed to another specific broker-dealer that is also a member organization, the receiving broker-dealer to which the order was directed would be required to meet the requirements of proposed Rule 5310 with respect to its handling of the order. Proposed Supplementary Material .03 is based on Supplementary Material .03 of NYSE Rule 5310 without change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ 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. In addition, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that adopting best execution and interpositioning standards based on Nasdaq PHLX Rule General 9, Section

11 and NYSE Rule 5310 will promote just and equitable principles of trade and protect investors and the public interest by imposing consistent order execution standards that member organizations must observe when handling customer orders that directly serve investor protection. Moreover, the Exchange believes that incorporating the proposed Supplementary Material containing additional guidance and clarification of the obligations of member organizations and their associated persons under the proposed Rule based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, including the provision containing important clarifications about the interaction between a broker-dealer's best execution obligations and their obligations with respect to specific customer instructions based on NYSE Rule 5310.08 will potentially enhance compliance with those obligations, thus furthering the prevention of manipulative acts and practices and the protection of investors and the public interest.

As discussed in the Purpose section, proposed Rule 5310 is substantially similar to Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, thus promoting the application of consistent regulatory standards for customer order execution across self-regulatory organizations. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to customer order execution, 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. In addition, the Exchange believes that the proposed rule change will maintain the necessary protection of customer orders designed to prevent fraudulent and manipulative acts, without imposing any undue regulatory costs on industry participants. Finally, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers and dealers, consistent with Section 6(b)(5) of the Act¹² because the proposed rule change will impose the same requirements on all member organizations on an equal basis.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not

necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will reduce the burdens on member organizations and persons associated with member organizations that result from their having to comply with varying rules related to best execution, thus reducing the complexity of customer order protection rules, particularly for those member organizations and persons associated with member organizations subject to the rules of multiple trading venues. Overall, the Exchange believes the proposed rule change will enhance customer order handling rules by harmonizing best execution and interpositioning standards across self-regulatory organizations, which ultimately benefits market participants and does not impose a burden on competition.

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 Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴ 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, 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.

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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

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-2026-47 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-NYSEAMER-2026-47. 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-2026-47 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11823 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105629; File No. SR-NYSETEX-2026-20]

Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New Rule 11.5310 (Best Execution)

June 9, 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 29, 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 and II 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 a new Rule 11.5310 governing a Participant's, Participant Firm's and any Associated Person's best execution obligations based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310. 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 a new Rule 11.5310 (Best Execution) that would govern a Participant's, Participant Firm's and any Associated Person's best execution obligations. Proposed Rule 11.5310 is based on Nasdaq PHLX Rule General 9, Section 11 (Best Execution and Interpositioning) and NYSE Rule 5310 (Best Execution). The purpose of the proposed rule is to enhance customer order protection by helping customers receive efficient executions of their transactions at the best market prices.

Background and Proposed Rule Change

Nasdaq PHLX Rule General 9, Section 11, adopted in 2010, was based on NASD Rule 2320.⁴ In 2011, the Financial Industry Regulatory Authority (“FINRA”) adopted NASD Rule 2320 as FINRA Rule 5310.⁵ Thereafter, on January 5, 2026, the Exchange's affiliate, NYSE, adopted NYSE Rule 5310 based on the Nasdaq PHLX and FINRA rules.⁶ These rules require broker-dealers to use “reasonable diligence” to ascertain the best market for a security and execute trades in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Other self-regulatory organizations have similar best execution rules.⁷

The Exchange proposes to adopt a new Rule 11.5310 that would govern the best execution obligations applicable to a Participant, Participant Firm and any Associated Person based on the Nasdaq PHLX, the NYSE and other self-regulatory organization rules.

Proposed Rule 11.5310(a)(1) would provide that, in any transaction for or with a customer or a customer of another broker-dealer, a Participant, Participant Firm, or Associated Person shall use “reasonable diligence” to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. The proposed Rule would identify five factors among those to be considered in determining whether a Participant, Participant Firm, or Associated Person has used reasonable diligence:

- (1) the character of the market for the security, e.g., price, volatility, relative liquidity, and pressure on available communications;
- (2) the size and type of transaction;
- (3) the number of markets checked;
- (4) accessibility of the quotation; and
- (5) the terms and conditions of the order which result in the transaction, as

⁴ See Securities Exchange Act Release No. 62877 (September 9, 2010), 75 FR 56633 (September 16, 2010) (SR-PHLX-2010-79) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the Establishment of NASDAQ OMX PSX as a Platform for Trading NMS Stocks).

⁵ See Securities Exchange Act Release No. 65895 (December 5, 2011), 76 FR 77042 (December 9, 2011) (SR-FINRA-2011-052) (Order Granting Approval of Proposed Rule Change To Adopt NASD Rule 2320 (Best Execution and Interpositioning) and Interpretive Material (“IM”) 2320 as FINRA Rule 5310 in the Consolidated Rulebook)).

⁶ See Securities Exchange Act Release No. 104543 (January 5, 2026), 91 FR 731 (January 8, 2026) (SR-NYSE-2025-50) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt New Rule 5310).

⁷ See, e.g., Municipal Securities Rulemaking Board (MSRB) Rule G-18 (Best Execution).

¹⁵ 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.

communicated to the Participant, Participant Firm, or Associated Person.⁸

Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(a)(1) is based on Nasdaq PHLX Rule General 9, Section 11(a)(1)(A)–(E) and NYSE Rule 5310(a)(1)(A)–(E) without change.

Proposed Rule 11.5310(a)(2) would prohibit a Participant, Participant Firm, or Associated Person, in any transaction for or with a customer or a customer of another broker-dealer, from interjecting a third party between the Participant, Participant Firm, or Associated Person and the best market for the subject security in a manner inconsistent with paragraph (a)(1) of the proposed Rule. Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(a)(2) is based on Nasdaq PHLX Rule General 9, Section 11(a)(2) and NYSE Rule 5310(a)(2) without change.

Proposed paragraph (b) would provide that when a Participant or Participant Firm cannot execute directly with a market maker but must employ a broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so would be on the retail firm. The proposed Rule would further provide that examples of acceptable circumstances would be where a customer's order is "crossed" with another retail firm which has a corresponding order on the other side, or where the identity of the retail firm, if known, would likely cause undue price movements adversely affecting the cost or proceeds to the customer. Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(b) is based on Nasdaq PHLX Rule General 9, Section 11(b), and NYSE Rule 5310(b) without change.

Proposed paragraph (c) would provide that failure to maintain or adequately staff a department assigned to execute customers' orders cannot be considered justification for executing away from the best available market; nor can channeling orders through a third party as described above as reciprocation for service or business serve to relieve a Participant or Participant Firm of its obligations. The proposed Rule would further provide that channeling of customers' orders through a broker's broker or third party pursuant to established correspondent relationships under which executions are confirmed directly to the Participant or Participant Firm acting as agent for the customer, such as where the third party gives up

the name of the retail firm, would not be prohibited if the cost of such service is not borne by the customer. Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(c) is based on Nasdaq PHLX Rule General 9, Section 11(c), and NYSE Rule 5310(c) without change.

Proposed paragraph (d) would provide that a Participant or Participant Firm through which a retail order is channeled, as described in the proposed Rule, and which knowingly is a party to an arrangement whereby the initiating member organization has not fulfilled its obligations under the proposed Rule, will also be deemed to have violated the proposed Rule. Except for replacing "his" with "its" before "obligations" in the proposed Rule, proposed Rule 9(d) is identical to Nasdaq PHLX Rule General 9, Section 11(d). Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(d) is based on NYSE Rule 5310(d) without change.

Proposed paragraph (e) would provide that the obligations in paragraphs (a) through (d) of the proposed Rule exist where the Participant or Participant Firm acts as agent for the account of its customer but also where retail transactions are executed as principal and contemporaneously offset. Except for replacing "his" with "its" before "customer" in the proposed Rule, proposed Rule 9(d) is identical to Nasdaq PHLX Rule General 9, Section 11(e). Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(e) is based on NYSE Rule 5310(e) without change.

Proposed Rule 11.5310 includes Supplementary Material based on Nasdaq PHLX Rule General 9, Section 11(f), and the supplementary material to NYSE Rule 5310 to provide additional guidance and clarity regarding the obligations of Participants, Participant Firms, or Associated Persons with respect to best execution requirements.

First, the Exchange would include an introductory paragraph that provides that proposed Rule 11.5310(a) requires, among other things, that a Participant, Participant Firm or any Associated Person comply with paragraph (a) when customer orders are routed to it from another broker/dealer for execution, and that the proposed Supplementary Material addresses certain interpretive questions concerning the applicability of the best execution rule. Except for conforming changes to reflect the Exchange's membership, the proposed text is based on the first full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and the first full paragraph to the

Supplementary Material of NYSE Rule 5310 without change.

Proposed Supplementary Material .01 titled "Definition of Market" would define "market" and provides that the singular or plural term should be construed broadly, and it encompasses a variety of different venues, including, but not limited to, market centers that are trading a particular security. Proposed Supplementary Material .01 further provides that the expansive interpretation is meant to both inform broker-dealers as to the breadth of the scope of venues that must be considered in the furtherance of their best execution obligations and to promote fair competition among broker-dealers, exchange markets, and markets other than exchange markets, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a firm's best execution obligations. Proposed Supplementary Material .01 is based on the second full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .01 of NYSE Rule 5310 without change.

Proposed Supplementary Material .02, titled "Best Execution and Executing Brokers," would clarify that a Participant's and Participant Firm's duty to provide best execution in any transaction "for or with a customer of another broker-dealer" does not apply in instances when another broker-dealer is simply executing a customer order against the Participant's and Participant Firm's quote or, stated in another manner, the duty to provide best execution to customer orders received from other broker-dealers arises only when an order is routed from the broker-dealer to the Participant or Participant Firm for the purpose of order handling and execution. As proposed Supplementary Material .02 further provides, the clarification is intended to draw a distinction between those situations in which the Participant or Participant Firm is acting solely as the buyer or seller in connection with orders presented by a broker-dealer against the Participant's or Participant Firm's quote, as opposed to those circumstances in which the Participant or Participant Firm is accepting order flow from another broker-dealer for the purpose of facilitating the handling and execution of such orders. Except for conforming changes to reflect the Exchange's membership, proposed Supplementary Material .02 is based on the third full paragraph of Nasdaq PHLX Rule General 9, Section 11(f), and Supplementary Material .02 of NYSE Rule 5310 without change.

⁸ See proposed Rule 25(a)(1)(A)–(E).

Finally, Supplementary Material .03, titled “Customer Instructions Regarding Order Handling,” would specify that if a Participant or Participant Firm receives an unsolicited instruction from a customer to route that customer’s order to a particular market for execution, the Participant or Participant Firm is not required to make a best execution determination beyond the customer’s specific instruction. However, Participants and Participant Firms are still required to process that customer’s order promptly and in accordance with the terms of the order. Further, where a customer has directed that an order be routed to another specific broker-dealer that is also a Participant or Participant Firm, the receiving broker-dealer to which the order was directed would be required to meet the requirements of proposed Rule 11.5310 with respect to its handling of the order. Proposed Supplementary Material .03 is identical to Supplementary Material .03 of NYSE Rule 5310, which is based on FINRA Rule 5310.08 without change except for conforming changes to reflect the Exchange’s membership.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ 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. In addition, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that adopting best execution and interpositioning standards based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310 will promote just and equitable principles of trade and protect investors and the public interest by imposing consistent order execution standards that Participants, Participant Firms and Associated Persons must observe when handling

customer orders that directly serve investor protection. Moreover, the Exchange believes that incorporating the proposed Supplementary Material containing additional guidance and clarification of the obligations of Participants, Participant Firms and Associated Persons under the proposed Rule based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, including the additional provision containing important clarifications about the interaction between a broker-dealer’s best execution obligations and their obligations with respect to specific customer instructions based on NYSE Rule 5310 will potentially enhance compliance with those obligations, thus furthering the prevention of manipulative acts and practices and the protection of investors and the public interest.

As discussed in the Purpose section, proposed Rule 11.5310 is substantially similar to Nasdaq PHLX Rule General 9, Section 11, and NYSE Rule 5310, thus promoting the application of consistent regulatory standards for customer order execution across self-regulatory organizations. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to customer order execution, 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. In addition, the Exchange believes that the proposed rule change will maintain the necessary protection of customer orders designed to prevent fraudulent and manipulative acts, without imposing any undue regulatory costs on industry participants. Finally, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers and dealers, consistent with Section 6(b)(5) of the Act¹² because the proposed rule change will impose the same requirements on all Participants, Participant Firms and Associated Persons on an equal basis.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will reduce the burdens on Participants, Participant Firms and

Associated Persons that result from their having to comply with varying rules related to best execution, thus reducing the complexity of customer order protection rules, particularly for those Participants, Participant Firms and Associated Persons subject to the rules of multiple trading venues. Overall, the Exchange believes the proposed rule change will enhance customer order handling rules by harmonizing best execution and interpositioning standards across self-regulatory organizations, which ultimately benefits market participants and does not impose a burden on competition.

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 Act¹³ and Rule 19b–4(f)(6) thereunder.¹⁴ 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, 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.

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.

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:

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b–4(f)(6).

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-2026-20 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-NYSETEX-2026-20. 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-2026-20 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11804 Filed 6-11-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105641; File No. SR-Phlx-2026-33]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 4

June 9, 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 26, 2026, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or

"Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Options 7, Sections 4, Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A).³

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Phlx proposes to modify its Pricing Schedule at Options 7, Section 4 to: (1) increase the Non-Penny Symbol Floor Options Transaction Charge⁴ for Lead Market Makers⁵ and Market Makers;⁶

³ On May 1, 2026, the Exchange filed SR-Phlx-2026-28. On May 12, 2026, the Exchange withdrew SR-Phlx-2026-28 and filed this proposal. On May 26, 2026, the Exchange withdrew SR-Phlx-2026-31 and filed this proposal.

⁴ The term "floor transaction" is a transaction that is effected in open outcry on the Exchange's Trading Floor. See Phlx's Pricing Schedule at Options 7, Section 1(c).

⁵ The term "Floor Lead Market Maker" is a member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a) and has a physical presence on the Exchange's Trading Floor. See Phlx's Pricing Schedule at Options 7, Section 1(c).

⁶ The term "Floor Market Maker" is a Market Maker who is neither an SQT or an RSQT. A Floor Market Maker may provide a quote in open outcry. See Phlx's Pricing Schedule at Options 7, Section

and (2) amend the Floor Broker⁷ Incentive Program to adopt a new Floor Broker rebate and amend the Tier 4 rebate. Each change will be described below.

First, the Exchange proposes to increase the Non-Penny Symbol Floor Options Transaction Charge for Lead Market Makers and Market Makers. Today, the Exchange assesses the following Non-Penny Floor Options Transaction Charges: \$0.00 for Customers⁸ and Professionals,⁹ \$0.50 per contract for Lead Market Makers and Market Makers, \$0.25 per contract for Firms¹⁰ and Broker-Dealers.¹¹ At this time, the Exchange proposes to increase the Non-Penny Symbol Floor Options Transaction Charges for Lead Market Makers and Market Makers from \$0.50 to \$1.00 per contract.

Second, the Exchange proposes to amend the Floor Broker Incentive Program to pay a \$0.20 per contract rebate for open outcry floor executions that are contra a Lead Market Maker or Market Maker, in lieu of any Floor

1(c). The term "Streaming Quote Trader" or "SQT" is defined in Options 1, Section 1(b)(54) as a Market Maker who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned. See Phlx's Pricing Schedule at Options 7, Section 1(c). The term "Remote Streaming Quote Trader" or "RSQT" is defined in Options 1, Section 1(b)(49) as a Market Maker that is a member affiliated with an RSQTO with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. A Remote Streaming Quote Trader Organization or "RSQTO," which may also be referred to as a Remote Market Making Organization ("RMO"), is a member organization in good standing that satisfies the RSQTO readiness requirements in Options 2, Section 1(a). See Phlx's Pricing Schedule at Options 7, Section 1(c).

⁷ The term "Floor Broker" means an individual who is registered with the Exchange for the purpose, while on the Options Floor, of accepting and handling options orders. See Phlx's Pricing Schedule at Options 7, Section 1(c).

⁸ The term "Customer" applies to any transaction that is identified by a member or member organization for clearing in the Customer range at OCC which is not for the account of a broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(b)(45)). See Phlx's Pricing Schedule at Options 7, Section 1(c).

⁹ The term "Professional" applies to transactions for the accounts of Professionals, as defined in Options 1, Section 1(b)(45) means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Phlx's Pricing Schedule at Options 7, Section 1(c).

¹⁰ The term "Firm" applies to any transaction that is identified by a member or member organization for clearing in the Firm range at The Options Clearing Corporation ("OCC"). See Phlx's Pricing Schedule at Options 7, Section 1(c).

¹¹ The term "Broker-Dealer" applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category. See Phlx's Pricing Schedule at Options 7, Section 1(c).

¹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Broker Incentive Program rebate. Today, Floor Brokers are paid Floor Broker Incentive Program rebates for

transactions executed on the trading floor, in open outcry¹² based on

qualifying volume at each threshold level as set forth below.¹³

	Qualifying contracts	Per contract rebate (customer on one side)	Per contract rebate (non-customer on both sides)
Tier 1	0–500,000	\$0.04	\$0.10
Tier 2	500,001–5,000,000	0.07	0.18
Tier 3	5,000,001–10,000,000	0.09	0.18
Tier 4	Greater than 10,000,000	0.10	0.22

The Exchange proposes to decrease the Tier 4 Floor Broker Incentive Program per contract rebate for Non-Customer on both sides from \$0.22 to \$0.20. While the Exchange's proposal decreases the Tier 4 rebate, the Exchange believes that the proposed rebate would continue to incentivize order flow to be brought to Phlx. Further, the rebate is payable to the Floor Broker on contracts even if those contracts qualified for the Broker-Dealer Transaction Cap.

The Exchange believes that the proposed \$0.20 per contract Floor Broker rebate for open outcry floor executions contra a Lead Market Maker or Market Maker would further incentivize Floor Brokers to participate in open outcry transactions. While the Exchange proposes to increase the Non-Penny Options Transaction Charge for Lead Market Makers and Market Makers, the increased transaction charge, taken together with the proposed \$0.20 Floor Broker rebate, should not discourage Lead Market Maker or Market Makers from participating in open outcry transactions, and should promote trading opportunities and competition on the Trading Floor for all market participants.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other

persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ‘has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.’¹⁶

Likewise, in *NetCoalition v. Securities and Exchange Commission*¹⁷ (“NetCoalition”) the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.¹⁸ As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’ play a role in determining the market data . . . to be made available to investors and at what cost.”¹⁹

Further, “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its

market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’. . . .”²⁰ Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

The Exchange believes that the proposed \$0.20 per contract Floor Broker rebate for open outcry floor executions contra a Lead Market Maker or Market Maker is reasonable because it will incentivize Floor Brokers to direct additional open outcry orders to the Exchange, thereby creating more trading opportunities on the Trading Floor for all market participants, including Lead Market Makers and Market Makers. Despite the proposed increase in the Non-Penny Options Transaction Charge for Lead Market Makers and Market Makers, the Exchange believes that increasing the Non-Penny Options Transaction Charge for Lead Market Makers and Market Makers from \$0.50 to \$1.00 will not discourage active quoting and trading. The Exchange also believes that the amount of the proposed Non-Penny Options Transaction Charge for Lead Market Makers and Market Makers is reasonable, as it remains within the range of fees set forth in the Pricing Schedule for transactions by Lead Market Makers and Market Makers in Non-Penny Symbols for electronic transactions that are assessed by NYSE Arca, Inc. (“NYSE Arca”).²¹

The Exchange believes that the proposed changes are reasonably designed to incentivize Floor Brokers

¹² The following transactions are not considered qualifying volume: (1) dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions as defined in this Options 7, Section 4; (2) Firm Floor Options Transactions for members executing facilitation orders pursuant to Options 8, Section 30 when such members are trading in their own proprietary account (including Cabinet Options Transaction Charges); and (3) Customer-to-Customer transactions.

¹³ Floor QCC Orders, as defined in Options 8, Section 30(e), and electronic QCC Orders, as

defined in Options 3, Section 12, are considered qualifying volume but are not paid rebates based on the above schedule, rather Floor QCC Orders and electronic QCC Orders would be paid the QCC Rebates noted in Options 7, Section 4. Additionally, Broker-Dealer Floor Options Transactions that are capped pursuant to the Broker-Dealer Transaction Cap will be considered qualifying volume but would not be paid rebates based on the below schedule.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(4) and (5).

¹⁶ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹⁷ *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010).

¹⁸ See *NetCoalition*, at 534–535.

¹⁹ *Id.* at 537.

²⁰ *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

²¹ See NYSE Arca’s Options Fees and Charges.

(and other participants on the Trading Floor) to increase the number of open outcry orders sent to the Exchange. Any increase in trading volume would create additional opportunities for Lead Market Makers, Market Makers and other floor participants, attracting further order flow to the Trading Floor and contributing to a deeper, more liquid market. The proposed rebate is similar in structure to incentive programs for Floor Brokers offered by NYSE Arca and NYSE American LLC.²²

The Exchange further believes the proposal is reasonable because it is designed to offset costs associated with the proposed Floor Broker rebate through the increase to the Non-Penny Floor Options Transaction Charge for Lead Market Makers and Market Makers. To the extent this purpose is achieved, the Exchange believes that the proposed change would not disincentivize Lead Market Maker or Market Maker activity on the Trading Floor because increased order flow from Floor Brokers seeking to earn the proposed rebate would result in more opportunities to trade for all market participants. In addition, the Exchange notes that market participants are free to conduct transactions on competing venues instead if they believe other options markets offer more favorable pricing.

To the extent the proposed rule change continues to attract greater volume and liquidity by encouraging Floor Brokers to increase their options volume on the Exchange in an effort to earn the proposed rebate, the Exchange believes the proposed changes would improve the Exchange's overall competitiveness and strengthen its market quality for all market participants. Against the backdrop of the competitive environment in which the Exchange operates, the proposed

rule change is a reasonable attempt by the Exchange to increase the depth of its market and improve its market share relative to its competitors.

The Exchange's proposal to pay Floor Brokers the \$0.20 per contract rebate in lieu of any Floor Broker Incentive Program rebate, continue to pay the rebate even if the transaction was subject to the Broker-Dealer Transaction Cap, and also decrease the Tier 4 Floor Broker Incentive Program per contract rebate for Non-Customer on both sides from \$0.22 to \$0.20 is reasonable because it balances the new Floor Broker rebate against the increased Non-Penny Floor Options Transaction Charge while allowing for the availability of other incentives. Further, despite the decrease to the Tier 4 rebate, the Exchange continues to pay a greater Tier 4 rebate as compared to the Tier 1 through Tier 3 rebates. The Exchange believes that the proposed rebate will continue to incentivize order flow to be brought to Phlx.

The Exchange believes that the proposed \$0.20 per contract Floor Broker rebate for open outcry floor executions contra a Lead Market Maker or Market Maker is equitable and not unfairly discriminatory because the proposed rebate is based on the amount and type of business transacted on the Exchange, and participation in the rebate program is voluntary; Floor Brokers may, but are not required to, pursue qualifying volume. The Exchange also believes that the proposed change is equitable and not unfairly discriminatory because it is designed to balance costs associated with encouraging increased execution opportunities on the Trading Floor, and an increase in such orders would in turn enhance trading opportunities for all market participants. In addition, the proposed Lead Market Maker and Market Maker Non-Penny Options Transaction Charge of \$1.00 is within the range of fees currently applicable to transactions by Lead Market Makers, Market Makers and other market participants in Non-Penny Symbols.²³ The Exchange also believes that the proposed Floor Broker rebate is an equitable allocation of fees and credits because it is intended to support Floor Brokers' role in facilitating the execution of open outcry orders, a function that benefits all market participants on the Trading Floor.

Moreover, the proposal is designed to incentivize participation on the Trading Floor in an effort to make the Exchange a primary execution venue and to attract more open outcry transactions to the

Trading Floor. To the extent that the proposed change attracts more Floor Broker orders to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for, among other things, order execution. Thus, the Exchange believes the proposed rule change would improve market quality for all participants and attract additional order flow, further enhancing market quality and price discovery.

The Exchange believes it is not unfairly discriminatory to increase the Non-Penny Floor Options Transaction Charge for Lead Market Makers and Market Makers because the proposed change would apply in a uniform manner to all Lead Market Maker and Market Maker orders. Incentivizing order flow to the Trading Floor would enhance liquidity to the benefit of all market participants. The Exchange also believes that the proposed \$0.20 rebate payable to Floor Brokers for an open outcry transaction contra a Lead Market Maker or Market Maker is not unfairly discriminatory because it would be available to all similarly situated market participants on an equal and non-discriminatory basis. Further, all Floor Brokers would qualify for the proposed rebate. The proposal is intended to encourage the role performed by Floor Brokers in facilitating the execution of orders via open outcry, a function which the Exchange wishes to support for the benefit of all market participants. In addition, although the proposed change would increase the Non-Penny Options Transaction Charge applicable to Lead Market Maker and Market Maker floor transactions, the Exchange notes that the amount of the proposed fee is within the range of fees currently applicable to transactions by Lead Market Makers, Market Makers and other market participants in Non-Penny Symbols²⁴ and believes that Lead Market Makers and Market Makers would not be discouraged from continuing to participate actively on the Trading Floor and would benefit from increased open outcry order flow, including from Floor Brokers seeking to earn the proposed rebate, as a result of the proposed change. To the extent that this increased order flow attracts order flow from other market participants to the Trading Floor, the proposed rule change would improve market quality and promote additional trading opportunities for all market participants on the Exchange.

Finally, Lead Market Makers and Market Makers may transact with any

²² NYSE Arca and NYSE American offer a floor broker rebate of \$0.20 for manual trades executed by a floor broker against a market maker on the trading floor. The rebate is in lieu of any rebates achieved via the manual billable rebate program. See NYSE Arca's Options Fees and Charges and NYSE American's Options Fee Schedule. Also, see, e.g., BOX Exchange Fee Schedule, Section V. Manual Transaction Fees, available at <https://boxexchange.com/assets/BOX-Fee-Schedule-as-of-January-22-2026.pdf> (offering Floor Brokers that submit QOO and FOO Orders a \$0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of lesser per contract rebates also available to Floor Brokers); MIAX Sapphire Options Exchange, Section 1) c) Trading Floor Transactions, available at https://www.miaxglobal.com/sites/default/files/fee-schedulefiles/MIAX_Sapphire_Fee_Schedule_01212026_b.pdf (providing for the "Floor Broker Breakup Credit," a \$0.20 credit applicable to Floor Brokers that submit a QFO or cQFO for executions that trade with a Floor Market Maker, instead of the \$0.10 Floor Broker rebate otherwise available).

²³ See NYSE Arca's Options Fees and Charges.

²⁴ See NYSE Arca's Options Fees and Charges.

order flow that results from the increased incentive.

The proposals to pay Floor Brokers the \$0.20 per contract rebate in lieu of any Floor Broker Incentive Program rebate, continue to pay the rebate even if the transaction was subject to the Broker-Dealer Transaction Cap, and also decrease the Tier 4 Floor Broker Incentive Program per contract rebate for Non-Customer on both sides from \$0.22 to \$0.20 are equitable and not unfairly discriminatory because they would apply uniformly to all Floor Brokers.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Rather, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to the Trading Floor, thereby promoting market depth, price discovery, and transparency, and enhancing order execution opportunities for all market participants. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."²⁵ The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets and will offer market participants another choice of where to transact options. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that any burden on competition resulting from these pricing changes is extremely limited.

Intra-market Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe

that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is designed to attract additional order flow to the Exchange. The Exchange believes that the increase to the Non-Penny Floor Options Transaction Charge for Lead Market Makers and Market Makers and the proposed Floor Broker rebate of \$0.20 per contract rebate for open outcry floor executions that are contra a Lead Market Maker or Market Maker would encourage Floor Broker open outcry flow and would not disincentivize Lead Market Maker or Market Maker activity on the Trading Floor. Greater liquidity benefits all market participants on the Exchange and increased order flow would increase opportunities for execution of other trading interest. The proposal would apply and be available to all similarly situated market participants that execute open outcry on the Trading Floor, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

The Exchange believes the proposed rule change reflects this competitive environment by modifying its pricing to continue incentivizing Trading Floor participants to direct order flow to, and provide liquidity to the Exchange. To the extent that Floor Brokers are encouraged to utilize Phlx as a primary trading venue for all floor transactions, all floor market participants stand to benefit from the improved market quality and increased opportunities for price improvement.

Finally, the proposals to pay Floor Brokers the \$0.20 per contract rebate in lieu of any Floor Broker Incentive Program rebate, continue to pay the rebate even if the transaction was subject to the Broker-Dealer Transaction Cap, and also decrease the Tier 4 Floor Broker Incentive Program per contract rebate for Non-Customer on both sides from \$0.22 to \$0.20 do not impose an undue burden on competition because they would apply uniformly to all Floor Brokers.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.²⁶

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2026-33 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-Phlx-2026-33. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2026-33 and should be submitted on or before July 6, 2026.

²⁵ See Reg NMS Adopting Release, supra note 10, at 37499.

²⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11816 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105630; File No. SR-ISE-2026-28]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 4 and 5

June 9, 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 27, 2026, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to

solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend ISE’s Pricing Schedule at Options 7, Sections 4 and 5.³

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/ise/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Rebate for Select Symbols for certain Priority Customer Complex Order rebates at Options 7, Section 4, Complex Order Fees and Rebates. The Exchange also proposes to amend Options 7, Section 5, Index Options Fees and Rebates. Each change will be discussed below.

Options 7, Section 4

The Exchange proposes to amend the Rebate for Select Symbols for certain Priority Customer Complex Order rebates.

Today, the Exchange pays ten tiers of Complex Order Priority Customer Rebates with qualifications based on the Total Affiliated Member or Affiliated Entity Complex Order Volume (Excluding Crossing Orders and Responses to Crossing Orders) Calculated as a Percentage of Customer Total Consolidated Volume. Currently, the Exchange pays Priority Customers rebates for Select Symbols and Non-Select Symbols as noted below:

Priority customer complex tier ^{7 13 16 17}	Total affiliated member or affiliated entity complex order volume (excluding crossing orders and responses to crossing orders) calculated as a percentage of customer total consolidated volume	Rebate for select symbols ¹	Rebate for non-select symbols ¹⁴
Tier 1	0.000%–0.200%	(\$0.25)	(\$0.50)
Tier 2	Above 0.200%–0.400%	(\$0.30)	(\$0.60)
Tier 3	Above 0.400%–0.550%	(\$0.40)	(\$0.80)
Tier 4	Above 0.550%–0.750%	(\$0.45)	(\$0.85)
Tier 5	Above 0.750%–0.900%	(\$0.46)	(\$0.90)
Tier 6	Above 0.900%–1.350%	(\$0.53)	(\$0.99)
Tier 7	Above 1.350%–1.750%	(\$0.54)	(\$1.00)
Tier 8	Above 1.750%–2.25%	(\$0.57)	(\$1.11)
Tier 9	Above 2.25%–4.500%	(\$0.59)	(\$1.13)
Tier 10	Above 4.500%	(\$0.60)	(\$1.16)

At this time, the Exchange proposes to increase the Tier 5 Priority Customer Complex Order Rebate for Select Symbols from \$0.46 to \$0.49 per contract.⁴ The Exchange believes that the proposed increase to the Tier 5 Priority Customer Complex Order Rebate for Select Symbols may attract additional order flow to ISE.

The Exchange also proposes to decrease the Tier 8 Priority Customer Complex Order Rebate for Select Symbols from \$0.57 to \$0.56 per contract;⁵ the Tier 9 Priority Customer Complex Order Rebate for Select Symbols from \$0.59 to \$0.58 per contract;⁶ and the Tier 10 Priority Customer Complex Order Rebate for

Select Symbols from \$0.60 to \$0.59 per contract.⁷ The Exchange believes that despite the proposed decreases to the Tiers 8, 9, and 10 Priority Customer Complex Order Rebates for Select Symbols, the rebates will continue to incentivize Members to direct Priority Customer Complex Order flow to ISE.

²⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On April 30, 2026, the Exchange filed SR-ISE-2026-23. On May 12, 2026, the Exchange withdrew SR-ISE-2026-23 and filed this proposal. On May 27, 2026, the Exchange withdrew SR-ISE-2026-25 and filed this proposal.

⁴ The tier qualification for the Tier 5 Priority Customer Complex Order Rebate requires Total

Affiliated Member or Affiliated Entity Complex Order Volume (Excluding Crossing Orders and Responses to Crossing Orders) of above 0.750%–0.900%.

⁵ The tier qualification for the Tier 8 Priority Customer Complex Order Rebate requires Total Affiliated Member or Affiliated Entity Complex Order Volume (Excluding Crossing Orders and Responses to Crossing Orders) of above 1.750%–2.25%.

⁶ The tier qualification for the Tier 9 Priority Customer Complex Order Rebate requires Total Affiliated Member or Affiliated Entity Complex Order Volume (Excluding Crossing Orders and Responses to Crossing Orders) of above 2.25%–4.500%.

⁷ The tier qualification for the Tier 10 Priority Customer Complex Order Rebate requires Total Affiliated Member or Affiliated Entity Complex Order Volume (Excluding Crossing Orders and Responses to Crossing Orders) of above 4.500%.

The Exchange also proposes a technical amendment to the qualifying tier language at Priority Customer Complex Order Tiers 8 and 9 to change “2.25%” to “2.250%.”

Options 7, Section 5

ISE proposes to amend the current surcharge applicable to Nasdaq-100 Index (“NDX”) options at Options 7, Section 5, Index Options Fees and Rebates. Currently, note 4 of Options 7, Section 5 imposes a surcharge of \$1.50 per contract to regular Non-Priority Customer⁸ orders that remove liquidity. This surcharge is in addition to the Options Transaction Charges in NDX for Non-Priority Customer orders of \$0.75 per contract, which also applies to the P.M.-Settled NDX Options (“NDXP”). Today, Priority Customer⁹ orders pay an Options Transaction Charge of \$0.50 per contract in NDX and NDXP.¹⁰

Proposal

At this time, the Exchange proposes to amend the surcharge at note 4 of Options 7, Section 5 to instead assess a surcharge on NDX and NDXP for electronic simple Non-Priority Customer orders that remove liquidity according to the following premium schedule:

Less than \$3.00	\$1.00
Greater than or equal to \$3.00 and less than \$10.00	1.50
Greater than or equal to \$10.00 and less than \$25.00	2.00
Greater than or equal to \$25.00 and less than \$50.00	2.50
Greater than or equal to \$50.00	3.00

The Exchange believes its proposed scaled surcharge reflects meaningful differences in risk and market impact across premium levels. Higher-premium options signal greater implied volatility, carry larger notional exposure, exhibit heightened sensitivity to index

movements, embed more consequential leverage, and approximate or exceed the economic exposure of comparable futures contracts. Each of these factors independently supports imposing a higher surcharge on higher-premium transactions.

An option’s premium is driven in substantial part by the market’s expectation of future movement in the underlying index (implied volatility).¹¹ Accordingly, a higher premium generally signals that the market perceives the Nasdaq-100 Index as presenting greater risk at that point in time. Trades executed in higher-volatility environments carry a greater potential to disrupt orderly market functioning: each transaction can exert more pronounced price pressure, and liquidity providers face commensurately higher hedging costs. A surcharge tied to premium price functions as a self-correcting mechanism—when market conditions are riskier and premiums rise, the surcharge rises proportionally; when conditions normalize and premiums decline, the surcharge declines accordingly. This design ensures the pricing remains aligned with prevailing market risk without requiring constant manual recalibration. The Nasdaq-100 Index is particularly susceptible to these dynamics given its heavy concentration in large-capitalization technology companies, which can experience sharp and sudden price dislocations that cause option premiums to escalate rapidly.

The notional value¹² of NDX options further supports the proposed tiered surcharge. With a contract multiplier of \$100, a \$1.00 premium option represents \$100 of premium value per contract, while a \$50.00 premium option represents \$5,000 per contract—fifty times the economic stake. A trade in a higher-premium option transfers more capital and more risk between counterparties, requires Market Makers to commit greater resources to hedge the resulting position, and consumes a larger share of available liquidity on the order book. A flat surcharge—identical regardless of premium price—would treat a \$100 trade and a \$5,000 trade as though they imposed equivalent market impact. The tiered schedule, by contrast, scales the fee with the magnitude of economic exposure, ensuring that participants trading higher-value options bear a modestly higher surcharge commensurate with

the greater significance of their transactions. The proposed pricing is reasonable because the scaled surcharge reflects these differences in the economic characteristics of the underlying transactions.

Transactions in the Nasdaq-100 Index involving greater effective leverage warrant proportionally higher fees. Leverage permits a trader to gain exposure to a large notional amount in the underlying index for a relatively small upfront payment; however, the significance of that leverage varies materially with the premium price. A \$1.00 premium NDX option offers the potential for control of a large notional position but is typically far out-of-the-money, meaning the probability that it will deliver meaningful economic value at expiration is low. By contrast, a \$50.00 premium NDX option is likely in-the-money or near-the-money, carrying a high probability of delivering a real economic payoff. In this case, the market participant pays a fraction of the cost of an equivalent direct position in the Nasdaq-100 Index while retaining a strong likelihood of participating in the index’s movement. This combination of leverage and high probability of economic delivery makes higher-premium options powerful instruments capable of shifting substantial risk. The proposed tiered surcharge recognizes that higher-premium options carry more consequential leverage and should therefore bear a commensurately higher fee.

Finally, as the premium of NDX or NDXP options increases, the option’s economic behavior converges with that of a futures contract. A CME-listed Nasdaq-100 future provides direct, linear one-for-one exposure to the Nasdaq-100 Index. When an NDX option carries a high premium and a delta approaching 1.0, it behaves substantially like a futures contract: with a \$100 multiplier and a delta near 1.0, each one-point move in the index produces approximately \$100 of profit or loss per contract—the economic equivalent of roughly five E-mini Nasdaq-100 futures contracts. Moreover, options introduce risk dimensions absent from futures, including sensitivity to changes in volatility (vega risk) and accelerating sensitivity to index movements (gamma risk). These additional risk dimensions give high-premium options a risk profile that can exceed that of a comparable futures position, further supporting a higher surcharge at elevated premium levels.

With this proposal, the lowest tier (\$1.00) reduces the existing surcharge for low-premium contracts, conferring a benefit on participants trading less

⁸ “Non-Priority Customers” include Market Makers, Non-Nasdaq ISE Market Makers (FarMMs), Firm Proprietary/Broker-Dealers, and Professional Customers. See Options 7, Section 1(c).

⁹ A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq ISE Options 1, Section 1(a)(38). Unless otherwise noted, when used in this Pricing Schedule the term “Priority Customer” includes “Retail” as defined below. See Options 7, Section 1(c).

¹⁰ For all executions in complex NDX orders for Non-Priority Customers, the applicable complex order fees for Non-Select Symbols in Section 4 will apply. For all executions in complex NDX orders for Priority Customers, the fee is \$0.25 per contract. See note 1 of Options 7, Section 5. Further, pursuant to note 2 of Options 7, Section 5, a surcharge of \$0.25 per contract is assessed to all Priority Customer complex executions in NDX. Pursuant to note 3 of Options 7, Section 5, a \$0.25 per contract surcharge is assessed to all market participants for simple and complex executions in NDX with a premium price of \$25.00 or greater.

¹¹ When market participants expect larger swings in the Nasdaq-100 Index, option premiums rise; when they expect less volatility, premiums fall.

¹² Notional value refers to the total dollar amount of economic exposure that an option contract represents.

expensive series. The middle tier (\$1.50) preserves the status quo for the band that historically reflects a substantial portion of activity in NDX. The upper tiers (\$2.00, \$2.50, and \$3.00) modestly increase the surcharge for high-premium contracts, where the participant's economic exposure—and the Exchange's correlative cost burden—is materially greater. The graduated structure thereby ties the magnitude of the fee to an objective, transaction-specific measure of value, which the Commission has long recognized as a reasonable basis for differentiated pricing in the listed options markets.

The Exchange believes that the proposed pricing will continue to attract NDX and NDXP order flow to the Exchange.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹³ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁵

Likewise, in *NetCoalition v. Securities and Exchange Commission*¹⁶ (“*NetCoalition*”) the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.¹⁷ As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’

play a role in determining the market data . . . to be made available to investors and at what cost.”¹⁸

Further, “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁹ Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

Options 7, Section 4

The Exchange's proposal to increase the Tier 5 Priority Customer Complex Order Rebate for Select Symbols is reasonable because the rebate may attract additional order flow to ISE. The Exchange's proposal to decrease the Tier 8 Priority Customer Complex Order Rebate for Select Symbols from \$0.57 to \$0.56 per contract, the Tier 9 Priority Customer Complex Order Rebate for Select Symbols from \$0.59 to \$0.58 per contract, and the Tier 10 Priority Customer Complex Order Rebate for Select Symbols from \$0.60 to \$0.59 per contract is reasonable because the rebates will continue to incentivize Members to direct Priority Customer Complex Order flow to ISE.

The Exchange's proposal to amend the Tier 5, 8, 9 and 10 Priority Customer Complex Order Rebates for Select Symbols is equitable and not unfairly discriminatory because the Exchange would uniformly pay the proposed rebates provided the Member met the respective tier qualification. Further, paying Complex Order Rebates for Select Symbols solely to Priority Customers is equitable and not unfairly discriminatory because Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Options 7, Section 5

The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Priority Customer orders that remove liquidity with a tiered structure²⁰ scaled to the premium value of each contract is reasonable because scaling the surcharge to the premium value of the contract more accurately calibrates the fee to the economic value that the liquidity-removing participant derives from the transaction and to the corresponding costs and risks borne by the Exchange and by the liquidity providers whose quotations support the market in NDX and NDXP.²¹ These index options are proprietary products for which the Exchange incurs licensing, market-data, and other costs that scale, in significant part, with the notional and premium value executed on the Exchange. A premium-based tier therefore allocates a larger share of those costs to transactions that consume a proportionally greater amount of Exchange resources and confer a proportionally greater economic benefit on the participant, while reducing the relative burden on lower-premium transactions, which are often associated with lower-delta or hedging-oriented strategies.

The Exchange believes its proposed scaled surcharge reflects meaningful differences in risk and market impact across premium levels. Higher option premiums reflect elevated implied volatility in the Nasdaq-100 Index, signaling greater market risk. A premium-based surcharge operates as a

²⁰ The Exchange proposes a premium schedule as follows: \$1.00 per contract for premiums less than \$3.00; \$1.50 per contract for premiums greater than or equal to \$3.00 and less than \$10.00; \$2.00 per contract for premiums greater than or equal to \$10.00 and less than \$25.00; \$2.50 per contract for premiums greater than or equal to \$25.00 and less than \$50.00; and \$3.00 per contract for premiums greater than or equal to \$50.00.

²¹ With respect to NDX, the two lowest tiers (\$1.00 for premiums less than \$3.00 and \$1.50 for premiums of \$3.00 to less than \$10.00) introduce a modest surcharge on lower-premium executions that today bear no surcharge, in amounts commensurate with the limited economic value of those contracts. The middle tier (\$2.00 for premiums of \$10.00 to less than \$25.00) likewise applies a measured surcharge to a band that is currently exempt. The upper tiers (\$2.50 for premiums of \$25.00 to less than \$50.00 and \$3.00 for premiums of \$50.00 or greater) replace the existing \$0.25 surcharge with charges that more accurately reflect the materially greater economic exposure of high-premium contracts and the correspondingly greater cost burden borne by the Exchange and its liquidity providers. The graduated structure thereby ties the magnitude of the fee to an objective, transaction-specific measure of value across the entire premium spectrum, which the Commission has long recognized as a reasonable basis for differentiated pricing in the listed options markets.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

¹⁵ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹⁶ *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010).

¹⁷ See *NetCoalition*, at 534–535.

¹⁸ *Id.* at 537.

¹⁹ *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

self-correcting mechanism that scales fees with prevailing volatility, ensuring alignment with actual market conditions—particularly given the Nasdaq-100's concentration in technology stocks prone to sharp price dislocations. Differences in premium translate into significant differences in notional value and market impact. A tiered surcharge ensures that participants whose trades transfer greater capital and consume more liquidity bear fees proportionate to the economic magnitude of their transactions, whereas a flat surcharge would ignore these disparities. The economic significance of an option's embedded leverage depends on whether the option is likely to deliver a real payoff. Low-premium, far out-of-the-money options carry leverage largely in theory, while higher-premium options near or in the money combine meaningful leverage with a high probability of economic delivery, justifying a commensurately higher surcharge. As NDX or NDXP option premiums rise and delta approaches 1.0, the option's risk profile converges with—and can exceed—that of a comparable Nasdaq-100 futures contract, because options also carry vega and gamma risk. This functional equivalence (and additional complexity) at higher premium levels further supports a scaled surcharge.

Today, market participants are offered different ways to gain exposure to the Nasdaq-100 Index, whether through the Exchange's proprietary products like options overlying NDX or NDXP or separately through multi-listed options overlying Invesco QQQ Trust ("QQQ"). Offering NDX Options provides market participants with a variety of choices in selecting the product they desire to utilize in order to gain exposure to the Nasdaq-100 Index. Both NDX index options and QQQ options derive their value from the same underlying economic exposure: the Nasdaq-100 index constituents. A participant seeking to hedge or speculate on the performance of the Nasdaq-100 can achieve comparable economic outcomes through either product. While the two products differ in settlement mechanics (NDX settles in cash; QQQ settles in shares of the ETF) and multiplier conventions, they serve as functional substitutes for the same core market exposure. In terms of price comparisons, Non-Priority Customers are assessed a \$0.45 or \$0.46 per contract Penny Symbol Taker Fees²² to execute (remove liquidity) in an option on QQQ. To measure the notional equivalent of

an option on QQQ as compared to NDX options, the fees should be multiplied by the ratio of the settlement price of NDX divided by QQQ. For example, on May 8, 2026, the ratio of settlement prices was 41.10 (29235.00 (NDXP settlement price)/711.23 (QQQ settlement price)). To create an equivalence in fees, a Taker Fee of \$0.45 per contract for QQQ would equal \$18.50 for NDX. The proposed NDX and NDXP fees are significantly lower than QQQ options by comparison. A single NDX options contract carries a notional value approximately 41 times greater than a single QQQ options contract. A market participant would need to execute roughly 41 QQQ options to replicate the economic exposure of a single NDX contract. The Exchange therefore believes that a higher per-contract surcharge on NDX is reasonable on a cost-per-unit-of-notional-value basis.

Finally, competing in a regulated capital markets environment imposes several incremental costs on a less mature product. NDX and NDXP compete against other broad-based indexes such as the S&P 500 Index ("SPX"), which is a mature index in comparison to NDX and NDXP. As a result, NDX and NDXP incur significant marketing expenditures aimed at funding educational content for NDX and NDXP indexes to build awareness.

The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Priority Customer orders that remove liquidity with a tiered structure scaled to the premium value of each contract is not unfairly discriminatory because the surcharge applies uniformly to all electronic simple Non-Priority Customer orders that remove liquidity in NDX and NDXP. Every Non-Priority Customer (Professionals, Broker-Dealers, Firms, and Market Makers) will be subject to the same tier table, and the applicable tier for any given execution will be determined solely by the objective premium value of the contract executed. While the proposed surcharge does not apply to Customer orders, the Exchange notes that Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Such developments would benefit all market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Options 7, Section 4

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets and will offer market participants another choice of where to transact options. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intra-Market Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to amend the Tier 5, 8, 9 and 10 Priority Customer Complex Order Rebates for Select Symbols does not impose an undue burden on competition because the Exchange would uniformly pay the proposed rebates provided the Member met the respective tier qualification. Further, paying Complex Order Rebates for Select Symbols solely to Priority Customers is equitable and not unfairly discriminatory because Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

²² See Options 7, Section 3.

Options 7, Section 5

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. NDX and NDXP are proprietary options contracts while options on QQQ are multi-listed. Other options exchanges may price options on QQQ in a manner so as to compete directly with options on NDX and NDXP. Further, options exchanges may offer competing broad-based indexes such as Cboe Exchange, Inc.'s SPX Options to compete with NDX and NDXP. The manner in which options exchanges elect to price substitute or competing products may cause order flow to be diverted to another exchange.

Intra-Market Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Priority Customer orders that remove liquidity with a tiered structure scaled to the premium value of each contract does not impose an undue burden on competition because the surcharge applies uniformly to all electronic simple Non-Priority Customer orders that remove liquidity in NDX and NDXP. Every Non-Priority Customer (Professionals, Broker-Dealers, Firms, and Market Makers) will be subject to the same tier table, and the applicable tier for any given execution will be determined solely by the objective premium value of the contract executed. While the proposed surcharge does not apply to Priority Customer orders, the Exchange notes that Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Such developments would benefit all market participants.

Further, today, market participants have the opportunity to transact in NDX or NDXP options, or separately execute options overlying QQQ. The NDX and NDXP products provide market participants with an additional means to gain exposure to the Nasdaq-100 Index. NDX and NDXP products compete with options on QQQ directly, and SPX products indirectly and that

competition is driven in part through the pricing of these products. Finally, the proposed pricing differentiates among transactions—not among market participants—and does so on the basis of an objective, market-determined variable (premium price) that directly correlates with the costs imposed on the Exchange. For these reasons noted above, the Exchange believes that the proposed pricing is pro-competitive.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.²³ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-ISE-2026-28 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-ISE-2026-28. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use

only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ISE-2026-28 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-11805 Filed 6-11-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105632; File No. SR-C2-2026-017]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe C2 Exchange, Inc. (the "Exchange" or "C2") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe C2 Exchange, Inc. (the "Exchange" or "C2") proposes to adopt fees for its new Clock Service. 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

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b), (1).

² 17 CFR 240.19b-4.

²³ 15 U.S.C. 78s(b)(3)(A)(ii).

(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.

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 adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange's and the subscriber's systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAx Emerald, LLC ("MIAx Emerald").⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange's network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange's

primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second ("Gbps") Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange's time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange's time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to synchronize their own primary clock to the Exchange's primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core ("HATI") licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and

would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR-C2-2026-014). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105082 (March 25, 2026), 91 FR 15659 (March 30, 2026) (SR-C2-2026-005).

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR-EMERALD-2022-16).

⁶ The Exchange notes that MIAx Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange’s overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange’s overall competitive position. The proposed fees are a result of the competitive environment of the U.S. options industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange’s time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant’s sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not

required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1 Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately (at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald’s, it is important to distinguish the fact that the Exchange’s comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald’s.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1 Gbps physical port for which participants may use as a back-up connection to receive the Exchange’s time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX’s service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange’s Clock Service permits you to connect to all of Cboe’s options and equities exchanges. Meaning, that for less than

double the cost of MIAX Emerald’s service, which is only for one Exchange, a participant is able to use the Exchange’s Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up) for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange's offerings. 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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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-C2-2026-017 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-C2-2026-017. 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-C2-2026-017 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11807 Filed 6-11-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105636; File No. SR-CboeEDGX-2026-042]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") proposes to adopt fees for its new Clock Service. 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/edgx/), 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.

¹⁶ See e.g., MIAx Emerald Rule 531.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁹ 17 CFR 200.30-3(a)(12).

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 adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange's and the subscriber's systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAx Emerald, LLC ("MIAx Emerald").⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange's network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange's primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second ("Gbps") Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange's time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange's time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to

synchronize their own primary clock to the Exchange's primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core ("HATI") licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-

up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR-CboeEDGX-2026-038). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105094 (March 26, 2026), 91 FR 16032 (March 31, 2026) (SR-CboeEDGX-2026-014).

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR-EMERALD-2022-16).

⁶ The Exchange notes that MIAx Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange’s overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange’s overall competitive position. The proposed fees are a result of the competitive environment of the U.S. equities industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange’s time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant’s sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately

(at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald’s, it is important to distinguish the fact that the Exchange’s comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald’s.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1Gbps physical port for which participants may use as a back-up connection to receive the Exchange’s time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX’s service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange’s Clock Service permits you to connect to all of Cboe’s options and equities exchanges. Meaning, that for less than double the cost of MIAX Emerald’s service, which is only for one Exchange, a participant is able to use the Exchange’s Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up)

for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange’s offerings. The Exchange operates in a highly competitive environment, and its ability to price the reports is constrained by competition

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹⁶ See e.g., MIAX Emerald Rule 531.

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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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-2026-042 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-CboeEDGX-2026-042. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeEDGX-2026-042 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105627; File No. SR-NYSEARCA-2026-59]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New Rule 11.5310 (Best Execution)

June 9, 2026.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³

¹⁹ 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.

notice is hereby given that, on May 29, 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 and II 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 a new Rule 11.5310 governing an Equity Trading Permit ("ETP") Holder's, Options Trading Permit ("OTP") Holder's, OTP Firm's and any Associated Person's best execution obligations based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310. 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 new Rule 11.5310 (Best Execution) that would govern an ETP Holder's, OTP Holder's, OTP Firm's and any Associated Person's best execution obligations. Proposed Rule 11.5310 is based on Nasdaq PHLX Rule General 9, Section 11 (Best Execution and Interpositioning) and NYSE Rule 5310 (Best Execution). The purpose of the proposed rule is to enhance customer order protection by helping customers to receive efficient executions of their transactions at the best market prices.

Background and Proposed Rule Change

Nasdaq PHLX Rule General 9, Section 11, adopted in 2010, was based on

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

NASD Rule 2320.⁴ In 2011, the Financial Industry Regulatory Authority (“FINRA”) adopted NASD Rule 2320 as FINRA Rule 5310.⁵ Thereafter, on January 5, 2026, the Exchange’s affiliate, NYSE, adopted NYSE Rule 5310 based on the Nasdaq PHLX and FINRA rules.⁶ These rules require broker-dealers to use “reasonable diligence” to ascertain the best market for a security and execute trades in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Other self-regulatory organizations have similar best execution rules.⁷

The Exchange proposes to adopt new Rule 11.5310 that would govern the best execution obligations applicable to an ETP Holder, OTP Holder, OTP Firm, and any Associated Person based on the Nasdaq PHLX, NYSE and other self-regulatory organization rules.

Proposed Rule 11.5310(a)(1) would provide that, in any transaction for or with a customer or a customer of another broker-dealer, an ETP Holder, OTP Holder, OTP Firm and any Associated Person shall use “reasonable diligence” to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. The proposed Rule would identify five factors among those to be considered in determining whether an ETP Holder, OTP Holder, OTP Firm, or any Associated Person has used reasonable diligence:

(1) the character of the market for the security, *e.g.*, price, volatility, relative liquidity, and pressure on available communications;

(2) the size and type of transaction;

(3) the number of markets checked;

(4) accessibility of the quotation; and

(5) the terms and conditions of the order which result in the transaction, as communicated to the ETP Holder, OTP

Holder, OTP Firm, or Associated Person.⁸

Except for conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(a)(1) is based on Nasdaq PHLX Rule General 9, Section 11(a)(1)(A)–(E) and NYSE Rule 5310(a)(1)(A)–(E) without change.

Proposed Rule 11.5310(a)(2) would prohibit an ETP Holder, OTP Holder, OTP Firm, or Associated Person, in any transaction for or with a customer or a customer of another broker-dealer, from interjecting a third party between an ETP Holder, OTP Holder, OTP Firm, or Associated Person and the best market for the subject security in a manner inconsistent with paragraph (a)(1) of the proposed Rule. Except for conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(a)(2) is based on Nasdaq PHLX Rule General 9, Section 11(a)(2) and NYSE Rule 5310(a)(2) without change.

Proposed paragraph (b) would provide when an ETP Holder, OTP Holder, or OTP Firm cannot execute directly with a market maker but must employ a broker’s broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so would be on the retail firm. The proposed Rule would further provide that examples of acceptable circumstances would be where a customer’s order is “crossed” with another retail firm which has a corresponding order on the other side, or where the identity of the retail firm, if known, would likely cause undue price movements adversely affecting the cost or proceeds to the customer. Except for conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(b) is based on Nasdaq PHLX Rule General 9, Section 11(b) and NYSE Rule 5310(b) without change.

Proposed paragraph (c) would provide that failure to maintain or adequately staff a department assigned to execute customers’ orders cannot be considered justification for executing away from the best available market; nor can channeling orders through a third party as described above as reciprocity for service or business serve to relieve an ETP Holder, OTP Holder, or OTP Firm of its obligations. The proposed Rule would further provide that channeling of customers’ orders through a broker’s broker or third party pursuant to established correspondent relationships under which executions are confirmed directly to the ETP Holder, OTP Holder, or OTP Firm acting as agent for the customer, such as where the third party

gives up the name of the retail firm, would not be prohibited if the cost of such service is not borne by the customer. Except for conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(c) is based on Nasdaq PHLX Rule General 9, Section 11(c) and NYSE Rule 5310(c) without change.

Proposed paragraph (d) would provide that an ETP Holder, OTP Holder, or OTP Firm through which a retail order is channeled, as described in the proposed Rule, and which knowingly is a party to an arrangement whereby the initiating ETP Holder, OTP Holder, or OTP Firm has not fulfilled its obligations under the proposed Rule, will also be deemed to have violated the proposed Rule. Except for replacing “his” with “its” before “obligations” in the proposed Rule and conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(d) is identical to Nasdaq PHLX Rule General 9, Section 11(d). Except for conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(d) is based on NYSE Rule 5310(d) without change.

Proposed paragraph (e) provides that the obligations in paragraphs (a) through (d) of the proposed Rule exist where the ETP Holder, OTP Holder, or OTP Firm acts as agent for the account of its customer but also where retail transactions are executed as principal and contemporaneously offset. Except for replacing “his” with “its” before “customer” in the proposed Rule and conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(e) is identical to Nasdaq PHLX Rule General 9, Section 11(e). Except for conforming changes to reflect the Exchange’s membership, proposed Rule 11.5310(e) is based on NYSE Rule 5310(e) without change.

Proposed Rule 11.5310 includes Supplementary Material based on Nasdaq PHLX Rule General 9, Section 11(f) and the supplementary material to NYSE Rule 5310 to provide additional guidance and clarity regarding the obligations of an ETP Holder, OTP Holder, OTP Firm, and any Associated Person with respect to best execution requirements.

First, the Exchange would include an introductory paragraph that provides that proposed Rule 11.5310(a) requires, among other things, that an ETP Holder, OTP Holder, OTP Firm, or any Associated Person comply with paragraph (a) when customer orders are routed to it from another broker-dealer for execution, and that the proposed Supplementary Material addresses certain interpretive questions

⁴ See Securities Exchange Act Release No. 62877 (September 9, 2010), 75 FR 56633 (September 16, 2010) (SR-PHLX–2010–79) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the Establishment of NASDAQ OMX PSX as a Platform for Trading NMS Stocks).

⁵ See Securities Exchange Act Release No. 65895 (December 5, 2011), 76 FR 77042 (December 9, 2011) (SR-FINRA–2011–052) (Order Granting Approval of Proposed Rule Change to Adopt NASD Rule 2320 (Best Execution and Interpositioning) and Interpretive Material (“IM”) 2320 as FINRA Rule 5310 in the Consolidated Rulebook)).

⁶ See Securities Exchange Act Release No. 104543 (January 5, 2026), 91 FR 731 (January 8, 2026) (SR–NYSE–2025–50) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt New Rule 5310).

⁷ See, *e.g.*, Municipal Securities Rulemaking Board (MSRB) Rule G–18 (Best Execution).

⁸ See proposed Rule 11.5310(a)(1)(A)–(E).

concerning the applicability of the best execution rule. Except for conforming changes to reflect the Exchange's membership, the proposed text is based on the first full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and the first full paragraph to the Supplementary Material of NYSE Rule 5310 without change.

Proposed Supplementary Material .01 titled "Definition of Market" would define "market" and provides that the singular or plural term should be construed broadly, and it encompasses a variety of different venues, including, but not limited to, market centers that are trading a particular security. Proposed Supplementary Material .01 further provides that the expansive interpretation is meant to both inform broker-dealers as to the breadth of the scope of venues that must be considered in the furtherance of their best execution obligations and to promote fair competition among broker-dealers, exchange markets, and markets other than exchange markets, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a firm's best execution obligations. Proposed Supplementary Material .01 is based on the second full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .01 of NYSE Rule 5310 without change.

Proposed Supplementary Material .02, titled "Best Execution and Executing Brokers," clarifies that an ETP Holder's, OTP Holder's, or OTP Firm's duty to provide best execution in any transaction "for or with a customer of another broker-dealer" does not apply in instances when another broker-dealer is simply executing a customer order against the ETP Holder's, OTP Holder's, or OTP Firm's quote or, stated in another manner, the duty to provide best execution to customer orders received from other broker-dealers arises only when an order is routed from the broker-dealer to the an ETP Holder, OTP Holder, or OTP Firm for the purpose of order handling and execution. As proposed Supplementary Material .02 further provides, the clarification is intended to draw a distinction between those situations in which an ETP Holder, OTP Holder, or OTP Firm is acting solely as the buyer or seller in connection with orders presented by a broker-dealer against an ETP Holder's, OTP Holder's, or OTP Firm's, as opposed to those circumstances in which the ETP Holder, OTP Holder, or OTP Firm is accepting order flow from another broker-dealer for the purpose of facilitating the

handling and execution of such orders. Except for conforming changes to reflect the Exchange's membership, proposed Supplementary Material .02 is based on the third full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .02 of NYSE Rule 5310 without change.

Finally, Supplementary Material .03, titled "Customer Instructions Regarding Order Handling," would specify that if an ETP Holder, OTP Holder, or OTP Firm receives an unsolicited instruction from a customer to route that customer's order to a particular market for execution, an ETP Holder, OTP Holder, or OTP Firm is not required to make a best execution determination beyond the customer's specific instruction. However, ETP Holders, OTP Holders and OTP Firms are still required to process that customer's order promptly and in accordance with the terms of the order. Further, where a customer has directed that an order be routed to another specific broker-dealer that is also an ETP Holder, OTP Holder, or OTP Firm, the receiving broker-dealer to which the order was directed would be required to meet the requirements of proposed Rule 11.5310 with respect to its handling of the order. Except for conforming changes to reflect the Exchange's membership, proposed Supplementary Material .03 is based on FINRA Rule 5310.08 without change, except for conforming changes to reflect the Exchange's membership and Supplementary Material .03 of NYSE Rule 5310 without change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ 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. In addition, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78f(b)(5).

In particular, the Exchange believes that adopting best execution and interpositioning standards based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310 will promote just and equitable principles of trade and protect investors and the public interest by imposing consistent order execution standards that ETP Holders, OTP Holders, OTP Firms, and Associated Persons must observe when handling customer orders that directly serve investor protection. Moreover, the Exchange believes that incorporating the proposed Supplementary Material containing additional guidance and clarification of the obligations of ETP Holders, OTP Holders, OTP Firms, and Associated Persons under the proposed Rule based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, including the additional provision containing important clarifications about the interaction between a broker-dealer's best execution obligations and their obligations with respect to specific customer instructions will potentially enhance compliance with those obligations, thus furthering the prevention of manipulative acts and practices and the protection of investors and the public interest.

As discussed in the Purpose section, proposed Rule 11.5310 is substantially similar to Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, thus promoting the application of consistent regulatory standards for customer order execution across self-regulatory organizations. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to customer order execution, 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. In addition, the Exchange believes that the proposed rule change will maintain the necessary protection of customer orders designed to prevent fraudulent and manipulative acts, without imposing any undue regulatory costs on industry participants. Finally, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers and dealers, consistent with Section 6(b)(5) of the Act¹² because the proposed rule change will impose the same requirements on all ETP Holders, OTP Holders, OTP Firms,

¹² 15 U.S.C. 78f(b)(5).

and Associated Persons on an equal basis.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will reduce the burdens on ETP Holders, OTP Holders, OTP Firms, and Associated Persons that result from their having to comply with varying rules related to best execution, thus reducing the complexity of customer order protection rules, particularly for those ETP Holders, OTP Holders, OTP Firms, and Associated Persons subject to the rules of multiple trading venues. Overall, the Exchange believes the proposed rule change will enhance customer order handling rules by harmonizing best execution and interpositioning standards across self-regulatory organizations, which ultimately benefits market participants and does not impose a burden on competition.

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 Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴ 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, 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.

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.

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-2026-59 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-2026-59. 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-2026-59 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11802 Filed 6-11-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105631; File No. SR-GEMX-2026-22]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 3

June 9, 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 27, 2026, Nasdaq GEMX, LLC ("GEMX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend GEMX's Pricing Schedule at Options 7, Section 3 related to Index Options.³

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On April 30, 2026, the Exchange filed SR-GEMX-2026-19. On May 12, 2026, the Exchange withdrew SR-GEMX-2026-19 and filed this proposal. On May 27, 2026, the Exchange withdrew SR-GEMX-2026-20 and filed this proposal.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 17 CFR 200.30-3(a)(12).

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

GEMX proposes to amend the current surcharge applicable to Nasdaq-100® Index ("NDX") options at Options 7, Section 3, Regular Order Fees and Rebates.

Currently, note 20 of Options 7, Section 3 imposes a surcharge of \$1.50 per contract for NDX electronic simple Non-Priority Customer⁴ orders that remove liquidity. This surcharge is in addition to the Options Transaction Charges in NDX for Non-Priority Customer orders of \$0.75 per contract. Today, Priority Customer⁵ orders pay a fee of \$0.50 per contract in NDX.⁶

Proposal

At this time, the Exchange proposes to amend the surcharge at note 20 of Options 7, Section 3 to instead assess a surcharge on NDX electronic simple Non-Priority Customer orders that remove liquidity according to the following premium schedule:

Less than \$3.00	\$1.00
Greater than or equal to \$3.00 and less than \$10.00	1.50
Greater than or equal to \$10.00 and less than \$25.00	2.00
Greater than or equal to \$25.00 and less than \$50.00	2.50
Greater than or equal to \$50.00	3.00

The Exchange believes its proposed scaled surcharge reflects meaningful differences in risk and market impact across premium levels. Higher-premium options signal greater implied volatility, carry larger notional exposure, exhibit heightened sensitivity to index movements, embed more consequential leverage, and approximate or exceed the economic exposure of comparable

futures contracts. Each of these factors independently supports imposing a higher surcharge on higher-premium transactions.

An option's premium is driven in substantial part by the market's expectation of future movement in the underlying index (implied volatility).⁷ Accordingly, a higher premium generally signals that the market perceives the Nasdaq-100 Index as presenting greater risk at that point in time. Trades executed in higher-volatility environments carry a greater potential to disrupt orderly market functioning: each transaction can exert more pronounced price pressure, and liquidity providers face commensurately higher hedging costs. A surcharge tied to premium price functions as a self-correcting mechanism—when market conditions are riskier and premiums rise, the surcharge rises proportionally; when conditions normalize and premiums decline, the surcharge declines accordingly. This design ensures the pricing remains aligned with prevailing market risk without requiring constant manual recalibration. The Nasdaq-100 Index is particularly susceptible to these dynamics given its heavy concentration in large-capitalization technology companies, which can experience sharp and sudden price dislocations that cause option premiums to escalate rapidly.

The notional value⁸ of NDX options further supports the proposed tiered surcharge. With a contract multiplier of \$100, a \$1.00 premium option represents \$100 of premium value per contract, while a \$50.00 premium option represents \$5,000 per contract—fifty times the economic stake. A trade in a higher-premium option transfers more capital and more risk between counterparties, requires Market Makers to commit greater resources to hedge the resulting position, and consumes a larger share of available liquidity on the order book. A flat surcharge—identical regardless of premium price—would treat a \$100 trade and a \$5,000 trade as though they imposed equivalent market impact. The tiered schedule, by contrast, scales the fee with the magnitude of economic exposure, ensuring that participants trading higher-value options bear a modestly higher surcharge commensurate with the greater significance of their transactions. The proposed pricing is reasonable because the scaled surcharge

reflects these differences in the economic characteristics of the underlying transactions.

Transactions in the Nasdaq-100 Index involving greater effective leverage warrant proportionally higher fees. Leverage permits a trader to gain exposure to a large notional amount in the underlying index for a relatively small upfront payment; however, the significance of that leverage varies materially with the premium price. A \$1.00 premium NDX option offers the potential for control of a large notional position but is typically far out-of-the-money, meaning the probability that it will deliver meaningful economic value at expiration is low. By contrast, a \$50.00 premium NDX option is likely in-the-money or near-the-money, carrying a high probability of delivering a real economic payoff. In this case, the market participant pays a fraction of the cost of an equivalent direct position in the Nasdaq-100 Index while retaining a strong likelihood of participating in the index's movement. This combination of leverage and high probability of economic delivery makes higher-premium options powerful instruments capable of shifting substantial risk. The proposed tiered surcharge recognizes that higher-premium options carry more consequential leverage and should therefore bear a commensurately higher fee.

Finally, as the premium of NDX options increases, the option's economic behavior converges with that of a futures contract. A CME-listed Nasdaq-100 future provides direct, linear one-for-one exposure to the Nasdaq-100 Index. When an NDX option carries a high premium and a delta approaching 1.0, it behaves substantially like a futures contract: with a \$100 multiplier and a delta near 1.0, each one-point move in the index produces approximately \$100 of profit or loss per contract—the economic equivalent of roughly five E-mini Nasdaq-100 futures contracts. Moreover, options introduce risk dimensions absent from futures, including sensitivity to changes in volatility (vega risk) and accelerating sensitivity to index movements (gamma risk). These additional risk dimensions give high-premium options a risk profile that can exceed that of a comparable futures position, further supporting a higher surcharge at elevated premium levels.

With this proposal, the lowest tier (\$1.00) reduces the existing surcharge for low-premium contracts, conferring a benefit on participants trading less expensive series. The middle tier (\$1.50) preserves the status quo for the band that historically reflects a substantial

⁴ The term "Non-Priority Customer" includes Market Makers, Non-Nasdaq GEMX Market Makers (FarMMs), Firm Proprietary/Broker-Dealers, and Professional Customers. See Options 7, Section 1(c).

⁵ A "Priority Customer" is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq GEMX Options 1, Section 1(a)(36). Unless otherwise noted, when used in this Pricing Schedule the term "Priority Customer" includes "Retail" as defined below. See Options 7, Section 1(c).

⁶ Additionally, for transactions in NDX, a license surcharge of \$0.25 is assessed to Non-Priority Customers at note 9 of Options 7, Section 3. The license surcharge applies to all NDX executions, including executions of NDX orders that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan. Further, pursuant to note 14 of Options 7, Section 3, a surcharge of \$0.25 per contract is assessed to all market participants for executions in NDX with a premium price of \$25.00 or greater.

⁷ When market participants expect larger swings in the Nasdaq-100 Index, option premiums rise; when they expect less volatility, premiums fall.

⁸ Notional value refers to the total dollar amount of economic exposure that an option contract represents.

portion of activity in NDX. The upper tiers (\$2.00, \$2.50, and \$3.00) modestly increase the surcharge for high-premium contracts, where the participant's economic exposure—and the Exchange's correlative cost burden—is materially greater. The graduated structure thereby ties the magnitude of the fee to an objective, transaction-specific measure of value, which the Commission has long recognized as a reasonable basis for differentiated pricing in the listed options markets.

The Exchange believes that the proposed pricing will continue to attract NDX order flow to the Exchange.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁰ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹¹

Likewise, in *NetCoalition v. Securities and Exchange Commission*¹² (“*NetCoalition*”) the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.¹³ As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’ play a role in determining the market data . . . to be made available to investors and at what cost.”¹⁴

Further, “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁵ Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Priority Customer orders that remove liquidity with a tiered structure¹⁶ scaled to the premium value of each contract is reasonable because scaling the surcharge to the premium value of the contract more accurately calibrates the fee to the economic value that the liquidity-removing participant derives from the transaction and to the corresponding costs and risks borne by the Exchange and by the liquidity providers whose quotations support the market in NDX.¹⁷ These index options are proprietary products for which the Exchange incurs licensing, market-data, and other costs that scale, in significant part, with the notional and premium value executed on the Exchange. A

¹⁵ *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

¹⁶ The Exchange proposes a premium schedule as follows: \$1.00 per contract for premiums less than \$3.00; \$1.50 per contract for premiums greater than or equal to \$3.00 and less than \$10.00; \$2.00 per contract for premiums greater than or equal to \$10.00 and less than \$25.00; \$2.50 per contract for premiums greater than or equal to \$25.00 and less than \$50.00; and \$3.00 per contract for premiums greater than or equal to \$50.00.

¹⁷ With respect to NDX, the two lowest tiers (\$1.00 for premiums less than \$3.00 and \$1.50 for premiums of \$3.00 to less than \$10.00) introduce a modest surcharge on lower-premium executions that today bear no surcharge, in amounts commensurate with the limited economic value of those contracts. The middle tier (\$2.00 for premiums of \$10.00 to less than \$25.00) likewise applies a measured surcharge to a band that is currently exempt. The upper tiers (\$2.50 for premiums of \$25.00 to less than \$50.00 and \$3.00 for premiums of \$50.00 or greater) replace the existing \$0.25 surcharge with charges that more accurately reflect the materially greater economic exposure of high-premium contracts and the correspondingly greater cost burden borne by the Exchange and its liquidity providers. The graduated structure thereby ties the magnitude of the fee to an objective, transaction-specific measure of value across the entire premium spectrum, which the Commission has long recognized as a reasonable basis for differentiated pricing in the listed options markets.

premium-based tier therefore allocates a larger share of those costs to transactions that consume a proportionally greater amount of Exchange resources and confer a proportionally greater economic benefit on the participant, while reducing the relative burden on lower-premium transactions, which are often associated with lower-delta or hedging-oriented strategies.

The Exchange believes its proposed scaled surcharge reflects meaningful differences in risk and market impact across premium levels. Higher option premiums reflect elevated implied volatility in the Nasdaq-100 Index, signaling greater market risk. A premium-based surcharge operates as a self-correcting mechanism that scales fees with prevailing volatility, ensuring alignment with actual market conditions—particularly given the Nasdaq-100's concentration in technology stocks prone to sharp price dislocations. Differences in premium translate into significant differences in notional value and market impact. A tiered surcharge ensures that participants whose trades transfer greater capital and consume more liquidity bear fees proportionate to the economic magnitude of their transactions, whereas a flat surcharge would ignore these disparities. The economic significance of an option's embedded leverage depends on whether the option is likely to deliver a real payoff. Low-premium, far out-of-the-money options carry leverage largely in theory, while higher-premium options near or in the money combine meaningful leverage with a high probability of economic delivery, justifying a commensurately higher surcharge. As NDX option premiums rise and delta approaches 1.0, the option's risk profile converges with—and can exceed—that of a comparable Nasdaq-100 futures contract, because options also carry vega and gamma risk. This functional equivalence (and additional complexity) at higher premium levels further supports a scaled surcharge.

Today, market participants are offered different ways to gain exposure to the Nasdaq-100 Index, whether through the Exchange's proprietary products like options overlying NDX or separately through multi-listed options overlying Invesco QQQ Trust (“QQQ”). Offering NDX Options provides market participants with a variety of choices in selecting the product they desire to utilize in order to gain exposure to the Nasdaq-100 Index. Both NDX index options and QQQ options derive their value from the same underlying

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(4) and (5).

¹¹ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹² *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010).

¹³ See *NetCoalition*, at 534–535.

¹⁴ *Id.* at 537.

economic exposure: the Nasdaq-100 index constituents. A participant seeking to hedge or speculate on the performance of the Nasdaq-100 can achieve comparable economic outcomes through either product. While the two products differ in settlement mechanics (NDX settles in cash; QQQ settles in shares of the ETF) and multiplier conventions, they serve as functional substitutes for the same core market exposure. In terms of price comparisons, Non-Priority Customers are assessed a \$0.45 or \$0.46 per contract Penny Symbol Taker Fees¹⁸ to execute (remove liquidity) in an option on QQQ. To measure the notional equivalent of an option on QQQ as compared to NDX options, the fees should be multiplied by the ratio of the settlement price of NDX divided by QQQ. For example, on May 8, 2026, the ratio of settlement prices was 41.10 (29235.00 (NDXP settlement price)/711.23 (QQQ settlement price)). To create an equivalence in fees, a Taker Fee of \$0.45 per contract for QQQ would equal \$18.50 for NDX. The proposed NDX fees are significantly lower than QQQ options by comparison. A single NDX options contract carries a notional value approximately 41 times greater than a single QQQ options contract. A market participant would need to execute roughly 41 QQQ options to replicate the economic exposure of a single NDX contract. The Exchange therefore believes that a higher per-contract surcharge on NDX is reasonable on a cost-per-unit-of-notional-value basis.

Finally, competing in a regulated capital markets environment imposes several incremental costs on a less mature product. NDX compete against other broad-based indexes such as the S&P 500 Index ("SPX"), which is a mature index in comparison to NDX. As a result, NDX incur significant marketing expenditures aimed at funding educational content for NDX indexes to build awareness.

The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Priority Customer orders that remove liquidity with a tiered structure scaled to the premium value of each contract is not unfairly discriminatory because the surcharge applies uniformly to all electronic simple Non-Priority Customer orders that remove liquidity in NDX. Every Non-Priority Customer (Professionals, Broker-Dealers, Firms, and Market Makers) will be subject to the same tier table, and the applicable tier for any given execution will be determined solely by the objective

premium value of the contract executed. While the proposed surcharge does not apply to Customer orders, the Exchange notes that Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Such developments would benefit all market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. NDX are proprietary options contracts while options on QQQ are multi-listed. Other options exchanges may price options on QQQ in a manner so as to compete directly with options on NDX. Further, options exchanges may offer competing broad-based indexes such as Cboe Exchange, Inc.'s SPX Options to compete with NDX. The manner in which options exchanges elect to price substitute or competing products may cause order flow to be diverted to another exchange.

Intra-Market Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Priority Customer orders that remove liquidity with a tiered structure scaled to the premium value of each contract does not impose an undue burden on competition because the surcharge applies uniformly to all electronic simple Non-Priority Customer orders that remove liquidity in NDX. Every Non-Priority Customer (Professionals, Broker-Dealers, Firms, and Market Makers) will be subject to the same tier table, and the applicable tier for any given execution will be determined solely by the objective premium value of the contract executed. While the proposed surcharge does not apply to Priority Customer orders, the Exchange notes that Priority Customer liquidity benefits all market participants by

providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Such developments would benefit all market participants.

Further, today, market participants have the opportunity to transact in NDX options, or separately execute options overlying QQQ. The NDX products provide market participants with an additional means to gain exposure to the Nasdaq-100 Index. NDX products compete with options on QQQ directly, and SPX products indirectly and that competition is driven in part through the pricing of these products. Finally, the proposed pricing differentiates among transactions—not among market participants—and does so on the basis of an objective, market-determined variable (premium price) that directly correlates with the costs imposed on the Exchange. For these reasons noted above, the Exchange believes that the proposed pricing is pro-competitive.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁹ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

¹⁸ See Options 7, Section 3.

¹⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-GEMX-2026-22 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-GEMX-2026-22. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-GEMX-2026-22 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11806 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105635; File No. SR-CboeEDGX-2026-043]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission

("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX Options") proposes to adopt fees for its new Clock Service. 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/edgx/), 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 adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange's and the subscriber's systems time measurements related to the same message or order.

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR-CboeEDGX-2026-039). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105089 (March 26, 2026), 91 FR 16058 (March 31, 2026) (SR-CboeEDGX-2026-015).

Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAX Emerald, LLC ("MIAX Emerald").⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange's network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange's primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second ("Gbps") Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange's time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange's time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to synchronize their own primary clock to the Exchange's primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR-EMERALD-2022-16).

⁶ The Exchange notes that MIAX Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core ("HATI") licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange's overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange's overall competitive position. The proposed fees are a result of the competitive environment of the U.S. options industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange's time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure

latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant's sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately (at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald's, it is important to distinguish the fact that the Exchange's comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald's.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1Gbps physical port for which participants may use as a back-up connection to receive the Exchange's time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

firm would be required to purchase MIAx's service at a fee of \$5,300 and two 1 Gb connections (as MIAx offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange's Clock Service permits you to connect to all of Cboe's options and equities exchanges. Meaning, that for less than double the cost of MIAx Emerald's service, which is only for one Exchange, a participant is able to use the Exchange's Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up) for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater

choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange's offerings. 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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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-2026-043 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-2026-043. 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

¹⁶ See e.g., MIAx Emerald Rule 531.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

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–2026–043 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026–11810 Filed 6–11–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36210; File No. 812–15805]

Bluerock Private Real Estate Fund, et al.

June 10, 2026.

AGENCY: Securities and Exchange Commission (“Commission” or “SEC”).

ACTION: Notice.

Notice of application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the “Act”) and rule 17d–1 under the Act to permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d–1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain business development companies (“BDCs”), closed-end management investment companies, and open-end management investment companies to co-invest in portfolio companies with each other and with certain affiliated investment entities.

APPLICANTS: Bluerock Private Real Estate Fund, Bluerock High Income Institutional Credit Fund, Bluerock Fund Advisor, LLC and Bluerock Credit Fund Advisor, LLC.

FILING DATES: The application was filed on May 20, 2025, and amended on August 29, 2025, April 28, 2026, May 28, 2026, and June 8, 2026.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC’s Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is

listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time, on July 6, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission’s Secretary at *Secretarys-Office@sec.gov*.

ADDRESSES: The Commission: *Secretarys-Office@sec.gov*. Applicants: Jason Emala, Esq. Bluerock Asset Management, LLC, *jemala@bluerock.com*; and Nicole Simon, Stradley Ronon Stevens & Young, LLP, *nsimon@stradley.com*.

FOR FURTHER INFORMATION CONTACT: Adam Large, Senior Special Counsel, or Laura L. Solomon, Senior Counsel at (202) 551–6825 (Division of Investment Management, Chief Counsel’s Office).

SUPPLEMENTARY INFORMATION: For Applicants’ representations, legal analysis, and conditions, please refer to Applicants’ fourth amended application, filed June 8, 2026, which may be obtained via the Commission’s website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC’s EDGAR system.

The SEC’s EDGAR system may be searched at <https://www.sec.gov/search-filings>. You may also call the SEC’s Office of Investor Education and Assistance at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026–11914 Filed 6–11–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105640; File No. SR–Phlx–2026–34]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Sections 2, 5 and 9B

June 9, 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 27, 2026, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Phlx’s Pricing Schedule at Options 7, Sections 2, 5 and 9B related to Customer Rebates, Index Options and Port Fees, respectively.³

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ On April 30, 2026, the Exchange filed SR–Phlx–2026–27. On May 12, 2026, the Exchange withdrew SR–Phlx–2026–27 and filed this proposal. On May 27, 2026, the Exchange withdrew SR–Phlx–2026–30 and filed this proposal.

¹⁹ 17 CFR 200.30–3(a)(12).

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Phlx proposes to modify its Pricing Schedule at Options 7, Section 2, Customer Rebate Program, to amend certain tier qualifications. The Exchange also proposes to amend the current surcharge applicable to Nasdaq-100® Index ("NDX") options and the P.M.-Settled NDX Options ("NDXP") at

Options 7, Section 5, Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange). Finally, the Exchange proposes to amend Options 7, Section 9B, Port Fees, to delete text related to a migration. Each change will be described below.

Options 7, Section 2

The Exchange proposes to amend the Pricing Schedule at Options 7, Section 2, Customer Rebate Program.

Currently, the Exchange pays rebates on five Customer⁴ Rebate Tiers according to four categories. The Customer Rebate Tiers below are calculated by totaling Customer volume in Multiply Listed Options (including SPY) that are electronically-delivered and executed, except volume associated with electronic Qualified Contingent Cross Orders, as defined in Options 3, Section 12. Rebates are paid on Customer Rebate Tiers according to the below categories.⁵

Customer rebate tiers	Percentage thresholds of national customer volume in multiply-listed equity and ETF options classes, excluding SPY options (monthly)	Category A	Category B	Category C	Category D
Tier 1	0.00%–0.60%	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2	Above 0.60%–1.50%	0.10	0.10	0.16	0.21
Tier 3	Above 1.50%–2.00%	0.15	0.12	0.18	0.22
Tier 4	Above 2.00%–2.75%	0.20	0.16	0.22	0.26
Tier 5	Above 2.75%	0.21	0.17	0.22	0.27

The Exchange pays a Category A Rebate to members executing electronically-delivered Customer Simple Orders in Penny Symbols and Customer Simple Orders in Non-Penny Symbols in Options 7, Section 4 symbols.⁶ The Exchange pays a Category B Rebate on Customer PIXL Orders⁷ in Options 7, Section 4 symbols that execute against non-Initiating Order interest. In the instance where member organizations qualify for Tier 4 in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of \$0.13 per contract. In the instance where member organizations qualify for Tier 5 in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of \$0.14 per contract. All rebates on Customer PIXL Orders will be capped at 4,000 contracts per order for Simple PIXL Orders. The Exchange pays a Category C Rebate to members executing electronically-delivered Customer Complex Orders⁸ in Penny Symbols in Options 7, Section 4 symbols. Rebates are paid on Customer PIXL Complex Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. Customer

Complex PIXL Orders that execute against a Complex PIXL Initiating Order are not paid a rebate under any circumstances. The Category C Rebate is not paid when an electronically-delivered Customer Complex Order, including a Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order. Finally, the Exchange pays a Category D Rebate to members executing electronically-delivered Customer Complex Orders in Non-Penny Symbols in Options 7, Section 4 symbols. Rebates are paid on Customer PIXL Complex Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order are not paid a rebate under any circumstances. The Category D Rebate is not paid when an electronically-delivered Customer Complex Order, including a Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Proposal

At this time, the Exchange proposes to amend the Customer Rebate Program at

Options 7, Section 2, to modify the Percentage Thresholds of National Customer Volume in Multiply-Listed Equity and ETF Options Classes, excluding SPY Options (Monthly) ("Percentage Thresholds") to qualify for the Tier 4 and Tier 5 Customer Rebates.

Specifically, the Exchange proposes to decrease the Tier 4 Percentage Thresholds from above 2.00%–2.75% to above 2.00%–2.50%. Additionally, the Exchange proposes to decrease the Tier 5 Percentage Thresholds from above 2.75% to above 2.50%.

The Exchange believes that the proposed amendments to the Customer Rebate Program to lower the Tier 4 and 5 qualifications will encourage members and member organizations to send a greater amount of order flow to Phlx to earn additional rebates. All members and member organizations would have the opportunity to interact with such increased order flow.

Options 7, Section 5

Phlx proposes to amend the current surcharge applicable to NDX options at Options 7, Section 5, Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another

⁴ The term "Customer" applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of a broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(b)(45)). See Options 7, Section 1(c).

⁵ Members and member organizations under Common Ownership may aggregate their Customer volume for purposes of calculating the Customer

Rebate Tiers and receiving rebates. Affiliated Entities may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. See Options 7, Section 2. Rebates are not paid on broad-based index options symbols listed within Options 7, Section 5.A. in any Category, however broad-based index options symbols listed within Options 7, Section 5.A. count toward the volume requirement to qualify for a Customer Rebate Tier.

⁶ Options 7, Section 4 describes pricing for Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A).

⁷ PIXL Orders are entered into the Exchange's Price Improvement XL ("PIXL") Mechanism as described in Options 3, Section 13.

⁸ Complex Orders are described in Options 3, Section 14.

exchange). Currently, note 3 of Options 7, Section 5, Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange), imposes a surcharge of \$1.50 per contract for NDX and NDXP electronic simple Non-Customer⁹ orders that remove liquidity 3. This surcharge is in addition to the Options Transaction Charges in NDX and NDXP for Non-Customer orders of \$0.75 per contract. Today, Customer orders pay an Options Transaction Charge of \$0.50 per contract in NDX and NDXP.¹⁰

Proposal

At this time, the Exchange proposes to amend the surcharge at note 3 of Options 7, Section 5 to instead assess a surcharge on NDX and NDXP electronic simple Non-Customer orders that remove liquidity according to the following premium schedule:

Less than \$3.00	\$1.00
Greater than or equal to \$3.00 and less than \$10.00	1.50
Greater than or equal to \$10.00 and less than \$25.00	2.00
Greater than or equal to \$25.00 and less than \$50.00	2.50
Greater than or equal to \$50.00	3.00

The Exchange believes its proposed scaled surcharge reflects meaningful differences in risk and market impact across premium levels. Higher-premium options signal greater implied volatility, carry larger notional exposure, exhibit heightened sensitivity to index movements, embed more consequential leverage, and approximate or exceed the economic exposure of comparable futures contracts. Each of these factors independently supports imposing a higher surcharge on higher-premium transactions.

An option's premium is driven in substantial part by the market's expectation of future movement in the underlying index (implied volatility).¹¹ Accordingly, a higher premium generally signals that the market perceives the Nasdaq-100 Index as presenting greater risk at that point in time. Trades executed in higher-volatility environments carry a greater

potential to disrupt orderly market functioning: each transaction can exert more pronounced price pressure, and liquidity providers face commensurately higher hedging costs. A surcharge tied to premium price functions as a self-correcting mechanism—when market conditions are riskier and premiums rise, the surcharge rises proportionally; when conditions normalize and premiums decline, the surcharge declines accordingly. This design ensures the pricing remains aligned with prevailing market risk without requiring constant manual recalibration. The Nasdaq-100 Index is particularly susceptible to these dynamics given its heavy concentration in large-capitalization technology companies, which can experience sharp and sudden price dislocations that cause option premiums to escalate rapidly.

The notional value¹² of NDX options further supports the proposed tiered surcharge. With a contract multiplier of \$100, a \$1.00 premium option represents \$100 of premium value per contract, while a \$50.00 premium option represents \$5,000 per contract—fifty times the economic stake. A trade in a higher-premium option transfers more capital and more risk between counterparties, requires Market Makers to commit greater resources to hedge the resulting position, and consumes a larger share of available liquidity on the order book. A flat surcharge—identical regardless of premium price—would treat a \$100 trade and a \$5,000 trade as though they imposed equivalent market impact. The tiered schedule, by contrast, scales the fee with the magnitude of economic exposure, ensuring that participants trading higher-value options bear a modestly higher surcharge commensurate with the greater significance of their transactions. The proposed pricing is reasonable because the scaled surcharge reflects these differences in the economic characteristics of the underlying transactions.

Transactions in the Nasdaq-100 Index involving greater effective leverage warrant proportionally higher fees. Leverage permits a trader to gain exposure to a large notional amount in the underlying index for a relatively small upfront payment; however, the significance of that leverage varies materially with the premium price. A \$1.00 premium NDX option offers the potential for control of a large notional position but is typically far out-of-the-money, meaning the probability that it

will deliver meaningful economic value at expiration is low. By contrast, a \$50.00 premium NDX option is likely in-the-money or near-the-money, carrying a high probability of delivering a real economic payoff. In this case, the market participant pays a fraction of the cost of an equivalent direct position in the Nasdaq-100 Index while retaining a strong likelihood of participating in the index's movement. This combination of leverage and high probability of economic delivery makes higher-premium options powerful instruments capable of shifting substantial risk. The proposed tiered surcharge recognizes that higher-premium options carry more consequential leverage and should therefore bear a commensurately higher fee.

Finally, as the premium of NDX or NDXP options increases, the option's economic behavior converges with that of a futures contract. A CME-listed Nasdaq-100 future provides direct, linear one-for-one exposure to the Nasdaq-100 Index. When an NDX option carries a high premium and a delta approaching 1.0, it behaves substantially like a futures contract: with a \$100 multiplier and a delta near 1.0, each one-point move in the index produces approximately \$100 of profit or loss per contract—the economic equivalent of roughly five E-mini Nasdaq-100 futures contracts. Moreover, options introduce risk dimensions absent from futures, including sensitivity to changes in volatility (vega risk) and accelerating sensitivity to index movements (gamma risk). These additional risk dimensions give high-premium options a risk profile that can exceed that of a comparable futures position, further supporting a higher surcharge at elevated premium levels.

With this proposal, the lowest tier (\$1.00) reduces the existing surcharge for low-premium contracts, conferring a benefit on participants trading less expensive series. The middle tier (\$1.50) preserves the status quo for the band that historically reflects a substantial portion of activity in NDX and NDXP. The upper tiers (\$2.00, \$2.50, and \$3.00) modestly increase the surcharge for high-premium contracts, where the participant's economic exposure—and the Exchange's correlative cost burden—is materially greater. The graduated structure thereby ties the magnitude of the fee to an objective, transaction-specific measure of value, which the Commission has long recognized as a reasonable basis for differentiated pricing in the listed options markets.

The Exchange believes that the proposed schedule of fees will continue

⁹ The term "Non-Customer" applies to transactions for the accounts of Lead Market Makers, Market Makers, Firms, Professionals, Broker-Dealers and JBO. See Options 7, Section 1(c).

¹⁰ A surcharge for NDX and NDXP of \$0.25 per contract is assessed to Non-Customers. See note 1 of Options 7, Section 5. Additionally, a surcharge for XND of \$0.10 per contract will be assessed to Non-Customers. See note 2 of Options 7, Section 5.

¹¹ When market participants expect larger swings in the Nasdaq-100 Index, option premiums rise; when they expect less volatility, premiums fall.

¹² Notional value refers to the total dollar amount of economic exposure that an option contract represents.

to attract NDX and NDXP order flow to the Exchange.

Options 7, Section 9B

In 2025, Phlx underwent a technology migration¹³ wherein member organizations maintained both legacy FIX Ports that were connected to the legacy Phlx platform and new FIX Ports that were connected to the new Phlx platform that was introduced as part of the migration. The migration was completed in December 2025 and legacy FIX Ports were sunset on February 27, 2026. The Exchange proposes to remove the obsolete rule text that states, “Phlx will sunset legacy FIX Ports on February 27, 2026. The below FIX Port Fees apply to new and legacy FIX Ports.”

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁶

Likewise, in *NetCoalition v. Securities and Exchange Commission*¹⁷ (“NetCoalition”) the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.¹⁸ As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces,

rather than regulatory requirements’ play a role in determining the market data . . . to be made available to investors and at what cost.”¹⁹

Further, “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”²⁰ Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

Options 7, Section 2

The Exchange’s proposal to decrease the Tier 4 and 5 percentage thresholds for the Customer Rebate Program is reasonable because the lower tier qualifications would enable members to qualify for Customer rebates, thereby attracting more Customer order flow.

The Exchange’s proposal to decrease the Tier 4 and 5 percentage thresholds for the Customer Rebate Program is equitable and not unfairly discriminatory because the proposed tier qualifications would uniformly apply to all members for purposes of qualifying for Customer rebates. Further, paying these rebates only to Customers is equitable and not unfairly discriminatory because Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Options 7, Section 5

The Exchange’s proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Public Customer orders that remove liquidity with a tiered structure²¹ scaled to the

premium value of each contract is reasonable because scaling the surcharge to the premium value of the contract more accurately calibrates the fee to the economic value that the liquidity-removing participant derives from the transaction and to the corresponding costs and risks borne by the Exchange and by the liquidity providers whose quotations support the market in NDX and NDXP.²² These index options are proprietary products for which the Exchange incurs licensing, market-data, and other costs that scale, in significant part, with the notional and premium value executed on the Exchange. A premium-based tier therefore allocates a larger share of those costs to transactions that consume a proportionally greater amount of Exchange resources and confer a proportionally greater economic benefit on the participant, while reducing the relative burden on lower-premium transactions, which are often associated with lower-delta or hedging-oriented strategies.

The Exchange believes its proposed scaled surcharge reflects meaningful differences in risk and market impact across premium levels. Higher option premiums reflect elevated implied volatility in the Nasdaq-100 Index, signaling greater market risk. A premium-based surcharge operates as a self-correcting mechanism that scales fees with prevailing volatility, ensuring alignment with actual market conditions—particularly given the Nasdaq-100’s concentration in technology stocks prone to sharp price dislocations. Differences in premium translate into significant differences in notional value and market impact. A tiered surcharge ensures that participants whose trades transfer greater capital and consume more

than \$50.00; and \$3.00 per contract for premiums greater than or equal to \$50.00.

²² With respect to NDX, the two lowest tiers (\$1.00 for premiums less than \$3.00 and \$1.50 for premiums of \$3.00 to less than \$10.00) introduce a modest surcharge on lower-premium executions that today bear no surcharge, in amounts commensurate with the limited economic value of those contracts. The middle tier (\$2.00 for premiums of \$10.00 to less than \$25.00) likewise applies a measured surcharge to a band that is currently exempt. The upper tiers (\$2.50 for premiums of \$25.00 to less than \$50.00 and \$3.00 for premiums of \$50.00 or greater) replace the existing \$0.25 surcharge with charges that more accurately reflect the materially greater economic exposure of high-premium contracts and the correspondingly greater cost burden borne by the Exchange and its liquidity providers. The graduated structure thereby ties the magnitude of the fee to an objective, transaction-specific measure of value across the entire premium spectrum, which the Commission has long recognized as a reasonable basis for differentiated pricing in the listed options markets.

¹³ See <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTU2025-6>.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(4) and (5).

¹⁶ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹⁷ *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010).

¹⁸ See *NetCoalition*, at 534—535.

¹⁹ *Id.* at 537.

²⁰ *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca-2006–21)).

²¹ The Exchange proposes a premium schedule as follows: \$1.00 per contract for premiums less than \$3.00; \$1.50 per contract for premiums greater than or equal to \$3.00 and less than \$10.00; \$2.00 per contract for premiums greater than or equal to \$10.00 and less than \$25.00; \$2.50 per contract for premiums greater than or equal to \$25.00 and less

liquidity bear fees proportionate to the economic magnitude of their transactions, whereas a flat surcharge would ignore these disparities. The economic significance of an option's embedded leverage depends on whether the option is likely to deliver a real payoff. Low-premium, far out-of-the-money options carry leverage largely in theory, while higher-premium options near or in the money combine meaningful leverage with a high probability of economic delivery, justifying a commensurately higher surcharge. As NDX or NDXP option premiums rise and delta approaches 1.0, the option's risk profile converges with—and can exceed—that of a comparable Nasdaq-100 futures contract, because options also carry vega and gamma risk. This functional equivalence (and additional complexity) at higher premium levels further supports a scaled surcharge.

Today, market participants are offered different ways to gain exposure to the Nasdaq-100 Index, whether through the Exchange's proprietary products like options overlying NDX or NDXP or separately through multi-listed options overlying Invesco QQQ Trust ("QQQ"). Offering NDX Options provides market participants with a variety of choices in selecting the product they desire to utilize in order to gain exposure to the Nasdaq-100 Index. Both NDX index options and QQQ options derive their value from the same underlying economic exposure: the Nasdaq-100 index constituents. A participant seeking to hedge or speculate on the performance of the Nasdaq-100 can achieve comparable economic outcomes through either product. While the two products differ in settlement mechanics (NDX settles in cash; QQQ settles in shares of the ETF) and multiplier conventions, they serve as functional substitutes for the same core market exposure. In terms of price comparisons, Non-Public Customers are assessed a \$0.45 or \$0.46 per contract Penny Symbol Taker Fees²³ to execute (remove liquidity) in an option on QQQ. To measure the notional equivalent of an option on QQQ as compared to NDX options, the fees should be multiplied by the ratio of the settlement price of NDX divided by QQQ. For example, on May 8, 2026, the ratio of settlement prices was 41.10 (29235.00 (NDXP settlement price)/711.23 (QQQ settlement price)). To create an equivalence in fees, a Taker Fee of \$0.45 per contract for QQQ would equal \$18.50 for NDX. The proposed NDX and NDXP fees are significantly lower than

QQQ options by comparison. A single NDX options contract carries a notional value approximately 41 times greater than a single QQQ options contract. A market participant would need to execute roughly 41 QQQ options to replicate the economic exposure of a single NDX contract. The Exchange therefore believes that a higher per-contract surcharge on NDX is reasonable on a cost-per-unit-of-notional-value basis.

Finally, competing in a regulated capital markets environment imposes several incremental costs on a less mature product. NDX and NDXP compete against other broad-based indexes such as the S&P 500 Index ("SPX"), which is a mature index in comparison to NDX and NDXP. As a result, NDX and NDXP incur significant marketing expenditures aimed at funding educational content for NDX and NDXP indexes to build awareness.

The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Public Customer orders that remove liquidity with a tiered structure scaled to the premium value of each contract is not unfairly discriminatory because the surcharge applies uniformly to all electronic simple Non-Public Customer orders that remove liquidity in NDX and NDXP. Every Non-Public Customer (Professionals, Broker-Dealers, Firms, and Market Makers) will be subject to the same tier table, and the applicable tier for any given execution will be determined solely by the objective premium value of the contract executed. While the proposed surcharge does not apply to Customer orders, the Exchange notes that Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Such developments would benefit all market participants.

Options 7, Section 9B

The Exchange's proposal to remove rule text in Options 7, Section 9B related to a prior migration is reasonable because the migration is complete and the Exchange has sunset all legacy FIX Ports as of February 27, 2026. Further, the proposal is equitable and not unfairly discriminatory because no Phlx member organization has access to a legacy FIX Port.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Options 7, Section 2

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets and will offer market participants another choice of where to transact options. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intra-Market Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to decrease the Tier 4 and 5 percentage thresholds for the Customer Rebate Program does not impose an undue burden on competition because the Exchange would uniformly apply to all members for purposes of qualifying for Customer rebates. Further, paying these rebates only to Customers is equitable and not unfairly discriminatory because Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Finally, market participants are offered an opportunity to transact in NDX or NDXP, or separately execute options overlying QQQ. Offering these products provides market participants with a variety of choices in selecting the

²³ See Options 7, Section 3.

product they desire to use to gain exposure to the Nasdaq-100 Index.

Options 7, Section 5

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. NDX and NDXP are proprietary options contracts while options on QQQ are multi-listed. Other options exchanges may price options on QQQ in a manner so as to compete directly with options on NDX and NDXP. Further, options exchanges may offer competing broad-based indexes such as Cboe Exchange, Inc.'s SPX Options to compete with NDX and NDXP. The manner in which options exchanges elect to price substitute or competing products may cause order flow to be diverted to another exchange.

Intra-Market Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to replace the current flat surcharge of \$1.50 per contract for regular Non-Public Customer orders that remove liquidity with a tiered structure scaled to the premium value of each contract does not impose an undue burden on competition because the surcharge applies uniformly to all electronic simple Non-Public Customer orders that remove liquidity in NDX and NDXP. Every Non-Public Customer (Professionals, Broker-Dealers, Firms, and Market Makers) will be subject to the same tier table, and the applicable tier for any given execution will be determined solely by the objective premium value of the contract executed. While the proposed surcharge does not apply to Public Customer orders, the Exchange notes that Public Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Such developments would benefit all market participants.

Further, today, market participants have the opportunity to transact in NDX or NDXP options, or separately execute options overlying QQQ. The NDX and NDXP products provide market participants with an additional means to gain exposure to the Nasdaq-100 Index.

NDX and NDXP products compete with options on QQQ directly, and SPX products indirectly and that competition is driven in part through the pricing of these products. Finally, the proposed pricing differentiates among transactions—not among market participants—and does so on the basis of an objective, market-determined variable (premium price) that directly correlates with the costs imposed on the Exchange. For these reasons noted above, the Exchange believes that the proposed pricing is pro-competitive.

Options 7, Section 9B

The Exchange's proposal to remove rule text in Options 7, Section 9B related to a prior migration does not impose an undue burden on competition because no Phlx member organization has access to a legacy FIX Port.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.²⁴

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2026-34 on the subject line.

²⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-Phlx-2026-34. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-Phlx-2026-34 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-11815 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105642; File No. SR-NasdaqTX-2026-028]

Self-Regulatory Organizations; Nasdaq Texas, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 Connectivity

June 9, 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 29, 2026, Nasdaq Texas, LLC ("Nasdaq Texas" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove from the list of services available under Rule General 8 certain offerings that are no longer in use by customers of the Exchange, and (2) update the terminology for certain technical specifications, as described below.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaqtx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove services that are no longer in use by Exchange customers and (2) update certain terminology for technical specifications, as described below.

Removal of Certain Offerings No Longer in Use

The Exchange proposes to remove certain services from the list of connectivity services available on the Exchange due to lack of users and user demand for such services. Specifically, the Exchange proposes to amend subsection (1)(b) of Rule General 8, Section (1)³ titled "External Telco/Inter-Cabinet Connectivity" to remove the following connectivity services⁴ and their associated fees.

- 100MB Connectivity—Metro NY/NJ Area Destination
- 1G Connectivity—Metro NY/NJ Area Destination
- 10G Connectivity—Metro NY/NJ Area Destination
- 100MB Connectivity—Toronto Area Destination
- 1G Connectivity—Toronto Area Destination
- 10G Connectivity—Toronto Area Destination
- 100MB Connectivity—Chicago Area Destination
- 1G Connectivity—Chicago Area Destination
- 10G Connectivity—Chicago Area Destination

Next, the Exchange proposes to amend the list of market data connectivity services available under subsection 1(b) of Rule General 8 to delete the following market data feeds and services, as well as their associated fees:⁵

- Nasdaq
- OpenBook Realtime
- NYSE Alerts
- NYSE Trades
- Arca Trades
- Arca BBO
- AMEX-Ultra/Trades/Alerts/LRP
- OPRA
- CME
- Access Fee per location device/user
- CBOE
- BZX Depth
- BYX Depth
- EDGA Depth
- EDGX Depth
- TSX/TSXV
- TSX and TSXV Level 1 Feed
- TSX and TSXV Level 2 Feed
- TSX Quantum Level 1 Feed
- TSX Quantum Level 2 Feed

Next, the Exchange proposes to amend Rule General 8 Section 1(d) to delete from the list of additional services and products thereunder (1) the product titled "Cooling (Door) Fans"⁶ as well as its associated fees, and (2) the service titled "Power Consulting Service (billed in hourly increments)"⁷ and its associated fees.

The Exchange believes that deleting the described product and service, as proposed, is appropriate because no users currently have orders for that product or service, and no users have ordered, subscribed to or otherwise

expressed interest in such product or service since on or about September 2025. Accordingly, the Exchange believes that there is no remaining demand for such services and thus proposes to discontinue them as obsolete.

The Exchange does not expect that the proposed changes would have any impact. As noted above, there are currently no users subscribing to the product or service being removed, and no user has subscribed to or otherwise ordered such product or service since as early as 2023.⁸ The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Exchange customers equally. As is currently the case, the purchase of any connectivity product or service is completely voluntary and the Exchange's connectivity fee schedule in Rule General 8 is applied uniformly across all data center customers of the Exchange.

Updating Terminology for Certain Technical Specifications

The Exchange further proposes to amend its connectivity fee schedule under Rule General 8 to update references to certain technical specifications as follows. The Exchange proposes to amend Rule General 8, Section 1(c) (Power) to change all references to "110 volt" to "110/120 volt."⁹ The Exchange believes this change is appropriate because "120 volts" is the industry-standard term used to describe the nominal voltage level for North American electrical systems. Although terms such as 110V, 115V, and 120V are sometimes used interchangeably, they refer to the same underlying system. Updating the terminology in the fee schedule will thus promote clarity and align the Exchange's references with prevailing industry usage.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

³ The Exchange further proposes to delete from Rule General 8 Section 1(b) the accompanying footnote designated with a double asterisk and reading as follows: "Includes fiber telco cross connect within Nasdaq data center."

⁴ The Exchange notes that no customers have subscribed to the connectivity services outlined herein since or about September 2025.

⁵ The Exchange notes that no customers have subscribed to the market data feeds and services outlined herein since or about August 2023.

⁶ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁷ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁸ See *supra* notes 4–7 and accompanying text.

⁹ See proposed Rule General 8, Section 1(c).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

The Exchange believes that discontinuing the offering of products and services discussed above as proposed would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest. The products and services that the Exchange proposes to remove from Rule General 8 have not been used by data center customers for a considerable time; there are currently no users subscribed to or using such offerings; and the Exchange is aware of no interest in subscriptions for such products or services.

Accordingly, removing references to such products and services as well as their associated fees from the list of offerings available to data center customers of the Exchange would make Rule General 8 easier to navigate, understand, and administer.

Moreover, the Exchange believes the proposal to update outdated references to certain technical specifications will remove impediments to and perfect the mechanism of a free and open market by improving the clarity and accuracy of the Exchange's connectivity fee schedule under Rule General 8. Specifically, replacing references to "110 volt" with the industry-standard term "110/120 volt" will ensure that Rule General 8 uses terminology that is consistent with prevailing technical standards and commonly understood electrical specifications. The Exchange believes that enhancing the precision and readability of its rules benefits market participants and the public by reducing potential confusion and promoting transparency.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest. The proposed rule change would delete obsolete products and services from the Exchange's connectivity fee schedule under Rule General 8 to enhance clarity and thus prevent potential customer confusion. The Exchange believes that deleting obsolete services from the Exchange's connectivity schedule would not permit unfair discrimination, as the proposed changes would apply equally to all users.

With respect to the proposed updates to certain outdated technical specifications, the Exchange does not believe the proposed changes will significantly affect the protection of investors or the public interest because such changes consist of non-substantive changes to reflect current rather than outdated terminology, which will facilitate the understanding, use, and application of the Exchange's rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes, both the removal of obsolete services as well as the updating of certain technical specifications, are not designed to address any competitive issues but rather are designed to enhance the clarity and transparency of the Exchange's connectivity fee schedule and prevent potential customer confusion that may arise from the depiction of obsolete offerings or outdated terminology. With respect to the removal of obsolete offerings, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these products and services have no current subscribers, and their removal will not affect access or pricing for any market participant. To the contrary, eliminating unused and outdated offerings reduces potential confusion in the connectivity fee schedule and promotes a clearer, more transparent set of available services, which benefits all participants equally.

With respect to the proposed updates to certain outdated technical specifications, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal consists of a non-substantive terminology update that does not alter any service, functionality, or fee.

The Exchange does not believe the proposed deletion of obsolete offerings will impose any burden on intra-market or inter-market competition. Because no market participant currently uses these offerings, their removal cannot disadvantage any user or affect competitive conditions within the Exchange or among competing exchanges. In addition, and with respect to the proposed changes to outdated references to certain technical specifications, the proposal is purely a non-substantive terminology update which does not alter the availability, pricing, or functionality of any connectivity service and therefore has no competitive impact on any market participant or competing exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NasdaqTX-2026-028 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.

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

All submissions should refer to file number SR–NasdaqTX–2026–028. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NasdaqTX–2026–028 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026–11817 Filed 6–11–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105639; File No. SR–CboeBZX–2026–049]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to adopt fees for its new Clock Service.

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 to adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange’s and the subscriber’s systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAx Emerald, LLC (“MIAx Emerald”).⁵ The Exchange is providing the Clock Service in response to participant demand for more precise

and more accurate clock synchronization options with the Exchange’s network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange’s primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second (“Gbps”) Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange’s time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange’s time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to synchronize their own primary clock to the Exchange’s primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core (“HATT”) licensing set-up fee of \$5,000 for each physical connection.⁹ The

⁶ The Exchange notes that MIAx Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁴ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR–CboeBZX–2026–044). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105096 (March 26, 2026), 91 FR 16040 (March 31, 2026) (SR–CboeBZX–2026–019).

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR–EMERALD–2022–16).

HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI setup fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange's overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange's overall competitive position. The proposed fees are a result of the competitive environment of the U.S. equities industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange's time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering

any market participants access to subscribe for the Clock Service in the market participant's sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately (at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald's, it is important to distinguish the fact that the Exchange's comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald's.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1Gbps physical port for which participants may use as a back-up connection to receive the Exchange's time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX's service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange's Clock Service permits you to connect to all of Cboe's options and equities exchanges. Meaning, that for less than double the cost of MIAX Emerald's service, which is only for one Exchange, a participant is able to use the Exchange's Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up) for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange's offerings. 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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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-2026-049 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-2026-049. 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-2026-049 and should be submitted on or before July 6, 2026.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁶ See e.g., MIAX Emerald Rule 531.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–11814 Filed 6–11–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105634; File No. SR–CboeBZX–2026–050]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX Options”) proposes to adopt fees for its new Clock Service. 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 to adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange’s and the subscriber’s systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAX Emerald, LLC (“MIAX Emerald”).⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange’s network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange’s primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second (“Gbps”) Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange’s time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange’s time at a

more granular level at a particular point in time. The subscribing participant may then use that time signal to synchronize their own primary clock to the Exchange’s primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core (“HATI”) licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm’s preference in how they optimize their physical infrastructure.

¹⁹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR–CboeBZX–2026–045). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105215 (April 13, 2026), 91 FR 20515 (April 16, 2026) (SR–CboeBZX–2026–028).

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR–EMERALD–2022–16).

⁶ The Exchange notes that MIAX Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices

and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange's overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange's overall competitive position. The proposed fees are a result of the competitive environment of the U.S. options industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange's time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant's sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1 Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision

Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1 G physical connection separately (at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald's, it is important to distinguish the fact that the Exchange's comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald's.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1 Gbps physical port for which participants may use as a back-up connection to receive the Exchange's time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX's service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange's Clock Service permits you to connect to all of Cboe's options and equities exchanges. Meaning, that for less than double the cost of MIAX Emerald's service, which is only for one Exchange, a participant is able to use the Exchange's Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up) for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange's offerings. 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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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-2026-050 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-2026-050. 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-2026-050 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-11809 Filed 6-11-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105643; File No. SR-NASDAQ-2026-050]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 Connectivity

June 9, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

¹⁶ See e.g., MIAx Emerald Rule 531.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁹ 17 CFR 200.30-3(a)(12).

(“Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on May 29, 2026, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove from the list of services available under Rule General 8 certain offerings that are no longer in use by customers of the Exchange, and (2) update the terminology for certain technical specifications, as described below.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove services that are no longer in use by Exchange customers and (2) update certain terminology for technical specifications, as described below.

Removal of Certain Offerings No Longer in Use

The Exchange proposes to remove certain services from the list of connectivity services available on the Exchange due to lack of users and user

demand for such services. Specifically, the Exchange proposes to amend subsection (1)(b) of Rule General 8, Section (1)³ titled “External Telco/Inter-Cabinet Connectivity” to remove the following connectivity services⁴ and their associated fees.

- 100MB Connectivity—Metro NY/NJ Area Destination
- 1G Connectivity—Metro NY/NJ Area Destination
- 10G Connectivity—Metro NY/NJ Area Destination
- 100MB Connectivity—Toronto Area Destination
- 1G Connectivity—Toronto Area Destination
- 10G Connectivity—Toronto Area Destination
- 100MB Connectivity—Chicago Area Destination
- 1G Connectivity—Chicago Area Destination
- 10G Connectivity—Chicago Area Destination

Next, the Exchange proposes to amend the list of market data connectivity services available under subsection 1(b) of Rule General 8 to delete the following market data feeds and services, as well as their associated fees:⁵

- Nasdaq
- OpenBook Realtime
- NYSE Alerts
- NYSE Trades
- Arca Trades
- Arca BBO
- AMEX-Ultra/Trades/Alerts/LRP
- OPRA
- CME
- Access Fee per location device/user
- CBOE
- BZX Depth
- BYX Depth
- EDGA Depth
- EDGX Depth
- TSX/TSXV
- TSX and TSXV Level 1 Feed
- TSX and TSXV Level 2 Feed
- TSX Quantum Level 1 Feed
- TSX Quantum Level 2 Feed

Next, the Exchange proposes to amend Rule General 8 Section 1(d) to delete from the list of additional services and products thereunder (1) the product titled “Cooling (Door) Fans”⁶

³ The Exchange further proposes to delete from Rule General 8 Section 1(b) the accompanying footnote designated with a double asterisk and reading as follows: “Includes fiber telco cross connect within Nasdaq data center.”

⁴ The Exchange notes that no customers have subscribed to the connectivity services outlined herein since or about September 2025.

⁵ The Exchange notes that no customers have subscribed to the market data feeds and services outlined herein since or about August 2023.

⁶ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

as well as its associated fees, and (2) the service titled “Power Consulting Service (billed in hourly increments)”⁷ and its associated fees.

The Exchange believes that deleting the described product and service, as proposed, is appropriate because no users currently have orders for that product or service, and no users have ordered, subscribed to or otherwise expressed interest in such product or service since on or about September 2025. Accordingly, the Exchange believes that there is no remaining demand for such services and thus proposes to discontinue them as obsolete.

The Exchange does not expect that the proposed changes would have any impact. As noted above, there are currently no users subscribing to the product or service being removed, and no user has subscribed to or otherwise ordered such product or service since as early as 2023.⁸ The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Exchange customers equally. As is currently the case, the purchase of any connectivity product or service is completely voluntary and the Exchange’s connectivity fee schedule in Rule General 8 is applied uniformly across all data center customers of the Exchange.

Updating Terminology for Certain Technical Specifications

The Exchange further proposes to amend its connectivity fee schedule under Rule General 8 to update references to certain technical specifications as follows. The Exchange proposes to amend Rule General 8, Section 1(c) (Power) to change all references to “110 volt” to “110/120 volt.”⁹ The Exchange believes this change is appropriate because “120 volts” is the industry-standard term used to describe the nominal voltage level for North American electrical systems. Although terms such as 110V, 115V, and 120V are sometimes used interchangeably, they refer to the same underlying system. Updating the terminology in the fee schedule will thus promote clarity and align the Exchange’s references with prevailing industry usage.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b)

⁷ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁸ See *supra* notes 4–7 and accompanying text.

⁹ See proposed Rule General 8, Section 1(c).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that discontinuing the offering of products and services discussed above as proposed would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest. The products and services that the Exchange proposes to remove from Rule General 8 have not been used by data center customers for a considerable time; there are currently no users subscribed to or using such offerings; and the Exchange is aware of no interest in subscriptions for such products or services.

Accordingly, removing references to such products and services as well as their associated fees from the list of offerings available to data center customers of the Exchange would make Rule General 8 easier to navigate, understand, and administer.

Moreover, the Exchange believes the proposal to update outdated references to certain technical specifications will remove impediments to and perfect the mechanism of a free and open market by improving the clarity and accuracy of the Exchange's connectivity fee schedule under Rule General 8. Specifically, replacing references to "110 volt" with the industry-standard term "110/120 volt" will ensure that Rule General 8 uses terminology that is consistent with prevailing technical standards and commonly understood electrical specifications. The Exchange believes that enhancing the precision and readability of its rules benefits market participants and the public by reducing potential confusion and promoting transparency.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest. The proposed rule change would delete obsolete products and services from the Exchange's connectivity fee schedule under Rule General 8 to enhance clarity and thus prevent potential customer confusion. The Exchange believes that deleting obsolete services from the Exchange's connectivity schedule would not permit unfair discrimination, as the proposed changes would apply equally to all users.

With respect to the proposed updates to certain outdated technical specifications, the Exchange does not believe the proposed changes will significantly affect the protection of investors or the public interest because such changes consist of non-substantive changes to reflect current rather than outdated terminology, which will facilitate the understanding, use, and application of the Exchange's rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes, both the removal of obsolete services as well as the updating of certain technical specifications, are not designed to address any competitive issues but rather are designed to enhance the clarity and transparency of the Exchange's connectivity fee schedule and prevent potential customer confusion that may arise from the depiction of obsolete offerings or outdated terminology. With respect to the removal of obsolete offerings, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these products and services have no current subscribers, and their removal will not affect access or pricing for any market participant. To the contrary, eliminating unused and outdated offerings reduces potential confusion in the connectivity fee schedule and promotes a clearer, more transparent set of available services, which benefits all participants equally.

With respect to the proposed updates to certain outdated technical specifications, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal consists of a non-substantive terminology update that does not alter any service, functionality, or fee.

The Exchange does not believe the proposed deletion of obsolete offerings will impose any burden on intra-market or inter-market competition. Because no market participant currently uses these offerings, their removal cannot disadvantage any user or affect competitive conditions within the Exchange or among competing exchanges. In addition, and with respect to the proposed changes to outdated references to certain technical specifications, the proposal is purely a

non-substantive terminology update which does not alter the availability, pricing, or functionality of any connectivity service and therefore has no competitive impact on any market participant or competing exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2026-050 on the subject line.

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–NASDAQ–2026–050. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–NASDAQ–2026–050 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105628; File No. SR–NYSENAT–2026–16]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New Rule 11.5310 (Best Execution)

June 9, 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 29, 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 and II 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 a new Rule 11.5310 governing Equity Trading Permit (“ETP”) Holder's and Associated Person's best execution obligations based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310. 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 to delete current Rule 11.12.10 and replace it with new Rule 11.5310 (Best Execution) to govern an ETP Holder's and Associated Person's best execution obligation. Proposed new Rule 11.5310 is based on Nasdaq PHLX Rule General 9, Section 11 (Best Execution and Interpositioning) and NYSE Rule 5310 (Best Execution). The purpose of the proposed rule is to enhance customer order protection by helping customers to receive efficient executions of their transactions at the best market prices.

Background and Proposed Rule Change

Nasdaq PHLX Rule General 9, Section 11, adopted in 2010, was based on NASD Rule 2320.⁴ In 2011, the Financial Industry Regulatory Authority (“FINRA”) adopted NASD Rule 2320 as FINRA Rule 5310.⁵ Thereafter, on

January 5, 2026, the Exchange's affiliate, NYSE, adopted NYSE Rule 5310 based on the Nasdaq PHLX and FINRA rules.⁶ These rules require broker-dealers to use “reasonable diligence” to ascertain the best market for a security and execute trades in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Other self-regulatory organizations have similar best execution rules.⁷

The Exchange proposes to adopt a new Rule 11.5310 that would govern the best execution obligations applicable to ETP Holders and Associated Persons based on the Nasdaq PHLX, the NYSE and other self-regulatory organization rules.

Proposed new Rule 11.5310(a)(1) would provide that, in any transaction for or with a customer or a customer of another broker-dealer, an ETP Holder and any person associated with an ETP Holder shall use “reasonable diligence” to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. The proposed Rule would identify five factors among those to be considered in determining whether an ETP Holder has used reasonable diligence:

- (1) the character of the market for the security, e.g., price, volatility, relative liquidity, and pressure on available communications;
- (2) the size and type of transaction;
- (3) the number of markets checked;
- (4) accessibility of the quotation; and
- (5) the terms and conditions of the order which result in the transaction, as communicated to the ETP Holder or Associated Person.⁸

Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(a)(1) is based on Nasdaq PHLX Rule General 9, Section 11(a)(1)(A)–(E) and NYSE Rule 5310(a)(1)(A)–(E) without change.

Proposed Rule 11.5310(a)(2) would prohibit an ETP Holder or Associated Person, in any transaction for or with a customer or a customer of another broker-dealer, from interjecting a third party between the ETP Holder and the

2011) (SR–FINRA–2011–052) (Order Granting Approval of Proposed Rule Change to Adopt NASD Rule 2320 (Best Execution and Interpositioning) and Interpretive Material (“IM”) 2320 as FINRA Rule 5310 in the Consolidated Rulebook)).

⁶ See Securities Exchange Act Release No. 104543 (January 5, 2026), 91 FR 731 (January 8, 2026) (SR–NYSE–2025–50) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt New Rule 5310).

⁷ See, e.g., Municipal Securities Rulemaking Board (MSRB) Rule G–18 (Best Execution).

⁸ See proposed new Rule 11.5310(a)(1)(A)–(E).

¹⁴ 17 CFR 200.30–3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ See Securities Exchange Act Release No. 62877 (September 9, 2010), 75 FR 56633 (September 16, 2010) (SR–PHLX–2010–79) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the Establishment of NASDAQ OMX PSX as a Platform for Trading NMS Stocks).

⁵ See Securities Exchange Act Release No. 65895 (December 5, 2011), 76 FR 77042 (December 9,

best market for the subject security in a manner inconsistent with paragraph (a)(1) of the proposed Rule. Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(a)(2) is based on Nasdaq PHLX Rule General 9, Section 11(a)(2) and NYSE Rule 5310(a)(2) without change.

Proposed paragraph (b) would provide when an ETP Holder cannot execute directly with a market maker but must employ a broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so would be on the retail firm. The proposed Rule would further provide that examples of acceptable circumstances would be where a customer's order is "crossed" with another retail firm which has a corresponding order on the other side, or where the identity of the retail firm, if known, would likely cause undue price movements adversely affecting the cost or proceeds to the customer. Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(b) is based on Nasdaq PHLX Rule General 9, Section 11(b) and NYSE Rule 5310(b) without change.

Proposed paragraph (c) would provide that failure to maintain or adequately staff a department assigned to execute customers' orders cannot be considered justification for executing away from the best available market; nor can channeling orders through a third party as described above as reciprocation for service or business serve to relieve an ETP Holder of its obligations. The proposed Rule would further provide that channeling of customers' orders through a broker's broker or third party pursuant to established correspondent relationships under which executions are confirmed directly to the ETP Holder acting as agent for the customer, such as where the third party gives up the name of the retail firm, would not be prohibited if the cost of such service is not borne by the customer. Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(c) is based on Nasdaq PHLX Rule General 9, Section 11(c) and NYSE Rule 5310(c) without change.

Proposed paragraph (d) would provide that an ETP Holder through which a retail order is channeled, as described in the proposed Rule, and which knowingly is a party to an arrangement whereby the initiating ETP Holder has not fulfilled its obligations under the proposed Rule, will also be deemed to have violated the proposed Rule. Except for replacing "his" with "its" before "obligations" in the proposed Rule and conforming changes

to reflect the Exchange's membership, proposed Rule 11.5310(d) is identical to Nasdaq PHLX Rule General 9, Section 11(d). Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(d) is based on NYSE Rule 5310(d) without change.

Proposed paragraph (e) would provide that the obligations in paragraphs (a) through (d) of the proposed Rule exist where the ETP Holder acts as agent for the account of its customer but also where retail transactions are executed as principal and contemporaneously offset. Except for replacing "his" with "its" before "customer" in the proposed rule and conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(e) is identical to Nasdaq PHLX Rule General 9, Section 11(e). Except for conforming changes to reflect the Exchange's membership, proposed Rule 11.5310(e) is based on NYSE Rule 5310(e) without change.

Proposed Rule 11.5310 includes Supplementary Material based on Nasdaq PHLX Rule General 9, Section 11(f) and the supplementary material to NYSE Rule 5310 to provide additional guidance and clarity regarding the obligations of ETP Holders and Associated Persons with respect to best execution requirements.

First, the Exchange would include an introductory paragraph that provides that proposed Rule 11.5310(a) requires, among other things, that an ETP Holder or any person associated with an ETP Holder comply with paragraph (a) when customer orders are routed to it from another broker/dealer for execution, and that the proposed Supplementary Material addresses certain interpretive questions concerning the applicability of the best execution rule. Except for conforming changes to reflect the Exchange's membership, the proposed text is based on the first full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and the first full paragraph to the Supplementary Material of NYSE Rule 5310 without change.

Proposed Supplementary Material .01 titled "Definition of Market" would define "market" and provides that the singular or plural term should be construed broadly, and it encompasses a variety of different venues, including, but not limited to, market centers that are trading a particular security. Proposed Supplementary Material .01 further provides that the expansive interpretation is meant to both inform broker-dealers as to the breadth of the scope of venues that must be considered in the furtherance of their best execution obligations and to promote fair competition among broker-dealers, exchange markets, and markets other

than exchange markets, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a firm's best execution obligations. Proposed Supplementary Material .01 is based on the second full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .01 of NYSE Rule 5310 without change.

Proposed Supplementary Material .02, titled "Best Execution and Executing Brokers," clarifies that an ETP Holder's duty to provide best execution in any transaction "for or with a customer of another broker-dealer" does not apply in instances when another broker-dealer is simply executing a customer order against the ETP Holder's quote or, stated in another manner, the duty to provide best execution to customer orders received from other broker-dealers arises only when an order is routed from the broker-dealer to the ETP Holder for the purpose of order handling and execution. As proposed Supplementary Material .02 further provides, the clarification is intended to draw a distinction between those situations in which the ETP Holder is acting solely as the buyer or seller in connection with orders presented by a broker-dealer against the ETP Holder's quote, as opposed to those circumstances in which the ETP Holder is accepting order flow from another broker-dealer for the purpose of facilitating the handling and execution of such orders. Except for conforming changes to reflect the Exchange's membership, proposed Supplementary Material .02 is based on the third full paragraph of Nasdaq PHLX Rule General 9, Section 11(f) and Supplementary Material .02 of NYSE Rule 5310 without change.

Finally, Supplementary Material .03, titled "Customer Instructions Regarding Order Handling," would specify that if an ETP Holder receives an unsolicited instruction from a customer to route that customer's order to a particular market for execution, the ETP Holder is not required to make a best execution determination beyond the customer's specific instruction. However, ETP Holders are still required to process that customer's order promptly and in accordance with the terms of the order. Further, where a customer has directed that an order be routed to another specific broker-dealer that is also an ETP Holder, the receiving broker-dealer to which the order was directed would be required to meet the requirements of proposed Rule 11.5310 with respect to its handling of the order. Except for conforming changes to reflect the Exchange's membership, proposed

Supplementary Material .03 is based on Supplementary Material .03 of NYSE Rule 5310 without change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ 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. In addition, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that adopting best execution and interpositioning standards based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310 will promote just and equitable principles of trade and protect investors and the public interest by imposing consistent order execution standards that ETP Holders and Associated Persons must observe when handling customer orders that directly serve investor protection. Moreover, the Exchange believes that incorporating the proposed Supplementary Material containing additional guidance and clarification of the obligations of ETP Holders and their associated persons under the proposed Rule based on Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, including the additional provision containing important clarifications about the interaction between a broker-dealer's best execution obligations and their obligations with respect to specific customer instructions will potentially enhance compliance with those obligations, thus furthering the prevention of manipulative acts and practices and the protection of investors and the public interest.

As discussed in the Purpose section, proposed Rule 11.5310 is substantially similar to Nasdaq PHLX Rule General 9, Section 11 and NYSE Rule 5310, thus promoting the application of consistent regulatory standards for customer order execution across self-regulatory

organizations. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to customer order execution, 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. In addition, the Exchange believes that the proposed rule change will maintain the necessary protection of customer orders designed to prevent fraudulent and manipulative acts, without imposing any undue regulatory costs on industry participants. Finally, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers and dealers, consistent with Section 6(b)(5) of the Act¹² because the proposed rule change will impose the same requirements on all ETP Holders and Associated Persons on an equal basis.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will reduce the burdens on ETP Holders and Associated Persons that result from their having to comply with varying rules related to best execution, thus reducing the complexity of customer order protection rules, particularly for those ETP Holders and Associated Persons subject to the rules of multiple trading venues. Overall, the Exchange believes the proposed rule change will enhance customer order handling rules by harmonizing best execution and interpositioning standards across self-regulatory organizations, which ultimately benefits market participants and does not impose a burden on competition.

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 Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴ 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, 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.

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.

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-2026-16 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-2026-16. 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

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

to file number SR–NYSENAT–2026–16 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105645; File No. SR–ISE–2026–32]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 Connectivity

June 9, 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 29, 2026, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove from the list of services available under Rule General 8 certain offerings that are no longer in use by customers of the Exchange, and (2) update the terminology for certain technical specifications, as described below.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/ise/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed

any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove services that are no longer in use by Exchange customers and (2) update certain terminology for technical specifications, as described below.

Removal of Certain Offerings No Longer in Use

The Exchange proposes to remove certain services from the list of connectivity services available on the Exchange due to lack of users and user demand for such services. Specifically, the Exchange proposes to amend subsection (1)(b) of Rule General 8, Section (1)³ titled “External Telco/Inter-Cabinet Connectivity” to remove the following connectivity services⁴ and their associated fees.

- 100MB Connectivity—Metro NY/NJ Area Destination
- 1G Connectivity—Metro NY/NJ Area Destination
- 10G Connectivity—Metro NY/NJ Area Destination
- 100MB Connectivity—Toronto Area Destination
- 1G Connectivity—Toronto Area Destination
- 10G Connectivity—Toronto Area Destination
- 100MB Connectivity—Chicago Area Destination
- 1G Connectivity—Chicago Area Destination
- 10G Connectivity—Chicago Area Destination

Next, the Exchange proposes to amend the list of market data connectivity services available under subsection 1(b) of Rule General 8 to delete the following market data feeds and services, as well as their associated fees:⁵

³ The Exchange further proposes to delete from Rule General 8 Section 1(b) the accompanying footnote designated with a double asterisk and reading as follows: “Includes fiber telco cross connect within Nasdaq data center.”

⁴ The Exchange notes that no customers have subscribed to the connectivity services outlined herein since or about September 2025.

⁵ The Exchange notes that no customers have subscribed to the market data feeds and services outlined herein since or about August 2023.

- Nasdaq
- OpenBook Realtime
- NYSE Alerts
- NYSE Trades
- Arca Trades
- Arca BBO
- AMEX-Ultra/Trades/Alerts/LRP
- OPRA
- CME
- Access Fee per location device/user
- CBOE
- BZX Depth
- BYX Depth
- EDGA Depth
- EDGX Depth
- TSX/TSXV
- TSX and TSXV Level 1 Feed
- TSX and TSXV Level 2 Feed
- TSX Quantum Level 1 Feed
- TSX Quantum Level 2 Feed

Next, the Exchange proposes to amend Rule General 8 Section 1(d) to delete from the list of additional services and products thereunder (1) the product titled “Cooling (Door) Fans”⁶ as well as its associated fees, and (2) the service titled “Power Consulting Service (billed in hourly increments)”⁷ and its associated fees.

The Exchange believes that deleting the described product and service, as proposed, is appropriate because no users currently have orders for that product or service, and no users have ordered, subscribed to or otherwise expressed interest in such product or service since on or about September 2025. Accordingly, the Exchange believes that there is no remaining demand for such services and thus proposes to discontinue them as obsolete.

The Exchange does not expect that the proposed changes would have any impact. As noted above, there are currently no users subscribing to the product or service being removed, and no user has subscribed to or otherwise ordered such product or service since as early as 2023.⁸ The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Exchange customers equally. As is currently the case, the purchase of any connectivity product or service is completely voluntary and the Exchange’s connectivity fee schedule in Rule General 8 is applied uniformly across all data center customers of the Exchange.

⁶ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁷ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁸ See *supra* notes 4–7 and accompanying text.

¹⁵ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

Updating Terminology for Certain Technical Specifications

The Exchange further proposes to amend its connectivity fee schedule under Rule General 8 to update references to certain technical specifications as follows. The Exchange proposes to amend Rule General 8, Section 1(c) (Power) to change all references to “110 volt” to “110/120 volt.”⁹ The Exchange believes this change is appropriate because “120 volts” is the industry-standard term used to describe the nominal voltage level for North American electrical systems. Although terms such as 110V, 115V, and 120V are sometimes used interchangeably, they refer to the same underlying system. Updating the terminology in the fee schedule will thus promote clarity and align the Exchange’s references with prevailing industry usage.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that discontinuing the offering of products and services discussed above as proposed would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest. The products and services that the Exchange proposes to remove from Rule General 8 have not been used by data center customers for a considerable time; there are currently no users subscribed to or using such offerings; and the Exchange is aware of no interest in subscriptions for such products or services.

Accordingly, removing references to such products and services as well as their associated fees from the list of offerings available to data center customers of the Exchange would make Rule General 8 easier to navigate, understand, and administer.

Moreover, the Exchange believes the proposal to update outdated references to certain technical specifications will remove impediments to and perfect the mechanism of a free and open market by improving the clarity and accuracy of the Exchange’s connectivity fee

schedule under Rule General 8. Specifically, replacing references to “110 volt” with the industry-standard term “110/120 volt” will ensure that Rule General 8 uses terminology that is consistent with prevailing technical standards and commonly understood electrical specifications. The Exchange believes that enhancing the precision and readability of its rules benefits market participants and the public by reducing potential confusion and promoting transparency.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest. The proposed rule change would delete obsolete products and services from the Exchange’s connectivity fee schedule under Rule General 8 to enhance clarity and thus prevent potential customer confusion. The Exchange believes that deleting obsolete services from the Exchange’s connectivity schedule would not permit unfair discrimination, as the proposed changes would apply equally to all users.

With respect to the proposed updates to certain outdated technical specifications, the Exchange does not believe the proposed changes will significantly affect the protection of investors or the public interest because such changes consist of non-substantive changes to reflect current rather than outdated terminology, which will facilitate the understanding, use, and application of the Exchange’s rules.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes, both the removal of obsolete services as well as the updating of certain technical specifications, are not designed to address any competitive issues but rather are designed to enhance the clarity and transparency of the Exchange’s connectivity fee schedule and prevent potential customer confusion that may arise from the depiction of obsolete offerings or outdated terminology. With respect to the removal of obsolete offerings, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these products and services have no current subscribers, and their removal will not affect access or pricing for any market participant. To the contrary, eliminating unused and outdated offerings reduces

potential confusion in the connectivity fee schedule and promotes a clearer, more transparent set of available services, which benefits all participants equally.

With respect to the proposed updates to certain outdated technical specifications, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal consists of a non-substantive terminology update that does not alter any service, functionality, or fee.

The Exchange does not believe the proposed deletion of obsolete offerings will impose any burden on intra-market or inter-market competition. Because no market participant currently uses these offerings, their removal cannot disadvantage any user or affect competitive conditions within the Exchange or among competing exchanges. In addition, and with respect to the proposed changes to outdated references to certain technical specifications, the proposal is purely a non-substantive terminology update which does not alter the availability, pricing, or functionality of any connectivity service and therefore has no competitive impact on any market participant or competing exchange.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and subparagraph (f)(6) of Rule 19b–4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁹ See proposed Rule General 8, Section 1(c).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-ISE-2026-32 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-ISE-2026-32. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ISE-2026-32 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105633; File No. SR-CBOE-2026-049]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe Exchange, Inc. (the "Exchange" or "Cboe") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe Exchange, Inc. (the "Exchange" or "Cboe") proposes to adopt fees for its new Clock Service. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (<https://www.sec.gov/rules/sro.shtml>), the Exchange's website (https://www.cboe.com/us/options/regulation/rule_filings/cone/), 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 adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange's and the subscriber's systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAX Emerald, LLC ("MIAX Emerald").⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange's network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange's primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second ("Gbps") Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange's time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange's time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR-CBOE-2026-047). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105083 (March 25, 2026), 91 FR 15655 (March 30, 2026) (SR-CBOE-2026-026).

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR-EMERALD-2022-16).

⁶ The Exchange notes that MIAX Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁴ 17 CFR 200.30-3(a)(12).

synchronize their own primary clock to the Exchange's primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core ("HATI") licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-

up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in

promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange's overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange's overall competitive position. The proposed fees are a result of the competitive environment of the U.S. options industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange's time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant's sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

(at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald's, it is important to distinguish the fact that the Exchange's comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald's.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1Gbps physical port for which participants may use as a back-up connection to receive the Exchange's time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX's service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange's Clock Service permits you to connect to all of Cboe's options and equities exchanges. Meaning, that for less than double the cost of MIAX Emerald's service, which is only for one Exchange, a participant is able to use the Exchange's Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up)

for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange's offerings. 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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁶ See e.g., MIAX Emerald Rule 531.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CBOE-2026-049 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.
- All submissions should refer to file number SR-CBOE-2026-049. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CBOE-2026-049 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105638; File No. SR-CboeBYX-2026-025]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe BYX Exchange, Inc. (the

"Exchange" or "BYX") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BYX Exchange, Inc. (the "Exchange" or "BYX") proposes to adopt fees for its new Clock Service. 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/byx/), 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 adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange's and the

subscriber's systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAx Emerald, LLC ("MIAx Emerald").⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange's network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange's primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second ("Gbps") Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange's time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange's time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to synchronize their own primary clock to the Exchange's primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR-EMERALD-2022-16).

⁶ The Exchange notes that MIAx Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

¹⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR-CboeBYX-2026-023). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 104978 (March 6, 2026), 91 FR 12858 (March 17, 2026) (SR-CboeBYX-2026-007).

offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core ("HATI") licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section

6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange's overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange's overall competitive position. The proposed fees are a result of the competitive environment of the U.S. equities industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange's time signal. The time signal provided by the

Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant's sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately (at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald's, it is important to distinguish the fact that the Exchange's comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald's.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1Gbps physical port for which participants may use as a back-up connection to receive the Exchange's

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX's service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange's Clock Service permits you to connect to all of Cboe's options and equities exchanges. Meaning, that for less than double the cost of MIAX Emerald's service, which is only for one Exchange, a participant is able to use the Exchange's Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up) for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional

services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange's offerings. 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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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

participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeBYX-2026-025 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.
- All submissions should refer to file number SR-CboeBYX-2026-025. 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.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁶ See e.g., MIAX Emerald Rule 531.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeBYX–2026–025 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–11813 Filed 6–11–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105647; File No. SR–GEMX–2026–24]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 Connectivity

June 9, 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 29, 2026, Nasdaq GEMX, LLC (“GEMX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove from the list of services available under Rule General 8 certain offerings that are no longer in use by customers of the Exchange, and (2) update the terminology for certain technical specifications, as described below.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove services that are no longer in use by Exchange customers and (2) update certain terminology for technical specifications, as described below.

Removal of Certain Offerings No Longer in Use

The Exchange proposes to remove certain services from the list of connectivity services available on the Exchange due to lack of users and user demand for such services. Specifically, the Exchange proposes to amend subsection (1)(b) of Rule General 8, Section (1)³ titled “External Telco/Inter-Cabinet Connectivity” to remove the following connectivity services⁴ and their associated fees.

- 100MB Connectivity—Metro NY/NJ Area Destination
- 1G Connectivity—Metro NY/NJ Area Destination
- 10G Connectivity—Metro NY/NJ Area Destination
- 100MB Connectivity—Toronto Area Destination
- 1G Connectivity—Toronto Area Destination
- 10G Connectivity—Toronto Area Destination
- 100MB Connectivity—Chicago Area Destination
- 1G Connectivity—Chicago Area Destination
- 10G Connectivity—Chicago Area Destination

³ The Exchange further proposes to delete from Rule General 8 Section 1(b) the accompanying footnote designated with a double asterisk and reading as follows: “Includes fiber telco cross connect within Nasdaq data center.”

⁴ The Exchange notes that no customers have subscribed to the connectivity services outlined herein since or about September 2025.

Next, the Exchange proposes to amend the list of market data connectivity services available under subsection 1(b) of Rule General 8 to delete the following market data feeds and services, as well as their associated fees:⁵

- Nasdaq
- OpenBook Realtime
- NYSE Alerts
- NYSE Trades
- Arca Trades
- Arca BBO
- AMEX-Ultra/Trades/Alerts/LRP
- OPRA
- CME
- Access Fee per location device/user
- CBOE
- BZX Depth
- BYX Depth
- EDGA Depth
- EDGX Depth
- TSX/TSXV
- TSX and TSXV Level 1 Feed
- TSX and TSXV Level 2 Feed
- TSX Quantum Level 1 Feed
- TSX Quantum Level 2 Feed

Next, the Exchange proposes to amend Rule General 8 Section 1(d) to delete from the list of additional services and products thereunder (1) the product titled “Cooling (Door) Fans”⁶ as well as its associated fees, and (2) the service titled “Power Consulting Service (billed in hourly increments)”⁷ and its associated fees.

The Exchange believes that deleting the described product and service, as proposed, is appropriate because no users currently have orders for that product or service, and no users have ordered, subscribed to or otherwise expressed interest in such product or service since on or about September 2025. Accordingly, the Exchange believes that there is no remaining demand for such services and thus proposes to discontinue them as obsolete.

The Exchange does not expect that the proposed changes would have any impact. As noted above, there are currently no users subscribing to the product or service being removed, and no user has subscribed to or otherwise ordered such product or service since as early as 2023.⁸ The proposed changes would not apply differently to distinct types or sizes of market participants.

⁵ The Exchange notes that no customers have subscribed to the market data feeds and services outlined herein since or about August 2023.

⁶ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁷ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁸ See *supra* notes 4–7 and accompanying text.

¹⁹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

Rather, they would apply to all Exchange customers equally. As is currently the case, the purchase of any connectivity product or service is completely voluntary and the Exchange's connectivity fee schedule in Rule General 8 is applied uniformly across all data center customers of the Exchange.

Updating Terminology for Certain Technical Specifications

The Exchange further proposes to amend its connectivity fee schedule under Rule General 8 to update references to certain technical specifications as follows. The Exchange proposes to amend Rule General 8, Section 1(c) (Power) to change all references to "110 volt" to "110/120 volt."⁹ The Exchange believes this change is appropriate because "120 volts" is the industry-standard term used to describe the nominal voltage level for North American electrical systems. Although terms such as 110V, 115V, and 120V are sometimes used interchangeably, they refer to the same underlying system. Updating the terminology in the fee schedule will thus promote clarity and align the Exchange's references with prevailing industry usage.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that discontinuing the offering of products and services discussed above as proposed would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest. The products and services that the Exchange proposes to remove from Rule General 8 have not been used by data center customers for a considerable time; there are currently no users subscribed to or using such offerings; and the Exchange is aware of no interest in subscriptions for such products or services. Accordingly, removing references to such products and services as well as their associated fees from the list of offerings available to data center

customers of the Exchange would make Rule General 8 easier to navigate, understand, and administer.

Moreover, the Exchange believes the proposal to update outdated references to certain technical specifications will remove impediments to and perfect the mechanism of a free and open market by improving the clarity and accuracy of the Exchange's connectivity fee schedule under Rule General 8. Specifically, replacing references to "110 volt" with the industry-standard term "110/120 volt" will ensure that Rule General 8 uses terminology that is consistent with prevailing technical standards and commonly understood electrical specifications. The Exchange believes that enhancing the precision and readability of its rules benefits market participants and the public by reducing potential confusion and promoting transparency.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest. The proposed rule change would delete obsolete products and services from the Exchange's connectivity fee schedule under Rule General 8 to enhance clarity and thus prevent potential customer confusion. The Exchange believes that deleting obsolete services from the Exchange's connectivity schedule would not permit unfair discrimination, as the proposed changes would apply equally to all users.

With respect to the proposed updates to certain outdated technical specifications, the Exchange does not believe the proposed changes will significantly affect the protection of investors or the public interest because such changes consist of non-substantive changes to reflect current rather than outdated terminology, which will facilitate the understanding, use, and application of the Exchange's rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes, both the removal of obsolete services as well as the updating of certain technical specifications, are not designed to address any competitive issues but rather are designed to enhance the clarity and transparency of the Exchange's connectivity fee schedule and prevent potential customer confusion that may arise from the depiction of obsolete offerings or outdated terminology. With respect to

the removal of obsolete offerings, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these products and services have no current subscribers, and their removal will not affect access or pricing for any market participant. To the contrary, eliminating unused and outdated offerings reduces potential confusion in the connectivity fee schedule and promotes a clearer, more transparent set of available services, which benefits all participants equally.

With respect to the proposed updates to certain outdated technical specifications, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal consists of a non-substantive terminology update that does not alter any service, functionality, or fee.

The Exchange does not believe the proposed deletion of obsolete offerings will impose any burden on intra-market or inter-market competition. Because no market participant currently uses these offerings, their removal cannot disadvantage any user or affect competitive conditions within the Exchange or among competing exchanges. In addition, and with respect to the proposed changes to outdated references to certain technical specifications, the proposal is purely a non-substantive terminology update which does not alter the availability, pricing, or functionality of any connectivity service and therefore has no competitive impact on any market participant or competing exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ See proposed Rule General 8, Section 1(c).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

subparagraph (f)(6) of Rule 19b–4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–GEMX–2026–24 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–GEMX–2026–24. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–GEMX–2026–24 and should be submitted on or before July 6, 2026.

¹³ 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026–11825 Filed 6–11–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105644; File No. SR–MRX–2026–25]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 Connectivity

June 9, 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 29, 2026, Nasdaq MRX, LLC (“MRX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove from the list of services available under Rule General 8 certain offerings that are no longer in use by customers of the Exchange, and (2) update the terminology for certain technical specifications, as described below.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the

places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove services that are no longer in use by Exchange customers and (2) update certain terminology for technical specifications, as described below.

Removal of Certain Offerings No Longer in Use

The Exchange proposes to remove certain services from the list of connectivity services available on the Exchange due to lack of users and user demand for such services. Specifically, the Exchange proposes to amend subsection (1)(b) of Rule General 8, Section (1)³ titled “External Telco/Inter-Cabinet Connectivity” to remove the following connectivity services⁴ and their associated fees.

- 100MB Connectivity—Metro NY/NJ Area Destination
- 1G Connectivity—Metro NY/NJ Area Destination
- 10G Connectivity—Metro NY/NJ Area Destination
- 100MB Connectivity—Toronto Area Destination
- 1G Connectivity—Toronto Area Destination
- 10G Connectivity—Toronto Area Destination
- 100MB Connectivity—Chicago Area Destination
- 1G Connectivity—Chicago Area Destination
- 10G Connectivity—Chicago Area Destination

Next, the Exchange proposes to amend the list of market data connectivity services available under subsection 1(b) of Rule General 8 to delete the following market data feeds and services, as well as their associated fees:⁵

- Nasdaq
- OpenBook Realtime

³ The Exchange further proposes to delete from Rule General 8 Section 1(b) the accompanying footnote designated with a double asterisk and reading as follows: “Includes fiber telco cross connect within Nasdaq data center.”

⁴ The Exchange notes that no customers have subscribed to the connectivity services outlined herein since or about September 2025.

⁵ The Exchange notes that no customers have subscribed to the market data feeds and services outlined herein since or about August 2023.

¹⁴ 17 CFR 200.30–3(a)(12).

¹⁵ U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

- NYSE Alerts
- NYSE Trades
- Arca Trades
- Arca BBO
- AMEX-Ultra/Trades/Alerts/LRP
- OPRA
- CME
- Access Fee per location device/user
- CBOE
- BZX Depth
- BYX Depth
- EDGA Depth
- EDGX Depth
- TSX/TSXV
- TSX and TSXV Level 1 Feed
- TSX and TSXV Level 2 Feed
- TSX Quantum Level 1 Feed
- TSX Quantum Level 2 Feed

Next, the Exchange proposes to amend Rule General 8 Section 1(d) to delete from the list of additional services and products thereunder (1) the product titled “Cooling (Door) Fans”⁶ as well as its associated fees, and (2) the service titled “Power Consulting Service (billed in hourly increments)”⁷ and its associated fees.

The Exchange believes that deleting the described product and service, as proposed, is appropriate because no users currently have orders for that product or service, and no users have ordered, subscribed to or otherwise expressed interest in such product or service since on or about September 2025. Accordingly, the Exchange believes that there is no remaining demand for such services and thus proposes to discontinue them as obsolete.

The Exchange does not expect that the proposed changes would have any impact. As noted above, there are currently no users subscribing to the product or service being removed, and no user has subscribed to or otherwise ordered such product or service since as early as 2023.⁸ The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Exchange customers equally. As is currently the case, the purchase of any connectivity product or service is completely voluntary and the Exchange’s connectivity fee schedule in Rule General 8 is applied uniformly across all data center customers of the Exchange.

⁶ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁷ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁸ See *supra* notes 4–7 and accompanying text.

Updating Terminology for Certain Technical Specifications

The Exchange further proposes to amend its connectivity fee schedule under Rule General 8 to update references to certain technical specifications as follows. The Exchange proposes to amend Rule General 8, Section 1(c) (Power) to change all references to “110 volt” to “110/120 volt.”⁹ The Exchange believes this change is appropriate because “120 volts” is the industry-standard term used to describe the nominal voltage level for North American electrical systems. Although terms such as 110V, 115V, and 120V are sometimes used interchangeably, they refer to the same underlying system. Updating the terminology in the fee schedule will thus promote clarity and align the Exchange’s references with prevailing industry usage.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that discontinuing the offering of products and services discussed above as proposed would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest. The products and services that the Exchange proposes to remove from Rule General 8 have not been used by data center customers for a considerable time; there are currently no users subscribed to or using such offerings; and the Exchange is aware of no interest in subscriptions for such products or services. Accordingly, removing references to such products and services as well as their associated fees from the list of offerings available to data center customers of the Exchange would make Rule General 8 easier to navigate, understand, and administer.

Moreover, the Exchange believes the proposal to update outdated references to certain technical specifications will remove impediments to and perfect the mechanism of a free and open market by improving the clarity and accuracy of the Exchange’s connectivity fee

schedule under Rule General 8.

Specifically, replacing references to “110 volt” with the industry-standard term “110/120 volt” will ensure that Rule General 8 uses terminology that is consistent with prevailing technical standards and commonly understood electrical specifications. The Exchange believes that enhancing the precision and readability of its rules benefits market participants and the public by reducing potential confusion and promoting transparency.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest. The proposed rule change would delete obsolete products and services from the Exchange’s connectivity fee schedule under Rule General 8 to enhance clarity and thus prevent potential customer confusion. The Exchange believes that deleting obsolete services from the Exchange’s connectivity schedule would not permit unfair discrimination, as the proposed changes would apply equally to all users.

With respect to the proposed updates to certain outdated technical specifications, the Exchange does not believe the proposed changes will significantly affect the protection of investors or the public interest because such changes consist of non-substantive changes to reflect current rather than outdated terminology, which will facilitate the understanding, use, and application of the Exchange’s rules.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes, both the removal of obsolete services as well as the updating of certain technical specifications, are not designed to address any competitive issues but rather are designed to enhance the clarity and transparency of the Exchange’s connectivity fee schedule and prevent potential customer confusion that may arise from the depiction of obsolete offerings or outdated terminology. With respect to the removal of obsolete offerings, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these products and services have no current subscribers, and their removal will not affect access or pricing for any market participant. To the contrary, eliminating unused and outdated offerings reduces

⁹ See proposed Rule General 8, Section 1(c).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

potential confusion in the connectivity fee schedule and promotes a clearer, more transparent set of available services, which benefits all participants equally.

With respect to the proposed updates to certain outdated technical specifications, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal consists of a non-substantive terminology update that does not alter any service, functionality, or fee.

The Exchange does not believe the proposed deletion of obsolete offerings will impose any burden on intra-market or inter-market competition. Because no market participant currently uses these offerings, their removal cannot disadvantage any user or affect competitive conditions within the Exchange or among competing exchanges. In addition, and with respect to the proposed changes to outdated references to certain technical specifications, the proposal is purely a non-substantive terminology update which does not alter the availability, pricing, or functionality of any connectivity service and therefore has no competitive impact on any market participant or competing exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may

temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-MRX-2026-25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-MRX-2026-25. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-MRX-2026-25 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-11819 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105637; File No. SR-CboeEDGA-2026-021]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Its New Clock Service

June 9, 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 28, 2026, Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") proposes to adopt fees for its new Clock Service. 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/edga/), 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.

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁴ 17 CFR 200.30-3(a)(12).

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 adopt fees, including a free trial, for its new Clock Service offering, effective May 18, 2026.³ The Exchange recently adopted a new data product known as the Clock Service.⁴ The Clock Service is an optional product available to Members and non-Members alike. In sum, a subscriber is able to utilize the Clock Service to synchronize their time recording systems to those of the Exchange for correlated latency measurements between the Exchange's and the subscriber's systems time measurements related to the same message or order. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Clock Service is not novel to the securities markets and it is similar to the network time synchronization service currently offered by MIAx Emerald, LLC ("MIAx Emerald").⁵ The Exchange is providing the Clock Service in response to participant demand for more precise and more accurate clock synchronization options with the Exchange's network.

Under the Clock Service, participants would be able to synchronize their own primary clock devices to the Exchange's primary clock device, by receiving White Rabbit time signals from the Exchange via a 1 gigabit per second ("Gbps") Physical Port. The proposed Clock Service simply provides participants with the ability to synchronize with the Exchange's time signal at a more granular level, and, as part of the Clock Service, participants will receive a single 1 Gbps Physical Port connection offered by the Exchange in order to receive the signal.⁶ The improved time signal would tell the participant the Exchange's time at a more granular level at a particular point in time. The subscribing participant may then use that time signal to

synchronize their own primary clock to the Exchange's primary clock.

As part of the Clock Service, the Exchange proposes to adopt three fees. The first is for the Clock Service itself, while the two other fees are ancillary fees as part of the Clock Service, both of which are optional for subscribers of the Clock Service. The Exchange proposes a fee of \$7,500/month for the Clock Service itself. As part of the Clock Service fee, the Exchange shall provide a 1 Gbps physical port for the participant to use solely for receiving a signal from the Clock Service.⁷

The second fee the Exchange proposes is a redundant Clock Service connection—that includes a 1 Gbps physical port for a fee of \$2,500/month.⁸ The secondary connection is an optional offering that a subscriber may choose to purchase to supplement their existing Clock Service. This secondary connection can provide redundancy for a subscriber.

Lastly, the Exchange noted in its filing that customers will be required to procure licensing, as applicable. As such, the Exchange is also proposing a one-time High-Accuracy Timing IP Core ("HATI") licensing set-up fee of \$5,000 for each physical connection.⁹ The HATI license is for participants that do not use a White Rabbit-enabled Safran switch. For example, a firm that utilizes a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service and would be liable for this one-time fee.¹⁰ The one-time fee is to enable the particular switch for White Rabbit so the firm may use its switch in connection with the Clock Service.

For a mid-month subscription, the monthly fee(s) shall be prorated based on the initial date of the subscription. For clarity, this does not apply to one-time setup fee for the HATI license.

In connection with the launch of Cboe Clock Service, the Exchange proposes to introduce a free trial for the first 30 days for new subscribers. The free trial shall only apply to the Cboe Clock Service fee and, if applicable, a subscriber shall still be liable for (i) the one-time HATI set-

up fee per connection and (ii) any additional Clock Service connections. A first-time subscriber would be any subscriber that has not previously subscribed to Cboe Clock Service. The Exchange believes the proposed trial will serve as an incentive for new subscribers to try the proposed Clock Service to determine if it fits the subscriber's needs. Particularly, the Exchange believes it will give potential subscribers the ability to use and test the service to determine if it fits its business needs.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4)¹⁴ of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current regulation of the market system "has been remarkably successful in

³ The Exchange initially submitted the proposed rule change on May 18, 2026 (SR-CboeEDGA-2026-019). On May 28, 2026, the Exchange withdrew that filing and submitted this filing.

⁴ Securities Exchange Act Release No. 105093 (March 26, 2026), 91 FR 16062 (March 31, 2026) (SR-CboeEDGA-2026-007).

⁵ See Securities Exchange Act Release No. 94915 (May 16, 2022), 87 FR 31022 (May 20, 2022) (SR-EMERALD-2022-16).

⁶ The Exchange notes that MIAx Emerald, LLC similarly requires a 1 Gbps connection in order to utilize its respective clock service.

⁷ The Exchange notes that the 1 Gbps physical port that a participant shall receive as part of this Service shall be used solely for the purposes of the Clock Service and will not be able to be used for any other purpose (e.g., order routing).

⁸ The Exchange notes that nothing precludes a firm from purchasing multiple secondary connections.

⁹ For example, if a participant chooses to purchase the secondary connection as well and requires the licensing for both connections, the firm will pay a one-time fee of \$10,000.

¹⁰ The Exchange notes that the type of switch a firm purchases is due to a firm's preference in how they optimize their physical infrastructure.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ *Id.*

¹⁴ 15 U.S.C. 78f(b)(4).

promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁵ The Service provides subscribing participants with a tool to assist them in recalibrating their own models and trading strategies to improve their overall experience on the Exchange, thereby potentially improving execution and order fill rates. This may improve the Exchange’s overall market quality through increased liquidity and improved execution opportunities for resting orders, enhancing the Exchange’s overall competitive position. The proposed fees are a result of the competitive environment of the U.S. equities industry as the Exchange seeks to adopt fees to attract purchasers of the recently introduced Clock Service.

The Clock Service provides participants with the Exchange’s time signal. The time signal provided by the Clock Service could be beneficial in multiple areas, one of which is enabling subscribers to more precisely measure latency between their network and that of the Exchange by utilizing technology that allows up to a sub-nanosecond level. The Clock Service will allow them to better understand the times at which their order or message reached certain points when traveling from their network to the Exchange through more granular latency measurements.

The Exchange believes the fee proposals for the Clock Service (including the ancillary fees) are reasonable as the Exchange is offering any market participants access to subscribe for the Clock Service in the market participant’s sole discretion based on their unique business needs. Clock Service is optional for market participants to subscribe to if they believe it to be helpful and are not required for market participants to purchase in order to access the Exchange. Additionally, subscribers may cancel their usage of the Clock Service at any time.

As described above, the Exchange proposes to assess a monthly fee of \$7,500 for the Clock Service. This fee also includes a 1Gbps physical port. The Clock Service may be used for the Exchange and its affiliated equities and options exchanges (meaning a customer can receive this service for all eight Cboe exchanges). In comparison, as noted above, MIAX Emerald offers a comparable service—the High Precision Network Time Signal Service—at a fee of \$3,800/month. Customers purchase their 1G physical connection separately

(at a cost of \$1,500/month) in order to receive the High Precision Network Time Signal Service, meaning that the total cost to use this service for MIAX Emerald only is \$5,300 (\$3,800 for the service and \$1,500 for the physical connection). While the Exchange notes its fee is higher than MIAX Emerald’s, it is important to distinguish the fact that the Exchange’s comparable offering (as the Exchange noted previously, a 1 Gbps physical connection is included with its Clock Service) can be obtained for a fee of \$7,500 which can be used to access this service for all eight exchanges, and thus, the Exchange believes it is reasonable that its fee is higher than MIAX Emerald’s.

In connection with the Clock Service, the Exchange also proposes two ancillary fees. The Exchange proposes to assess a fee for an optional, additional connection for participants. This is an additional Clock Service connection that includes a 1Gbps physical port for which participants may use as a back-up connection to receive the Exchange’s time signal through the Clock Service. If a firm wanted to purchase the equivalent setup for MIAX Emerald, a firm would be required to purchase MIAX’s service at a fee of \$5,300 and two 1 Gb connections (as MIAX offers a secondary signal at no cost already with its product). The total cost for this would be \$6,800 (\$3,800 (for the service) + \$1,500 (for the 1 Gb physical connection) + \$1,500 (for the additional 1 Gb physical connection to access the secondary/redundant signal)). Again, while the Exchange notes that purchasing an optional, additional connection separately is higher, a total cost of \$10,000 when combined with the monthly fee of the Clock Service (\$7,500 (for the Clock Service) + \$2,500 (for the redundant signal)), the Exchange’s Clock Service permits you to connect to all of Cboe’s options and equities exchanges. Meaning, that for less than double the cost of MIAX Emerald’s service, which is only for one Exchange, a participant is able to use the Exchange’s Clock Service for eight Cboe exchanges.

Lastly, the Exchange believes the one-time ancillary fee of \$5,000 per connection for the HATI license set-up is appropriate. The Exchange proposes to charge a fee to participants to enable their connections for the Clock Service, if required. For participants that do not use Safran White Rabbit switches, a HATI license is required. Specifically, a participant that has a non-Safran White-Rabbit enabled device must have a HATI license in order to utilize the Clock Service. As such, the Exchange is providing the HATI license (and set-up)

for \$5,000 per physical connection in order for a participant to be enabled to utilize the Clock Service. The one-time cost of \$5,000 per physical connection reflects both the license itself as well as the workflow for installing the HATI solution.

The Exchange believes that the proposed free trial for any new Clock Service subscriber is reasonable because such users would not be subject to fees for the first 30 days of subscribing. The Exchange believes the proposed free trial is also reasonable as it will give potential subscribers the ability to use and test Cboe Clock Service prior to subscribing for additional months and will therefore encourage and promote new users to purchase the Cboe Clock Service.

The proposal would also not permit unfair discrimination as the proposed Clock Service is available to all market participants, who may opt to subscribe to the Clock Service and will help to protect a free and open market by continuing to provide additional services (offered on an optional basis for a fee) to the marketplace and by providing investors with greater choices. The Exchange believes that the proposed trial is equitable and not unfairly discriminatory because it will apply equally to all new subscribers to the Clock Service. As such, the Exchange believes that the proposed fees are reasonable and set at a level to compete with other exchanges that may choose to offer a similar service.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the reports will contribute to robust competition among national securities exchanges. The Clock Service further enhances competition between exchanges by allowing the Exchange to expand its product offerings to include services similar to services that are currently offered by other exchanges.¹⁶

The Exchange also does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition as other exchanges are free to introduce their own comparable offerings with lower prices to better compete with the Exchange’s offerings. The Exchange operates in a highly competitive environment, and its ability to price the reports is constrained by competition

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹⁶ See e.g., MIAX Emerald Rule 531.

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. For example, proposing fees that are excessively higher than fees for potentially similar offerings would simply serve to reduce demand for the Exchange's Clock Service, which as discussed, market participants are under no obligation to utilize. In this competitive environment, potential purchasers are free to choose which, if any, similar product to purchase to satisfy their need for market information. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

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 participants that may purchase Clock Service.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeEDGA-2026-021 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.
- All submissions should refer to file number SR-CboeEDGA-2026-021. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeEDGA-2026-021 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-11812 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105646; File No. SR-Phlx-2026-36]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule General 8 Connectivity

June 9, 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 29,

2026, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove from the list of services available under Rule General 8 certain offerings that are no longer in use by customers of the Exchange, and (2) update the terminology for certain technical specifications, as described below.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule General 8 (Connectivity) to (1) remove services that are no longer in use by Exchange customers and (2) update certain terminology for technical specifications, as described below.

Removal of Certain Offerings No Longer in Use

The Exchange proposes to remove certain services from the list of connectivity services available on the Exchange due to lack of users and user demand for such services. Specifically, the Exchange proposes to amend subsection (1)(b) of Rule General 8,

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Section (1)³ titled “External Telco/Inter-Cabinet Connectivity” to remove the following connectivity services⁴ and their associated fees.

- 100MB Connectivity—Metro NY/NJ Area Destination
- 1G Connectivity—Metro NY/NJ Area Destination
- 10G Connectivity—Metro NY/NJ Area Destination
- 100MB Connectivity—Toronto Area Destination
- 1G Connectivity—Toronto Area Destination
- 10G Connectivity—Toronto Area Destination
- 100MB Connectivity—Chicago Area Destination
- 1G Connectivity—Chicago Area Destination
- 10G Connectivity—Chicago Area Destination

Next, the Exchange proposes to amend the list of market data connectivity services available under subsection 1(b) of Rule General 8 to delete the following market data feeds and services, as well as their associated fees:⁵

- Nasdaq
- OpenBook Realtime
- NYSE Alerts
- NYSE Trades
- Arca Trades
- Arca BBO
- AMEX-Ultra/Trades/Alerts/LRP
- OPRA
- CME
- Access Fee per location device/user
- CBOE
- BZX Depth
- BYX Depth
- EDGA Depth
- EDGX Depth
- TSX/TSXV
- TSX and TSXV Level 1 Feed
- TSX and TSXV Level 2 Feed
- TSX Quantum Level 1 Feed
- TSX Quantum Level 2 Feed

Next, the Exchange proposes to amend Rule General 8 Section 1(d) to delete from the list of additional services and products thereunder (1) the product titled “Cooling (Door) Fans”⁶ as well as its associated fees, and (2) the

service titled “Power Consulting Service (billed in hourly increments)”⁷ and its associated fees.

The Exchange believes that deleting the described product and service, as proposed, is appropriate because no users currently have orders for that product or service, and no users have ordered, subscribed to or otherwise expressed interest in such product or service since on or about September 2025. Accordingly, the Exchange believes that there is no remaining demand for such services and thus proposes to discontinue them as obsolete.

The Exchange does not expect that the proposed changes would have any impact. As noted above, there are currently no users subscribing to the product or service being removed, and no user has subscribed to or otherwise ordered such product or service since as early as 2023.⁸ The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Exchange customers equally. As is currently the case, the purchase of any connectivity product or service is completely voluntary and the Exchange’s connectivity fee schedule in Rule General 8 is applied uniformly across all data center customers of the Exchange.

Updating Terminology for Certain Technical Specifications

The Exchange further proposes to amend its connectivity fee schedule under Rule General 8 to update references to certain technical specifications as follows. The Exchange proposes to amend Rule General 8, Section 1(c) (Power) to change all references to “110 volt” to “110/120 volt.”⁹ The Exchange believes this change is appropriate because “120 volts” is the industry-standard term used to describe the nominal voltage level for North American electrical systems. Although terms such as 110V, 115V, and 120V are sometimes used interchangeably, they refer to the same underlying system. Updating the terminology in the fee schedule will thus promote clarity and align the Exchange’s references with prevailing industry usage.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b)

of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that discontinuing the offering of products and services discussed above as proposed would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest. The products and services that the Exchange proposes to remove from Rule General 8 have not been used by data center customers for a considerable time; there are currently no users subscribed to or using such offerings; and the Exchange is aware of no interest in subscriptions for such products or services.

Accordingly, removing references to such products and services as well as their associated fees from the list of offerings available to data center customers of the Exchange would make Rule General 8 easier to navigate, understand, and administer.

Moreover, the Exchange believes the proposal to update outdated references to certain technical specifications will remove impediments to and perfect the mechanism of a free and open market by improving the clarity and accuracy of the Exchange’s connectivity fee schedule under Rule General 8. Specifically, replacing references to “110 volt” with the industry-standard term “110/120 volt” will ensure that Rule General 8 uses terminology that is consistent with prevailing technical standards and commonly understood electrical specifications. The Exchange believes that enhancing the precision and readability of its rules benefits market participants and the public by reducing potential confusion and promoting transparency.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest. The proposed rule change would delete obsolete products and services from the Exchange’s connectivity fee schedule under Rule General 8 to enhance clarity and thus prevent potential customer confusion. The Exchange believes that deleting obsolete services from the Exchange’s connectivity schedule would not permit unfair discrimination, as the proposed changes would apply equally to all users.

³ The Exchange further proposes to delete from Rule General 8 Section 1(b) the accompanying footnote designated with a double asterisk and reading as follows: “Includes fiber telco cross connect within Nasdaq data center.”

⁴ The Exchange notes that no customers have subscribed to the connectivity services outlined herein since or about September 2025.

⁵ The Exchange notes that no customers have subscribed to the market data feeds and services outlined herein since or about August 2023.

⁶ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁷ The Exchange notes that no customers have subscribed to or otherwise used this service since at least on or about September 2025.

⁸ See *supra* notes 4–7 and accompanying text.

⁹ See proposed Rule General 8, Section 1(c).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

With respect to the proposed updates to certain outdated technical specifications, the Exchange does not believe the proposed changes will significantly affect the protection of investors or the public interest because such changes consist of non-substantive changes to reflect current rather than outdated terminology, which will facilitate the understanding, use, and application of the Exchange's rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes, both the removal of obsolete services as well as the updating of certain technical specifications, are not designed to address any competitive issues but rather are designed to enhance the clarity and transparency of the Exchange's connectivity fee schedule and prevent potential customer confusion that may arise from the depiction of obsolete offerings or outdated terminology. With respect to the removal of obsolete offerings, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these products and services have no current subscribers, and their removal will not affect access or pricing for any market participant. To the contrary, eliminating unused and outdated offerings reduces potential confusion in the connectivity fee schedule and promotes a clearer, more transparent set of available services, which benefits all participants equally.

With respect to the proposed updates to certain outdated technical specifications, the proposed changes will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal consists of a non-substantive terminology update that does not alter any service, functionality, or fee.

The Exchange does not believe the proposed deletion of obsolete offerings will impose any burden on intra-market or inter-market competition. Because no market participant currently uses these offerings, their removal cannot disadvantage any user or affect competitive conditions within the Exchange or among competing exchanges. In addition, and with respect to the proposed changes to outdated references to certain technical specifications, the proposal is purely a

non-substantive terminology update which does not alter the availability, pricing, or functionality of any connectivity service and therefore has no competitive impact on any market participant or competing exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2026-36 on the subject line.

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-Phlx-2026-36. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2026-36 and should be submitted on or before July 6, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-11824 Filed 6-11-26; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

Cultivation Twain Seed Fund 1, LP; License No. 07070125; Surrender of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration under Section 309 of the Small Business Investment Act of 1958, as amended, and 13 CFR 107.1900 of the Code of Federal Regulations to function as a small business investment company under the Small Business Investment Company license number 07/07-0125 issued to Cultivation Twain Seed Fund I, LP, said license is hereby declared null and void.

Paul Salgado,

Director, Investment Portfolio Management, United States Small Business Administration.

[FR Doc. 2026-11852 Filed 6-11-26; 8:45 am]

BILLING CODE: P

¹⁴ 17 CFR 200.30-3(a)(12).

DEPARTMENT OF STATE**[Public Notice: 13033]****Notice of Determinations; Culturally Significant Objects Being Imported for Exhibition—Determinations: “A King’s Carpet: Louis XIV and the Savonnerie” Exhibition**

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that certain objects being imported from abroad pursuant to agreements with their foreign owners or custodians for temporary display in the exhibition “A King’s Carpet: Louis XIV and the Savonnerie” at The Metropolitan Museum of Art, New York, New York, and at possible additional exhibitions or venues yet to be determined, are of cultural significance, and, further, that their temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202–632–6471; email: section2459@state.gov). The mailing address is U.S. Department of State, L/DP, 2200 C Street NW (SA–5), Suite 5H03, Washington, DC 20522–0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236–3 of August 28, 2000, and Delegation of Authority No. 523 of December 22, 2021.

Sherry C. Keneson-Hall,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2026–11836 Filed 6–11–26; 8:45 am]

BILLING CODE 4710–05–P

SURFACE TRANSPORTATION BOARD**60-Day Notice of Intent To Seek Extension of Approval of Collection: System Diagram Maps**

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Surface Transportation Board (STB or Board) gives notice of its intent to seek approval from the Office of Management and Budget (OMB) for an extension of the collection of system diagram maps, described below.

DATES: Comments on this information collection should be submitted by August 11, 2026.

ADDRESSES: Direct all comments to Chris Oehrle, PRA Officer, Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001, or to PRA@stb.gov. When submitting comments, please refer to “Paperwork Reduction Act Comments, System Diagram Maps.” For further information regarding this collection, contact Pedro Ramirez at (202) 245–0333 or pedro.ramirez@stb.gov. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877–8339.

SUPPLEMENTARY INFORMATION: Comments are requested concerning each collection as to (1) whether the particular collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility; (2) the accuracy of the Board’s burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate. Submitted comments will be included and summarized in the Board’s request for OMB approval.

Description of Collection

Title: System Diagram Maps (or, in the case of Class III carriers, the alternative narrative description of rail system).

OMB Control Number: 2140–0003.

Form Number: None.

Type of Review: Extension without change.

Respondents: Common carrier freight railroads that are either new or reporting changes in the status of one or more of their rail lines.

Number of Respondents: 1.

Estimated Time per Response: 4.5 hours.

Frequency of Response: On occasion.

Total Annual Burden Hours: 4.5 hours.

Total “Non-hour Burden” Cost: No “non-hour cost” burdens associated with this collection have been identified. The information is submitted electronically.

Needs and Uses: Under 49 CFR 1152.10–1152.13, railroads subject to the Board’s jurisdiction must keep current system diagram maps on file, or alternatively, in the case of a Class III carrier, to submit the same information in narrative form. The information sought in this collection identifies all lines in a particular railroad’s system, categorized to indicate the likelihood that service on a particular line will be abandoned and/or whether service on a line is currently provided under the financial assistance provisions of 49 U.S.C. 10904. Carriers are obligated to amend these maps as the need to change the category of any particular line arises.

The Board makes this submission because, under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency’s submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Dated: June 10, 2026.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2026–11905 Filed 6–11–26; 8:45 am]

BILLING CODE 4915–01–P

SURFACE TRANSPORTATION BOARD**60-Day Notice of Intent To Seek Extension of Approval of Collection: Recordations (Rail and Water Carrier Liens), Water Carrier Tariffs, and Agricultural Contract Summaries**

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Surface Transportation Board (STB or Board) gives notice of its intent to seek approval from the Office of Management and Budget (OMB) for the extension (without change) of the collections required by statute for rail or water carrier equipment liens (recordations), water carrier tariffs, and rail agricultural contract summaries, as described in more detail below.

DATES: Comments on this information collection should be submitted by August 11, 2026.

ADDRESSES: Direct all comments to Chris Oehrle, PRA Officer, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, or to PRA@stb.gov. When submitting comments, please refer to "Paperwork Reduction Act Comments, Recordations (Rail and Water Carrier Liens), Water Carrier Tariffs, and Agricultural Contract Summaries." For further information regarding this collection, contact Mike Higgins at (866) 254-1792 (toll-free) or 202-245-0238, or by emailing rcpa@stb.gov. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Comments are requested concerning each collection as to (1) whether the particular collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility; (2) the accuracy of the Board's burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate. Submitted comments will be included and summarized in the Board's request for OMB approval.

Description of Collections

Collection Number 1

Title: Agricultural Contract Summaries.

OMB Control Number: 2140-0024.

Form Number: None.

Type of Review: Extension without change.

Number of Respondents: Approximately 8 (six Class I [large] railroads and a limited number of other railroads).

Frequency: On occasion. (Over the last three years, respondents have filed an average of 153 agricultural contract summaries per year. The same number of filings is expected during each of the next three years.)

Estimated Time per Response: Approximately 0.25 hours.

Total Burden Hours (annually including all respondents): 38.25 hours (153 submissions $\times$ 0.25 hours estimated per submission).

Total Annual "Non-Hour Burden" Cost: There are no non-hourly burden costs for this collection. The collection is filed electronically.

Needs and Uses: Under 49 U.S.C. 10709(d), railroads are required to file a summary of the nonconfidential terms of any contract for the transportation of agricultural products.

Collection Number 2

Title: Recordations (Rail and Water Carrier Liens).

OMB Control Number: 2140-0025.

Form Number: None.

Type of Review: Extension without change.

Respondents: Parties holding liens on rail equipment or water carrier vessels, and carriers filing proof that a lien has been removed.

Number of Respondents: Approximately 90 respondents.

Frequency: On occasion. (Over the last three years, respondents have filed an average of 1,120 responses per year. The same number of filings is expected during each of the next three years.)

Estimated Time per Response: Approximately 0.25 hours.

Total Burden Hours (annually including all respondents): 280 hours (1,120 submissions $\times$ 0.25 hours estimated per response.)

Total "Non-Hour Burden" Cost: There are no non-hourly burden costs for this collection. The collection may be filed electronically.

Needs and Uses: Under 49 U.S.C. 11301 and 49 CFR part 1177, liens on rail equipment or water carrier vessels must be filed with the STB in order to perfect a security interest in the equipment. Subsequent amendments, assignments of rights, or release of obligations under such instruments must also be filed with the agency. This information is maintained by the Board for public inspection. Recordation at the STB obviates the need for recording the liens in individual States.

Collection Number 3

Title: Water Carrier Tariffs.

OMB Control Number: 2140-0026.

Form Number: None.

Type of Review: Extension without change.

Respondents: Water carriers that provide freight transportation in noncontiguous domestic trade.

Number of Respondents: Approximately 20.

Frequency: Annual certification.

Total Burden Hours (annually including all respondents): 84 hours (24 annual filings $\times$ 3.5 hours estimated time per certification).

Total "Non-Hour Burden" Cost: There are no non-hourly burden costs for this collection. The annual certifications will be submitted electronically.

Needs and Uses: Under 49 U.S.C. 13702(b) and 49 CFR part 1312, in lieu

of individual tariffs, water carriers that provide freight transportation in noncontiguous domestic trade (*i.e.*, shipments moving to or from Alaska, Hawaii, or the U.S. territories or possessions (Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands) to or from the mainland U.S.) may file an annual certification with the Board that includes the internet address of a website containing a list of current and historical tariffs (including prices and fees that the water carrier charges to the shipping public).

The Board makes this submission because, under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency's submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Dated: June 10, 2026.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2026-11901 Filed 6-11-26; 8:45 am]

BILLING CODE 4915-01-P

SURFACE TRANSPORTATION BOARD

60-Day Notice of Intent To Seek Extension of Approval: Report of Fuel Cost, Consumption, and Surcharge Revenue

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Surface Transportation Board (STB or Board) gives notice of its intent to seek approval from the Office of Management and Budget (OMB) for an extension of the collection of the Report of Fuel Cost, Consumption, and Surcharge Revenue, as described below.

DATES: Comments on this information collection should be submitted by August 11, 2026.

ADDRESSES: Direct all comments to Chris Oehrle, Surface Transportation Board, 395 E Street SW, Washington, DC

20423–0001, or to PRA@stb.gov. When submitting comments, please refer to “Paperwork Reduction Act Comments, Report of Fuel Cost, Consumption, and Surcharge Revenue.” For further information regarding this collection, contact Mike Higgins at (866) 254–1792 (toll-free) or 202–245–0238, or by emailing rcpa@stb.gov. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1–800–877–8339.

SUPPLEMENTARY INFORMATION: Comments are requested concerning: (1) the accuracy of the Board’s burden estimates; (2) ways to enhance the quality, utility, and clarity of the information collected; (3) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate; and (4) whether the collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility. Submitted comments will be summarized and included in the Board’s request for OMB approval.

Description of Collection

Title: Report of Fuel Cost, Consumption, and Surcharge Revenue.

OMB Control Number: 2140–0014.

STB Form Number: None.

Type of Review: Extension without change.

Respondents: Class I [large] railroads.

Number of Respondents: Six.

Estimated Time per Response: One hour.

Frequency: Quarterly.

Total Burden Hours (annually including all respondents): 24.

Total “Non-Hour Burden” Cost: None identified. Filings are submitted electronically to the Board.

Needs and Uses: Under 49 U.S.C. 10702, the Board has the authority to address the reasonableness of a rail carrier’s practices. This information collection permits the Board to monitor the current fuel surcharge practices of the Class I carriers. Failure to collect this information would impede the Board’s ability to fulfill its statutory responsibilities. The Board has authority to collect information about rail costs and revenues under 49 U.S.C. 11144 and 11145.

The Board makes this submission because, under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR

1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency’s submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Dated: June 10, 2026.

Regena Smith-Bernard,

Clearance Clerk.

[FR Doc. 2026–11894 Filed 6–11–26; 8:45 am]

BILLING CODE 4915–01–P

SURFACE TRANSPORTATION BOARD

60-Day Notice of Intent To Seek Extension of Approval of Collection: Rail Depreciation Studies

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Surface Transportation Board (STB or Board) gives notice of its intent to seek approval from the Office of Management and Budget (OMB) for an extension of the collection of Rail Depreciation Studies, described below.

DATES: Comments on this information collection should be submitted by August 11, 2026.

ADDRESSES: Direct all comments to Chris Oehrle, PRA Officer, Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001, or to PRA@stb.gov. When submitting comments, please refer to “Paperwork Reduction Act Comments, Rail Depreciation Studies.” For further information regarding this collection, contact Pedro Ramirez at (202) 245–0333 or pedro.ramirez@stb.gov. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877–8339.

SUPPLEMENTARY INFORMATION: Comments are requested concerning each collection as to (1) whether the particular collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility; (2) the accuracy of the Board’s burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on the respondents,

including the use of automated collection techniques or other forms of information technology, when appropriate. Submitted comments will be included and summarized in the Board’s request for OMB approval.

Subjects: In this notice, the Board is requesting comments on the extension of the following information collection:

Description of Collection

Title: Rail Depreciation Studies.

OMB Control Number: 2140–0028.

Form Number: None.

Type of Review: Extension without change.

Respondents: Class I railroads.

Number of Respondents: Six.

Estimated Time per Response:

Approximately 250 hours per study (estimating that studies will require between 125 hours and 375 hours depending on the extent to which the carrier provides assistance to outside consultants performing the study for them.)

Frequency of Response: Bi-annual. (Under 49 CFR part 1201, §§ 4–1 to 4–4, the Board requires all Class I (large) carriers to submit depreciation studies no less than every three years for equipment property and every six years for road property. That means that for any given six-year period, the Class I railroads must submit no less than three depreciation reports, or the equivalent of 0.5 depreciation reports per year.)

Total Annual Hour Burden: 750 hours (250 hours × 0.5 studies/year × 6 Class I railroads).

Total Annual “Non-Hour Burden”

Cost: Approximately \$180,000 per year. Board staff estimates that each study will cost between \$20,000 and \$100,000, which equals a cost of approximately \$10,000–\$50,000 per year. Using an average cost (\$30,000 per year × 6 Class I railroads), the non-hour burden cost is estimated to be approximately \$180,000 per year.

Needs and Uses: Under 49 CFR part 1201, §§ 4–1 to 4–4, the Board is required to identify those classes of property for which rail carriers may include depreciation charges under operating expenses, and the Board must also prescribe a rate of depreciation that may be charged to those classes of property. Under 49 U.S.C. 11145, Class I rail carriers are required to submit Depreciation Studies to the Board. Information in these studies is not available from any other source. The Board uses the information in these studies to prescribe depreciation rates. These depreciation rate prescriptions state the period for which the depreciation rates therein are applicable. Class I railroads apply the

prescribed depreciation rates to their investment base to determine monthly and annual depreciation expense. This expense is included in the railroads' operating expenses, which are reported in their R-1 reports (OMB Control Number 2140-0009). Operating expenses are used to develop operating costs for application in various proceedings before the Board, such as in rate reasonableness cases and in the determination of railroad "revenue adequacy."

Under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency's submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Information from certain schedules contained in these reports is available at the Board's website at www.stb.gov by navigating to "Reports & Data" and clicking on "Economic Data." Information in these reports is not available from any other source.

Dated: June 10, 2026.

Jeffrey Herzig,
Clearance Clerk.

[FR Doc. 2026-11903 Filed 6-11-26; 8:45 am]

BILLING CODE 4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36938]

Delaware and South Branch Railroad, LLC—Lease and Change of Operator Exemption—Black River & Western Corp. d/b/a Black River & Western Railroad, and Belvidere & Delaware River Railway Company, Inc.

Delaware and South Branch Railroad, LLC (DSBR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease from Black River & Western Corp. d/b/a Black River & Western Railroad (BRW), and Belvidere & Delaware River Railway Company, Inc. (BDR), and operate approximately 31.91 miles of rail line: (1) a 16.2-mile BRW rail line from milepost 0.0 at Lambertville, N.J., to milepost 16.2 at the connection with Norfolk Southern

Railway Company at Three Bridges, N.J.; and (2) an approximately 15.71-mile BDR rail line from milepost 50.6 at Philippsburg, N.J., to milepost 34.89 at Alexandria Creek, N.J. (the Line).¹

BDR currently leases and operates an approximately 10-mile portion of the Line from milepost 6.2 at Ringoes, N.J., to milepost 16.2 at Three Bridges (the Three Bridges Segment). According to the verified notice, DSBR, BRW and BDR have reached an agreement pursuant to which DSBR will lease and operate the Line, including replacing BDR as the lessee and operator on the Three Bridges Segment. The verified notice states that BDR will cease all common carrier operations on the Line upon DSBR's assumption of the leasehold operations. This transaction is related to a concurrently filed verified notice of exemption in Kean Burenga & Chesapeake & Delaware, LLC—Continuance in Control Exemption—Delaware & South Branch Railroad, LLC, Docket No. FD 36939, in which Kean Burenga and Chesapeake and Delaware, LLC, seek to continue in control of DSBR upon DSBR's becoming a Class III rail carrier.

DSBR certifies that its projected annual revenues from this transaction will not result in its becoming a Class I or Class II rail carrier and are not expected to exceed \$5 million. DSBR also certifies that the transaction does not involve any provision or agreement that may limit future interchange with a third-party connecting carrier.

Under 49 CFR 1150.32(b), a change in operator requires that notice be given to shippers. DSBR certifies that it has notified all customers on the Three Bridges Segment of the proposed change in operator.

The transaction may be consummated on or after June 28, 2026, the effective date of the exemption (30 days after the verified notice was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed by June 18, 2026 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36938, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must

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be served on DSBR's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to DSBR, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: June 9, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Stefan Rice,
Clearance Clerk.

[FR Doc. 2026-11833 Filed 6-11-26; 8:45 am]

BILLING CODE 4915-01-P

SURFACE TRANSPORTATION BOARD

60-Day Notice of Intent To Seek Extension of Approval of Collection: Arbitration "Opt-In" Notices

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Surface Transportation Board (STB or Board) gives notice of its intent to seek approval from the Office of Management and Budget (OMB) for an extension of the collection of Arbitration "Opt-in" Notices, described below.

DATES: Comments on this information collection should be submitted by August 11, 2026.

ADDRESSES: Direct all comments to Chris Oehrle, PRA Officer, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, or to PRA@stb.gov. When submitting comments, please refer to "Paperwork Reduction Act Comments, Arbitration 'Opt-In' Notices." For further information regarding this collection, contact Mike Higgins at (866) 254-1792 (toll-free) or 202-245-0238, or by emailing rcpa@stb.gov. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Comments are requested concerning each collection as to (1) whether the particular collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility; (2) the accuracy of the Board's burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to

minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate. Submitted comments will be included and summarized in the Board's request for OMB approval.

Description of Collection

Title: Arbitration "Opt-in" Notices.

OMB Control Number: 2140-0020.

Form Number: None.

Type of Review: Extension without change.

Respondents: All regulated rail carriers.

Number of Respondents: One.

Estimated Time per Response: 0.5 hours.

Frequency: Annually.

Total Burden Hours (annually including all respondents): 0.5 hours.

Total "Non-Hour Burden" Cost: None identified. Filings are submitted electronically to the Board.

Needs and Uses: Under 49 CFR 1108.3, rail carriers subject to the Board's jurisdiction may agree to participate in the Board's arbitration program by filing a notice with the Board to "opt in." Once a rail carrier is participating in the Board's arbitration program, it may discontinue its participation only by filing a notice to "opt out" with the Board, which would become effective 90 days after its filing.

The Board makes this submission because, under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency's submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Dated: June 10, 2026.

Jeffrey Herzig,
Clearance Clerk.

[FR Doc. 2026-11902 Filed 6-11-26; 8:45 am]

BILLING CODE 4915-01-P

SURFACE TRANSPORTATION BOARD

60-Day Notice of Intent To Seek Extension of Approval of Collection: Dispute Resolution Procedures Under the Fixing America's Surface Transportation Act

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Surface Transportation Board (STB or Board) gives notice of its intent to seek approval from the Office of Management and Budget (OMB) for an extension of the collection of "FAST Act" Dispute Resolution Procedures, as described below.

DATES: Comments on this information collection should be submitted by August 11, 2026.

ADDRESSES: Direct all comments to Chris Oehrle, Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001, or to PRA@stb.gov. When submitting comments, please refer to "Paperwork Reduction Act Comments, FAST Act Dispute Resolution Procedures." For further information regarding this collection, contact Michael Higgins, Deputy Director, Office of Public Assistance, Governmental Affairs, and Compliance (OPAGAC), at (866) 254-1792 (toll-free) or 202-245-0238, or by emailing to rcpa@stb.gov. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION: Comments are requested concerning: (1) the accuracy of the Board's burden estimates; (2) ways to enhance the quality, utility, and clarity of the information collected; (3) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate; and (4) whether the collection of information is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility. Submitted comments will be summarized and included in the Board's request for OMB approval.

Description of Collection

Title: FAST Act Dispute Resolution Procedures.

OMB Control Number: 2140-0036.

STB Form Number: None.

Type of Review: Extension without change.

Respondents: Parties seeking the Board's informal assistance under Fixing America's Surface Transportation Act, Public Law 114-94 (signed Dec. 4, 2015) (FAST Act).

Number of Respondents: One.

Estimated Time per Response: Two hours.

Frequency: On occasion.

Total Burden Hours (annually including all respondents): Two hours (estimated hours per response (1) × total number of responses (1)).

Total Annual "Non-Hour Burden" Cost (such as start-up and mailing costs): There are no non-hourly burden costs for this collection.

Needs and Uses: Title XI of the FAST Act, entitled "Passenger Rail Reform and Investment Act of 2015," gives the Board jurisdiction to resolve cost allocation and access disputes between the National Railroad Passenger Corporation (Amtrak), the states, and potential non-Amtrak operators of intercity passenger rail service. The FAST Act directs the Board to establish procedures for the resolution of these disputes, "which may include the provision of professional mediation services." 49 U.S.C. 24712(c)(2), 24905(c)(4). Under 49 CFR 1109.5, the Board provides that parties to a dispute involving the State-Sponsored Route Committee or the Northeast Corridor Committee may, by a letter submitted to OPAGAC, may request the Board's informal assistance in securing outside professional mediation services. The letter shall include a concise description of the issues for which outside professional mediation services are sought. The collection by the Board of these request letters enables the Board to meet its statutory duty under the FAST Act.

The Board makes this submission because, under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency's submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Dated: June 10, 2026.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2026–11900 Filed 6–11–26; 8:45 am]

BILLING CODE 4915–01–P

SURFACE TRANSPORTATION BOARD

[Docket No. MCF 21149]

Reliant Transportation Group, LLC, TIP MNC Acquisition, LLC, TIP MN Investments LP, and Tiger Infrastructure Partners Fund IV AIV LP—Acquisition of Control—Southwest Coaches, Inc. and Minnesota Motor Bus, Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice tentatively approving and authorizing finance transaction.

SUMMARY: On May 13, 2026, Reliant Transportation Group, LLC (Reliant); TIP MNC Acquisition, LLC; TIP MN Investments LP; and Tiger Infrastructure Partners Fund IV AIV LP (collectively, Applicants) filed an application seeking authority to acquire, from Thomas L. Hey and James A. Hey (collectively, Sellers), control of two federally regulated interstate passenger motor carriers: Southwest Coaches, Inc. (Southwest Coaches), and Minnesota Motor Bus, Inc. (Minnesota Motor Bus) (collectively, Additional Carriers). The Board is tentatively approving and authorizing the proposed transaction. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments may be filed by July 27, 2026. If any comments are filed, Applicants may file a reply by August 11, 2026. If no opposing comments are filed by July 27, 2026, this notice shall be effective on July 28, 2026.

ADDRESSES: Comments, referring to Docket No. MCF 21149, may be filed with the Board either via e-filing on the Board's website or in writing addressed to: Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001. In addition, send one copy of comments to Applicants' representative: Edward Fishman, Hogan Lovells US LLP, Columbia Square, 555 Thirteenth Street NW, Washington, DC 20004–1109.

FOR FURTHER INFORMATION CONTACT:

Amanda Gorski at (202) 915–8453. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245–0245.

SUPPLEMENTARY INFORMATION: Reliant, a Delaware limited liability company headquartered in Hastings, Minn., seeks Board authority to acquire control of the Additional Carriers by purchasing 100%

of the equity interests from Sellers. (Appl. 2–3.) According to the application, Reliant is a noncarrier company that was formed to own, operate, and manage various motor carriers of passengers and related companies. (*Id.* at 3.)¹ Applicants state that Reliant does not itself conduct regulated motor carrier operations and that it is owned and controlled, through a series of noncarrier holding companies, by several investment entities associated with Tiger Infrastructure Partners LP. (*Id.* at 2–3; *id.*, Ex. 2.)² The application states that at the top of the ownership chain is Tiger Infrastructure Partners Fund IV AIV LP, which owns 100% of TIP MN Investments, LP, which in turn owns 100% of TIP MNC Acquisition, LLC (collectively, Tiger Infrastructure Investment Entities). (*Id.* at 3.)³ TIP MNC Acquisition, LLC owns 73.56% of MNC Holdings, LP, which owns 100% of MNC Intermediate Holdings, LLC, which owns 100% of MNC Parent, LLC, which in turn owns 100% of Reliant (collectively, Intermediate Holding Companies). (*Id.*)

According to the application, Tiger Infrastructure Partners LP is a private equity infrastructure investment firm founded in 2010 that is focused on growth equity investments across transportation, digital infrastructure, and energy transition sectors in North America and Europe. (*Id.* at 3–4.) In January 2025, the Board approved Tiger Infrastructure Investment Entities' indirect acquisition of control of seven interstate motor carriers of passengers through the Intermediate Holding

Companies.⁴ See *TIP Minn. Coaches*, MCF 21127, slip op. at 1; (Appl. 4).⁵

Pursuant to that transaction, Reliant is the owner of these seven federally regulated interstate motor carriers of passengers (collectively, Affiliated Carriers).⁶ The Affiliated Carriers collectively provide a combination of school transportation services and motorcoach charter services throughout Minnesota and certain neighboring states. (Appl. 4, 15.) The Affiliated Carriers are:

- Marshall Line, LLC (Marshall Line), which operates solely as a provider of school bus transportation services, both under its legal name as well as the assumed name Mid-County Bus Company. Its services consist of regular route, general, and special education transportation for school districts, as well as school bus charter services supporting extracurricular activities and special events. While Marshall Line occasionally conducts charter trips that cross state lines into Wisconsin or other neighboring states, these interstate movements are incidental and limited when compared to the company's predominantly intrastate operations within Minnesota. Marshall does not engage in motorcoach operations, (*id.* at 5);

- Reliant Motorcoaches, LLC (Reliant Motorcoaches) (operating in its name and through the assumed names Hasting Bus Company, Big River Bus, and Big River Tours), which provides school bus transportation services and motorcoach services on a charter and contract basis. Reliant Motorcoaches conducts general and special education transportation for school districts on a regular schedule

⁴ The application states that “the [Board] approved Tiger Infrastructure [LP]’s indirect acquisition of control of” the seven motor carriers. (Appl. 4.) Tiger Infrastructure Partners LP was not one of the applicants in *TP Minn. Coaches*, Docket No. MCF 21127, though its affiliation was referenced in the application in that docket. See Appl. 3, Dec. 9, 2024, *TP Minn. Coaches*, MCF 21127. The Board understands Applicants’ statement to refer to the fact that the seven motor carriers were brought under the indirect control of the Tiger Infrastructure Investment Entities.

⁵ Applicants state that Reliant was formerly named MNC Transportation, LLC and in the *TP Minn. Coaches* docket was “referred to as Minnesota Borrower, LLC.” (Appl. 4); see also *TP Minn. Coaches*, MCF 21127, slip op. at 3–5 (referring to Reliant as “MNC Borrower, LLC”). According to Applicants, these changes were the result of a corporate reorganization after closing of the transactions approved in *TP Minn. Coaches*. (*Id.*)

⁶ According to the application, as part of the post-closing reorganization, the acquired motor carriers were converted from corporations to limited liability companies. (Appl. 4–5 n.1.) Additionally, Minnesota Coaches, Inc., was renamed Reliant Motorcoaches, LLC, and Voyageur Bus Company, Inc., was renamed Reliant Student Transport, LLC, but there were no other changes in ownership or control. (*Id.*)

¹ Applicants filed a supplement containing a missing verification from the Sellers on June 3, 2026.

² The application includes a chart showing Applicants’ corporate structure and ownership (Corporate Structure Chart), that appears to identify Tiger Infrastructure Partners LP as “Tiger Infrastructure Associates GP LP.” (Appl., Ex 2.)

³ The Corporate Structure Chart included with the application shows “Tiger Infrastructure Associates GP LP” to be above Tiger Infrastructure Partners Fund IV AIV LP (identified as “Tiger Infrastructure Partners Fund AIV” in the chart), though with the notation “[n]on-economic.” (Appl., Ex 2.) In a prior docket involving the Tiger Infrastructure corporate family, it was stated that Tiger Infrastructure Partners Fund IV AIV LP is “managed by” Tiger Infrastructure Associates GP LP. See *TIP Minn. Coaches Acquis. LLC—Acquis. of Control—Marshall Line, Inc.* (*TIP Minn. Coaches*), MCF 21127, slip op. at 2 n.1 (STB served Jan. 8, 2025).

and also provides charter services for school-related activities using a mixed fleet that includes school buses and motorcoaches. Within the company's motorcoach business, roughly half of motorcoach mileage is travelled within Minnesota. Out-of-state motorcoach mileage is concentrated primarily in nearby states, including Wisconsin and Iowa, with more limited operations in Illinois and Missouri, and occasional longer-distance trips driven by customer demand. Reliant Motorcoaches does not operate regularly scheduled motorcoach routes, (*id.* at 6–8);

- Rehbein Transit Co., LLC (Rehbein Transit), which operates exclusively as a school bus transportation provider. Its operations consist of regular-route, general, and special education transportation for school districts, together with limited school bus charter services supporting extracurricular and special activities. Interstate operations are rare and limited to occasional charter trips into Wisconsin or other neighboring states, with the overwhelming majority of service conducted within Minnesota. Rehbein Transit does not conduct motorcoach services, (*id.* at 8–9);

- Faribault Transportation Service, LLC (FTS), operates exclusively as a provider of school bus transportation services. Its operations include regular-route, general, and special education transportation, as well as school bus charter services for extracurricular activities and special events. Interstate service occurs only occasionally, typically involving charter trips into Wisconsin or other nearby states, and is minimal relative to the company's intrastate operations within Minnesota. FTS does not offer motorcoach services, (*id.* at 9–10);

- Reliant Student Transport, LLC (Reliant Student Transport), which provides school bus transportation services and motorcoach services on a charter and contract basis. Its school transportation services include general and special education routes and charter operations supporting school-related activities, using both school buses and motorcoaches. Interstate operations are limited and occur primarily in connection with selected school-related activities involving neighboring states, most commonly Wisconsin. Reliant Student Transport also provides motorcoach charter and contract services for universities, athletic programs, and other institutional or private customers, as well as event-specific charters. Longer-distance trips occur on occasion in response to customer demand, generally favoring states geographically proximate to

Minnesota. Reliant Student Transport does not operate regularly scheduled motorcoach routes, (*id.* at 11–12);

- Minn-Dakota Coaches, LLC (Minn-Dakota), which provides school bus transportation services and motorcoach charter services. School transportation services include regular-route, general, and special education transportation, along with school charter services. Interstate service is limited and typically involves occasional trips into neighboring states, particularly North Dakota, based on school or customer needs. With respect to motorcoach operations, approximately half of Minn-Dakota's total motorcoach mileage is conducted within Minnesota. Interstate mileage is concentrated in nearby states, particularly North Dakota and South Dakota, with more limited operations in Iowa and Wisconsin, and occasional longer-distance charter activity. Minn-Dakota does not operate regularly scheduled motorcoach routes, (*id.* at 12–13); and

- Ready Bus Company, LLC (Ready Bus), which provides school bus transportation services and motorcoach charter services. Its services include general and special education transportation, school bus charter services for extracurricular activities, and charter motorcoach services for institutional and private customers. Interstate transportation occurs on a limited basis and generally involves travel between Minnesota and neighboring states, particularly Wisconsin. Ready Bus also provides motorcoach charter and contract services for universities, athletic programs, and private events throughout Minnesota, Wisconsin, and surrounding states. Ready Bus does not operate regularly scheduled motorcoach routes, (*id.* at 14).

Each Affiliated Carrier operates as a separate legal entity and holds its own operating authority issued by the Federal Motor Carrier Safety Administration (FMCSA). (*Id.* at 4–5.) Although the Affiliated Carriers are indirectly owned through common holding companies associated with Tiger Infrastructure LP (*i.e.*, the Tiger Infrastructure Investment Entities and Intermediate Holding Companies), Applicants state that they generally operate in distinct geographic service areas, maintain separate management teams, and retain their existing operating authorities, terminals, fleets, and customer relationships. (*Id.* at 16.)⁷

⁷ Additional information about these motor carriers, including U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (Appl. 5–15.)

According to the application, if the proposed transaction is approved, Reliant will acquire 100% of the issued and outstanding equity interests of Southwest Coaches and Minnesota Motor Bus from Sellers pursuant to a Stock Purchase Agreement dated May 13, 2026. (*Id.* at 21.) Applicants state that the Sellers are not motor carriers in their individual capacities and do not hold FMCSA operating authority. (*Id.* at 16.) Applicants further state that Sellers each own 50% of Southwest Coaches and 50% of Minnesota Motor Bus and jointly control each carrier. (*Id.*) According to Applicants, Sellers acquired Southwest Coaches in February 2000. (*Id.* at 17.) Applicants further state that Sellers acquired control of Minnesota Motor Bus in December 2010 and have operated the company jointly since that time.⁸ (*Id.*)

Following closing of the proposed transaction, Applicants state that they will obtain control of both Additional Carriers, which will continue to operate under their existing FMCSA operating authorities. (*Id.* at 21.)

Applicants describe Southwest Coaches as a Minnesota corporation with its principal place of business in Marshall, Minn. (*Id.* at 19.) Southwest Coaches operates as an interstate motor carrier of passengers and holds interstate operating authority issued by the FMCSA (MC No. 140554; U.S. DOT No. 153686). (*Id.* at 19–20.)⁹ According to Applicants, Southwest Coaches provides school transportation services under contract to the Marshall, Minn. school district, including regular and special education routes and extracurricular trips, as well as charter services for educational institutions and universities, private events (including weddings and similar events), and coach travel tours. (*Id.* at 20.) The application states that Southwest Coaches serves customers primarily in Minnesota, North Dakota, and South Dakota, but operates trips in other states

⁸ Applicants note that Sellers, in an application filed with the Board on March 6, 2026, sought after-the-fact approval of their 2010 acquisition of control of Minnesota Motor Bus. (Appl. 17.) The Board tentatively approved the application on April 3, 2026. *Thomas L. Hey—Acquis. of Control—Minn. Motor Bus*, MCF 21145 (STB served Apr. 3, 2026). No opposing comments were filed by the May 18, 2026 deadline, and the Board's approval therefore became effective the following day. Applicants state that they prepared their application in this matter as if Sellers' acquisition of control of Minnesota Motor Bus had received final Board approval. (Appl. 17.)

⁹ According to the application, neither of the Additional Carriers being acquired have intrastate operating authority from the Minnesota Department of Transportation, as Sellers believe such authority is not required due to the nature of their operations. (Appl. 18, 20.)

as customer needs require. (*Id.*) Applicants state that Southwest Coaches' customer base is comprised of approximately 30% from Marshall School District service, 30% from universities, 35% from tour companies, and 5% from youth groups. (*Id.* at 20–21.) Southwest Coaches operates a fleet of eight motorcoaches and 34 school buses, and has approximately 55 employees, including approximately 45 drivers and ten other employees. (*Id.* at 21.)

Applicants describe Minnesota Motor Bus as a Minnesota corporation, with its principal place of business in Fairmont, Minn., operating as an interstate motor carrier of passengers and holding interstate operating authority issued by the FMCSA (MC No. 764429; U.S. DOT No. 209770). (*Id.* at 17–18.)¹⁰ Minnesota Motor Bus primarily provides school transportation service under contract to the Fairmont, Minn. school district, including general and special education transportation to-and-from school on regular routes, and charter trips for extracurricular activities and special events. (Appl. 18.) According to Applicants, Minnesota Motor Bus also provides charter bus service for university and youth groups for sporting events and similar activities within Minnesota and across state lines, primarily into Iowa and South Dakota. (*Id.* at 19.) Applicants state that Minnesota Motor Bus's customer base is comprised of approximately 40% from the Fairmont school district service, approximately 40% from charter service to universities in the Fairmont service area, and approximately 20% from charter service to youth groups in the Fairmont service area. (*Id.*) Minnesota Motor Bus operates a fleet that includes two motorcoaches and 22 school buses in addition to approximately five smaller buses and four vans that transport preschool and special needs students. (*Id.* at 18.) It operates primarily from its Fairmont, Minn. terminal and also has terminals in Northrup and Ceylon, Minn. (*Id.* at 19.) Minnesota Motor Bus employs approximately 30 drivers and has approximately 31 total employees. (*Id.*)

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least (1) the effect of the proposed transaction on the adequacy of transportation to the public, (2) the total fixed charges resulting from the proposed transaction, and (3) the interest of affected carrier employees. Applicants have submitted the

information required by 49 CFR 1182.2, including information demonstrating that the transaction is consistent with the public interest under 49 U.S.C. 14303(b), *see* 49 CFR 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during a consecutive 12-month period ending not more than six months before the date of the agreement of the parties, *see* 49 CFR 1182.2(a)(5). (Appl. 22–27.)

Applicants do not expect that the proposed transaction will adversely affect the adequacy of transportation to the public, or that it will result in any material reduction in competition among interstate motor carriers. (*Id.* at 24.) They state that Southwest Coaches and Minnesota Motor Bus will continue to operate as separate legal entities, providing substantially the same school transportation and charter services that they provide today, under existing contracts, operating authorities, and management structures. (*Id.*) Applicants further assert that they do not intend to consolidate routes, modify existing service patterns, discontinue service, or redirect equipment or personnel as a result of the proposed transaction. (*Id.*)

Additionally, Applicants state that the services provided by Southwest Coaches and Minnesota Motor Bus do not materially overlap with Reliant's existing Affiliated Carriers. (*Id.*) Applicants assert that the Affiliated Carriers operate primarily in distinct, localized geographic service areas within Minnesota, serve different school districts and institutional customers, and conduct operations pursuant to separate contracts, terminals, fleets, and operating authorities. (*Id.*) Applicants further state that school transportation services, which constitute a significant portion of operations for many of the Affiliated Carriers, are inherently contract-specific and district-based, with routes designed exclusively to serve discrete school districts under long-term contractual arrangements. (*Id.*) As a result, Applicants claim these routes are not transferable or interchangeable across carriers and do not compete directly with one another. (*Id.*)

Applicants state that Southwest Coaches operates primarily in southwestern Minnesota, with its core school transportation services provided under contract to the Marshall School District and related charter activity serving institutions and private customers in Minnesota, North Dakota, and South Dakota. (*Id.* at 25.) Additionally, Minnesota Motor Bus operates almost exclusively in the

Fairmont, Minn. region, where it has provided school transportation services to the Fairmont Area School District for decades and conducts a limited number of charter trips, primarily into Iowa and South Dakota. (*Id.*) According to Applicants, none of Reliant's Affiliated Carriers serve the Marshall or Fairmont school districts, nor do they operate school transportation routes in those communities. (*Id.*)

Applicants also argue that to the extent that multiple carriers under common ownership provide motorcoach charter services, those services are customer-driven, irregular, and geographically unique, rather than route-based or scheduled. (*Id.*) They also note that charter trips are performed pursuant to individual customer requests and vary by destination, duration, and frequency. (*Id.*) According to Applicants, the Affiliated Carriers' charter operations are concentrated in different regions of Minnesota and are typically marketed and performed through longstanding local customer relationships, and their interstate charter trips are typically conducted in Wisconsin. (*Id.*) Applicants state that Southwest Coaches' and Minnesota Motor Bus's charter activities rely on separate customer bases, do not operate in Wisconsin (and instead typically operate in the Dakotas and Iowa) and do not involve the operation of regularly scheduled routes that could be consolidated or eliminated as a result of common ownership. (*Id.*)

Moreover, Applicants state that each carrier will continue to maintain separate operating authorities, terminals, fleets, safety programs, and management teams. (*Id.* at 26.) Applicants assert that the common ownership structure is designed to preserve the independent operation of each carrier, while providing access to long-term capital and financial stability, and that it is not intended to facilitate operational integration or the coordination of pricing or service offerings. (*Id.*)

Finally, even within the limited markets in which Applicants' carriers operate, Applicants argue that they face substantial competition from a wide range of other transportation providers, including local and regional bus operators, national charter providers, and alternative modes of transportation such as private motor vehicles, airlines, and intercity rail. (*Id.*) Applicants state that customers, particularly school districts and institutional clients, typically select providers through competitive procurement processes or negotiated contracts and retain the

¹⁰ See *supra* note 9.

ability to change providers upon contract expiration. (*Id.*) Accordingly, Applicants contend that the proposed transaction will not foreclose competition or impair customer choice. (*Id.*) For these reasons, Applicants maintain that the proposed transaction will preserve the adequacy of transportation services, will not result in any anticompetitive consolidation of routes or services, and is fully consistent with the public interest standard under 49 U.S.C. 14303(b). (*Id.*)

With respect to total fixed charges, Applicants anticipate financing the cost of the proposed transaction with a combination of current available funds and equity capital. (*Id.*) Applicants do not expect that any resulting fixed charges will adversely affect the Additional Carriers' ability to continue to provide safe and quality transportation service, given the stability of their contractual school transportation operations and continuing charter operations. (*Id.* at 26–27.) Applicants explain that, first, each of the Additional Carriers has a very stable revenue stream from contracts with school districts, universities, and other institutional entities, which should be more than adequate to service existing and anticipated future debt. (*Id.* at 27.) And, second, the proposed transaction will enable the Additional Carriers to maintain future financial stability through access to considerable funds from Tiger Infrastructure LP and its affiliates. (*Id.*)

With respect to employee interests, Applicants state that the proposed transaction is not expected to have any material adverse effect on employees or labor conditions. (*Id.*) They further state that they have no current plans for employee layoffs or staffing reductions, and do not anticipate adverse changes to wages, benefits, or working conditions as a result of the proposed transaction. (*Id.*)

Based upon Applicants' representations, the Board finds that the proposed transaction, as described in the application, is consistent with the public interest. The application will be tentatively approved and authorized. If any opposing comments are timely filed, these findings will be deemed vacated, and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR 1182.6. If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action in this proceeding.

This action is categorically excluded from environmental review under 49 CFR 1105.6(c).

Board decisions and notices are available at www.stb.gov.

It is ordered:

1. The transaction is approved and authorized, subject to the filing of opposing comments.
2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.
3. This notice will be effective July 28, 2026, unless opposing comments are filed by July 27, 2026. If any comments are filed, Applicants may file a reply by August 11, 2026.
4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue NW, Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue SE, Washington, DC 20590.

5. This notice will be published in the **Federal Register**.

Decided: June 9, 2026.

By the Board, Board Members Fuchs, Hedlund, Kloster, and Schultz.

Tammy Lowery,
Clearance Clerk.

[FR Doc. 2026–11832 Filed 6–11–26; 8:45 am]

BILLING CODE 4915–01–P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36939]

Kean Burenga and Chesapeake and Delaware, LLC—Continuance in Control Exemption—Delaware and South Branch Railroad, LLC

Kean Burenga (Burenga) and Chesapeake and Delaware, LLC (CAD), each a noncarrier, have filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of Delaware and South Branch Railroad, LLC (DSBR), upon DSBR's becoming a Class III rail carrier. According to the verified notice, CAD controls three Class III rail carriers operating in the state of New Jersey.¹ The verified notice states that Burenga collectively controls five Class III rail carriers operating in the state of New Jersey.² According to the

¹ The CAD Class III railroads are: (1) Dover and Rockaway River Railroad, LLC (DRRV); (2) Dover and Delaware River Railroad, LLC (DDRR); and (3) Delaware and Raritan River Railroad, LLC (DRRR) (collectively, the CAD Railroads).

² The Burenga Class III railroads are: (1) Belvidere & Delaware River Railway Company, Inc. (BDR); (2)

verified notice, CAD controls DSBR, while Burenga has specific ownership and managements interests in DSBR and the CAD Railroads. Specifically, the verified notice states that Burenga serves as the Chief Project Officer of CAD, holds a 25% membership interest in CAD, and sits on its Board of Directors.

This transaction is related to a concurrently filed verified notice of exemption in Docket No. FD 36938, *Delaware and South Branch Railroad, LLC—Lease & Change of Operator Exemption—Black River & Western Corp. d/b/a River & Western Railroad, and Belvidere & Delaware River Railway Company, Inc.*, in which DSBR seeks Board approval to lease from Black River & Western Corp. d/b/a Black River & Western Railroad (BRW) and Belvidere & Delaware River Railway Company, Inc. (BDR), and operate, approximately 31.91 miles of rail line: (1) a 16.2-mile BRW rail line from milepost 0.0 at Lambertville, N.J., to milepost 16.2 at the connection with Norfolk Southern Railway Company at Three Bridges, N.J.; and (2) an approximately 15.71-mile BDR rail line from milepost 50.6 at Philipsburg, N.J., to milepost 34.89 at Alexandria Creek, N.J.

Burenga and CAD represent that their control of DSBR upon DSBR's becoming a rail common carrier is not a transaction where: (1) DSBR would connect with any other Burenga Railroads; (2) Burenga or CAD plan to connect DSBR with any other Burenga Railroads, or to connect any of the Burenga Railroads to one another; or (3) a Class I carrier is involved. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Accordingly, because this transaction involves Class III rail carriers only, the Board may not impose labor protective conditions here.

The earliest this transaction may be consummated is June 28, 2026, the effective date of the exemption (corresponding with the effective date of the related exemption in Docket No. FD 36938). If the verified notice contains false or misleading information, the

Black River & Western Corp. d/b/a Black River & Western Railroad (BRW); (3) DRRR; (4) DRRV; and (5) DRRR (collectively, the Burenga Railroads).

exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(g) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed by June 18, 2026 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36939, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Burenga and CAD's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to Burenga and CAD, this action is excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: June 9, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Eden Besera,
Clearance Clerk.

[FR Doc. 2026-11831 Filed 6-11-26; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No.: FAA-2026-3840; Summary Notice No.—2026-16]

Petition for Exemption; Summary of Petition Received; NetJets Aviation, Inc.

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

ACTION: Notice.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number and must be received on or before July 2, 2026.

ADDRESSES: Send comments identified by docket number FAA-2026-3840 using any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov> and follow the online instructions for sending your comments electronically.

- *Mail:* Send comments to Docket Operations, M-30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12-140, West Building Ground Floor, Washington, DC 20590-0001.

- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590-0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- *Fax:* Fax comments to Docket Operations at (202) 493-2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to <http://www.regulations.gov>, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at <http://www.dot.gov/privacy>.

Docket: Background documents or comments received may be read at <http://www.regulations.gov> at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590-0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Marissa Tucholka, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591, at 202-267-9677.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC.

Dan A. Ngo,

Manager, Part 11 Petitions Branch, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA-2026-3840.

Petitioner: NetJets Aviation, Inc.

Sections of 14 CFR Affected:

§§ 135.269(b)(2), 135.269(b)(3), and 135.269(b)(4).

Description of Relief Sought: NetJets Aviation, Inc. petitions for exemption from 14 CFR 135.269(b)(2), 135.269(b)(3), and 135.269(b)(4) for BD-

700-2A12 operations to allow flights up to the maximum endurance of the aircraft of between 16 and 17 hours, with four pilots assigned, and a duty extension of one additional hour for a maximum of 21 hours to accommodate the extended flight time.

[FR Doc. 2026-11875 Filed 6-11-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

Hazardous Materials: Notice of Applications for New Special Permits

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: List of applications for special permits.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety has received the application described herein.

DATES: Comments must be received on or before July 13, 2026.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT:

Donald Burger, Director, Office of Hazardous Materials Safety Special Permits Program, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington, DC 20590-0001, (202) 366-4535.

SUPPLEMENTARY INFORMATION: Each mode of transportation for which a particular special permit is requested is indicated by a number in the "Nature of Application" portion of the table below as follows: (1) Motor vehicle, (2) Rail freight, (3) Cargo vessel, (4) Cargo aircraft only, (5) Passenger-carrying aircraft.

Copies of the applications are available for inspection in the Records Center, East Building, PHH-6, 1200

New Jersey Avenue Southeast,
Washington DC.

This notice of receipt of applications
for special permit is published in

accordance with part 107 of the Federal
hazardous materials transportation law
(49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on June 2, 2026.

Donald P. Burger,

Director, Special Permits Program.

SPECIAL PERMITS DATA

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
22284-N	Canadian Pacific Railway Company.	174.26(b)	To authorize the transportation in commerce of trains which do not fully meet the updated real-time train consist requirements of HM-263 through December 24, 2026. (mode 4).
22286-N	Energy Security Agency, Inc	173.185(f), 173.185(f)(3)	To authorize the transportation in commerce of damaged, defective, and recalled lithium batteries where more than one batter or cell may be contained within a single outer package. (mode 1).
22287-N	Energy Security Agency, Inc	173.185(f), 173.3(a), 173.21(c)	To authorize the transportation in commerce of electric vehicles (EV) with potentially damaged lithium batteries or DDR batteries within a specialized vehicle containment system. (mode 1).
22288-N	Commercial Transport Solutions Ltd.	172.201(a)(2), 172.204(a), 172.606(b), 177.817(a), 177.817(e), 177.817(e)(2)(ii).	To authorize the transportation in commerce of hazardous materials when using electronic shipping papers in lieu of paper copies via motor vehicle. (mode 1).
22289-N	Macdonald, Dettwiler and Associates Ltd.	173.301(f), 173.302a(a)(1)	To authorize the manufacture, mark, sale and use of a non-specification composite overwrapped pressure vessel for use in satellites. (mode 1).
22290-N	Ningbo Zhengxin Fire-Fighting Equipment Co., Ltd.	173.309(c), 173.309(c)(2)	To authorize the transportation in commerce of a fire extinguisher exceeding 18 liters which does not meet a DOT specification. (mode 1, 2, 3).
22292-N	Urban Outfitters, Inc	172.315(a)(2)	To authorize the transportation in commerce by road of packages containing limited quantities of hazardous materials with a reduced size limited quantity marking that is placed on the package tracking label, and without shipping papers. (mode 1).
22293-N	Canadian Pacific Railway Company.	174.26(b)	To authorize the transportation in commerce of rail freight during temporary cellular service interruptions that delay electronic updating of train consist information. (mode 2).
22295-N	CSX Transportation, Inc	174.26(b), 174.28(a)	To authorize the continued movement of hazardous material by rail prior to updating the electronic train consist information when there is a temporary inability to acquire a cellular signal. (mode 2).
22298-N	National Aeronautics and Space Administration.	173.301(a)(1), 173.309(a)	To authorize the transportation in commerce of a portable fire extinguisher (PFE) containing deionized water and nitrogen gas for possible use in government spaceflight operations. (modes 1, 4).
22299-N	Tanner Industries, Inc	178.71, 180.207	To authorize a five year visual requalification interval for ISO:4706:2008 cylinders in dedicated anhydrous ammonia service of at least 99.5% purity in lieu of a ten year hydrostatic testing interval. (mode 1).
22300-N	Norfolk Southern Railway Company.	174.26(b)	To authorize the transportation in commerce of rail freight during temporary cellular service interruptions that delay electronic updating of train consist information. (mode 2).
22302-N	Aerospacelab SA	173.21	To authorize the transportation in commerce of specially designed and approved tanks installed in a spacecraft propulsion system containing Division 2.2 compressed gas, and other hazardous materials. (modes 1, 4).
22304-N	Network Access Associates Limited.	171.23(a)(1), 171.23(a)(3), 172.101(j), 173.185(a)(1), 173.301(f), 173.302a(a)(1), 173.304a(a)(2).	To authorize the transportation in commerce of spacecraft containing certain Class 3, 9, 8 and Division 2.2 and 2.3 hazardous materials in non-specification packaging. (mode 1, 3, 4).
22305-N	Iwatani Corporation of America.	173.306(a)(1)	To authorize the transportation in commerce of 8-ounce non-refillable butane gas canisters as limited quantities when packaged in accordance with the gross weight limit of 30 kg per package. (mode 1).

SPECIAL PERMITS DATA—Continued

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
22307–N	Omni Composite Tank Limited.	107.503(b), 107.503(c), 172.102(c)(3), 173.241, 173.242, 173.243, 178.348–1, 178.345–1, 178.347–1.	To authorize the manufacture, mark, sale and use of non-DOT specification carbon fiber reinforced plastic (CFRP) cargo tanks, to be used in the assembly of cargo tank motor vehicles conforming to all applicable requirements for DOT specification 407/412 cargo tank motor vehicles, except as specified herein, for the transportation in commerce of the materials authorized by this special permit. (mode 1).

[FR Doc. 2026–11795 Filed 6–11–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

Hazardous Materials: Notice of Applications for Modification to Special Permits

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: List of applications for modification of special permits.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety

has received the application described herein.

DATES: Comments must be received on or before June 29, 2026.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comment(s) is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT:

Donald Burger, Director, Office of Hazardous Materials Safety Special Permits Program, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, East Building, PHH–6, 1200 New Jersey Avenue Southeast, Washington, DC 20590–0001, (202) 366–4535.

SUPPLEMENTARY INFORMATION: Each mode of transportation for which a particular special permit is requested is indicated by a number in the “Nature of Application” portion of the table below as follows: (1) Motor vehicle, (2) Rail freight, (3) Cargo vessel, (4) Cargo aircraft only, (5) Passenger-carrying aircraft.

Copies of the applications are available for inspection in the Records Center, East Building, PHH–6, 1200 New Jersey Avenue Southeast, Washington, DC or at <http://regulations.gov>.

This notice of receipt of applications for special permit is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on June 2, 2026.

Donald P. Burger,

Director, Special Permits Program.

SPECIAL PERMITS DATA

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
14782–M	Southern States, LLC	172.301(c), 173.304(a)	To modify the special permit to authorize additional packagings and to authorize transportation aboard cargo-only aircraft. (modes 1, 2, 3, 4).
14951–M	Hexagon Lincoln, LLC	173.301(f), 173.302(a)	To modify the special permit to authorize a new conversion rate and testing requirements. (modes 1, 2, 3).
21129–M	Northrop Grumman Systems Corp.	173.301, 173.302	To modify the special permit with the updated new part numbers. (mode 1).
21706–M	The Battery Network, Inc	172.102(c), 172.303(a), 172.401(a), 173.159(f), 173.159a(c)(2), 173.159a(d)(1).	To modify the special permit to authorize cargo and ferry vessels as additional modes of transportation. (modes 1, 2).
15343–M	Desert Air Transport, Inc	172.101(j), 173.242	To modify the special permit to authorize additional packaging designs. (mode 4).
22151–M	Zhejiang Rein Gas Equipment Co., Ltd.	178.71	To modify the special permit to authorize additional Class 2 materials and to remove requirements not applicable to Type II cylinders. (modes 1, 2, 3, 4).

[FR Doc. 2026–11794 Filed 6–11–26; 8:45 am]

BILLING CODE 4910–60–P

DEPARTMENT OF TRANSPORTATION**Pipeline and Hazardous Materials Safety Administration****Hazardous Materials: Notice of Actions on Special Permits**

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: Notice of actions on special permit applications.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety

has granted or denied the application described herein.

DATES: Comments must be received on or before July 13, 2026.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT:

Donald Burger, Director, Office of Hazardous Materials Safety Special Permits Program, Pipeline and Hazardous Materials Safety

Administration, U.S. Department of Transportation, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington, DC 20590-0001, (202) 366-4535.

SUPPLEMENTARY INFORMATION: Copies of the applications are available for inspection in the Records Center, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington, DC.

This notice of receipt of applications for special permit is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on June 02, 2026.

Donald P. Burger,
Director, Special Permits Program.

SPECIAL PERMITS DATA—GRANTED

Application No.	Applicant	Regulation(s) affected	Nature of the Special Permits thereof
10631-M	National Aeronautics and Space Administration.	.....	To modify the special permit to update the engineering documents in paragraph 7.a.
21193-M	KULR Technology Corporation.	.....	To modify the special permit to authorize transportation via vessel when other modes of transportation are not practicable.
21693-M	KULR Technology Corporation.	.....	To modify the special permit to authorize transportation via vessel when other modes of transportation are not practicable.
21849-M	Amazon.com, Inc .....	.....	To modify the special permit to authorize an additional hazardous material.
22064-M	Daicel Safety Systems (Thailand) Company Limited.	.....	To modify the special to authorize the transportation of a pressure vessel via cargo vessel.
22132-N	Dragonfly Energy Corp	172.101(j)	Applicant is requesting a permit to ship lithium-ion batteries weighing over 35 kilograms by cargo aircraft.
22143-N	Zhejiang Topflying Metal Packaging Co., Ltd.	173.304(d)	To authorize the manufacture, marking, sale and use of a non-DOT specification non-refillable inside container similar to a DOT specification 2Q container.
22151-N	Zhejiang Rein Gas Equipment Co., Ltd.	178.71	To authorize the manufacture, mark and sale of non-DOT specification cylinders manufactured in accordance with ISO 11515.
22181-N	The Research Foundation for The State University of New York.	173.199(a)(1)	To authorize the transportation in commerce of mice infected with a harmful pathogen (Division 6.2 material) using alternative containment.
22188-N	Arkedge Space Inc	173.185(e)	To authorize the transportation via air of a lithium ion battery that has not passed the testing required by the 38.3 UN Manual of Tests and Criteria.
22212-N	CSX Transportation, Inc	174.26	This special permit authorizes the use of electronic means to maintain and communicate on-board train consist and shipping paper information in lieu of paper documentation when hazardous materials are transported by rail.
22218-N	Lucid USA, Inc	173.185(a)(1), 173.220(d)	To authorize the transportation in commerce of low production and prototype lithium-ion battery modules, battery packs (UN 3480), and Vehicle, lithium ion battery powered and Battery-powered vehicles containing low production and prototype lithium-ion batteries.
22226-N	Heli-1 Corporation	172.101(j), 172.200, 172.204(c)(3), 172.301(c), 173.1, 173.27(b)(2), 175.30(a)(1), 175.75.	To authorize the transportation in commerce of certain hazardous materials in remote areas of the U.S. by 14 CFR Part 133 cargo-only aircraft (rotorcraft external load operations) in which hazardous materials are attached to or suspended from the aircraft without being subject to certain hazard communication requirements, quantity limitations, packaging and loading and storage requirements.

SPECIAL PERMITS DATA—GRANTED—Continued

Application No.	Applicant	Regulation(s) affected	Nature of the Special Permits thereof
22259-N	Honeywell Intellectual Properties Inc.	173.302a(a)(1)	To authorize the manufacture, mark, sale, and use of a non-DOT specification pressure vessel, similar to a DOT Specification 3HT cylinder, for the transportation in commerce of certain hazardous material.
22263-N	Space BD Inc	173.185(a)(1)	To authorize the transportation in commerce of prototype lithium ion batteries used in space applications which have not passed the criteria in Part III, Subsection 38.3 of the UN Manual of Tests and Criteria (mode 4).
22294-N	Rampart Aviation, LLC	172.101(j), 173.242	This special permit is being requested to transport certain Class 3 hazardous materials contained in non-DOT specification collapsible, rubber packagings aboard Cargo-Only aircraft, in remote areas of Alaska only when no other means of transportation is available.

SPECIAL PERMITS DATA—DENIED

Application No.	Applicant	Regulation(s) affected	Nature of the Special Permits thereof
21656-M	Rawhide Leasing Company LLC.	180.205(g)	To modify the special permit to authorize alternative re-qualification testing and to no longer require the grantee to be the owner of the cylinders.
22237-N	American Mobile Research, Inc.	49 CFR Part 173	To authorize the transportation in commerce of certain hazardous materials contained in alternative inner packagings.
22238-N	American Mobile Research, Inc.	49 CFR Part 173	To authorize the transportation in commerce of non-DOT specification packaging containing the hazardous materials authorized herein.

SPECIAL PERMITS DATA—WITHDRAWN

Application No.	Applicant	Regulation(s) affected	Nature of the Special Permits thereof
21414-M	Zero Motorcycles Inc	172.101, 173.185(b)(5)	To modify the special permit to authorize additional battery types.
22291-N	Government of Thailand, Royal Thai Navy.	172.101, 175.30(a)(1), 177.848(a), 177.848(f).	To authorize the transportation in commerce of explosives forbidden aboard cargo-only aircraft by cargo-only aircraft.
22297-N	Eagle Chem LLC	172.203(a), 172.302(c), 173.202, 173.203, 173.241, 173.242, 173.243, 177.834(h).	To authorize the discharge of hazardous materials in UN Intermediate Bulk Containers (IBC) without removing the IBC from the motor vehicle on which it is transported.

[FR Doc. 2026-11798 Filed 6-11-26; 8:45 am]

BILLING CODE 4910-60-P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities: Information Collection Revision; Comment Request; Licensing Manual

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 a revision to its information collection titled, "Licensing Manual."

DATES: Comments must be received by August 11, 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: 1557-0014, 400 7th Street SW, Suite 1E-216, Washington, DC 20219.

- *Hand Delivery/Courier:* 400 7th Street SW, Suite 1E-216, Washington, DC 20219.

- *Fax:* (571) 293-4835.

Instructions: You must include "OCC" as the agency name and "1557-0014" 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.

Following the close of this notice's 60-day comment period, the OCC will publish a second notice with a 30-day comment period. You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection 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 "1557-0014" or "Licensing Manual." 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, imposed on ten or more persons, that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of title 44 generally requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To

comply with this requirement, the OCC is publishing notice of the revision of this collection.

Title: Licensing Manual.

OMB Control No.: 1557-0014.

Type of Review: Regular.

Affected Public: Individuals; Businesses or other for-profit.

Description: The Licensing Manual sets forth the OCC's policies and procedures for the formation of a national bank or Federal branch or agency, entry into the Federal banking system by other institutions, and corporate expansion and structural changes by existing banks. The Licensing Manual includes sample documents to assist the applicant in understanding the types of information the OCC needs to process a filing. An applicant may use the format of the sample documents or any other format that provides sufficient information for the OCC to act on a particular filing. Applicants may also use the OCC's electronic filing system, the Central Application Tracking System (CATS).

The Licensing Manual's forms are being revised to make clarifying edits or reflect updates to department policies and procedures. The revisions have minimal impact to the information requested of applicants.

The following forms are being revised, added, or deleted:

Forms To Be Revised

Oaths of Bank Directors—Instructions
 Organization Certificate Charter
 Organization Certificate Conversion
 Public Notice and Instructions (Business Combinations)
 Publication Notice (Change in Bank Control)
 Public Notice Sample (Charters)
 Federal Branches and Agencies: Initial and Additional Establishments—Sample Public Notice
 Federal Branches and Agencies: Acquisitions—Sample Public Notice
 Federal Branches and Agencies: Relocations—Sample Public Notice
 Federal Branches and Agencies: Voluntary Liquidation—Sample Public Notice
 Application to Establish an Initial/Additional Federal Branch or Agency w/instructions
 Public Notice of Voluntary Liquidation
 Interagency Bank Merger Act Application
 Interagency Biographical and Financial Report
 Interagency Change in Bank Control
 Interagency Notice of Change in Director or Senior Executive Officer
 12 U.S.C. 1818(m) Investment Application
 Bank Service Company Notice

Equity Investment in Statutory
 Subsidiary After The Fact Notice
 Financial Subsidiary Application
 Financial Subsidiary Certification
 Financial Subsidiary Certification and Application
 Operating Subsidiary After the Fact Notice
 Operating Subsidiary Application
 Other Equity or Pass-Through Investments After the Fact Notice
 Other Equity or Pass-Through Investments Application
 Satisfaction of DPC After the Fact Notice
 Service Corporation Application
 Subsidiary Redesignation Notice
 Application for Charter and Bylaw Amendments
 Notice for Charter Bylaw Amendments
 Model Mutual FSA Bylaws
 Model Mutual FSA Charter
 Model Stock FSA Bylaws
 Model Stock FSA Charter
 National Bank Articles of Association
 Sample Customer Notice of Branch Closing
 Business Combination Application
 Checklist and Covered Agreements
 Consent Form for Background Investigations
 Branch and Relocation Application
 Main Office Relocation to Existing Branch Site w/in the Same City, Town or Village
 Opening Date of Branch Office
 Increase in Permanent Capital Application
 Increase in Permanent Capital Notice
 Quasi-Reorganization Application
 Reverse Stock Split Application
 Capital Distribution Application
 Reduction of Permanent Capital and Capital Distribution Application
 Conversion Application
 Management Interlocks Application
 Fiduciary Powers After the Fact Notice

New Forms

Increase in Capital and Mutual Capital Certificate Application
 Home Office Relocation to Existing Branch Site w/in the Same City, Town or Village

Forms To Be Deleted

Affidavit, Change In Bank Control
 Opening Date for Relocation of MO to Branch Site w/in the Same City, Town or Village
 Instructions—Organization Certificate
 IRS Tax Check Authorization
 Capital Equivalency Deposit Agreement
 Customer Satisfaction Survey

Estimated Burden

Estimated Frequency of Response: On occasion.

Estimated Number of Respondents: 2,994.

Estimated Total Annual Responses: 2,994.

Estimated Total Annual Burden: 10,574 hours.

Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record.

Comments are 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.

Sarah E. Turney,

Assistant Director, Office of the Comptroller of the Currency.

[FR Doc. 2026-11855 Filed 6-11-26; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities: Information Collection Renewal; Comment Request; Supervisory Guidance: Supervisory Review Process of Capital Adequacy (Pillar 2) Related to the Implementation of the Basel II Advanced Capital Framework

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, "Supervisory Guidance: Supervisory Review Process of Capital Adequacy (Pillar 2) Related to the Implementation of the Basel II Advanced Capital Framework."

DATES: Comments must be received by August 11, 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: 1557-0242, 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 "1557-0242" 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.

Following the close of this notice's 60-day comment period, the OCC will publish a second notice with a 30-day comment period. You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection 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 "1557-0242" or "Supervisory Guidance: Supervisory Review Process of Capital Adequacy (Pillar 2) Related to the Implementation of the Basel II Advanced Capital Framework." 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, imposed on ten or more persons, that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of title 44 generally requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the OCC is publishing notice of the renewal of this collection.

Title: Supervisory Guidance: Supervisory Review Process of Capital Adequacy (Pillar 2) Related to the Implementation of the Basel II Advanced Capital Framework.

OMB Control No.: 1557-0242.

Type of Review: Regular.

Affected Public: Businesses or other for-profit.

Description: In 2008, the OCC, Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation issued a supervisory guidance document to assist banking organizations in implementing the supervisory review process, or Pillar 2, of the advanced approaches risk-based capital rule.¹ Therefore, this guidance is relevant for OCC-supervised national banks and Federal savings associations (collectively, banks) that are subject to the advanced approaches capital rule.² It does not apply to small banks.

Paragraphs 37, 41, 43, and 46 of the guidance contain information

¹ 73 FR 44620 (July 31, 2008).

² See 12 CFR 3.100(b).

collections. Paragraph 37 provides that a bank should clearly state the definition of capital used in any aspect of its internal capital adequacy assessment process (ICAAP) and document any changes in the internal definition of capital. Paragraph 41 provides that banks should maintain thorough documentation of ICAAP. Paragraph 43 specifies that the board of directors should approve the bank's ICAAP, review it on a regular basis, and approve any changes. Boards of directors, under paragraph 46, should periodically, and at least annually, review the assessment of overall capital adequacy and analyze how measures of internal capital adequacy compare with other capital measures (such as regulatory or accounting).

Estimated Burden

Estimated Frequency of Response: On occasion.

Estimated Number of Respondents: 16.

Estimated Burden per Respondent: 140 hours.

Estimated Total Annual Burden: 2,240 hours.

Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record. Comments are 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.

Carl Kaminski,

Assistant Director, Office of the Comptroller of the Currency.

[FR Doc. 2026-11876 Filed 6-11-26; 8:45 am]

BILLING CODE 4810-33-P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities: Proposed Information Collection; Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency; Comment Request

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 new 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 proposing a new information collection that would include weekly and quarterly reporting forms that must be completed by permitted payment stablecoin issuers and foreign payment stablecoin issuers. The OCC is seeking a new OMB control number for this information collection.

DATES: Comments must be received by August 11, 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-NEW "Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency", 400 7th Street SW, Suite 1E-216, Washington, DC 20219.

- *Hand Delivery/Courier:* 400 7th Street SW, Suite 1E-216, Washington, DC 20219.

- *Fax:* (571) 293-4835.

Instructions: You must include "OCC" as the agency name and "Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency" 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.

Following the close of this notice's 60-day comment period, the OCC will publish a second notice with a 30-day comment period. You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection 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 Treasury" and then click "submit." This information collection can be located by searching "Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency." 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, or David Stankiewicz, Director, Office of Financial Technology, (202) 649-7299, Office of the Chief National Bank Examiner, 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. Section 3506(c)(2)(A) of title 44 generally requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. The OCC is requesting OMB approval for the following collection of information.

Title: Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency.

OMB Control No.: 1557–NEW.

Type of Review: Regular.

Affected Public: Businesses or other for-profit.

Description: The Guiding and Establishing National Innovation for U.S. Stablecoins Act (12 U.S.C. 5901 *et seq.*) (GENIUS Act or the Act) was enacted on July 18, 2025. The Act establishes a regulatory framework for payment stablecoin activities. On March 2, 2026, the Office of the Comptroller of the Currency (OCC) issued a proposed rule that would implement requirements of the Act with respect to the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction¹ (the proposed rule). The OCC is now proposing reporting forms that permitted payment stablecoin issuers and foreign payment stablecoin issuers subject to the OCC's jurisdiction would be required to complete.²

These reporting forms would help ensure compliance with the proposed rule, facilitate OCC supervision of permitted payment stablecoin issuers and foreign payment stablecoin issuers, and would promote transparency with respect to the financial condition of permitted payment stablecoin issuers and foreign payment stablecoin issuers. Twelve CFR 15.14 of the proposed rule would require permitted payment stablecoin issuers to submit two reports to the OCC. Proposed section 15.14(h) would require permitted payment stablecoin issuers to submit a weekly confidential reporting form to the OCC for each payment stablecoin it issues, and proposed section 15.14(i) would require permitted stablecoin issuers to submit a quarterly reporting form to the OCC. Proposed section 15.31(b)(2) would require a foreign payment

stablecoin issuer registered with the OCC to produce the reports required of a permitted payment stablecoin issuer under proposed section 15.14. With this issuance, the OCC is publishing the required weekly and quarterly reporting forms for public comment. The full proposed reporting forms, and their instructions, are included in links contained within OCC Bulletin 2026–24, “GENIUS Act: Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency,” which is available on the OCC's website.

The proposed forms are published as text documents. However, the OCC expects to use XML or another format for permitted payment stablecoin issuers to submit reported data in order to enhance usability of the data. The OCC seeks comment on the best format in which permitted payment stablecoin issuers and foreign payment stablecoin issuers should submit the required data. The inclusion of any particular item in either reporting form does not imply the permissibility of any particular activity. Certain items may be modified or removed depending on the requirements of a final rule.

Weekly Reporting Form

The proposed weekly reporting forms would, among other things, help ensure compliance with the reserve asset requirements in proposed sections 15.11 and 15.32(d). Schedule C would collect information about a permitted payment stablecoin issuer's aggregate composition of reserve assets for each payment stablecoin it issues. Schedules D, E, F, G, and H would collect disaggregated information about specific classes of reserve assets (for example, U.S. Treasury securities on Schedule E). Permitted payment stablecoin issuers and foreign payment stablecoin issuers are only required to report information regarding reserve assets held pursuant to the GENIUS Act on Schedules C, D, E, F, G, and H. Permitted payment stablecoin issuers and foreign payment stablecoin issuers are not required to report information on these schedules regarding assets they own that are not held as reserve assets or transactions in which they have engaged unrelated to the maintenance of reserve assets. For example, permitted payment stablecoin issuers and foreign payment stablecoin issuers should not report U.S. Treasury securities they own on Schedule E if those U.S. Treasury securities do not comprise the reserve assets used to back outstanding stablecoin issuance pursuant to the GENIUS Act.

Given that the proposed rule includes multiple options, as well as questions about alternative requirements, the proposed reporting forms include some items that the OCC may determine should be modified or are unnecessary when the forms are adopted as final. The OCC invites comments on what items should be modified or removed, as well as whether any items should be added. For example, the proposed reporting forms would require permitted payment stablecoin issuers and foreign payment stablecoin issuers to submit information on both the weighted average maturity (WAM) and weighted average life (WAL) of reserve assets. The OCC invites comments on whether both of these measures are necessary, whether only one of them should be included, or whether neither of them are necessary.

The proposed weekly reporting form would include eight schedules, described below.

Schedule A—General

Schedule A would collect information on the largest holders of a stablecoin issued by a permitted payment stablecoin issuer or foreign payment stablecoin issuer (listed by wallet address), exchanges facilitating trading of that stablecoin, the trading volume of the stablecoin, and the top counterparties of a permitted payment stablecoin issuer or foreign payment stablecoin issuer. The OCC believes that this information will enable the agency to monitor primary and secondary market dynamics for permitted payment stablecoin issuers and foreign payment stablecoin issuers, including during times of stress. However, the agency seeks feedback on the collection of this information. Is this the right type of information for the agency to collect to monitor primary and secondary market dynamics, including during times of stress? Are there adjustments that should be made to make this information more valuable or less burdensome? For example, should the agency collect a fewer number of wallet addresses or exchanges? What would be the potential advantages or disadvantages of doing so? Is there other information the agency does not propose to collect that would give better insight into primary and secondary market dynamics?

Schedule B—Issuance and Redemption

Schedule B would collect information on the issuance and redemption of stablecoins over the reporting period, as well as information on secondary market price and trading activity. The OCC is considering including

¹ See 91 FR 10202 (Mar. 02, 2026).

² Because the proposed rule is still outstanding and not yet final, these proposed reporting forms include flexibility and may be subject to change. For example, certain items may be removed or modified depending on the requirements of a final rule.

limitations to ensure that only meaningful trades are reported, potentially excluding trades with small transaction sizes or those that do not reflect prevailing market terms. For example, the reporting forms might exclude transactions lacking sufficient volume, frequency, or recency to be representative of current market conditions.

The OCC is considering how to handle stablecoins minted but retained by a permitted payment stablecoin issuer (treasury stablecoins). If a customer redeems a stablecoin, a permitted payment stablecoin issuer may elect to pay the customer the par value of the stablecoin but not burn the stablecoin. Correspondingly, if a customer purchases a stablecoin from a permitted payment stablecoin issuer, the permitted payment stablecoin issuer may elect to sell the customer a stablecoin that the issuer had previously minted, rather than minting an entirely new stablecoin. One approach would be to treat all transactions in which a customer provides cash and receives stablecoins as minting and similarly treat all transactions in which a customer provides a stablecoin to a permitted payment stablecoin issuer and receives cash as redemption, regardless of whether these transactions formally involve the technological processes used in minting and redemption. Another approach would be to treat transactions involving treasury stablecoins as distinct, in which case additional reporting items may be required, both on the weekly and quarterly reporting forms. Neither approach is intended to change in any way the definition of “payment stablecoin” which, among other requirements, requires that the issuer be obligated to convert, redeem, or repurchase the stablecoin for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

Schedule C—Reserve Assets

Schedule C would collect information on the reserve assets used to back the outstanding issuance of a stablecoin issued by a permitted payment stablecoin issuer. This information would include a list of all reserve assets by type, as well as information on each class of reserve assets, including fair value and amortized cost. Schedule C would collect, among other information, the balance of assets within each asset category that are in tokenized form. The OCC invites comments on whether additional information about tokenized assets should be included elsewhere in the reporting form, for example, specific

items on tokenized deposits or tokenized money market funds.

Schedule D—Cash Balances

Schedule D would collect information on cash balances held as reserve assets. This information would include items on the location and size of insured and uninsured deposits maintained at depository institutions, as well as any balances maintained at a Federal Reserve Bank. Schedule D would also collect aggregate information on repurchase agreement transactions and associated liabilities. Schedule D includes line items for cash balances held at U.S. depository institutions and foreign depository institutions. The proposed rule invited comment on whether payment stablecoins denominated in United States dollars only be backed by demand deposits at U.S.-based depository institutions (*i.e.*, reserve assets could not include Eurodollar deposits). Depending on how the final rule resolves this issue, the reporting forms will be adjusted accordingly. The OCC invites comment on the proper handling of U.S. and foreign cash balances, as well as whether there should be other distinctions among cash balances serving as payment stablecoin reserves.

Schedule E—U.S. Treasury Securities

Schedule E would collect information on U.S. Treasury securities held as reserve assets. This information would include the CUSIP numbers for individual U.S. Treasury securities, their fair value, remaining maturity, coupon rate, effective interest rate, and information about the custodian holding the securities, as well as information, such as counterparty and collateral haircut, on any U.S. Treasury securities encumbered by outstanding repurchase agreements.

Schedule F—Reverse Repurchase Agreements

Schedule F would collect information on reverse repurchase agreement transactions held as reserve assets. This would include information on the repurchase agreements including counterparty, cash lent, agreement type and name of agent. Schedule F would also collect information on securities collateralizing the reverse repurchase transaction, such as collateral values, collateral maturity, collateral haircuts, WAM and WAL.

Schedule G—Money Market Mutual Funds

Schedule G would collect information on money market mutual funds held as reserve assets, including fund name and

sponsor, CUSIP, net asset value, and effective interest rate, WAM, WAL as well as information on custodians.

Schedule H—Other Instruments

Schedule H would collect information on any other instruments held as reserve assets. While the information collected by the other schedules would likely cover all reserve assets, Schedule H would act as a catch-all collection information on any reserve assets otherwise not covered by the other schedules, for example for any physical currency held by a permitted payment stablecoin issuer.

Quarterly Reporting Forms

The proposed quarterly reports of financial condition for permitted payment stablecoin issuers and foreign payment stablecoin issuers that would be required by proposed sections 15.14(i) and 15.31(b)(2) mirrors the quarterly statements of financial condition that national banks and Federal savings associations provide to the Federal banking agencies through their quarterly Consolidated Reports of Condition and Income filings, commonly referred to as Call Reports.³ The information required to be reported quarterly will be streamlined substantially relative to the Call Reports, in light of the comparatively simple business model of a permitted payment stablecoin issuer. Standardizing these reporting requirements will enhance the OCC's ability to supervise permitted payment stablecoin issuers and foreign payment stablecoin issuers and provide clarity as to the information a permitted payment stablecoin issuer or foreign payment stablecoin issuer must report.

Some OCC-regulated institutions may already be subject to other reporting obligations, notably the Call Report. The OCC invites comments on whether OCC-regulated permitted payment stablecoin issuers and foreign payment stablecoin issuers should be required to complete both the proposed reporting forms as well as the Call Report and other reporting obligations, or whether permitted payment stablecoin issuers or foreign payment stablecoin issuers should only be required to complete the proposed reporting forms. The OCC also invites comment on which reporting items should be modified or removed as unnecessary.

Certain uninsured national trust banks may be able to opt into the capital requirements in proposed 12 CFR part

³ See 12 U.S.C. 161(a) (requiring national banks to make reports of condition to the OCC); and 12 U.S.C. 1464(v) (requiring Federal savings associations to make reports of condition to the OCC).

15, regardless of whether they issue stablecoins. If so, should these uninsured national trust banks be required to complete the proposed quarterly reporting forms, in lieu of or in addition to other reporting forms, including the Call Report? Should these uninsured national trust banks be required to complete only Schedule D of the proposed quarterly reporting forms (Capital and Operational Backstop) but otherwise complete applicable schedules of the Call Report (Income Statement, Balance Sheet, etc.)? Are there any other aspects of the proposed quarterly form that may or may not be applicable to these uninsured trust banks?

Schedule A would collect an income statement from the permitted payment stablecoin issuer or foreign payment stablecoin issuer. Schedule B would collect a balance sheet from the permitted payment stablecoin issuer or foreign payment stablecoin issuer. Schedule C would collect information about off-balance sheet items from the permitted payment stablecoin issuer or foreign payment stablecoin issuer. Schedule D would collect additional information about capital elements and operational backstop from the permitted payment stablecoin issuer based on the capital requirements in the proposed rule.⁴ Schedule E would collect additional information about a permitted payment stablecoin issuer's or foreign payment stablecoin issuer's operations including information reserve assets, other assets and liabilities, number of branded stablecoins issued, stablecoin issuances, redemption, and burn data, blockchains, redemption metrics, and custody activities. The OCC intends to publish the information provided in the quarterly report to ensure transparency and that the public has an understanding of a permitted payment stablecoin issuer's or foreign payment stablecoin issuer's financial condition on an ongoing basis.

Given that the proposed rule includes multiple options, as well as questions about alternative requirements, the proposed reporting forms include some items that the OCC may determine should be modified or are unnecessary

when the forms are adopted as final. The OCC invites comments on what items should be modified or removed, as well as whether any items should be added.

Schedule A—Income Statement

Schedule A would collect an income statement including information about reserve asset income and expense, other income and expense, and net income. Schedule A separates (1) income and expenses associated with a permitted payment stablecoin issuer's or foreign payment stablecoin issuer's stock of reserve assets from (2) income and expenses associated with other permitted payment stablecoin issuer corporate activities. Items 1 and 2 of Schedule A would collect information on income and expenses associated with reserve assets, while items 3 and 4 of Schedule B would collect information on other income and expenses.

As with other items in these proposed reporting forms, some items on Schedule A may be modified or removed depending on the requirements of a final rule. The inclusion of any particular item in a schedule does not imply the permissibility of any particular activity. The OCC invites comment on modifications to these items or any additions.

Schedule B—Balance Sheet

Schedule B would collect a balance sheet including information about reserve assets, other assets, liabilities, and capital. Schedule B would require reporting each asset's value in accordance with U.S. GAAP. The OCC generally expects that items included in a permitted payment stablecoin issuer's or foreign payment stablecoin issuer's stock of reserve assets will be reported at fair value, though the OCC invites comment on this point, including whether reporting at fair value should be required. Even if GAAP reporting does not require the reporting of each asset at fair value on Schedule B, the reserve requirements in proposed part 15 would still require calculation based on fair value. Both the amortized cost and fair value of reserve assets would be reported on Schedule E, Memorandum, Items 16.a to 16.h.

Schedule C—Off-Balance Sheet Items

Schedule C would collect information about off-balance sheet items including off-balance sheet assets (excluding derivatives), off-balance sheet liabilities (excluding derivatives), and derivatives (including forward contracts, futures contracts, and exchange-traded and over-the-counter options contracts). The OCC generally expects these off-balance sheet items would be outside a permitted payment stablecoin issuer's or foreign payment stablecoin issuer's stock of reserve assets but invites comments about whether there might be exceptions. The inclusion of the off-balance sheet items in Schedule C does not imply the permissibility of any particular activity involving an off-balance sheet exposure.

Schedule D—Capital and Operational Backstop

Schedule D would collect additional information about a permitted payment stablecoin issuer's capital elements. Schedule D would also collect information about a permitted payment stablecoin issuer's operational backstop, including information about the total expense for the previous 12 months and the composition of assets of the operational backstop.

Schedule E—Memorandum

Schedule E would collect additional information about a permitted payment stablecoin issuer's or foreign payment stablecoin issuer's operations, including issuer type, other reserve asset income and expenses, other income and expenses, other assets and liabilities, number of branded stablecoins issued, non-US dollar assets and liabilities, average reserve assets, stablecoin issuances, redemption, and burn data, blockchains, redemption metrics, and custody activities.

Estimated Burden

The OCC estimates the burden of this collection of information as follows:

Estimated Frequency of Response: Weekly and quarterly.

Summary of Estimated Total Annual Burden:

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Initial Set-up				
Reporting Burden:				
Section 15.14(h)	29	1	16	464

4 Foreign payment stablecoin issuers would not be required to complete Schedule D as these issuers

would not be subject to the capital requirements in Subpart E of the proposed rule.

	Estimated number of respondents	Estimated frequency of response	Estimated average hours per response	Estimated annual burden hours
Section 15.14(i)	29	1	80	2,320
Section 15.31(b)(2)	1	1	80	80
Total Initial Set-up Reporting Burden				2,864
Ongoing Compliance				
Reporting Burden:				
Section 15.14(h)	29	52	1	1,508
Section 15.14(i)	29	4	16	1,856
Section 15.31(b)(2)	1	1	80	80
Total Ongoing Compliance Reporting Burden				3,444
Estimated Total Annual Reporting Burden				6,308

Total estimated annual burden hours: 6,308 (2,864 hours for initial setup and 3,444 hours for ongoing compliance). The weekly and quarterly reporting information collections and their accompanying burden estimates were introduced in the *Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency* notice of proposed rulemaking published on March 02, 2026 (91 FR 10202). This notice is re-publishing those same estimates here for informational purposes.

Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record. Comments are 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.

Sarah E. Turney,
Assistant Director, Office of the Comptroller of the Currency.

[FR Doc. 2026-11856 Filed 6-11-26; 8:45 am]

BILLING CODE 4810-33-P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Sanctions Action

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice.

SUMMARY: The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing the names of one or more persons that have been placed on OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) based on OFAC's determination that one or more applicable legal criteria were satisfied. All property and interests in property subject to U.S. jurisdiction of these

persons are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

DATES: This action was issued on June 10, 2026. See **SUPPLEMENTARY INFORMATION** for relevant dates.

FOR FURTHER INFORMATION CONTACT:

OFAC: Associate Director for Global Targeting, 202-622-2420; Assistant Director for Licensing, 202-622-2480; Assistant Director for Sanctions Compliance, 202-622-2490; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

The SDN List and additional information concerning OFAC sanctions programs are available on OFAC's website: <https://ofac.treasury.gov>.

Notice of OFAC Actions

On June 10, 2026, OFAC determined that the property and interests in property subject to U.S. jurisdiction of the following persons are blocked under the relevant sanctions authorities listed below.

BILLING CODE 4810-AL-P

Individuals

1. GOLCHIN, Manuchehr, Iran; DOB 23 Nov 1959; alt. DOB 24 Nov 1959; nationality Iran; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; Passport B97415946 (Iran) expires 05 Jan 2028; National ID No. 0046380450 (Iran) (individual) [NPWMD] [IFSR] (Linked To: MINISTRY OF DEFENSE AND ARMED FORCES LOGISTICS).

Designated pursuant to section 1(a)(iii) of Executive Order (E.O.) 13382 of June 28, 2005, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters," 70 FR 38567, 3 CFR, 2005 Comp., p. 170 (E.O. 13382), for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, MINISTRY OF DEFENSE AND ARMED FORCES LOGISTICS.

2. LIU, Boyu (Chinese Simplified: 刘博宇), Nanshan District, Shenzhen, Guangdong, China; DOB 28 May 1977; POB Changchun, Jilin, China; nationality China; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; National ID No. 220104197705284431 (China) (individual) [NPWMD] [IFSR] (Linked To: ISLAMIC REVOLUTIONARY GUARD CORPS).

Designated pursuant to section 1(a)(iii) of E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, ISLAMIC REVOLUTIONARY GUARD CORPS.

3. MENG, Shaopei (Chinese Simplified: 孟少培), Xinji, Hebei, China; DOB 16 Sep 1980; POB Shijiazhuang, Hebei, China; nationality China; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; Passport EF3549228 (China) expires 10 Feb 2029; National ID No. 132301198009161610 (China) (individual) [NPWMD] [IFSR] (Linked To: MINISTRY OF DEFENSE AND ARMED FORCES LOGISTICS).

Designated pursuant to section 1(a)(iii) of E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, MINISTRY OF DEFENSE AND ARMED FORCES LOGISTICS.

4. WANG, Hongyi (Chinese Simplified: 王洪一), Beijing, China; DOB 08 Jan 1975; POB Zhucheng, China; nationality China; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; Passport PE3086952 (China) expires 20 Feb 2029; National ID No. 420106197501087719 (China) (individual) [NPWMD] [IFSR] (Linked To: MUSTAD LIMITED).

Designated pursuant to section 1(a)(iv) of E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, MUSTAD LIMITED.

5. XU, Lichun (Chinese Simplified: 徐立春), Beijing, China; DOB 30 Sep 1983; POB Huanggang, Hubei, China; nationality China; Additional Sanctions Information - Subject to Secondary Sanctions; Gender Male; National ID No. 421182198309304519 (China) (individual) [NPWMD] [IFSR] (Linked To: ISLAMIC REVOLUTIONARY GUARD CORPS).

Designated pursuant to section 1(a)(iii) of E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, ISLAMIC REVOLUTIONARY GUARD CORPS.

Entities

1. DOMUS TRADING HK LIMITED, Suite 1111, 11/F, Hollywood Plaza, 610 Nathan Road, Mong Kok, Hong Kong, China; Room H28B, Blk EH, 10th Floor, Golden Bear Ind. Ctr., 66-82 Chai Wan Kok St., Tsuen Wan, Hong Kong, China; Organization Established Date 16 Oct 2024; Business Registration Number 77187700 (Hong Kong) [IRAN-EO13902].

Designated pursuant to section 1(a)(i) of Executive Order 13902 of January 10, 2020, "Imposing Sanctions With Respect to Additional Sectors of Iran," 85 FR 2003, 3 CFR, 2020 Comp., p. 299 (E.O. 13902), for operating in the financial sector of the Iranian economy.

2. MUSTAD SHANGHAI INTERNATIONAL TRADE CO LTD (Chinese Simplified: 慕斯达上海国际贸易有限公司), 6th Floor, Building 1, No. 1000 Zhenchen Road, Baoshan District, Shanghai, China (Chinese Simplified: 真陈路 1000 号 1 栋 6 楼, 宝山区, 上海市, China); Room 450, No. 188 Yesheng Road, Lingang New Area, China Shanghai Pilot Free Trade Zone, Shanghai, China (Chinese Simplified: 业盛路 188 号 450 室, 临港新片区, 中国上海自由贸易试验区, 上海市, China); Additional Sanctions Information - Subject to Secondary Sanctions; Organization Established Date 29 Nov 2024; Unified Social Credit Code (USCC) 91310000MAE6K4CJXM (China) [NPWMD] [IFSR] (Linked To: MUSTAD LIMITED).

Designated pursuant to section 1(a)(iv) of E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, MUSTAD LIMITED.

3. SHANGSHUN HONG KONG LTD (Chinese Traditional: 商順國際香港有限公司), Room 1526, Unit 1, 15/F, Wah Wan Ind. Building, No. 2 Kin Fat Lane, Tuen Mun, Hong Kong, China; Flat/RM A, 12/F, Kiu Fu Commercial Building, 300 Lockhart Road, Wan Chai, Kowloon, Hong Kong, China; Unit 1702, Tianbao Cohesion Edifice, 2nd Street, Tianjin Economic-Technological Development Area, Tianjin 300457, China; Website <https://shangshunhk.com/>; Additional Sanctions Information - Subject to Secondary Sanctions; Organization Established Date 19 May 2011; Company Number 1603451 (Hong Kong); Business

Registration Number 58383098 (Hong Kong) [NPWMD] [IFSR] (Linked To: GOLCHIN, Manuchehr).

Designated pursuant to section 1(a)(iv) of E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, GOLCHIN, Manuchehr.

4. SOLOS INTERNATIONAL LIMITED, Rm 1526, Unit 1, 15/F, Wah Wan Ind. Building, No. 2 Kin Fat Lane, Tuen Mun, Hong Kong, China; Additional Sanctions Information - Subject to Secondary Sanctions; Organization Established Date 11 Jul 2018; Business Registration Number 69620526 (Hong Kong) [NPWMD] [IFSR] (Linked To: MINISTRY OF DEFENSE AND ARMED FORCES LOGISTICS).

Designated pursuant to section 1(a)(iii) of E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, MINISTRY OF DEFENSE AND ARMED FORCES LOGISTICS.

(Authority: E.O. 13882; E.O. 13902)

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026-11896 Filed 6-11-26; 8:45 am]

BILLING CODE 4810-AL-C

UNITED STATES SENTENCING COMMISSION

Proposed Priorities for Amendment Cycle

AGENCY: United States Sentencing Commission.

ACTION: Notice; request for public comment.

SUMMARY: As part of its statutory authority and responsibility to analyze sentencing issues, including operation of the federal sentencing guidelines, and in accordance with its Rules of Practice and Procedure, the United States Sentencing Commission is seeking comment on possible policy priorities for the amendment cycle ending May 1, 2027.

DATES: Public comment should be received by the Commission on or before July 27, 2026. Any public comment received after the close of the comment period may not be considered.

ADDRESSES: There are two methods for submitting public comment.

Electronic Submission of Comments. Comments may be submitted electronically via the Commission's Public Comment Submission Portal at <https://comment.ussc.gov>. Follow the online instructions for submitting comments.

Submission of Comments by Mail.

Comments may be submitted by mail to the following address: United States Sentencing Commission, One Columbus Circle NE, Suite 2-500, Washington, DC 20002-8002, Attention: Public Affairs—Priorities Comment.

FOR FURTHER INFORMATION CONTACT:

Jennifer Dukes, Senior Public Affairs Specialist, (202) 502-4597.

SUPPLEMENTARY INFORMATION: The United States Sentencing Commission is an independent agency in the judicial branch of the United States Government. The Commission promulgates sentencing guidelines and policy statements for federal courts pursuant to 28 U.S.C. 994(a). The Commission also periodically reviews and revises previously promulgated guidelines pursuant to 28 U.S.C. 994(o) and submits guideline amendments to the Congress not later than the first day of May each year pursuant to 28 U.S.C. 994(p).

The Commission provides this notice to identify possible policy priorities for the amendment cycle ending May 1, 2027. Other factors, such as legislation requiring Commission action or possible loss of a voting quorum, may affect the Commission's ability to complete work on any or all identified priorities by May 1, 2027. Accordingly, the Commission may continue work on any or all identified priorities after that date or may decide not to pursue one or more identified priorities.

Pursuant to 28 U.S.C. 994(g), the Commission intends to consider the issue of reducing costs of incarceration and overcapacity of prisons, to the

extent it is relevant to any identified priority.

The Commission invites comment on the following proposed priorities for the amendment cycle ending May 1, 2027 (including comment on any additional priorities commenters believe the Commission should consider in the upcoming amendment cycle and beyond, and comment proposing specific amendment text or research agendas that would address a given priority):

(1) In anticipation of the 40th anniversary of the *Guidelines Manual* and two decades of experience with advisory guidelines, the Commission intends to undertake an evaluation of the guidelines and federal sentencing practices in light of the Commission's mission set forth in the Sentencing Reform Act, the statutory purposes of sentencing in 18 U.S.C. 3553(a)(2), and relevant legal developments that have occurred in the past four decades. As part of this priority, the Commission may use regional public hearings, symposiums, roundtable discussions, conferences, and other tools to solicit input on the Commission's work from various stakeholders, including judges, Congress, the Executive Branch, Federal Public Defenders, victims, sentenced individuals, and others.

(2) In anticipation of the 30th anniversary of the Commission's Rules of Practice and Procedure, the Commission expects to undertake a comprehensive review of the Rules and consider whether any amendments to such Rules may be appropriate to further the agency's statutory purposes

and enhance public engagement with and understanding of the Commission's work. As part of the priority, the Commission expects to review current practices and consider possible changes regarding: (a) what Commission work is conducted in public; (b) what Commission policymaking materials should be made public; (c) how stakeholder and public involvement is structured, including through rules about *ex parte* communications; and (d) what analyses supporting agency policymaking are conducted and released publicly.

(3) Consideration of any amendments that may be warranted in response to any legislation or case law developments.

(4) Resolution of circuit conflicts as warranted, pursuant to the

Commission's authority under 28 U.S.C. 991(b)(1)(B) and *Braxton v. United States*, 500 U.S. 344 (1991).

(5) Consideration of other miscellaneous issues coming to the Commission's attention.

Beyond the consideration of possible policy priorities this year, the Commission has chosen to not solicit public comment or hold a hearing on retroactivity. When the Commission submits amendments to Congress, it may decide to publish an issue for comment and hold a hearing on whether to make some or all of those amendments retroactive. *See* USSC Rules of Practice and Procedure 4.1. The Commission is not taking these steps for any of the amendments submitted to Congress on April 30, 2026. While three Commissioners may have voted in favor

of making retroactive Amendment 2 (relating to inflationary adjustments) of the amendments submitted by the Commission to Congress on April 30, 2026, those votes alone would not have met the Sentencing Reform Act's four-vote threshold for retroactivity. *See* 28 U.S.C. 994(a)(2).

Public comment should be sent to the Commission as indicated in the **ADDRESSES** section above.

Authority: 28 U.S.C. 994(a), (o); USSC Rules of Practice and Procedure 2.2, 5.2.

Carlton W. Reeves,

Chair.

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Part II

Commodity Futures Trading Commission

17 CFR Part 40

Prediction Markets; Public Interest Determinations; Proposed Rule

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 40

RIN 3038–AF65

Prediction Markets; Public Interest Determinations

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commodity Futures Trading Commission (Commission or CFTC) is proposing amendments to its rules concerning event contract derivatives. The markets for these event contracts are commonly referred to as “prediction markets.” In particular, the Commission is proposing amendments to further specify the types of event contracts that may be subject to a determination that they are contrary to the public interest, such that they may not be listed for trading or accepted for clearing on or through a CFTC-registered entity, as provided in the Commodity Exchange Act (CEA). The proposed amendments set out factors the Commission would apply in that determination and conform the process by which the determination would be made to the CEA. The Commission also is proposing amendments to the procedure for the Commission’s determination to enhance clarity and organization, as well as a definition of the term “gaming” and a rule regarding when event contracts “involve” an underlying activity.

DATES: Comments must be in writing and received by July 27, 2026.

ADDRESSES: You may submit comments, identified by “Prediction Markets; Public Interest Determinations” and RIN 3038–AF65, by any of the following methods:

- *Regulations.gov:* Go to <https://www.regulations.gov> and press the “Search” button, then proceed as follows:

1. Under Refine Documents Results—check the box to “Only show documents open for comment”;

2. Under Agency—select “See More” and check the box for “Commodity Futures Trading Commission,” then press the Apply button;

3. Identify this proposal in the list of CFTC documents open for comment, press the “Comment” button to open the submission form, and follow the instructions on the form.

Alternatively, if you are viewing this proposal on www.federalregister.gov, click the “Submit A Public Comment” button at the top of the page to open the

comment form. Follow the instructions on the form to submit your comment to *Regulations.gov*.

- *Mail:* Send to Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

- *Hand Delivery/Courier:* Address to—CFTC Comment Submission, Attn: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

Please submit your comments using only one of these methods. To avoid possible delays with mail or in-person deliveries, submissions through *Regulations.gov* are encouraged.

All comments must be submitted in English, or if not, accompanied by an English translation. Do not include in your comment text or attachments any personal identifying information or business information that you do not want published online. Comments (regardless of submission method) will be published without review for, and without removal of, any personal identifying information or information your business may consider confidential.

If you wish to submit confidential information for the Commission’s consideration, please contact the CFTC personnel listed in this document under **FOR FURTHER INFORMATION CONTACT** before making any submission. Please also carefully review the Commission’s procedures in 17 CFR 145.9 for requesting confidential treatment under the Freedom of Information Act (FOIA) of information submitted to the Commission.

The CFTC reserves the right, but shall have no obligation, to review, pre-screen, filter, or redact all or any part of your comment submission. The CFTC also reserves the right, without further notification, to refuse to publish or to remove from public view all or any part of your submission to the extent it contains content inappropriate for publication in a comment file, such as—without limitation—obscene language, threats of violence, solicitations for commercial sales or illegal activity, or obvious spam. If a submission that is refused for or withdrawn from publication because of inappropriate content also contains comments on the merits of this proposal, such submission will be retained in the record for the matter and will be considered as required under the Administrative Procedure Act (APA) and other

applicable laws, and may be accessible under the FOIA.

Pursuant to the APA, 5 U.S.C. 553(b)(4), a plain language summary of the proposed rule is available at *regulations.gov*.

FOR FURTHER INFORMATION CONTACT:

Stephen Andrews, Deputy General Counsel for Regulation, 771–210–7915, rulemaking@cftc.gov, or Mark Fajfar, Senior Assistant General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1151 21st Street NW, Washington, DC 20581.

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I. Background

A. Prediction Markets

Prediction markets, on which “event contract” derivatives are traded, are rapidly increasing in popularity with the American public both as a financial asset class and as a source of reliable information for news media, sports leagues, financial institutions, and everyday Americans.¹ Participants may buy or sell event contracts to manage price risks around whether events stated in the contracts will occur. The Commission preliminarily believes that event contracts also provide economically useful or otherwise meaningful information and are a source of responsible financial innovation.

Parties have sought CFTC staff guidance concerning prediction markets since the early 1990s, and the Commission first designated a prediction market as a designated contract market (DCM) in 2004.² The Commission has recently observed a significant increase in the number of event contracts listed for trading on prediction markets, as well as in the diversity of events underlying such contracts. And, in 2025, the total trading volume across CFTC-registered prediction markets exceeded \$25 billion. While growing, this is still a small share of the overall futures market regulated by the Commission, which had a notional value of around \$31 trillion in 2025.³ As a result, the Commission and its staff have taken affirmative steps to address this

proliferation and growth of prediction markets.

The CEA identifies derivatives transactions as affecting a national public interest by “providing a means for managing and assuming price risks, discovering prices, or disseminating pricing information,” which requires a comprehensive federal regulatory scheme.⁴ The CEA directs the CFTC to execute that regulatory scheme. Prediction markets and event contracts are but one example of such derivatives transactions.

The underlying price for an event contract is determined by market participants’ continuous buying and selling reaching an equilibrium through a quote-based system.⁵ The market-established prices therefore offer informational value as to the probability of the event underlying the contract occurring,⁶ yielding forecasts (*i.e.*, event contract prices) that may rapidly incorporate new information and “allocate probability mass in ways that may reflect the range of plausible . . . outcomes better than traditional financial derivative or survey-based forecasts.”⁷ These findings conform with research that highlights the informational value of retail trading behavior.⁸

In addition to their information aggregation, price discovery, and price dissemination functions, prediction markets allow market participants to hedge exposure to a wide array of events for which no traditional financial instrument otherwise exists, ranging from events concerning macroeconomics,⁹ politics, weather, and climate conditions, to cultural trends and “sporting events . . . that generate billions of dollars in economic activity

¹ While the term “event contract” is not a defined term in the CEA or the Commission regulations thereunder, the CFTC has used this term to describe commodity derivative contracts, often with a binary payoff structure, based on the outcome of an underlying occurrence or event since at least 2008. See Concept Release on Appropriate Regulatory Treatment of Event Contracts, 73 FR 25669 (May 7, 2008) (2008 Concept Release); see also CFTC, *Contracts & Products: Event Contracts*, available at <https://www.cftc.gov/IndustryOversight/Contracts/Products/index.htm>.

² See CFTC Press Release No. 4894–04, CFTC Designates HedgeStreet as a Contract Market and as a Registered Clearing Organization (Feb. 20, 2004) and the related DCM Order of Designation for HedgeStreet, Inc. (Feb. 18, 2004), available at <https://www.cftc.gov/sites/default/files/opa/press04/opa4894-04.htm>. See also *infra* section I.C.1 (discussion of early staff actions).

³ See CFTC, *FY 2025 Agency Financial Report 4* (2026), available at <https://www.cftc.gov/media/13096/2025AFR/download>.

⁴ CEA sec. 3, 7 U.S.C. 5.

⁵ Karl E. Schneider and Rena S. Miller, Cong. Research Serv., IF13187, *Prediction Markets: Policy Issues for Congress* (2026), available at <https://www.congress.gov/crs-product/IF13187>.

⁶ This market structure is inapposite to that of legalized sports gambling, where the gaming company typically controls and adjusts the gambling odds.

⁷ Anthony M. Diercks, Jared Dean Katz, and Jonathan H. Wright, *Kalshi and the Rise of Macro Markets*, Finance and Economics Discussion Series No. 2026–010, Washington: Board of Governors of the Federal Reserve System, available at <https://doi.org/10.17016/FEDS.2026.010>.

⁸ *Id.* at 6 (“While early research often emphasized behavioral biases, recent studies show that retail trading can enhance market efficiency.”). See also Snowberg et al., *Prediction Markets for Economic Forecasting*, National Bureau of Economic Research (2012), available at <https://www.nber.org/papers/w18222>.

⁹ See *id.*

and materially affect both regional and national markets.”¹⁰

As explained further in the next section, Congress vested the Commission with “exclusive jurisdiction” over “transactions involving swaps” and “contracts of sale of a commodity for future delivery,” or futures contracts.¹¹ The statutory definition of commodity under the CEA is extremely broad and includes practically all goods, articles, services, rights, and interests, except onions and motion picture box-office receipts.¹² The specific, enumerated definitional exclusions from the broad statutory definition demonstrate that when Congress sought to limit the Commission’s exclusive jurisdiction over commodity futures (other than security futures) and swaps,¹³ it did so expressly, and not by inviting courts or states to create implied carve-outs from the CEA.

Under the plain language of the CEA, certain event contracts are implicated by the “swap” definition.¹⁴ An event contract may also be structured in other ways, including as a futures contract.¹⁵ A prediction market that offers event contracts in the form of swaps or futures contracts for trading by the general public must register with the CFTC as a DCM and comply with the substantive

and procedural requirements that apply to the listing for trading of the event contracts.¹⁶

B. Statutory Authority

1. CFTC Jurisdiction Over Prediction Markets

The CFTC is charged with administering and enforcing the CEA. Congress created the CFTC in 1974 to establish a uniform national system for regulating trading of futures contracts after concluding that the existing patchwork of state-by-state regulation had critically impaired the development and functioning of national commodities markets.¹⁷ “[T]ransactions subject to [the CEA] are entered into regularly in interstate and international commerce and are affected with a national public interest,” including in “liquid, fair and financially secure trading facilities.”¹⁸

Congress vested the CFTC with “exclusive jurisdiction” to protect that national interest by overseeing the regulation of futures contracts and options on futures contracts on federally regulated exchanges.¹⁹ An exchange on which futures contracts and options on futures contracts are traded is formally known as a board of trade, and such an exchange must be designated by the Commission as a contract market, *i.e.*, a DCM.²⁰ Since its enactment in 1974, the CEA has required that futures contracts

and options on futures contracts be transacted on or subject to the rules of a DCM; this is known as the exchange trading requirement.²¹

The CFTC’s jurisdiction “supersedes State as well as Federal agencies” because commodity derivatives markets require nationally uniform rules governing the listing, trading, clearing, settlement, surveillance, and enforcement of financial instruments traded in these markets.²² Prompted by the evolution of national financial markets and repeated conflicts with a patchwork of state laws, Congress granted the CFTC exclusive jurisdiction in the CEA to regulate the commodity derivatives markets through a comprehensive federal regulatory framework that expressly preempts state laws that attempt to regulate the operation of, or transactions on, CFTC-registered exchanges.²³ State regulation of developing event contracts markets would impose additional regulations on event contracts that, as discussed below in section I.B.3., have long been traded uncontroversially on CFTC-registered DCMs, like contracts on the weather or agricultural production. Subjecting those markets to a patchwork of 50 state regulations is precisely what Congress sought to avoid with the CEA.²⁴

¹⁰ Brief of CFTC as Amicus Curiae in Support of Appellant, *North American Derivatives Exchange, Inc. D/B/A Crypto.com v. State of Nevada*, No. 25–7187 (9th Cir. 2026), available at https://www.cftc.gov/media/13261/amicusbrief_02172026/download.

¹¹ See CEA sec. 2(a)(1)(A), 7 U.S.C. 2(a)(1)(A) (expressly extending the CFTC’s “exclusive jurisdiction” to encompass “transactions involving swaps or contracts of sale of a commodity for future delivery . . . traded or executed on a contract market designated pursuant to [CEA sec. 5, 7 U.S.C. 7] . . .”).

¹² See CEA sec. 1a(9), 7 U.S.C. 1a(9).

¹³ The CEA includes a savings clause providing that the CFTC’s jurisdiction does not apply to securities, other than security futures. See, e.g., CEA sec. 2a(1)(A) and (H), 7 U.S.C. 2(a)(1)(A) and (H). Thus, the CFTC’s exclusive jurisdiction does not extend to security-based swaps or other securities, and the CFTC shares jurisdiction with the Securities and Exchange Commission (SEC) over security futures.

¹⁴ CEA sec. 1a(47)(A)(i), 7 U.S.C. 1a(47)(A)(i) defines the term “swap,” in relevant part, to include “any agreement, contract, or transaction . . . that is a[n] . . . option of any kind that is for the purchase or sale, or based on the value, of 1 or more . . . quantitative measures, or other financial or economic interests or property of any kind,” and CEA sec. 1a(47)(A)(ii), 7 U.S.C. 1a(47)(A)(ii) defines swap to include “any agreement, contract, or transaction . . . that provides for any purchase, sale, payment, or delivery . . . that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence.”

¹⁵ See CEA sec. 2a(1)(A), 7 U.S.C. 2(a)(1)(A) (CFTC exclusive jurisdiction over commodity futures contracts).

¹⁶ See *infra*, notes 41 to 45 and accompanying text. With respect to security futures, such offerings are also subject to registration with and regulation by the SEC.

¹⁷ See H.R. Rep. No. 93–975, at 51 (1974); S. Rep. No. 93–1131, at 36 (1974), reprinted in 1974 U.S.C.A.N. 5843, 5885. See also *KalshiEX, LLC v. Flaherty*, 172 F.4th 220, 230 (3d Cir. 2026) (“Congress created the CFTC and amended the Act to do away with the patchwork of state regulations and bring futures trading on DCMs under the exclusive jurisdiction of the CFTC.”).

¹⁸ CEA sec. 3, 7 U.S.C. 5.

¹⁹ CEA sec. 2(a)(1)(A), 7 U.S.C. 2(a)(1)(A) (vesting the Commission with “exclusive jurisdiction,” except as otherwise expressly provided by Congress, over all “accounts, agreements. . . , and transactions involving swaps or contracts of sale of a commodity for future delivery”). The CEA “preempts the application of state law.” *Leist v. Simplot*, 638 F.2d 283, 322 (2d Cir. 1980). “Express preemption occurs when a federal statute explicitly states that it overrides state or local law.” *Hoagland v. Town of Clear Lake*, 415 F.3d 693, 696 (7th Cir. 2005). The CFTC and the SEC share jurisdiction over security futures and options on security futures. Preemption was the primary goal of the “exclusive jurisdiction” provision. Indeed, potentially limiting language was stricken from the statute “to assure that Federal preemption is complete.” 120 Cong. Rec. 30464 (1974) (Statement of Sen. Curtis).

²⁰ See CEA sec. 5, 7 U.S.C. 7. The Board of Trade of the City of Chicago (also called the Chicago Board of Trade, or CBOT), the first cash grain market exchange in the U.S., was created in 1848 by grain merchants and received its charter in 1859. See Philip McBride Johnson et al., *Derivatives Regulation* sec. 6.03 (last updated Jan. 2026).

²¹ CEA sec. 4(a)(1), 7 U.S.C. 6(a)(1). This section of the CEA also refers to transactions in futures contracts and options on a derivatives transaction execution facility, but there are no such facilities currently in operation.

²² See S. Rep. No. 93–1131 (1974), reprinted in 1974 U.S.C.A.N. 5848. The Constitution’s Supremacy Clause mandates that “[t]his Constitution, and the Laws of the United States which shall be made in Pursuance thereof . . . shall be the supreme Law of the Land . . . any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.” U.S. Const. art. VI, cl. 2.

²³ See *KalshiEX*, 172 F.4th at 227 (the CEA “grants the CFTC exclusive regulatory authority over event contracts. . . .”). Where Congress makes “a single sovereign responsible for maintaining a comprehensive and unified system” of regulation, allowing states to regulate the same field “‘detract[s] from the ‘integrated scheme of regulation’ created by Congress.” *Arizona v. U.S.*, 567 U.S. 387, 401–02 (2012) (quoting *Wisconsin Dept. of Indus. v. Gould Inc.*, 475 U.S. 282, 288–89 (1986)).

²⁴ Preemption of state law was necessary because, for decades, states had attempted to apply state gambling laws to derivatives trading. By the mid-nineteenth century, commodity exchanges in major trading hubs like New York and Chicago had organized trading to facilitate price discovery (information exchange), risk management (hedging), and speculation. Congress recognized the need for uniform, nationwide regulation of futures and options markets because concurrent regulation by the states could lead to “total chaos.” See *Commodity Futures Trading Act of 1974: Hearings Before the S. Comm. on Agriculture & Forestry on S. 2485, S. 2578, S. 2837, H.R. 13113, 93d Cong., 2d Sess. 685 (1974)* (statement of Sen. Clark), available at <https://catalog.hathitrust.org/Record/010373491>.

The 1990s saw the growth of a new type of derivative financial product—swaps.²⁵ The Futures Trading Practices Act of 1992, authorized the CFTC to exempt certain off-exchange (*i.e.*, over-the-counter or OTC) swap transactions from the exchange trading requirement.²⁶ The swap market grew rapidly, and in 1999 a Presidential Working Group Report concluded that “under many circumstances, the trading of financial derivatives by eligible swap participants should be excluded from the CEA” in order to avoid legal uncertainty and unnecessary regulatory burdens.²⁷ Spurred by the 1999 report, the Commodity Futures Modernization Act of 2000 (CFMA) exempted or excluded swap transactions from the exchange trading requirement.²⁸

In the wake of the 2008 financial crisis, Congress created a framework within the CEA for the on-exchange execution, clearing and reporting of vast portions of the previously OTC swap markets. The Wall Street Transparency

and Accountability Act of 2010 (Dodd-Frank Act) expressly extended the CFTC’s “exclusive jurisdiction” to encompass “transactions involving swaps.”²⁹ Among other things, the Dodd-Frank Act also:

- added a new definition of the term “swap” to the CEA;³⁰
- directed the CFTC and the SEC to jointly adopt a rulemaking to further define the term “swap” (among other terms) in consultation with the Federal Reserve;³¹
- required retail swap transactions (*i.e.*, transactions not between eligible contract participants) to be entered into on a DCM;³²
- created a new type of trading facility—a swap execution facility (SEF)—where eligible contract participants can transact swaps;³³ and
- adopted CEA section 5c(c)(5)(C), a “Special Rule for review and approval of event contracts and swaps contracts,”³⁴ which is discussed in detail below.

In sum, under current law, futures contracts, options on futures contracts and retail swaps must be transacted on DCMs, and the CFTC oversees DCMs and SEFs and trading in these instruments. In this document, the term “prediction market” refers to a CFTC-registered DCM or SEF that offers event contracts in the form of swaps or futures contracts for trading. Depending on their underlying events, other event contracts may be security-based swaps

or other instruments subject to the jurisdiction of the SEC.³⁵

CEA section 1a(47)(A)(ii) defines “swap” to include “any agreement, contract, or transaction . . . that provides for any purchase, sale, payment, or delivery (other than a dividend on an equity security) that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence.”³⁶ Also, CEA section 1a(47)(A)(i) defines the term “swap” to include “any agreement, contract, or transaction . . . that is a put, call, cap, floor, collar, or similar option of any kind that is for the purchase or sale, or based on the value, of 1 or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind.”³⁷ Event contracts traded as swaps under CEA section 1a(47)(A)(i) are sometimes referred to as binary options, a type of swap which is an “option whose payoff is either a fixed amount or zero.”³⁸

The definition of what constitutes a futures contract is not set out in the CEA but rather has been developed in court decisions.³⁹ Event contracts structured as futures contracts would have the key characteristics of futures contracts such as standardization, futurity, fungibility, and offset.⁴⁰

Because of CEA section 2(e) and the exchange trading requirement, respectively, a prediction market that offers event contracts for trading by the general public in the form of swaps or futures contracts must register with the

²⁵ In 1989, the Commission adopted a policy statement describing when it would not take action against swaps as illegal futures contracts. See Policy Statement Concerning Swap Transactions, 54 FR 30694 (July 21, 1989).

²⁶ Public Law 102–546, sec. 502(a)(2), 106 Stat. 3590, 3629 (1992), adding section 4(c) to the CEA, including CEA sec. 4(c)(5)(B), 7 U.S.C. 6(c)(5)(B).

²⁷ Report of The President’s Working Group on Financial Markets, *Over-the-Counter Derivatives Markets and the Commodity Exchange Act* (Nov. 1999) at 1 (footnote omitted), available at <https://home.treasury.gov/system/files/236/Over-the-Counter-Derivatives-Market-Commodity-Exchange-Act.pdf>. In addition to participating in this working group, the Commission also prepared a framework for deregulation of DCMs and exclusions from the CEA for OTC transactions. See Report of the Commodity Futures Trading Commission Staff Task Force, *A New Regulatory Framework* (2000), available at <https://www.cftc.gov/sites/default/files/files/opa/oparegulatoryframework.pdf>. See also Derivatives Regulation sec. 2.04[B].

²⁸ Public Law 106–554, App. E, sec. 103, 114 Stat. 2763A–365, 2763A–377 (2000), adding CEA sec. 2(d), which at that time exempted off-exchange swaps in an “excluded commodity” entered into by “eligible contract participants.” See 7 U.S.C. 2(d) (2000 Main Ed.).

The CFMA also introduced definitions of the terms “eligible contract participant” and “excluded commodity.” See CEA sec. 1a(18) and (19), 7 U.S.C. 1a(18) and (19), respectively. The definition of “excluded commodity” is in effect unchanged today and is discussed further below. The definition of “eligible contract participant” has been subject to only technical amendments.

The CFMA restructured CEA sec. 5, 7 U.S.C. 7, applying a principles-based regulation philosophy to set out designation criteria and core principles with which a DCM must comply, rather than prescribing strict requirements. See CFMA sec. 110, 114 Stat. at 2763A–384.

Last, the CFMA added CEA sec. 5c, 7 U.S.C. 7a–2, which introduced a provision for DCMs to list a contract for trading by providing to the Commission a certification that the contract complies with the CEA (including Commission regulations thereunder). See CFMA sec. 113, 114 Stat. at 2763A–399. CEA sec. 5c will be discussed in detail below.

²⁹ See Public Law 111–203, sec. 722(a)(1), 124 Stat. 1376, 1672 (2010), amending CEA sec. 2(a)(1)(A), 7 U.S.C. 2(a)(1)(A). This CEA section expressly extends the CFTC’s “exclusive jurisdiction” to encompass “transactions involving swaps or contracts of sale of a commodity for future delivery . . . traded or executed on a contract market designated pursuant to [CEA sec. 5, 7 U.S.C. 7]” The CFTC shares jurisdiction over mixed swaps and security futures with the SEC, and the SEC has sole jurisdiction over security-based swaps. See CEA sec. 1a(44), 7 U.S.C. 1a(44) and secs. 3(a)(55) and 3(a)(68) of the Securities Exchange Act of 1934 (Exchange Act), 15 U.S.C. 78c(a)(55) and 78c(a)(68). See also *KalshiEX*, 172 F.4th at 226 (“The Dodd-Frank Act of 2010 amended the Act again . . . expanding the CFTC’s exclusive jurisdiction ‘with respect to accounts, agreements . . . and transactions involving swaps or contracts of sale of a commodity for future delivery . . . traded or executed on a [DCM.]’ 7 U.S.C. 2(a)(1)(A).”).

³⁰ CEA sec. 1a(47), 7 U.S.C. 1a(47).

³¹ Dodd-Frank Act sec. 712(d)(1), codified at 15 U.S.C. 8302(d)(1) (directing the CFTC and SEC to undertake joint rulemaking on covered topics). See Further Definition of “Swap,” “Security-Based Swap,” and “Security-Based Swap Agreement”; Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 FR 48208 (Aug. 13, 2012).

³² CEA sec. 2(e), 7 U.S.C. 2(e). The term “eligible contract participant” is defined in CEA sec. 1a(18), 7 U.S.C. 1a(18), and generally includes only institutional investors.

³³ CEA sec. 5h, 7 U.S.C. 7b–3. A SEF may make any swap available for trading to eligible contract participants.

³⁴ 7 U.S.C. 7a–2(c)(5)(C).

³⁵ See 7 U.S.C. 1a(47)(B) (providing “exclusions” from the definition of “swap” under the CEA, including for securities such as security-based-swaps, certain options, and debt securities); see also, *e.g.*, 15 U.S.C. 78c(a)(68)(A) (defining “security-based swap” under the Exchange Act).

³⁶ 7 U.S.C. 1a(47)(A)(ii).

³⁷ 7 U.S.C. 1a(47)(A)(i).

³⁸ See CFTC, Futures Glossary, available at <https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CFTCGlossary/index.htm#B> (last visited May 18, 2026).

³⁹ See *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573 (9th Cir. 1982), *Transnor (Bermuda) Ltd. v. BP N. Am. Petroleum*, 738 F. Supp. 1472 (S.D.N.Y. 1990), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966 (4th Cir. 1993). See also *In re Stovall*, [1977–1980 Transfer Binder] Comm. Fut. L. Rep. (CCH) 20,941 (CFTC Dec. 6, 1979), available at <https://www.cftc.gov/sites/default/files/idc/groups/public/Lrceacases/documents/ceacases/stovall-dec1979-decision-13.pdf>.

⁴⁰ Since futures contracts are specifically excluded from the statutory definition of “swap,” these event contracts are not swaps. CEA sec. 1a(47)(B), 7 U.S.C. 1a(47)(B), provides that “[t]he term ‘swap’ does not include—(i) any contract of sale of a commodity for future delivery (or option on such contract)”

CFTC as a DCM.⁴¹ These prediction markets must comply with the substantive and procedural requirements that apply, more generally, to the listing for trading by a DCM of derivative contracts.⁴² Further, a prediction market registered as a DCM or SEF is subject to statutory requirements to only list or permit trading in derivative contracts that are not readily susceptible to manipulation;⁴³ to enforce compliance with contract terms and conditions;⁴⁴ and to monitor trading on the exchange in order to prevent manipulation, price distortion, and disruption of the settlement process through market surveillance, compliance, and enforcement practices and procedures.⁴⁵

2. CEA Section 5c(c)(5)(C)

In 2000 the CFMA added CEA section 5c, which introduced a provision for DCMs to list a contract for trading by providing to the Commission a certification that the contract complies with the CEA and Commission regulations.⁴⁶ This document refers to event contracts which a prediction market certifies to be in compliance with the CEA and Commission regulations as “self-certified event contracts” and to this process as “self-certification.” The Dodd-Frank Act revised CEA section 5c(c) in 2010 to include a new paragraph (5)(C), under which the Commission is authorized to prohibit CFTC-registered exchanges and clearinghouses from listing for trading or making available for clearing particular types of event contracts, if the

Commission determines that such contracts are contrary to the public interest.⁴⁷ This document refers to CEA section 5c(c)(5)(C) as the Special Rule.

Specifically, clause (i) in the Special Rule provides that, “[i]n connection with the listing of agreements, contracts, transactions, or swaps in excluded commodities⁴⁸ that are based upon the occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or levels of a commodity described in [CEA] section 1a(2)(i)),⁴⁹ by a [DCM] or [SEF], the Commission may determine that such agreements, contracts, or transactions are contrary to the public interest if the agreements, contracts, or transactions involve—(I) activity that is unlawful under any Federal or State law; (II) terrorism; (III) assassination; (IV) war; (V) gaming; or (VI) other similar activity determined by the Commission, by rule or regulation, to be contrary to the public interest.”⁵⁰

Clause (ii) in the Special Rule provides that “[n]o agreement, contract or transaction⁵¹ determined by the Commission to be contrary to the public interest under clause (i) may be listed or

made available for clearing or trading on or through a registered entity.”⁵²

It is notable that the Special Rule applies in *addition* to the other requirements applicable to event contracts traded on a prediction market. That is, the Special Rule is not the only way in which a prediction market could be prohibited from listing an event contract and the Special Rule applies only if the event contract is certified to be in compliance with all other requirements (because an event contract can be listed only if it is certified to be in compliance).⁵³ The Commission therefore preliminarily believes that, in general, the Special Rule should have only a limited application in cases where the listing, trading, and clearing of event contracts that would be otherwise in compliance with all applicable requirements should be prohibited because the event contracts involve an activity enumerated in clause (i) of the Special Rule and are contrary to the public interest.

The Commission preliminarily interprets the Special Rule to require the Commission to engage in a three-step inquiry before it may determine an event contract is prohibited thereunder.⁵⁴ First, the Commission

⁴⁷ 7 U.S.C. 7a–2(c)(5)(C), amended by Dodd-Frank Act, Public Law 111–203, sec. 745(b), 124 Stat. 1376, 1735 (2010).

⁴⁸ The term “excluded commodity” is defined in CEA section 1a(19), 7 U.S.C. 1a(19), as: “(i) an interest rate, exchange rate, currency, security, security index, credit risk or measure, debt or equity instrument, index or measure of inflation, or other macroeconomic index or measure; (ii) any other rate, differential, index, or measure of economic or commercial risk return, or value that is—(I) not based in substantial part on the value of a narrow group of commodities not described in clause (i); or (II) based solely on one or more commodities that have no cash market; (iii) any economic or commercial index based on prices, rates, values, or levels that are not within the control of any party to the relevant contract, agreement, or transaction; or (iv) an occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or level of a commodity not described in clause (i)) that is—(I) beyond the control of the parties to the relevant contract, agreement, or transaction; and (II) associated with a financial, commercial, or economic consequence.”

⁴⁹ There is no “section 1a(2)(i)” in the CEA. The Commission believes that the reference in CEA section 5c(c)(5)(C)(i) to “section 1a(2)(i)” is a typographical or drafting error.

⁵⁰ CEA sec. 5c(c)(5)(C)(i), 7 U.S.C. 7a–2(c)(5)(C)(i).

⁵¹ CEA sec. 5c(c)(5)(C)(i) applies in connection with the listing of agreements, contracts, transactions, or swaps by a DCM or SEF. 7 U.S.C. 7a–2(c)(5)(C)(i). The Commission notes that similar phrases both later in CEA sec. 5c(c)(5)(C)(i) and in CEA sec. 5c(c)(5)(C)(ii) refer only to “agreements, contracts, or transactions” The Commission interprets either phrase to encompass derivative contracts listed for trading on or through DCMs or SEFs, and for simplicity refers to “agreements, contracts, transactions or swaps” as “event contracts” herein.

⁵² CEA sec. 5c(c)(5)(C)(ii); 7 U.S.C. 7a–2(c)(5)(C)(ii). The term “registered entity” includes a DCM, a SEF, and a derivatives clearing organization registered with the CFTC. See CEA sec. 1a(40); 7 U.S.C. 1a(40).

⁵³ In the self-certification process, the prediction market bears the burden to assess and certify compliance of event contracts with the CEA and Commission regulations. If the prediction market certifies that the event contracts are in compliance, the prediction market can list the event contracts for trading on the next business day. See 17 CFR 40.2(a)(2). See also *infra*, note 58.

Apart from the Special Rule, the Commission has limited authority to prohibit a prediction market from listing self-certified event contracts. If Commission staff identify concerns with a self-certified event contract submission (e.g., concerns that a contract may be readily susceptible to manipulation), the Commission could, pursuant to § 40.2(c), stay the listing of the event contracts during either the pendency of Commission proceedings for filing a false certification or during the pendency of a petition to alter or amend the event contract terms and conditions. See 17 CFR 40.2(c). The Commission could also initiate an enforcement action alleging that the prediction market failed to comply with part 40 requirements or applicable core principles (e.g., failure to comply with the prediction market’s obligation to list only contracts that are not readily susceptible to manipulation).

⁵⁴ Several commenters on the Commission’s Advance Notice of Proposed Rulemaking on Prediction Markets, see *infra* note 154, wrote that the Special Rule requires a two-step inquiry. See, e.g., Letter from CME Group, Inc. 9 (Apr. 30, 2026); Letter from Harry Crane, Rutgers University, 2 (Apr. 30, 2026). Those commenters treated the second and third steps below as the two steps required; the Commission simply notes here that an additional initial step is to determine if the agreements, contracts, transactions, or swaps are event contracts. The letters are available on the Commission’s website. See *infra* note 155.

⁴¹ See CEA sec. 2(e), 7 U.S.C. 2(e) (requirement that persons other than eligible contract participants transact swaps on a DCM) and CEA sec. 4(a), 7 U.S.C. 6(a) (requirement to transact futures contracts on a DCM). The term “eligible contract participant” is defined in CEA sec. 1a(18), 7 U.S.C. 1a(18), and generally includes only institutional investors. In addition to DCMs, a SEF may make any swap, including an event contract that is a swap, available for trading. See CEA sec. 5h, 7 U.S.C. 7b–3. However, swap trading on a SEF is not available to the general public, but rather only to eligible contract participants.

⁴² See generally CEA sec. 5, 7 U.S.C. 7. SEFs are subject to similar requirements. See CEA sec. 5h, 7 U.S.C. 7b–3.

⁴³ See Core Principle 3 for DCMs, CEA sec. 5(d)(3), 7 U.S.C. 7(d)(3), and Core Principle 3 for SEFs, CEA sec. 5h(f)(3), 7 U.S.C. 7b–3(f)(3).

⁴⁴ See Core Principle 2 for DCMs, CEA sec. 5(d)(2), 7 U.S.C. 7(d)(2), and Core Principle 2 for SEFs, CEA sec. 5h(f)(2), 7 U.S.C. 7b–3(f)(2).

⁴⁵ See Core Principle 4 for DCMs, CEA sec. 5(d)(4), 7 U.S.C. 7(d)(4), and Core Principle 4 for SEFs, CEA sec. 5h(f)(4), 7 U.S.C. 7b–3(f)(4).

⁴⁶ See 7 U.S.C. 7a–2 (2000 Main Ed.). Before 2000, the CEA required that a DCM obtain the Commission’s prior approval before listing a contract for trading. See *infra*, note 60. CEA section 5c, as added by the CFMA, also includes a provision for a DCM to seek prior approval of a contract; however, it is not mandatory. See 7 U.S.C. 7a–2(c)(4).

must assess whether agreements, contracts, transactions, or swaps in an excluded commodity are based upon an occurrence, extent of an occurrence, or contingency and therefore qualify as “event contracts.”⁵⁵ Second, the Commission must determine whether the event contracts “involve” an activity enumerated in paragraph (i) of the Special Rule (each, an Enumerated Activity) or other similar activity as determined by the Commission by rule or regulation (similar activity). Third, if the Commission determines that the event contracts involve such activity, the Commission may block a contract from being listed if it undertakes a public interest analysis and determines the event contract is affirmatively against the public interest. The Commission interprets the Special Rule to provide that the event contract may not be listed or made available for clearing or trading by a prediction market if the Commission affirmatively finds that (i) the contract is an event contract, (ii) the event contract involves an Enumerated Activity or similar activity, and (iii) the event contract is contrary to the public interest.

The Commission also notes that the Special Rule does not provide that event contracts involving Enumerated Activities are contrary to the public interest *per se*. Rather, if event contracts involve an Enumerated Activity, the Commission “may” determine that they are contrary to the public interest and prohibited from trading.⁵⁶

In 2011, the Commission adopted final rules under part 40 of the Commission’s regulations, including new Regulation 40.11.⁵⁷ The Commission adopted Regulation 40.11 to implement the Special Rule as part of broader changes to the Commission’s part 40 regulations.⁵⁸

⁵⁵ Event contracts in certain excluded commodities are not subject to the Special Rule. See *infra* section II.B.

⁵⁶ CEA sec. 5(c)(5)(C)(i); 7 U.S.C. 7a–2(c)(5)(C)(i). In the two instances where the Commission applied the Special Rule, it made an affirmative finding that the event contracts in question were contrary to the public interest. See *infra* sections I.C.5 and I.C.7.

⁵⁷ Provisions Common to Registered Entities, 76 FR 44776 (July 27, 2011).

⁵⁸ Part 40 of the Commission’s regulations, more generally, implements the contract and rule submission requirements for registered entities set forth in CEA section 5(c). For example, § 40.2 sets forth the general process by which a DCM or SEF may list a new derivative contract for trading by providing the Commission a self-certification that the contract complies with the CEA, including the CFTC’s regulations thereunder. 17 CFR 40.2; see also CEA sec. 5(c)(1), 7 U.S.C. 7a–2(c)(1). The Commission must receive the DCM’s or SEF’s self-certification at least one business day before the contract’s listing. 17 CFR 40.2(a)(2). Rule 40.3 sets forth the general process by which a DCM or SEF may elect voluntarily to seek prior Commission

3. Past Provisions for Contract Approval and History of the Current Text of the Special Rule

The Special Rule provides that the Commission may determine that certain event contracts are “contrary to the public interest.”⁵⁹ In understanding this provision, it is useful to review the prior application of a public interest standard to a DCM’s listing of a contract for trading, and the legislative history of the Special Rule. The Commission preliminarily believes that the following precedents and legislative history indicate that the public interest standard to be applied in the Special Rule is different from the public interest standard previously applied prior to enactment of the CFMA in 2000.

As noted above, prior to the CFMA, CEA section 5(7) required that a DCM demonstrate that each futures contract it listed “will not be contrary to the public interest.”⁶⁰ The legislative history of this provision, from 1974 when the CEA was enacted, indicated that an “economic purpose” test was incorporated into the public interest requirement.⁶¹ Based on this, prior to 2000 the Commission took the position that every proposed futures contract must satisfy an economic purpose test and, in addition, a broader public interest test.⁶²

approval of a derivative contract that the DCM or SEF seeks to list for trading. 17 CFR 40.3; see also CEA sec. 5(c)(4)–(5), 7 U.S.C. 7a–2(c)(4)–(5). Amendments to an existing derivative contract also must be submitted to the Commission either by way of self-certification or for prior Commission approval. 17 CFR 40.5, 40.6.

⁵⁹ CEA sec. 5(c)(5)(C)(i), 7 U.S.C. 7a–2(c)(5)(C)(i).
⁶⁰ 7 U.S.C. 7(7) (1994 Ed. and Supp. V). At that time, a DCM was required to obtain from the Commission a designation as a contract market for each futures contract that it listed for trading. See Derivatives Regulation sec. 6.04[C.2.c.iii].

⁶¹ See *id.* The Derivatives Regulation authors explain that in connection with the adoption of the CEA in 1974, the House of Representatives proposed to explicitly require a DCM to demonstrate that its contracts could be used by commercial businesses for price discovery or to hedge the risk of price fluctuations, but the Senate instead required a DCM to demonstrate “that transactions for future delivery in the commodity for which designation as a contract market is sought will not be contrary to the public interest,” which is the provision that was added to the CEA. *Id.* (citing H.R. Rep. No. 975, 93d Cong., 2d Sess. 103 (Apr. 4, 1974) and S. Rep. No. 1131, 93d Cong., 2d Sess. 72 (Aug. 29, 1974)). However, the Conference Committee report stated that the “broader language of the Senate provision would include the concept of the ‘economic purpose’ test provided in the House bill subject to the final test of the ‘public interest.’” H.R. Rep. No. 1383, 93d Cong., 2d Sess. 14 (Sept. 27, 1974).

⁶² The Commission adopted “Guideline No. 1” to assist DCMs in preparing applications for product approval. See Guideline on Economic and Public Interest Requirements for Contract Market Designation, 40 FR 25849 (June 19, 1975). Guideline No. 1 stated that DCMs should make an affirmative showing that a proposed futures contract was

Although the combined public interest/economic purpose test was applied by the Commission from 1974 to 2000 and retained the support of Congress through the various amendments to the CEA during that period, it was not without criticism.⁶³ In 1976, a Commission-established Advisory Committee endorsed an approach where listing a contract for trading would not require an affirmative conclusion that the contract served an economic purpose.⁶⁴ The Advisory Committee noted that futures contract prices guide economic decisions, and therefore any actively traded futures contract would provide economic benefits, unless it is flawed.⁶⁵ By

“reasonably expected to serve, on more than occasional basis,” as a price discovery or hedging tool for commercial users of the underlying commodity. Subsequently, the Commission revised Guideline No. 1, publishing it as appendix A to part 5 of the Commission’s regulations. See 47 FR 49832 (Nov. 3, 1982). As revised in 1982, Guideline No. 1 was updated to address proposed innovations in the trading of futures contracts, including futures contracts on financial instruments and on various indexes and cash-settled futures contracts. Guideline No. 1 was again revised in 1992. 57 FR 3518 (Jan. 30, 1992). The 1992 revisions, among other things, eliminated the guideline that a DCM provide a further, separate justification that the proposed contract would be quoted and disseminated for price basing, or used as a means of hedging against possible loss through price fluctuation on more than an occasional basis, noting that “the economic purpose of a contract is often implicit, or encapsulated, in the exchange’s demonstration that the terms and conditions of the proposed contract meet the criteria of the Guideline [No. 1].” 57 FR at 3521–22, note 9. Finally, Guideline No. 1 was further revised and streamlined in 1999. 64 FR 29217 (June 1, 1999). When former CEA section 5(7) was repealed by the CFMA, Guideline No. 1 was withdrawn by the Commission.

⁶³ For example, prior to CFTC reauthorization in 1982, some DCMs proposed a repeal or amendment of the public interest test. See CFTC Reauthorization: Hearings before the Subcomm. on Conservation, Credit, and Rural Development of the Comm. on Agriculture, House of Representatives, 97th Cong., 2d Sess., on H.R. 5447, Feb. 23, 24, and 25, 1982, at 269 (testimony of Lee Berendt, Comex, that contract approval “could be left to free market forces”), 309 (statement of Clayton Yeutter, Chicago Mercantile Exchange, that “the marketplace should be allowed to decide whether a contract proposed by an exchange is useful and beneficial so long as that contract is not in violation of any provision of” the CEA or regulations thereunder), and 353 (statement of Alvin Donahoo, Minneapolis Grain Exchange, that the contract approval process “is very costly and time consuming for the Exchange”), available at <https://catalog.hathitrust.org/Record/002757479>. But Congress did not make the suggested changes to the CEA.

⁶⁴ See Report of the CFTC Advisory Committee on the Economic Role of Contract Markets 8 (1976), available at <https://catalog.hathitrust.org/Record/000751730>.

⁶⁵ *Id.* (“The Committee endorses the Commission’s demonstrated approach to this evaluation of the public interest—that a futures contract should only be denied designation if a finding is made that the trading would be against the public interest. . . . [F]utures markets

Continued

contrast, requiring an affirmative showing of economic purpose would be difficult to apply and, given that futures contracts can undergo revision, would “hamper the industry’s development and even its current effectiveness by hampering innovation and adaptation to change.”⁶⁶

The public interest/economic purpose test did not prevent the Commission from approving an increasing variety of futures contracts in the 1980s and 1990s. These included futures contracts based on: interest rates derived from the securitization of mortgages,⁶⁷ rates of return on Eurodollar deposits,⁶⁸ equity indices,⁶⁹ the consumer price index,⁷⁰ corporate bond indices,⁷¹ catastrophe insurance,⁷² barge freight rates,⁷³ corn harvest yields in specific regions,⁷⁴ and temperature indices.⁷⁵

The Commission preliminarily believes that this history demonstrates that the public interest/economic purpose test, despite its longevity, was controversial and difficult to apply. And experience showed that the public interest/economic purpose test was of

ordinarily provide economic benefits through hedging and price discovery. Futures prices guide production, storage, and consumption decisions which help the economy function more smoothly. . . . Thus, a futures contract which is likely to be actively traded on an organized futures market can be expected to provide economic benefits—unless it has a flaw.”)

⁶⁶ The Advisory Committee concluded that “[i]f a newly drawn contract succeeds, it can produce substantial benefits for the economy. Lack of success generally means simply that the contract is not traded.” *Id.*

⁶⁷ See 1975 approval of GNMA CDR Mortgage Backed Certificate futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/255>.

⁶⁸ See 1981 approval of Eurodollar Time Deposit Rate futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/326>.

⁶⁹ See 1982 approval of Value Line Stock Index futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/455>.

⁷⁰ See 1985 approval of CPI-U futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/445>.

⁷¹ See 1987 approval of Long Term Corporate Bond Index futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/231>.

⁷² See 1992 approval of Catastrophe Insurance futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/223>.

⁷³ See 1992 approval of Barge Freight Rate Index futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/295>.

⁷⁴ See 1995 approval of North Dakota Spring Wheat Yield Insurance futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/737>.

⁷⁵ See 1999 approval of Atlanta Degree Days Index futures contract, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/1032>.

limited relevance to deciding whether a futures contract should be prohibited, because no standard for finding that a futures contract does not serve an economic purpose has ever been applied to prohibit any futures contract.

As noted above, in 2000 the CFMA repealed CEA section 5(7) and added CEA section 5c, which among other things introduced a provision for DCMs to list a contract for trading by providing to the Commission a certification that the contract complies with the CEA and Commission regulations.⁷⁶ Following the enactment of the CFMA, the Commission was no longer required to find that a contract is not contrary to the public interest before listing of the contract.

The Special Rule was added to the CEA by section 745(b) of the Dodd-Frank Act, which amended the requirements for contract and rule submission by adopting a new version of CEA section 5c(c).⁷⁷ The only discussion of the Special Rule in the legislative history of the Dodd-Frank Act is a short colloquy on the Senate floor between the late Senator Diane Feinstein and Senator Blanche Lincoln, then-Chair of the Senate Committee on Agriculture, Nutrition, and Forestry.⁷⁸ In this colloquy, the two Senators appear to be talking about two different types of derivatives contracts, and Senator Lincoln (the author of the Special Rule) never expressly adopts Senator Feinstein’s reasoning.

Senator Feinstein describes a broad swath of speculative derivatives, saying, “[s]ince 2000, derivatives traders have bet billions of dollars on derivatives contracts that served no commercial purpose at all and often threaten the public interest,” before expressing that the Special Rule should authorize the CFTC to “determine that a contract is a gaming contract if the predominant use

of the contract is speculative as opposed to a hedging or economic use.”⁷⁹ The Commission preliminarily believes that Senator Feinstein is suggesting that the activity of “gaming” in the Special Rule would encompass “billions of dollars” of contracts—*i.e.*, the derivative contracts that she believes contributed to the 2008 crisis.⁸⁰

Senator Lincoln, on the other hand, says the purpose of the Special Rule is “to prevent the creation of futures and swaps markets that would allow citizens to profit from devastating events and also prevent gambling through futures markets.”⁸¹ That is, in contrast to Senator Feinstein’s reference to past contracts, Senator Lincoln looked at types of event contracts that could potentially be developed in the future.

The Commission preliminarily believes that the colloquy between Senators Feinstein and Lincoln does not indicate an intent to revive the public interest/economic purpose test that applied before the CFMA.⁸² The “billions of dollars on derivatives contracts that served no commercial purpose at all and often threaten the public interest” to which Senator Feinstein refers would not be subject to the Special Rule, and arguably would not be prohibited under the pre-CFMA test. And Congress was aware of the history surrounding the economic purpose test but chose not to incorporate it into the text of the Special Rule. In any case, the Commission notes that a floor colloquy is not a definitive source of Congressional intent.⁸³ For these reasons, and in addition to the generally limited value of legislative history,⁸⁴ the Commission preliminarily

⁷⁹ *Id.*

⁸⁰ Given the precedents for approval of a wide variety of futures contracts under the public interest/economic purpose test described above, it is unlikely that this test would have led the Commission to prohibit the contracts to which Senator Feinstein refers.

⁸¹ Feinstein-Lincoln Colloquy.

⁸² That is, and for clarity, the Commission preliminarily believes that the reasoning in a Commission order in 2012 prohibiting certain political event contracts was incorrect. See section I.C.5.

⁸³ See, e.g., *NLRB v. SW Gen., Inc.*, 580 U.S. 288, 307 (2017) (contradictory statements of two Senators are “a good example of why floor statements by individual legislators rank among the least illuminating forms of legislative history”); *Rhode Island v. Narragansett Indian Tribe*, 19 F.3d 685, 699 (1st Cir. 1994) (rule that individual legislators’ statements do not have controlling effect “applies fully to the special case of statements by those members of Congress most intimately associated with a bill: its floor manager and its sponsors”) (citing *Weinberger v. Rossi*, 456 U.S. 25, 35 n.15 (1982)) (“The contemporaneous remarks of a sponsor of legislation are certainly not controlling in analyzing legislative history.”).

⁸⁴ See, e.g., *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S. 546, 568 (2005) (“Not all

⁷⁶ See 7 U.S.C. 7a–2 (2000 Main Ed.).

⁷⁷ 7 U.S.C. 7a–2(c), amended by Dodd-Frank Act section 745(b), 124 Stat. 1376, 1735 (2010). The new section 5c(c) was added relatively late in the process of drafting the Dodd-Frank Act. It first appears in the “Dodd-Lincoln Substitute Amendment” on April 29, 2010, where its text is the same as in the final law. See Amendment No. 3739 to S.3217, Calendar No. 349, at 728, available at <https://www.congress.gov/111/bills/s3217/BILLS-111s3217as.pdf>. Notably, a new section 5c(c) does not appear in the April 15, 2010 Dodd draft of S.3217, available at <https://www.congress.gov/111/bills/s3217/BILLS-111s3217pcs.pdf>. The new section 5c(c) also is not mentioned in S. Rep. No. 111–176, The Restoring American Financial Stability Act of 2010 (April 30, 2010), available at <https://www.congress.gov/committee-report/111th-congress/senate-report/176/1/outputFormat=pdf>.

⁷⁸ 156 Cong. Rec. S5906–07 (daily ed. July 15, 2010) (“Event Contracts”), available at <https://www.congress.gov/111/crc/2010/07/15/CREC-2010-07-15-senate.pdf> (Feinstein-Lincoln Colloquy).

believes that the colloquy is of limited usefulness to understanding the purpose of the Special Rule. Thus, the Commission preliminarily believes that the Special Rule contemplates a new type of public interest test.⁸⁵

Senator Lincoln continued the colloquy by saying, “[t]he Commission needs the power to, and should, prevent derivatives contracts that are contrary to the public interest because they exist predominantly to enable gambling through supposed ‘event contracts.’ It would be quite easy to construct an ‘event contract’ around sporting events such as the Super Bowl, the Kentucky Derby, and Masters Golf Tournament. These types of contracts would not serve any real commercial purpose. Rather, they would be used solely for gambling.” Senators Feinstein and Lincoln then conclude the colloquy by saying that the Special Rule “will also” authorize the Commission to prevent trading in event contracts relating to national security events such as terrorism and war.⁸⁶

The Commission preliminarily believes that the colloquy between Senators Feinstein and Lincoln establishes that Congress was aware that event contracts based on “sporting events such as the Super Bowl, the Kentucky Derby, and Masters Golf Tournament” could potentially be submitted under CEA section 5c(c), but Congress chose not to prohibit event contracts involving those sorts of events. Instead, the Special Rule confirms the CFTC’s jurisdiction over event contracts and sets out a process by which the CFTC “may” find such event contracts to be contrary to the public interest. Notably, the statute does not authorize the Commission to impose a *per se* prohibition on the listing of such event contracts independent of a public interest determination.

The Commission has carefully considered the floor statement of Senator Lincoln, expressing concern that event contracts on sporting events might “not serve any real commercial purpose” and “would be used solely for gambling.”⁸⁷ The Commission preliminarily shares the underlying concern that the Special Rule should prevent the use of prediction markets as

venues for event contracts that have neither commercial utility nor informational value. This proposal’s framework operationalizes that concern through contract-specific application of the public interest factors set forth in proposed § 40.11(a)(5) and (a)(6), rather than through a categorical prohibition based on the identity of the underlying event. Former Senator Lincoln’s own comment in response to the Commission’s Advance Notice of Proposed Rulemaking on Prediction Markets supports the appropriateness of this approach.⁸⁸ Senator Lincoln explained that “[s]ome contracts genuinely should be prohibited—direct references to specific acts of terrorism, named-individual assassinations, military operations,” while “[o]ther contracts that help users manage real economic exposure should not be prohibited.”⁸⁹ Senator Lincoln specifically identified “the Super Bowl” as an example of a sporting event with “strong commercial value” because of its “major impacts on advertising, apparel sales and the hospitality industry.”⁹⁰ The framework proposed herein reflects these considerations.

C. Commission History With Prediction Markets

1. Staff Actions

The Commission’s Division of Market Oversight has issued staff no-action positions which provide that, subject to specified terms, the Division will not recommend to the Commission enforcement action with respect to two small-scale, not-for-profit markets that offer trading in political and economic indicator event contracts for educational and research purposes.

The first no-action position, issued in 1992, involves the Iowa Electronic Markets (IEM), an online electronic trading facility “where contract payoffs are based on real-world events such as political outcomes, companies’ earnings per share (EPS), and stock price returns. The market is operated by University of Iowa Henry B. Tippie College of Business faculty as an educational and research project.”⁹¹ The staff no-action position limits the number of traders who can access the market at any one time and the maximum amount any single trader can risk.⁹²

The other no-action position, issued in 2014, involves an online electronic market for political and economic indicator event contracts called *PredictIt.org*, “a project of Prediction Market Research Consortium, a not-for-profit organization, for educational purposes.”⁹³ The staff no-action position limits the maximum amount any single trader can risk, and states that the market “is restricted to political events, such as contracts related to the outcomes of elections and other significant political questions not involving war, terrorism, or assassination,” and also economic indicator contracts.⁹⁴

2. 2008 Concept Release

Prompted by the Commission’s receipt of a substantial number of requests for guidance related to application of the CEA to prediction markets, in 2008 the Commission published a concept release (2008 Concept Release) requesting input from interested persons, and those with expertise, on the appropriate regulatory treatment of prediction markets.⁹⁵ In the 2008 Concept Release, the Commission acknowledged that event contracts may not have a direct price basing or hedging purpose; rather, it described event contracts as “information aggregation vehicles.”⁹⁶ Specifically, the Commission stated that “[i]n general, event contracts are neither dependent on, nor do they necessarily relate to, market prices or broad-based measures of economic or commercial activity.”⁹⁷ The Commission elaborated as follows:

public/@lrlettergeneral/documents/letter/93-66.pdf. This no-action position superseded the operative terms of a more limited no-action position issued in 1992.

The CFTC staff no-action position did not extend to EPS or stock price returns. The University of Iowa did not request a no-action position as to stock price returns, and the CFTC staff referred the matter of EPS to the SEC staff. See CFTC Staff Letter No. 93–66 at 5. See also Letter from Erik Sirri, Director of Trading and Markets, SEC (Sept. 3, 2008), available at <https://www.cftc.gov/sites/default/files/idc/groups/public/@lfederalregister/documents/frcomment/08-004c028.pdf>.

⁹³ See “What is PredictIt?” available at <https://www.predictit.org/support/what-is-predictit> (last visited May 18, 2026).

⁹⁴ See CFTC Staff Letter No. 25–20 issued to Victoria University of Wellington, New Zealand (Victoria University) and the Prediction Market Research Consortium, Inc. (PMRC) (Jul. 14, 2025) at 2, available at <https://www.cftc.gov/csl/25-20/download>. The 2025 letter amended CFTC Staff Letter 14–130 issued to Victoria University (Oct. 29, 2014), available at <https://www.cftc.gov/csl/14-130/download>, to allow Victoria University to transfer operation of the market to PMRC, a US-based not-for-profit corporation.

⁹⁵ 2008 Concept Release, *supra* note 1, 73 FR at 25670, 25673.

⁹⁶ *Id.* at 25670.

⁹⁷ *Id.* at 25669.

extrinsic materials are reliable sources of insight into legislative understandings, however, and legislative history in particular is vulnerable[.]”); *Conroy v. Aniskoff*, 507 U.S. 511, 519 (1993) (Scalia, J., concurring) (“The greatest defect of legislative history is its illegitimacy.”).

⁸⁵ See Derivatives Regulation sec. 6.04[C.2.c.iv] (the Special Rule is “a different type of public interest standard” as compared to the pre-CFMA standard).

⁸⁶ Feinstein-Lincoln Colloquy.

⁸⁷ *Id.*

⁸⁸ Letter from Blanche Lincoln, Lincoln Policy Group (Apr. 30, 2026). The letter is available on the Commission’s website. See *infra* note 155.

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ See IEM home page, available at <https://iem.uiowa.edu/iem/> (last visited May 18, 2026).

⁹² See CFTC Staff Letter No. 93–66 issued to the University of Iowa (June 18, 1993), available at <https://www.cftc.gov/sites/default/files/idc/groups/>

“Since 2005, the Commission’s staff has received a substantial number of requests for guidance on the propriety of offering and trading financial agreements that may primarily function as information aggregation vehicles. These event contracts generally take the form of financial agreements linked to eventualities or measures that neither derive from, nor correlate with, market prices or broad economic or commercial measures.”⁹⁸

Because event contracts differ from other derivatives in this regard, the 2008 Concept Release sought comment on “[w]hat public interests are served by event contracts that are designed and will principally be traded for information aggregation purposes and not for commercial risk management or pricing purposes?”⁹⁹

3. 2010 Approval of Event Contracts on Box Office Receipts

In March 2010, prior to enactment of the Dodd-Frank Act, Media Derivatives, Inc. (MDEX), a DCM, requested prior Commission approval under CEA section 5c(c)(2) and § 40.3 of Opening Weekend Motion Picture Revenue futures and binary option contracts on the motion picture “Takers.”¹⁰⁰ In June 2010, the Commission approved the contracts, finding that “the contracts are based on commodities, are not readily

susceptible to manipulation and serve an economic hedging purpose.”¹⁰¹

In finding that box office receipts are a commodity, the Commission reasoned that DCMs list for trading many contracts “where the underlying commodity is a non-price-based measure of an economic activity, commercial activity or environmental event.”¹⁰² Moreover, where “there is no cash market for the commodity, but the commodity reflects some measure of economic activity or event that can be used for a hedging purpose when incorporated into a futures or options contract[,] . . . [t]he Commission has found that such commodity is a right or interest” within the CEA definition of the term “commodity.”¹⁰³ The Commission also noted that while the “term ‘event’ contract has no meaning under the [CEA]” the “statutory definition of ‘commodity’ does not suggest that an ‘event’ cannot underlie a futures or options contract.”¹⁰⁴

In finding that the contracts are not readily susceptible to manipulation, the Commission noted that the data on box office receipts underlying the contracts would be collected by an independent third party with an incentive to maintain accurate data.¹⁰⁵ In order to address fair and equitable trading and false reporting concerns, MDEX’s rules provided that entities and individuals that hold a large position in contracts on a particular film’s box office receipts and also control the film’s marketing budget, release date or opening screen number must inform MDEX regarding such decisions.¹⁰⁶ Also, movie studios and distributors that trade contracts on their films’ box office receipts were required to adopt and enforce firewall procedures, and their employees involved with compiling box office receipt data were prohibited from trading.¹⁰⁷

Noting that the earlier economic purpose test had been repealed by the

CFMA, the Commission did not apply an economic purpose test to the contracts on movie box office receipts. However, “in light of the comments raised by the studios, the Commission evaluated MDEX’s proposed contracts to determine whether they would provide some reasonable means for managing risks associated with box office revenues” and “found that the contracts can perform hedging and price discovery purposes” because movie industry “profit and losses have a clear and direct relationship to box office revenues.”¹⁰⁸

Even before the Commission had approved the futures and binary option contracts on box office receipts that MDEX had submitted, MDEX’s application had drawn the attention of Congress.¹⁰⁹ The Dodd-Frank Act, adopted one month after the Commission approved the contracts, amended the CEA definition of the term “commodity” to explicitly exclude “motion picture box office receipts (or any index, measure, value, or data related to such receipts).”¹¹⁰ Congress thus recognized that the CFTC correctly determined these to be a commodity and that the economic purpose test was not required. Accordingly, the MDEX box office receipts contracts were never traded.

4. 2011 Adoption of § 40.11

In 2011, the Commission adopted § 40.11 to implement the Special Rule as part of broader changes to the Commission’s part 40 regulations.¹¹¹

⁹⁸ *Id.* at 25670. More specifically, the 2008 Concept Release noted that: (1) event contracts based on environmental measures (such as the volatility of precipitation or temperature levels) or environmental events (such as a specific type of storm within an identifiable geographic region) will “not predictably correlate to commodity market prices or other measures of broad economic or commercial activity;” and (2) event contracts based on general measures (such as the number of hours that U.S. residents spend in traffic annually or the vote-share of a particular candidate) “do not quantify the rate, value, or level of any commercial or environmental activity,” and that contracts on general events (such as whether a Constitutional amendment will be adopted) “do not reflect the occurrence of any commercial or environmental event.” *Id.* at 25671.

⁹⁹ *Id.* at 25673. The Commission received 31 comments in response to the 2008 Concept Release but ultimately did not take further action at that time. The comments are available at <https://www.cftc.gov/LawRegulation/PublicComments/08-004.html>.

¹⁰⁰ See Statement of the Commission approving certain MDEX contracts (June 14, 2010) (MDEX Statement) at 1, available at <https://www.cftc.gov/ido/groups/public/@otherif/documents/ifdocs/mdexcommissionstatement061410.pdf>. MDEX later changed its name to Trend Exchange, Inc.

Two weeks after approving the MDEX futures and binary option contracts, the Commission also approved an application by the Cantor Futures Exchange to list a futures contract on Domestic Box Office Receipts of the motion picture “The Expendables.” The approval is available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/19296>.

¹⁰¹ MDEX Statement at 2. Regarding an economic hedging purpose, the Commission noted that it had not found that a contract is required to serve an economic hedging purpose in order to be approved. Rather, the Commission staff undertook a review of the contracts’ economic hedging purpose due to concerns raised by the public about the contracts. *Id.* at note 2.

¹⁰² *Id.* at 3.

¹⁰³ *Id.* The Commission cited as examples “Company-Specific Earnings Per Share; Eurozone Index of Consumer Prices; Consumer Price Index; Nonfarm Payrolls; Retail Sales Data; Unemployment Claims; Company-Specific Merger and Acquisitions; State-Specific and National Crop Yields; Location-Specific Heating and Cooling Degree Days; Location-Specific Snowfall; and Regional Wind Indices.” *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* at 5–7.

¹⁰⁶ *Id.* at 7.

¹⁰⁷ *Id.* at 8.

¹⁰⁸ *Id.* at 10.

¹⁰⁹ See Hearing to Review Proposals to Establish Exchanges Trading “Movie Futures”: Hearing before the Subcomm. on Gen. Farm Commodities and Risk Mgmt. of the H. Comm. on Agric., 111th Cong., 2d Sess. (2010), available at <https://www.govinfo.gov/content/pkg/CHRG-111hhrg56431/html/CHRG-111hhrg56431.htm>.

¹¹⁰ CEA sec. 1a(9), 7 U.S.C. 1a(9). The Dodd-Frank Act also amended 7 U.S.C. 13–1 to prohibit DCMs from listing futures contracts based on motion picture box office receipts (or any index, measure, value, or data related to such receipts).

¹¹¹ Part 40 of the Commission’s regulations, more generally, implements the contract and rule submission requirements for registered entities set forth in CEA sec. 5c(c). For example, § 40.2 sets forth the general process by which a DCM or SEF may list a new derivative contract for trading by providing the Commission with a written certification—a “self-certification”—that the contract complies with the CEA, including the CFTC’s regulations thereunder. See also CEA sec. 5c(c)(1), 7 U.S.C. 7a–2(c)(1). The Commission must receive the DCM’s or SEF’s self-certified submission at least one business day before the contract’s listing. 17 CFR 40.2(a)(2). Rule 40.3 sets forth the general process by which a DCM or SEF may elect voluntarily to seek prior Commission approval of a derivative contract that the DCM or SEF seeks to list for trading. See also CEA sec. 5c(c)(4)–(5), 7 U.S.C. 7a–2(c)(4)–(5). Amendments to an existing derivative contract also must be submitted to the Commission either by way of self-certification or for prior Commission approval. 17 CFR 40.5, 40.6.

Rule 40.11(a)(1) provides that a registered entity shall not list for trading or accept for clearing on or through the registered entity an agreement, contract, transaction, or swap based upon “an excluded commodity, as defined in Section 1a(19)(iv) of the Act, that involves, relates to, or references terrorism, assassination, war, gaming, or an activity that is unlawful under any State or Federal law.”¹¹²

Rule 40.11(a)(2) provides that a registered entity shall not list for trading or accept for clearing on or through the registered entity an agreement, contract, transaction, or swap based upon an excluded commodity, as defined in CEA section 1a(19)(iv), that involves, relates to, or references an activity that is similar to an activity enumerated in § 40.11(a)(1), and that the Commission determines, by rule or regulation, to be contrary to the public interest.¹¹³ To date, the Commission has not made any such determinations regarding any similar activity.

Pursuant to § 40.11(c), when a contract submitted to the Commission by a registered entity may involve, relate to, or reference an activity enumerated in § 40.11(a)(1) or (2), the Commission is authorized to commence a 90-day review of the contract.¹¹⁴ If the Commission opts to undertake a public interest review, the Commission must issue an order approving or disapproving the contract by the end of the 90-day review period or, if applicable, at the conclusion of any extended period agreed to or requested by the registered entity.¹¹⁵ Rule 40.11(c)(1) requires the Commission to request that the registered entity suspend the listing or trading of the contract during the 90-day review period.¹¹⁶ The Commission also must

post on its website a notification of the intent to carry out a 90-day review.¹¹⁷

The adopting release for § 40.11 does not specifically discuss the public interest standard in the Special Rule. It bases § 40.11 on the Dodd-Frank Act’s amendment of CEA section 5c to include the Special Rule, stating that “the Commission has determined to prohibit contracts based upon the activities enumerated in Section 745 of the Dodd-Frank Act and to consider individual product submissions on a case-by-case basis under § 40.2 or § 40.3.”¹¹⁸

The Commission also did not define any of the Enumerated Activities.¹¹⁹ The Commission acknowledged, in the adopting release, a comment on the rule proposal that stated that the term “gaming,” in particular, should be further defined in order to enhance clarity regarding the scope of the prohibition set forth in § 40.11(a)(1).¹²⁰ The Commission expressed agreement with the interest to further define “gaming” for purposes of the prohibition, and noted that the 2008 Concept Release discussed the issue.¹²¹ The Commission stated that it might issue a future event contracts rulemaking that, among other things, addressed the appropriate treatment of event contracts involving gaming.¹²²

The Commission has consistently applied § 40.11 to operate a discretionary review framework rather than a self-executing *per se* prohibition, because the opposite interpretation would violate the statute.¹²³ As discussed in the next section and further below, when the Commission applied the Special Rule and § 40.11 to prohibit certain event contracts, the

Commission made an explicit, affirmative finding that the specific event contracts were contrary to the public interest; it did not simply apply a self-executing *per se* prohibition.¹²⁴

The 2011 adopting release contemplated that registered entities could receive a definitive resolution of any questions concerning the applicability of § 40.11(a)(1) by submitting a contract for Commission approval under § 40.3, and that, upon completion of a § 40.11(c) review, the Commission would be required to issue an order finding either that the contract violated, or did not violate, the prohibitions in § 40.11(a)(1)–(2). The text of § 40.11(c) reflects the same understanding. It provides for review of contracts that “may involve” an enumerated activity, which presupposes that whether a particular contract involves such an activity is a question the Commission resolves through review rather than a determination made on the face of § 40.11(a)(1). This understanding is necessary to keep § 40.11(a) within the bounds of the Commission’s statutory authority. The Special Rule provides that the Commission “may determine” that an event contract involving an Enumerated Activity is contrary to the public interest. That language confers discretion to determine that a particular event contract is, or is not, contrary to the public interest. Interpreting that “may” as a *per se* prohibition would conflict with the requirements of the statute.

5. 2012 Nadex Disapproval

In 2012, the Commission commenced a 90-day review, under § 40.11(c), of certain event contracts on election outcomes (the Nadex Contracts) that had been self-certified by the North American Derivatives Exchange (Nadex).¹²⁵ On April 2, 2012, the Commission issued an order (the Nadex Order) prohibiting the contracts from

¹¹⁷ *Id.*

¹¹⁸ Provisions Common to Registered Entities, 76 FR 44776, 44785 (July 27, 2011).

¹¹⁹ The Commission noted that a registered entity could receive a definitive resolution of any questions concerning the applicability of § 40.11(a)(1) by submitting a particular contract for Commission approval under § 40.3: if the submitted contract was approved by the Commission, the registered entity would have assurance that the Commission had reviewed and did not object to the submission based on the prohibitions in § 40.11(a). *Id.* at 44785–86. The Commission noted that, alternatively, a registered entity could self-certify a contract under § 40.2 and, if the Commission determined during its review of the contract “that the submission may violate the prohibitions in § 40.11(a)(1)–(2), the Commission may request that the registered entity suspend the trading or clearing of the contract pending the completion of a 90-day . . . review.” *Id.* at 44786. The Commission stated that, upon completion of that review, the Commission would be required to issue an order finding either that the contract violated, or did not violate, the prohibitions in § 40.11(a)(1)–(2). *Id.*

¹²⁰ *Id.* at 44785.

¹²¹ *Id.*

¹²² *Id.*

¹²³ See *supra* text accompanying notes 55 to 56.

¹¹² 17 CFR 40.11(a)(1). Notably, the current text of § 40.11(a)(1) does not explicitly refer to a finding that the contract is contrary to the public interest.

The Special Rule applies with respect to agreements, contracts, transactions, or swaps in excluded commodities that are based upon the occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or levels of a commodity described in section 1a(2)(i)). There is no “section 1a(2)(i)” in the CEA, and the Commission believes the reference to this provision in the Special Rule is a typographical or drafting error. In adopting § 40.11(a)(1) and (2), as well as § 40.11(c), the Commission interpreted the Special rule to apply with respect to the excluded commodities defined in CEA sec. 1a(19)(iv). See discussion in section II.B., *infra*.

¹¹³ 17 CFR 40.11(a)(2).

¹¹⁴ 17 CFR 40.11(c). Rule 40.11(c) states that the 90-day review period shall commence from the date the Commission notifies the registered entity of a potential violation of § 40.11(a).

¹¹⁵ 17 CFR 40.11(c)(2).

¹¹⁶ 17 CFR 40.11(c)(1).

¹²⁴ See *infra* sections I.C.5. and I.C.7.

¹²⁵ See CFTC Press Release No. 6163–12, CFTC Commences 90-day Review of NADEX’s Proposed Political Event Derivatives Contracts (Jan. 5, 2012), available at <https://www.cftc.gov/PressRoom/PressReleases/6163-12>. Nadex self-certified cash-settled, binary contracts on whether there would be a Democratic majority in the U.S. House of Representatives (House); whether there would be a Republican majority in the House; whether there would be a Democratic majority in the U.S. Senate (Senate); and whether there would be a Republican majority in the Senate. The contracts settled based on whether the named party held the majority of seats in the identified chamber of Congress on the expiration date. Nadex also self-certified ten cash-settled, binary contracts on the upcoming Presidential election. Each contract was based on one of the leading candidates for President and paid according to whether that candidate won the Presidency.

being listed or made available for clearing or trading, finding that the contracts involved the Enumerated Activity of gaming and were contrary to the public interest.¹²⁶

In the Nadex Order, the Commission interpreted the Special Rule. First, the Commission stated that the legislative history of the Special Rule “indicates that the relevant question for the Commission in determining whether a contract involves one of the activities enumerated in [the Special Rule] is whether the contract, considered as a whole, involves one of those activities.”¹²⁷ Second, the Commission said that the legislative history indicated that Congress intended “to restore, for the purposes of that provision, the economic purpose test that was used by the Commission to determine whether a contract was contrary to the public interest” prior to the CFMA.¹²⁸

The Commission also analyzed the Nadex Contracts. The Commission reasoned that the terms “gaming”—which it equated with the term “gambling”—is linked to betting on elections which, in turn, is analogous to taking a position in the Nadex Contracts, and that the Nadex Contracts are premised on the outcome of a contest between electoral candidates.¹²⁹ The Commission also stated that the unpredictability of the specific economic consequences of an election mean that the Nadex Contracts cannot reasonably be expected to be used for hedging and that the Nadex Contracts have no price basing utility.¹³⁰ Last, the Commission believed that the Nadex Contracts could be used in a way that could potentially adversely affect the integrity of elections.¹³¹ On these bases, the Commission found that the Nadex Contracts involve gaming and are contrary to the public interest, as contemplated by the Special Rule.¹³²

6. 2021 ErisX Withdrawal

On December 15, 2020, the CFTC received a self-certification filed by ErisX under § 40.2 for the listing of event contracts based on National Football League (NFL) games which would track the moneyline, point spread, and total points sports bets

offered by sports bookmakers (NFL Contracts).¹³³ ErisX proposed to limit trading in the NFL Contracts to certain eligible contract participants with a commercial connection to NFL games.¹³⁴

According to ErisX, the NFL Contracts would “permit Licensed Sportsbooks to manage commercial risk by hedging their exposure [to imbalances in their books],” and are “tailored to address the unique risks of Licensed Sportsbooks.”¹³⁵ ErisX also claimed that stadium owners and vendors would be able “to hedge the commercial risk associated with lower game attendance or fewer home games resulting from poor performance of the team that plays at the sports stadium or arena.”¹³⁶

On December 23, 2020, the Commission informed ErisX that it had determined that the NFL Contracts “‘may involve, relate to, or reference an activity enumerated in [Rule] 40.11(a)’ including but not limited to ‘gaming, or an activity that is unlawful under any Federal or State law’” and it would begin a review under § 40.11(c).¹³⁷ On March 22, 2021, one day before the expiration of the 90-day review period, ErisX withdrew its certification.¹³⁸ One Commissioner later said in a statement that the Commission staff had prepared a draft order that would have prohibited the NFL Contracts because they involved gaming and were contrary to the public interest.¹³⁹

¹³³ ErisX, CFTC Regulation 40.2(a) Certification (Dec. 14, 2020) (ErisX Certification), available at <https://www.cftc.gov/sites/default/files/filings/ptc/20/12/ptc121520erisdcmdcm005.pdf>. The ErisX Certification described the NFL Contracts as event contracts, and like many event contracts the NFL Contracts had a binary payoff structure. *Id.* at 4–6.

¹³⁴ *Id.* at 4.

¹³⁵ *Id.* at 6.

¹³⁶ *Id.*

¹³⁷ Letter from Christopher Kirkpatrick, Secretary of the Commission, to Chief Executive Officer, ErisX (Dec. 23, 2020), available at <https://www.cftc.gov/sites/default/files/filings/documents/2020/orgdcmerissignedletter201223.pdf>. The CFTC requested that ErisX suspend any listing and trading of the contracts during the pendency of a 90-day review period beginning on that date.

The CFTC sought public comments on a number of questions related to the certification and received 25 comment letters in response. See Questions on the Eris Exchange, LLC (ErisX) RSBIX NFL Futures Contracts for Public Comment (Dec. 23, 2020), available at <https://www.cftc.gov/sites/default/files/filings/documents/2020/orgdcmerisquestionsre201223.pdf>. Comments in response are available at <https://comments.cftc.gov/PublicComments/CommentList.aspx?id=5203>.

¹³⁸ See notation of withdrawal, available at <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/45226>.

¹³⁹ See Statement of Commissioner Brian D. Quintenz on ErisX RSBIX NFL Contracts and Certain Event Contracts (Mar. 25, 2021), available at <https://www.cftc.gov/PressRoom/SpeechesTestimony/quintenzstatement032521>. See

7. 2023 Kalshi Disapproval and Court Decision

In June 2023, KalshiEX LLC (Kalshi) filed a certification of congressional control political event contracts (the Kalshi Contracts) under § 40.2.¹⁴⁰ The Commission determined that the Kalshi Contracts may involve, relate to, or reference an Enumerated Activity, requested that Kalshi suspend the listing and trading of the Kalshi Contracts during the review period, and opened a public comment period.¹⁴¹ On September 22, 2023, the Commission issued an order (the Kalshi Order) prohibiting the Kalshi Contracts from being listed or made available for trading or clearing, finding that the contracts involved the Enumerated Activities of gaming and activity that is unlawful under State law, and were contrary to the public interest.¹⁴²

Similar to the Nadex Order, the Kalshi Order interpreted the Special Rule. The Commission found that the “choice of the broader term ‘involve’ means that [the Special Rule] can capture both contracts whose underlying activity is one of the Enumerated Activities, and contracts with a different connection to one of the Enumerated Activities,” and that “the question for the Commission in determining whether a contract ‘involves’ one of the [Enumerated Activities] . . . is whether the contract, considered as a whole, involves one of those activities.”¹⁴³

The Commission also found that “gaming” includes wagering on elections, reasoning that (i) “gaming” means gambling; (ii) gambling involves “a person staking something of value upon the outcome of a game, contest, or contingent event;” and (iii) to wager on elections is to “stake something of value upon the outcome of contests of others.”¹⁴⁴ Similarly, the Commission found that the Kalshi Contracts involved activity that is unlawful under State law because taking a position in the Kalshi Contracts would constitute wagering on

also Statement of Commissioner Dan M. Berkovitz Related to Review of ErisX Certification of NFL Futures Contracts (Apr. 7, 2021), available at <https://www.cftc.gov/PressRoom/SpeechesTestimony/berkovitzstatement040721>.

¹⁴⁰ See Order In the Matter of the Certification by KalshiEX LLC of Derivatives Contracts with Respect to Political Control of the United States Senate and United States House of Representatives (Sept. 22, 2023) available at <https://www.cftc.gov/sites/default/files/filings/documents/2023/orgkexkalshiordersig230922.pdf> (Kalshi Order). The Congressional Control Contracts are cash-settled, binary (yes/no) contracts based on the question: “Will <chamber of Congress> be controlled by <party> for <term>?” *Id.* at 2.

¹⁴¹ *Id.* at 1.

¹⁴² *Id.* at 23.

¹⁴³ *Id.* at 7 (emphasis in original).

¹⁴⁴ *Id.* at 8–9.

¹²⁶ See Order Prohibiting the Listing or Trading of Political Event Contracts (Apr. 2, 2012), available at <https://www.cftc.gov/stellent/groups/public/@rulesandproducts/documents/ifdocs/nadexorder040212.pdf>.

¹²⁷ Nadex Order at 2.

¹²⁸ *Id.* at 3.

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.* at 4.

¹³² *Id.*

election results, which is contrary to many State laws.¹⁴⁵

Regarding the public interest test under the Special Rule, the Commission found that the legislative history of the Special Rule indicates Congressional intent for the Commission to consider, among other factors, a form of the economic purpose test that was applied prior to the CFMA.¹⁴⁶ The Commission also found that while control of a chamber of Congress may have economic effects, it does not, in and of itself, have sufficiently direct economic consequences such that the Kalshi Contracts have hedging utility, and the hedging utility of the Kalshi Contracts is also undermined by their binary payoff structure and infrequent settlement every two years.¹⁴⁷

Last, the Commission found that the Kalshi Contracts “could potentially be used in ways that would have an adverse effect on the integrity of elections, or the perception of integrity of elections,” and “conduct designed to artificially affect the electoral process could also, intentionally or otherwise, manipulate the market in the [Kalshi Contracts], or that [that market] . . . could be manipulated to influence elections or electoral perceptions. In particular, . . . [the Kalshi Contracts] could incentivize the spread of misinformation by individuals or groups seeking to influence perceptions of a political party or a party candidate’s success.”¹⁴⁸

Following issuance of the Kalshi Order, Kalshi filed suit challenging the Commission’s decision as arbitrary, capricious, and otherwise not in accordance with the law under the Administrative Procedure Act (APA).¹⁴⁹ In September 2024, the Honorable Jia M. Cobb of the U.S. District Court for the District of Columbia (D.D.C.) granted summary judgment to Kalshi and vacated the Kalshi Order, ruling that the Kalshi Contracts “d[id] not involve activity that is unlawful under any Federal or State law, nor do they involve gaming.”¹⁵⁰ In May 2025, the CFTC’s motion to dismiss its appeal of

the District Court’s decision was granted and the case was closed.¹⁵¹

8. 2024 Event Contract Proposal and 2026 Withdrawal

In 2024, the Commission proposed rules to further specify the types of event contracts that fall within the scope of CEA section 5c(c)(5)(C) and are contrary to the public interest.¹⁵² In 2026, the Commission withdrew the proposed rules to reconsider them “in light of various forms of state regulatory actions and litigation concerning the Commission’s exclusive jurisdiction over event contract derivatives listed on [DCMs] and the proper application of the swap and excluded commodity definitions under the [CEA].”¹⁵³

9. 2026 ANPRM

To assist the Commission in considering issues, and potentially adopting regulations, related to prediction markets the Commission published an advance notice of proposed rulemaking (ANPRM) in the **Federal Register** on March 16, 2026.¹⁵⁴ The Commission explained that the ANPRM was issued in light of the recent increase in the number of applications for DCM registration, largely from entities that are interested primarily, or exclusively, in operating prediction markets, and to seek information about significant issues that have come to light since the 2024 proposal. The comment period for the ANPRM closed on April 30, 2026.

In response to the ANPRM, the Commission received approximately 3,500 comments addressing issues relevant to prediction markets and potential rulemakings from a wide range of commenters.¹⁵⁵ Of these, approximately 300 submissions provided detailed comments and recommendations. The remaining submissions were either duplicative of points made in other submissions or non-substantive. The comments came from individuals, prediction markets and firms applying for designation as a prediction market, firms using event contracts, trade associations, public advocacy organizations, academics and researchers, members of Congress, federal agencies, tribal governments,

state governments and others. Relevant commenter feedback is interwoven throughout this proposed rule.

The comments expressed varying views on a wide variety of topics, including the proper scope of the Special Rule, whether § 40.11 properly effects the Special Rule, the scope of activities that are encompassed in the Enumerated Activities, when an event contract should be considered to “involve” an Enumerated Activity, the role that an economic purpose test should play in the Special Rule, and the public interest factors that the Commission should consider in applying the Special Rule. The Commission has reviewed the comments received, and the staff of the Commission has met with market participants and other interested parties to discuss prediction markets.¹⁵⁶

II. Proposed Amendments to Part 40

The statutory text of the Special Rule provides that “[i]n connection with the listing” of certain event contracts, “the Commission may determine” that the event contracts are contrary to the public interest.¹⁵⁷ The Commission preliminarily interprets this provision to mean that the Commission’s public interest determination must follow the submission of one or more event contracts for listing. The Commission also preliminarily believes that it would be helpful for prediction markets and the general public to know which factors the Commission will apply in determining whether particular event contracts are subject to the Special Rule, and the factors it will apply in its public interest determination. Therefore, the Commission is proposing to amend part 40 to, among other things, lay out these factors and the process by which the Commission may determine that specified event contracts are contrary to the public interest (the Proposal).

As discussed below, the Commission preliminarily believes that the Proposal’s explanation of the factors the Commission would apply in its public interest determinations would support efforts by prediction markets to ensure compliance with the CEA and to make more informed decisions about event contract design, thereby supporting responsible innovation. By clearly identifying the factors the Commission

¹⁴⁵ *Id.* at 11–13.

¹⁴⁶ *Id.* at 13 (citing the Feinstein-Lincoln Colloquy and CEA sec. 3, 7 U.S.C. 5).

¹⁴⁷ Kalshi Order at 15–18. For similar reasons, the Commission also found that the Kalshi Contracts do not serve a price-basing function. *Id.* at 18–19.

¹⁴⁸ *Id.* at 20–22. The Commission also noted that it was not equipped or well-suited to investigate election-related activities. *Id.* at 22–23.

¹⁴⁹ See *KalshiEX LLC v. CFTC*, No. 23–cv–3257, 2024 WL 4164694, 2024 U.S. Dist. LEXIS 163925, at *18 (D.D.C. Sept. 12, 2024), *appeal dismissed by KalshiEX LLC v. CFTC*, No. 24–5205, 2025 U.S. App. LEXIS 11094 (D.C. Cir. May 7, 2025).

¹⁵⁰ *Id.* at *39. The court did not consider whether the Kalshi Contracts were contrary to the public interest. *Id.*

¹⁵¹ See *KalshiEX LLC v. CFTC*, No. 24–5205, 2025 U.S. App. LEXIS 11094 (D.C. Cir. May 7, 2025).

¹⁵² Event Contracts; Proposed Rule, 89 FR 48968 (June 10, 2024).

¹⁵³ Event Contracts; Withdrawal of Proposed Regulatory Action, 91 FR 5386 (Feb. 6, 2026).

¹⁵⁴ See Prediction Markets; Advance Notice of Proposed Rulemaking, 91 FR 12516 (Mar. 16, 2026).

¹⁵⁵ Copies of all comments received by the CFTC on the ANPRM are available on the CFTC’s website, located at <https://comments.cftc.gov/PublicComments/CommentList.aspx?id=7654>.

¹⁵⁶ Information about meetings that CFTC staff have had with outside organizations regarding prediction markets is included in the list of comments on the ANPRM at the link in the previous note. The views expressed in the comments in response to the ANPRM and at such meetings are collectively referred to as the views of “commenters.”

¹⁵⁷ CEA sec. 5c(c)(5)(C)(i), 7 U.S.C. 7a–2(c)(5)(C)(i).

will apply in its public interest determination, the Proposal is also expected to reduce the frequency of submissions that raise potential public interest concerns, improving the efficiency of Commission and staff resources by reducing the need to conduct individualized event contract reviews.¹⁵⁸ Greater clarity may also help prediction markets avoid expending resources on event contracts that the Commission may ultimately determine cannot be listed or cleared.

The Commission acknowledges that, if the Special Rule is interpreted to require the Commission's public interest determination to follow the submission of event contracts for listing, and does not require the prediction market to suspend trading of the event contracts while the Commission conducts its review, it is likely that the Commission would find that event contracts are contrary to the public interest and cannot be traded or cleared *after* trading of the event contracts has begun.¹⁵⁹ The Commission preliminarily believes that this is the inevitable result of the statutory structure, and acknowledges that this means that some event contracts that are contrary to the public interest may be traded during the period of time required for the Commission's review. The Proposal, like existing § 40.11(c)(1), includes a provision for the Commission to request that the prediction market suspend listing or trading of event contracts under review, and the Commission anticipates that some prediction markets will abide by such requests, but there is no statutory provision requiring the prediction market to do so.

The Commission believes that the Proposal is authorized by its authority in the CEA, and, in particular, CEA sections 3, 5, 5c(c), 5h and 8a(5).¹⁶⁰ In describing the Proposal, the discussions in this document of "commercial utility," "derivatives," "gaming," "price discovery," and "public interest" are for purposes specific to the CEA and the CFTC's jurisdiction, as described herein.

¹⁵⁸ Due to the high volume of event contract submissions and the wide potential scope of the public interest review, the Commission has attempted to propose factors that are clear and direct, along with various illustrative examples. The Commission preliminarily believes that prediction markets will be guided by the factors, and by any early determinations that event contracts are contrary to the public interest, in understanding the boundaries around which event contracts may be listed for trading and thereby limit the number of public interest reviews.

¹⁵⁹ Thus, market participants who transacted in the event contracts would have their positions closed out. Since the event contracts are contrary to the public interest, the Commission preliminarily believes this is the appropriate result.

¹⁶⁰ 7 U.S.C. 5, 7, 7a-2(c), 7b-3 and 12a(5).

Therefore, the Proposal and the discussion herein have no bearing on any statutory regime other than the CEA, including without limitation the treatment of any contract, activity, receipt, or expense under the Internal Revenue Code.

The Commission requests comment on all aspects of the Proposal.

A. Overview of Proposed Changes to Part 40

As noted above, the principal difference between the current § 40.11 and the Proposal is that § 40.11(a) would more clearly follow the plain language of the Special Rule by stating that "[t]he Commission may determine" that event contracts subject to the Special Rule are contrary to the public interest.¹⁶¹ Correspondingly, proposed § 40.11(e)(1) provides for the Commission to issue an order finding that certain event contracts are contrary to the public interest prior to the end of the review period established in clause (iv) of the Special Rule. The Commission preliminarily believes that this change will remove uncertainty under the current text of § 40.11(a) regarding whether a finding that event contracts are contrary to the public interest is necessary to prohibit the trading and clearing of the event contracts.¹⁶²

As explained above, the Commission preliminarily interprets the Special Rule to require that the Commission determine that event contracts may involve an Enumerated Activity to begin the 90-day review process. The Commission is therefore proposing to add § 40.11(a)(4) which sets out the

¹⁶¹ The Commission notes that the Nadex Order and the Kalshi Order both included specific findings that the event contracts in question were contrary to the public interest. See Nadex Order at 4, Kalshi Order at 23.

¹⁶² Commenters on the ANPRM expressed varying views on what the Special Rule requires in this regard and what the Commission's regulations should require. Compare Letter from the Pechenga Band of Indians 7 (Apr. 29, 2026) (CEA expressly bars listing of event contracts that involve Enumerated Activities, current § 40.11 implements this statutory mandate and should not be amended) and Letter from eight U.S. Senators including Senator Jeffrey A. Merkley 2 (Apr. 30, 2026) (event contracts involving elections, war, military actions, terrorism, and sports should be categorically prohibited pursuant to the CFTC's existing authority) with Letter from Susquehanna International Group, LLP 3 (Apr. 30, 2026) (Commission should revise § 40.11 to replace categorical "shall not" with a provision for authority to prohibit event contracts that are contrary to the public interest while avoiding blanket prohibitions) and Letter from the Coalition for Prediction Markets 2 (Apr. 30, 2026) (to interpret § 40.11(a) to categorically prohibit event contracts involving Enumerated Activities is overly prescriptive and beyond the authorization of the Special Rule, which requires a specific public interest determination).

factors that the Commission will apply in determining whether event contracts involve an Enumerated Activity and are therefore within the scope of the Special Rule.

The Commission preliminarily believes that two terms in the Special Rule—"involve" and "gaming"—are particularly important. Therefore, the Commission is proposing to adopt in § 40.11(a)(3) a statement of when event contracts "involve" an activity, and in § 40.11(b) a definition of the term "gaming." The Proposal states that event contracts "involve an activity if their settlement is determined by an occurrence, extent of an occurrence, or contingency in the activity." The Proposal defines gaming as "any activity that: (i) one or more participants typically engage in for purposes of recreation or to entertain others; (ii) is governed by rules; and (iii) includes measurable occurrences or outcomes that depend on the participants' luck, skill, or athletic ability during the activity."

The Proposal states that in determining whether event contracts within the scope of the Special Rule are contrary to the public interest, the Commission will apply the factors set out in proposed §§ 40.11(a)(5) and 40.11(a)(6). That is, these are the factors that the Commission would apply prior to issuing an order under proposed § 40.11(e)(1) finding that certain event contracts are contrary to the public interest. The Commission notes that it preliminarily interprets the Special Rule to apply *after* the prediction market certifies that the event contract complies with the CEA (notably, the Core Principles in CEA sections 5 and 5h) and the Commission's regulations thereunder. Proposed §§ 40.11(a)(5) and 40.11(a)(6) therefore include factors that may raise public interest concerns particularly relevant to the types of event contracts that are subject to the Special Rule.

The Commission preliminarily believes that its public interest determination should be focused and understandable to prediction markets in designing event contracts and to the general public. The Commission also notes that the 90-day deadline for Commission action in clause (iv) of the Special Rule does not allow for a wide-ranging inquiry into the public good, but rather a focused inquiry subject to set processes. And, as noted above, the Commission preliminarily believes that the legislative history of the Special Rule does not indicate Congressional intent for the Commission to apply the economic purpose test that was applied prior to the CFMA. Therefore, the

Commission has included in proposed §§ 40.11(a)(5) and 40.11(a)(6) factors that relate to specific public interest concerns that would support a finding that event contracts within the scope of the Special Rule are contrary to the public interest.

The Commission has observed a marked increase in the number of event contracts that prediction markets have self-certified for listing under § 40.2. The Commission preliminarily believes that in some circumstances (i) it would be impractical to review separately each submission of similar event contracts; and (ii) if the Commission finds that a number of similar event contracts are contrary to the public interest, prediction markets and the general public would benefit from the issuance of a single order (rather than multiple orders) covering all such similar event contracts. Therefore, proposed § 40.11(c)(4) provides that the Commission may consolidate review of multiple event contracts that involve the same underlying event or a substantially similar set of underlying events, in which case the determination to begin the review would include a description of the consolidated group. Correspondingly, proposed § 40.11(e)(1)(i) provides that the Commission may issue an order finding that a group of event contracts that are subject to review are contrary to the public interest. The Commission preliminarily anticipates that issuing an order covering a group of event contracts would reduce the number of future submissions, as prediction markets would better understand which types of event contracts the Commission is likely to find contrary to the public interest.

The Commission is also proposing to amend § 40.11 to establish a procedural framework governing the Commission's exercise of its discretionary authority under the Special Rule to determine that agreements, contracts, transactions, or swaps involving an Enumerated Activity are contrary to the public interest. Under the proposed framework, the Commission may commence a review by making a written determination that there is a basis to believe event contract(s) that are self-certified or submitted for Commission approval both involve an Enumerated Activity and may be contrary to the public interest under the factors in proposed §§ 40.11(a)(5) and 40.11(a)(6). A written determination initiating the review identifying the event contract(s), the Enumerated Activity(ies), the contract terms at issue, and the factors warranting review must be provided to the prediction market(s) making the

submission(s). Issuance of the determination commences the 90-day review.¹⁶³ The review must commence within 10 days of the date of the event contract's listing.

Under the proposed framework, by day 90, the Commission may issue an order finding the contract contrary to the public interest. Such an order must be supported by written findings that identify and analyze the factors in proposed §§ 40.11(a)(5) and 40.11(a)(6) on which the Commission relied, weigh the relevant factors, and explain the determination's consistency with prior Commission decisions or provide a reasoned justification for any departure. Proposed § 40.11(e)(1)(ii) includes a specific statement that if the Commission does not issue an order at the end of a review period, the event contracts subject to review may be, or continue to be, listed for trading and accepted for clearing and the review shall be deemed concluded. The Commission preliminarily believes that this provision would allow for a more streamlined process by not requiring that the Commission issue an order of approval and provide certainty in cases where the Commission does not take any action at the end of the review period.

This proposed framework reflects the Commission's preliminary view that a determination under the Special Rule that event contracts are contrary to the public interest has significant consequences, and that the Commission's procedures should be calibrated accordingly. Such a determination forecloses listing, trading, and clearing of the event contracts, imposes sunk compliance costs on the submitting prediction market, and eliminates the hedging, price-discovery, and information-aggregation functions the event contracts might have served, along with the reliance interests of market participants. In light of these consequences, the proposed framework establishes procedural rights designed to ensure that the prediction market's position is fully presented and considered before the Commission acts.

¹⁶³ Under the proposed framework, within the 90 days, the Director of the Division of Market Oversight shall provide to the prediction market a written statement of concerns by day 15. By day 30, the prediction market may then submit a written response, including proposed contract modifications and/or mitigating safeguards. The Director of the Division of Market Oversight, with the concurrence of the General Counsel, may submit a recommendation to the Commission by day 60, provided simultaneously to the prediction market. The prediction market may submit a response to the recommendation by day 70. Under the proposed framework, extensions are available only at the request of, or with the agreement of, the prediction market.

The Commission also preliminarily believes that these procedures will also enhance the quality of decision-making by ensuring that the record before the Commission includes the prediction market's substantive response, if any, to the Commission's reasoning.

In addition, the Commission is proposing to make certain amendments to § 40.11 to further align the language of the regulation with the statutory text of the Special Rule, and to make certain technical amendments to the regulation to enhance clarity and organization. Proposed § 40.11(a)(2) includes a reference to CEA section 1a(19)(i) because the Commission preliminarily believes this is the correct cross reference to describe event contracts that are not subject to the Special Rule. Proposed § 40.11(a)(2) also uses the word "involve" to reference the Enumerated Activities, to more closely track the text of the Special Rule. Proposed § 40.11(a)(2)(vi) reflects how the Commission preliminarily believes it may determine that activities are similar to the Enumerated Activities. For clarity, proposed § 40.11(c)(3) specifically provides for the Commission to notify the prediction market of the commencement of a 90-day review. Throughout proposed § 40.11, the text refers to agreements, contracts, transactions, or swaps in the plural to match the text of the Special Rule.

Finally, the Commission is proposing to add a provision to § 40.7(a) that delegates to the Director of the Division of Market Oversight, or the Director's designee, the authority to perform ministerial and record-development functions under § 40.11, including service of notices, written determinations, and statements and the development of staff recommendations.

The Commission requests comment on all aspects of its proposed amendments to §§ 40.7 and 40.11.

B. Event Contracts Within the Scope of the Special Rule

The text of the Special Rule states that it applies with respect to "agreements, contracts, transactions, or swaps in excluded commodities that are based upon the occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or levels of a commodity described in section 1a(2)(i) of [the CEA])." ¹⁶⁴ The Commission preliminarily believes in understanding the scope of the Special Rule, it is helpful to understand the

¹⁶⁴ CEA sec. 5c(c)(5)(C)(i); 7 U.S.C. 7a-2(c)(5)(C)(i).

origin and scope of the term “excluded commodity.”

The definition of “excluded commodity” was adopted in the CFMA as part of provisions to permit off-exchange trading of swaps based on financial commodities or commodities with an infinite supply.¹⁶⁵ The reasoning behind this change in the CFMA was that trading should not be permitted in swaps based on agricultural commodities, certain metals which had historically been subject to price manipulation, and physical commodities for which the cash market is dependent on the futures market for price discovery.¹⁶⁶ But apart from these categories, swap trading should be permitted for institutional investors within the definition of “eligible contract participant,” which was also adopted in the CFMA.

The definition of “excluded commodity” in CEA section 1a(19) has four clauses. Clause (i) includes rates, instruments, indices and measures commonly understood to be financial commodities.¹⁶⁷ Clause (ii) includes any other index or measure of economic or commercial risk, return, or value that is based on such financial commodities; based on the value of a broad group of physical commodities; or based on a commodity with no cash market.¹⁶⁸ Clause (iii) includes any index that qualifies as “economic or commercial” and is beyond the control of any party to the relevant derivatives contract.¹⁶⁹ Last, clause (iv) includes any “occurrence, extent of an occurrence, or contingency” of financial, commercial, or economic consequence that is beyond

the control of any party to the relevant derivatives contract and is not based on a change in the price, rate, value, or level of a “commodity not described in clause (i).”¹⁷⁰ The effect of the cross-reference to clause (i) is that, for example, a change in crude oil prices is not an occurrence which constitutes an excluded commodity because crude oil is not described in clause (i); on the other hand, clause (iv) means that a change in exchange rates is an occurrence which constitutes an excluded commodity because exchange rates are listed in clause (i).

The Commission preliminarily believes that the increasing generality of clauses (i) to (iv) of the excluded commodity definition indicates a Congressional intent to include a very wide variety of measures and occurrences in the definition. Clause (i) starts with financial commodities, clause (ii) adds “any other rate, differential, index, or measure of economic or commercial risk, return, or value” that is not based in substantial part on a “narrow group” of physical (*i.e.*, non-financial) commodities, clause (iii) adds any “economic or commercial index” that is not under the control of a party to the relevant derivatives contract, and clause (iv) brings in any event that is beyond the control of any party to the relevant derivatives contract and has financial, commercial or economic consequence (with the exception for physical commodity price changes noted above). In particular, the Commission notes that clauses (ii) and (iii) of the definition are limited to “economic or commercial” measures or indices, but clause (iv) uses the broader phrase “financial, commercial or economic consequence.” Thus, the definition of excluded commodity is clearly not limited to economic or commercial indices.

In adopting § 40.11 in 2011, the Commission interpreted the “excluded commodities” falling within the scope of the Special Rule to be those set forth in CEA section 1a(19)(iv), and accordingly referenced CEA section 1a(19)(iv) in § 40.11(a)(1)–(2) and § 40.11(c).¹⁷¹ The Commission

preliminarily does not see any reason to limit the scope of the Special Rule in this way, as the statutory text is not limited to only clause (iv) of CEA section 1a(19).

Instead, proposed § 40.11(a)(2) refers to all excluded commodities based upon the occurrence, extent of an occurrence, or contingency, with the exception of any change in the price, rate, value, or levels of a commodity described in CEA section 1a(19)(i). The Commission preliminarily believes that this exception gives effect to the language in the Special Rule which excepts “a change in the price, rate, value, or levels of a commodity described in section 1a(2)(i) of [the CEA].”¹⁷² There is no “section 1a(2)(i)” in the CEA, and the Commission preliminarily believes the reference to this provision in the Special Rule is a typographical or drafting error.¹⁷³ Rather, the Commission preliminarily believes that the reference to “section 1a(2)(i)” was intended by Congress to refer to the excluded commodities described in CEA section 1a(19)(i), namely, an interest rate, exchange rate, currency, security, security index, credit risk or measure, debt or equity instrument, index or measure of inflation, or other macroeconomic index or measure. This interpretation carves out from the scope of the Special Rule event contracts based on a change in the price, rate, value, or levels of these measures, indices, and instruments.¹⁷⁴

The measures, indices, and instruments described in CEA section 1a(19)(i) served as underliers for a range of derivative contracts that were broadly traded on CFTC-registered exchanges at the time of enactment of the Special Rule.¹⁷⁵ As such, the Commission believes that it is unlikely that Congress

¹⁶⁵ While the CFMA does not have any official legislative history, commentators generally agree that the excluded commodity definition adopted in the CFMA was intended to implement a recommendation in the Report of The President’s Working Group on Financial Markets, *Over-the-Counter Derivatives Markets and the Commodity Exchange Act*, *supra* note 27 (PWG Report). See Derivatives Regulation § 2.02[7.C.ii].

¹⁶⁶ See PWG Report at 16–17 (recommending that large financial market participants be permitted to engage in bilateral swaps, so long as the swap does not involve “a non-financial commodity with a finite supply”).

¹⁶⁷ CEA sec. 1a(19)(i), 7 U.S.C. 1a(19)(i) (“an interest rate, exchange rate, currency, security, security index, credit risk or measure, debt or equity instrument, index or measure of inflation, or other macroeconomic index or measure”).

¹⁶⁸ CEA sec. 1a(19)(ii), 7 U.S.C. 1a(19)(ii) (“(ii) any other rate, differential, index, or measure of economic or commercial risk, return, or value that is—(I) not based in substantial part on the value of a narrow group of commodities not described in clause (i); or (II) based solely on one or more commodities that have no cash market;”).

¹⁶⁹ CEA sec. 1a(19)(iii), 7 U.S.C. 1a(19)(iii) (“an economic or commercial index based on prices, rates, values, or levels that are not within the control of any party to the relevant contract, agreement, or transaction”).

¹⁷⁰ CEA sec. 1a(19)(iv), 7 U.S.C. 1a(19)(iv) (“an occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or level of a commodity not described in clause (i)) that is—(I) beyond the control of the parties to the relevant contract, agreement, or transaction; and (II) associated with a financial, commercial, or economic consequence.”). “[C]ause (i)” refers to CEA sec. 1a(19)(i).

¹⁷¹ While the adopting release did not discuss the basis for this interpretation, it is likely that the Commission assumed that Congress intended to incorporate the statutory language of the “excluded commodity” definition set forth in CEA sec.

1a(19)(iv), since the Special Rule tracks the language of CEA sec. 1a(19)(iv) to a large extent.

¹⁷² CEA sec. 5c(c)(5)(C)(i); 7 U.S.C. 7a–2(c)(5)(C)(i).

¹⁷³ CEA sec. 1a(2), 7 U.S.C. 1a(2), defines an “appropriate Federal banking agency,” which is not relevant to the excluded commodity definition.

¹⁷⁴ The Commission understands that the phrasing in CEA sec. 1a(19)(iv), which removes from the excluded commodity definition any “change in the price, rate, value, or level of a commodity *not* described in clause (i)” introduces some confusion. The point, as noted above, is that changes in prices of commodities described in clause (i) *are* excluded commodities, while changes in prices of other commodities (*e.g.*, physical commodities) *are not* excluded commodities. Since physical commodity price changes are not excluded commodities, they did not have to be excluded from the scope of the Special Rule. On the other hand, because financial commodity price changes are excluded commodities, it was necessary to exclude them from the scope of the Special Rule. That is why it is appropriate for the exception in the Special Rule to refer to changes to prices that *are* described in the cross-referenced clause.

¹⁷⁵ See *supra* notes 67 to 71.

intended the heightened authority granted to the Commission in the Special Rule to apply with respect to event contracts based on changes in the price, rate, value or levels of these measures, indices, and instruments.¹⁷⁶

Last, the Commission notes two aspects of the Special Rule that relate to its scope. First, the Special Rule encompasses “agreements, contracts, transactions, or swaps,” meaning that it includes event contracts that are listed as futures contracts, as well as event contracts that are listed as swaps. Second, the Special Rule covers such event contracts that are “based upon the occurrence, extent of an occurrence, or contingency.” Since an event is the definitive characteristic of a contract that is subject to the Special Rule, the Commission preliminarily believes that in determining the scope of the Special Rule, the focus should be on the event that underlies the event contract, as will be discussed in the next section.

The Commission requests comment on all aspects of its preliminary views on the scope of event contracts that are subject to the Special Rule.

C. Contracts That “Involve” an Enumerated Activity

The Special Rule applies to agreements, contracts, or transactions “that are based upon the occurrence, extent of an occurrence, or contingency” and that “involve” any of the Enumerated Activities. The Commission preliminarily interprets the term “involve” in the Special Rule to require that the settlement of the event contracts be determined by an occurrence, the extent of an occurrence, or a contingency in one of the Enumerated Activities.¹⁷⁷ Therefore, the Proposal includes the following text in proposed § 40.11(a)(3): “For purposes of paragraph (a)(2) of this section, agreements, contracts, transactions, or swaps involve an activity if their settlement is determined by an occurrence, extent of an occurrence, or contingency in the activity.”

This interpretation follows from the three-step sequence set out in the Special Rule that must occur before agreements, contracts, transactions, or swaps are prohibited:

1. As discussed above, the agreements, contracts, transactions, or swaps must be “based upon the occurrence, extent of an occurrence, or contingency;”
2. As discussed in this section, the agreements, contracts, transactions, or swaps must “involve” any of the Enumerated Activities; and
3. As discussed below, the Commission must determine that the agreements, contracts, transactions, or swaps are contrary to the public interest.

The role of the Enumerated Activities in this sequence is to filter which event contracts are potentially subject to a public interest determination. The Special Rule does not require the Commission to determine whether the contract itself is or equates to an Enumerated Activity. As noted earlier, it is the underlying activity that is the subject of “involve.”

The application of this test can be illustrated through several examples. An event contract that settles on whether a specified terrorist attack occurs at a specified location during a specified period involves terrorism within the meaning of the Special Rule, because the event contract’s settlement is determined by an occurrence within the terrorism activity. An event contract that settles on whether a particular foreign head of state is killed during a specified period involves assassination for the same reason. An event contract that settles on whether Iran initiates armed conflict in the Strait of Hormuz, or whether a specified non-state actor conducts an attack on shipping in the Strait, would involve war or terrorism, because in those event contracts the settlement-determining occurrence is within the Enumerated Activity itself. By contrast, an event contract that settles on whether a specified volume of crude oil transits the Strait of Hormuz during a specified period does not involve war or terrorism, even though the amount of oil flows through the Strait could change based on military conditions, because the settlement-determining occurrence is a measurement of commercial shipping activity rather than an occurrence within a war or terrorism activity.

The Commission’s proposed reading avoids surplusage. The Special Rule’s “based upon” and “involve” language describe complementary aspects of a single event-focused concept: the event contract is based upon an occurrence,

and that occurrence must be in an Enumerated Activity. An interpretation that treats “involve” as applying to the event contract itself (as distinct from the underlying occurrence) would render “based upon” superfluous.

The Commission’s proposed interpretation is also consistent with the reasoning of the District Court for the District of Columbia, which held that the term “involve” in the Special Rule refers to “the event being offered and traded” under an event contract, not the event contract itself.¹⁷⁸

The Commission preliminarily believes that the Nadex Order erred in this regard. Rather than examining whether the underlying event fell within the Enumerated Activity, the Nadex Order interpreted the Special Rule to apply when “the contract, considered as a whole, involves one of those [the enumerated] activities” and therefore considered whether the contract itself was gaming.¹⁷⁹ The Nadex Order concluded that trading in the contract constituted gaming, but it did not find that the event on which the contract was based was an occurrence within a gaming activity. In doing so, the Nadex Order reasoned that “taking a position in a Political Event Contract fits the plain meaning of a person staking ‘something of value upon a contest of others,’” which is an element of what the Nadex Order considered to be gaming.¹⁸⁰ But that reasoning examines the nature of the trading—not the nature of the underlying event. Therefore, the Commission preliminarily believes that the Nadex Order misapplied the Special Rule, which, by its terms, requires the Commission to determine whether the event contracts *involve* an Enumerated Activity, not whether trading in the event contracts *is* an Enumerated Activity.

The approach in the Nadex Order is contrary to the structure of the Special Rule. Consider especially the Enumerated Activities of terrorism, assassination and war. If the statute’s “involve” requirement were satisfied only when trading in the event contracts *is* or *equates* to terrorism, assassination or war, then the Special Rule would never apply to contracts involving those activities, because trading in event contracts does not constitute terrorism, assassination, or war.¹⁸¹ As a corollary,

¹⁷⁸ *KalshiEX*, 2024 U.S. Dist. LEXIS 163925, at *29.

¹⁷⁹ See Nadex Order at 2.

¹⁸⁰ *Id.* at 3.

¹⁸¹ See *KalshiEX*, 2024 U.S. Dist. LEXIS 163925, at *30 (“[S]tandard principle[s] of statutory construction provide[] that identical words and

¹⁷⁶ Consistent with the Commission’s view that the reference to “section 1a(2)(i)” in the Special Rule was intended by Congress to refer to the excluded commodities described in CEA section 1a(19)(i), section 201(b) of the proposed CFTC Reauthorization Act of 2019 included, as a technical correction to the CEA, the replacement of the reference to “section 1a(2)(i)” with a reference to “section 1a(19)(i).” CFTC Reauthorization Act of 2019, H.R. 6197, 116th Cong. (2d Sess. 2020).

¹⁷⁷ For the avoidance of doubt, and as discussed in this section, the Commission preliminarily believes that the Nadex Order and Kalshi Order were incorrect in reasoning that event contracts involve an Enumerated Activity when the event contracts viewed as a whole relate to, or equate to, an Enumerated Activity.

if one asserted that the Special Rule applied because the event contract *itself* was “gaming,” then the terrorism, assassination and war categories would be surplusage. The only coherent question—and the only question the statute asks—is whether the occurrence, extent of an occurrence, or contingency on which the contract is based is an occurrence, extent of an occurrence, or contingency *in* terrorism, assassination, or war activities.

The Nadex Order’s approach also leads to illogical results. As discussed below in relation to the definition of the term “gaming,” if the Special Rule’s application were interpreted to depend on whether trading in an event contract *is or equates to* gaming, the Special Rule could potentially apply to any event contract because gaming could be interpreted to include the staking of money on a contingency.¹⁸² Similarly, because some states prohibit the staking of money on a contingency,¹⁸³ trading in the event contract would appear to be illegal under those laws—except that such state laws are preempted by the CEA as applied to event contracts traded on CFTC-registered entities.

Last, a wide-ranging inquiry into whether anything about event contracts “involves” one of the Enumerated Activities (as opposed to an inquiry focused on the event underlying the contract) would greatly expand the inquiry under the Special Rule and be vulnerable to arbitrary and inconsistent application.

The Commission preliminarily believes that the better approach is to avoid an interpretation of the statute that is inconsistent with its structure and would produce overbroad or illogical results. Interpreting the Special Rule to apply when the event contracts’ settlement is determined by an occurrence, extent of an occurrence, or contingency within an Enumerated Activity aligns with the structure of the statute and properly limits scope for the Special Rule to the circumstances Congress intended it to govern.

phrases within the same statute should normally be given the same meaning’ and effect”; citing *Powerex Corp. v. Reliant Energy Servs., Inc.*, 551 U.S. 224 (2007)).

¹⁸² As discussed in connection with the proposed definition of “gaming,” the Commission preliminarily believes that gaming does not include all activities that constitute the staking of money on a contingency, but rather only such activities that are games—*i.e.*, have a recreational or entertainment purpose. See *infra* notes 199 to 202 and accompanying text.

¹⁸³ See, e.g., N.H. Rev. Stat. Ann. sec. 647:2(II)(d), available at <https://www.gencourt.state.nh.us/rsa/html/lxii/647/647-2.htm> (last visited May 19, 2026) (banning gambling and defining it as, “to risk something of value upon a future contingent event not under one’s control or influence . . .”).

The Commission requests comment on all aspects of its preliminary views on the scope of activities that event contracts “involve.”

D. Determining the Scope of Enumerated Activities

The Commission preliminarily believes that it would be helpful for prediction markets and the general public to know which factors the Commission will apply in determining whether particular event contracts are subject to the Special Rule. In other words, these factors would describe the scope of activities that are encompassed within each of the Enumerated Activities. The Commission is therefore proposing to add § 40.11(a)(4) which sets out the factors that the Commission will apply in determining whether event contracts involve any Enumerated Activity and are therefore within the scope of the Special Rule. The Commission notes that event contracts involving more than one Enumerated Activity would also be within the scope of the Special Rule.

In the case of the Enumerated Activity of “gaming,” the Commission also preliminarily believes it would be useful to adopt a rule to define the term “gaming” because it requires further clarification.

The Commission notes that a prediction market would be able to receive a definitive resolution of any questions concerning the applicability of § 40.11(a)(1) by submitting a contract for Commission approval under § 40.3. CFTC staff also may, at its discretion and upon a request from a prediction market, review a draft contract submission or proposal and provide guidance concerning the contract’s compliance with the CEA and CFTC regulations, including § 40.11(a)(1).¹⁸⁴

1. Activity That Is Unlawful Under any Federal or State Law

The Commission preliminarily does not believe that it is necessary to adopt a rule to define “activity that is unlawful under any Federal or State law” at this time. Instead, proposed § 40.11(a)(4)(i) provides that the Commission would consider the relevant laws and whether the occurrence, extent of an occurrence, or contingency on which an event contract is based occurs in an activity that is unlawful under any Federal or State law. Additionally, proposed appendix F

¹⁸⁴ The Commission notes, however, that staff’s guidance concerning drafts and proposals is preliminary and non-binding. CFTC staff formally reviews contracts only at such time as a compliant submission is provided to the Commission pursuant to § 40.2 or § 40.3.

to part 40 describes how the Commission would consider the relevant factors in determining whether event contracts involve this Enumerated Activity.

The proposed factors explain that in circumstances where there is a question regarding whether an event contract submitted to the Commission involves activity that is unlawful under any Federal or State law, the Commission would survey the relevant law. Where an activity is illegal under the laws of some States, but not others, the Commission would consider whether the discrepancy relates to any of the factors that would apply in determining if the event contract is contrary to the public interest. For example, if an activity is illegal under the laws of some States, and the relevant factors suggest that event contracts involving that activity would be found to be contrary to the public interest, then the Commission would be more likely to find that the event contract involves unlawful activity and is within the scope of the Special Rule.¹⁸⁵

The Commission notes that the Kalshi Order evaluated whether the subject event contracts involved an activity that is unlawful under Federal or State law, and found that betting or wagering on elections is prohibited by statute or common law in many states.¹⁸⁶ For the reasons discussed above, the Commission preliminarily believes that the Kalshi Order’s reasoning on this point was incorrect. The Kalshi Order asked whether the act of trading the event contract equated to an activity unlawful under State law. The Commission believes that the relevant question under the Special Rule, however, is whether the occurrence, extent of an occurrence, or contingency on which an event contract is based occurs in an Enumerated Activity. Under that reading, the event contracts at issue in the Kalshi Order would not involve activity that is unlawful under Federal or State law, because the occurrence, extent of an occurrence, or

¹⁸⁵ The Commission acknowledges that many state codes include laws prohibiting certain activity that, while not repealed, are generally considered archaic and are not enforced. The Commission believes that it is unlikely that a prediction market would seek to list for trading or accept for clearing an event contract involving such a law. To the extent that a prediction market does make a submission to the Commission regarding a contract that may involve such a law, the Commission believes that it may be appropriate to commence a review of the contract pursuant to § 40.11(c) to evaluate whether, in light of the relevant facts and circumstances, it is appropriate to recognize the contract as involving “activity that is unlawful under any . . . State law” for purposes of § 40.11(a)(1).

¹⁸⁶ Kalshi Order at 11–12.

contingency on which the subject event contracts were based (outcomes of political elections) did not occur in an Enumerated Activity (activity unlawful under State law).

The application of this interpretation can be illustrated through several examples. An event contract that settles on whether an individual will murder someone involves an activity that is unlawful under State law, because the settlement-determining occurrence—the murder—is itself within unlawful activity. Such an event contract presents the precise concerns that animate the Special Rule’s inclusion of unlawful activity. By contrast, an event contract that settles on whether Bernard Madoff is convicted of securities fraud by a specified date does not involve activity that is unlawful within the meaning of the Special Rule. The settlement-determining occurrence is the entry of a judgment of conviction by the court, which is a lawful judicial act. Although the underlying conduct alleged in the indictment—the operation of a multi-decade Ponzi scheme that caused tens of billions of dollars in investor loss—would, if proven, constitute unlawful activity, the event contract’s settlement is determined by the court’s judgment rather than by the underlying conduct itself. The same analysis applies to an event contract settling on whether a defendant in a specified federal securities-fraud prosecution is sentenced to a term of imprisonment exceeding a specified threshold, or whether a specified judgment of conviction is affirmed on appeal by a specified court. Such event contracts may have meaningful commercial and informational utility, including for participants seeking to hedge price exposure to the resolution of large financial-fraud proceedings that affect counterparty risk, claims against bankruptcy estates, and the timing of recovery distributions to victims.

2. Terrorism, Assassination, and War

The Commission preliminarily does not believe that it is necessary to adopt a rule to define “terrorism,” “assassination,” or “war” at this time. Instead, proposed § 40.11(a)(4)(ii) provides that the Commission would consider the extent to which the event contracts involve violent or destructive activities occurring outside the United States with an element of coercion or intimidation and some relationship to political or social groups or ideologies, intentional killing of an individual outside the United States, or belligerent military activities and violent activities by organized groups, respectively. Additionally, proposed appendix F to

part 40 describes how the Commission would consider these factors in determining whether event contracts involve these Enumerated Activities.

Generally, the Commission preliminarily intends to interpret these terms broadly and without making distinctions based on criteria under international law, such as whether a war has been formally declared. The Commission also notes that terrorism and assassination would be unlawful under Federal or State law, and the Commission generally interprets these Enumerated Activities to encompass events occurring outside the United States, including against non-U.S. persons.¹⁸⁷

The Commission notes that common definitions of terrorism include the use of violence to coerce or intimidate in order to obtain demands or with political aims.¹⁸⁸ The proposed factors to define terrorism would not require identification of a specific aim or demand, or identification of a specific responsible group. Rather terrorism would include all violent or destructive activities occurring outside the United States with an element of coercion or intimidation and some relationship to political or social groups or ideologies. The Commission preliminarily believes that terrorism encompasses cyberterrorism and other forms of attack that cause substantial destruction or disruption through non-physical means, where the attack is conducted with an element of coercion or intimidation and bears a relationship to political or social group or ideologies. Since unlawful activity inside the United States is an Enumerated Activity, it is irrelevant whether a particular unlawful activity in the United States constitutes domestic terrorism.

Accordingly, an event contract that settles on whether the Islamic State conducts an armed attack causing more than ten civilian deaths in Baghdad during June 2026 involves terrorism within the meaning of the Special Rule. The settlement-determining occurrence is the attack itself, which is within the

terrorism activity. An event contract that settles on whether a coordinated cyberattack attributed by the United States Cybersecurity and Infrastructure Security Agency to a state-sponsored or politically motivated actor causes the operational shutdown of electricity transmission in New York for more than twenty-four hours sometime in 2026 involves terrorism. By contrast, an event contract that settled on whether the Transportation Security Administration implements enhanced screening procedures at certain airports does not involve terrorism, because the settlement-determining occurrence is a governmental administrative action, which is a lawful exercise of agency authority, rather than any act of terrorism.

The factors to define assassination focus on whether the target of the attack is a prominent person and whether there is some relationship to a political or social motive.¹⁸⁹ The Commission preliminarily believes that any person who is the subject of an event contract should be considered to be prominent, and that the relationship to a political or social motive should be interpreted broadly. Therefore, the Commission proposes that event contracts involving any intentional killing of an individual outside the United States would involve assassination.

Examples illustrate this definition. An event contract that settles on whether Nicolás Maduro dies as a result of an attack by an organized political or military faction by December 31, 2026, involves assassination. The settlement-determining event—his death—is an occurrence within the assassination activity. By contrast, an event contract that settles on whether Maduro will lose an election does not involve assassination, war, or any other Enumerated Activity.

The Commission preliminarily intends that the factors to define war would encompass all belligerent military activities and violent activities by organized groups.¹⁹⁰ That is, this Enumerated Activity is not limited to declared wars and would include the

¹⁸⁷ For clarity, the Commission notes that event contracts involving more than one Enumerated Activity would be subject to the Special Rule.

¹⁸⁸ See Oxford English Dictionary, “terrorism” (n.) (“The unofficial or unauthorized use of violence and intimidation in the pursuit of political aims; . . . (now usually) such practices used by a clandestine or expatriate organization as a means of furthering its aims.”) (last modified Sept. 2025), available at <https://doi.org/10.1093/OED/7593421629>; Merriam-Webster.com Dictionary, “terrorism” (n.) (“the systematic use of terror especially as a means of coercion”) and “terror” (“violence or the threat of violence used as a weapon of intimidation or coercion”), available at <https://www.merriam-webster.com/dictionary/terrorism> (last visited May 17, 2026).

¹⁸⁹ See Oxford English Dictionary, “assassination” (n.) (“murder of a person (esp. a prominent public figure) in a planned attack, typically with a political or ideological motive, sometimes carried out by a hired or professional killer”) (last modified Sept. 2025), available at <https://doi.org/10.1093/OED/5671820672>; Merriam-Webster.com Dictionary, “assassination” (n.) (“murder by sudden or secret attack often for political reasons”), available at <https://www.merriam-webster.com/dictionary/assassination> (last visited May 17, 2026).

¹⁹⁰ By referring to belligerent military activity, the Commission does not intend to include any non-belligerent military activities, such as routine deployments, training or disaster relief assistance.

belligerent activities of both government and civil militias. It would also include civil wars and civil unrest by organized groups. Because the Special Rule is applied to particular event contracts, the Commission preliminarily believes that it is not appropriate to apply a temporal or quantitative threshold to determine if belligerent military or violent activities constitute “war.” For example, if event contracts were certified about a single belligerent military activity, it would not be appropriate to examine whether that activity was isolated or rather a part of a campaign over a certain time.¹⁹¹ Instead, the proposed factors explain that event contracts about a single belligerent military or organized violent activity would involve war.

Several examples again illustrate this definition. An event contract that settles on whether the Russian Federation conducts a missile or drone strike against a target within the city limits of Kyiv during the second quarter of 2026 involves war within the meaning of the Special Rule, because the settlement-determining occurrence is itself a military activity within the war activity. An event contract that settles on whether the People’s Republic of China conducts a naval or amphibious military action against the territory of Taiwan likewise involves war, regardless of whether such action is characterized as a declared war or a more limited military operation, because the event contract’s settlement turns on the occurrence of a belligerent military activity by an organized armed force.

By contrast, an event contract that settles on whether the front-month Brent crude oil futures contract on the Intercontinental Exchange closes above \$120 per barrel on any trading day during the second quarter of 2026 does not involve war within the meaning of the Special Rule, even though oil prices are sensitive to military and geopolitical conditions. The settlement-determining occurrence is the published settlement price of an exchange-traded futures contract, which is a measurement produced by a registered futures exchange.

The foregoing analysis addresses event contracts whose settlement-determining occurrence falls within an Enumerated Activity on the face of the

event contract’s terms. A separate question arises when an event contract’s settlement-determining occurrence is facially neutral—that is, when the occurrence on which settlement turns can be reached through multiple causal pathways, at least one of which falls within terrorism, war, or assassination. In such cases, the Commission would understand the event contract to involve the Enumerated Activity unless the event contract’s terms specify the qualifying settlement pathways with sufficient detail to exclude the Enumerated-Activity pathway. An event contract drafted at a level of generality that permits settlement on the basis of an act of terrorism, war, or assassination would be treated as involving that activity. This approach reflects the Commission’s preliminary view that the Special Rule’s protective purpose would be undermined if prediction markets could avoid its application by drafting settlement conditions broadly enough to encompass Enumerated-Activity pathways alongside non-Enumerated ones.

A few examples again illustrate the principle. An event contract that settles on whether Maduro is out of office by a certain date, without further specification of the qualifying mechanisms, involves assassination within the meaning of the Special Rule because assassination is among the pathways by which the settlement condition can be satisfied. The same event contract, redrafted to settle only on whether the named individual ceases to hold office “by reason of electoral defeat, resignation, constitutional removal, negotiated departure, or natural death,” would not involve assassination, because the event contract’s terms specify the qualifying pathways and exclude the Enumerated Activity pathway. Similarly, an event contract that settles on whether Iran’s uranium enrichment facilities remain functional as of a certain date would involve war, because an activity of war is among the pathways by which the facility could cease to remain standing; the same event contract, redrafted to settle only on whether the facility is demolished pursuant to a government order, or to negotiated terms of a diplomatic deal, would not.

3. Gaming

Neither the CEA nor the Commission’s rules define the term “gaming.” In the preamble to the adoption of § 40.11, the Commission acknowledged that “the term ‘gaming’ requires further clarification,” and said that the Commission may issue a future

rulemaking concerning event contracts that involve “gaming.”¹⁹²

The Commission preliminarily agrees with the District Court for the District of Columbia that “the word ‘gaming’ in the statute carries its ordinary, plain meaning and involves playing a game.”¹⁹³ “When a term goes undefined in a statute, [courts] give the term its ordinary meaning.” . . . To discern that meaning, courts often begin with a survey of dictionaries. . . . Dictionaries define gaming’ as ‘the practice or activity of playing games for stakes’ and ‘the practice or activity of playing games.’ . . . [There is] no reason to stray from the ordinary definitions of ‘gaming,’ which are ‘the practice or activity of playing games’ and ‘playing games for stakes.’”¹⁹⁴

The Commission acknowledges that it previously advanced a far broader definition of “gaming” to the District Court for the District of Columbia. Specifically, the Commission argued that “gaming” is synonymous with “gambling”—that is, “the practice or activity of betting” without any limitation of what is being bet on.”¹⁹⁵ But in that view, the District Court concluded, “all event contracts would be subject to review under the special rule because they all involve purchasing (and thus risking money on) some contingent event with the hope of receiving a payoff.”¹⁹⁶ And “[g]iven that the CEA authorizes the CFTC to review event contracts only if they involve specific, enumerated activities, any definition of ‘gaming’ that could be read to subject all event contracts to the special rule just cannot be right.”¹⁹⁷ The Commission’s proposed definition does not repeat its previous error and instead implements the more natural interpretation described by the District Court.

In interpreting “gaming,” the Commission preliminarily considers it important to recognize what the Special Rule’s other Enumerated Activities describe. Terrorism, assassination, war, and unlawful activity each describe activities that happen in the world: wars are fought, assassinations are carried out, crimes are committed. The term “gaming” must play the same

¹⁹² See Provisions Common to Registered Entities, 76 FR 44776, 44785 (July 27, 2011).

¹⁹³ *KalshiEX*, 2024 U.S. Dist. LEXIS 163925, at *20.

¹⁹⁴ *Id.* at *22 (citations omitted). See also, e.g., 25 CFR part 502 (defining categories of “gaming” for purposes of the Indian Gaming Regulatory Act in terms of various games such as bingo, card games, casino games, sports games and lotteries).

¹⁹⁵ *KalshiEX*, 2024 U.S. Dist. LEXIS 163925, at *8.

¹⁹⁶ *Id.*

¹⁹⁷ *Id.*

¹⁹¹ The Commission notes that some definitions of “war” refer to a series of actions over time. See, e.g., Oxford English Dictionary, “war” (n.) (“Armed conflict . . . typically characterized by a campaign or series of campaigns conducted over a period of time”) (last modified Mar. 2026), available at <https://doi.org/10.1093/OED/1011940408>. However, at the time an event contract is certified it may not be clear whether the underlying event relates to a military campaign (e.g., it may be the first event in a campaign).

grammatical and functional role in the statute. “Gaming” is the game itself, the activity that occurs.

This matters for two reasons. First, this structural reading is essential to giving effect to the Special Rule’s operative text. As discussed above in connection with the term “involve,” the Commission interprets the Special Rule as asking whether event contracts’ settlements are determined by an occurrence in an Enumerated Activity. That inquiry presupposes a distinction between the event contract and the underlying activity to which it refers. Enumerated Activities must therefore be activities in the world that event contracts can reference.

A definition that characterizes “gaming” as a property of the event contract itself (for example, “the act of risking something of value, especially money, for a chance to win a prize”) cannot coherently be applied because it has no limiting principle. Under such a definition, every event contract would involve “gaming” by definition, because every event contract stakes value on a contingent outcome. The “involve” inquiry would collapse into a tautology: the event contract involves gaming because the event contract *is* gaming. The Special Rule’s requirement of a distinction between the event contract and the underlying activity would be erased, contrary to the canon against surplusage. Likewise, the other Enumerated Activities—activity that is unlawful under any Federal or State law, terrorism, assassination, war, and other similar activity determined by the Commission to be contrary to the public interest—would be surplusage if every event contract involved gaming by definition.

Some commenters on the ANPRM suggested that “gaming” should be defined in terms of elements associated with gambling.¹⁹⁸ The Commission preliminarily believes, however, that a wagering- or gambling-centered definition of gaming is overbroad.¹⁹⁹

¹⁹⁸ See, e.g., Letter from Kalshi, Inc. 20 (Apr. 30, 2026); Letter from Amadeus Brandes 1–2 (Apr. 13, 2026); Letter from Better Markets 7–8 (Apr. 30, 2026).

¹⁹⁹ The Commission acknowledges that in some dictionaries, the primary definition of the term “gaming” is playing games for stakes, i.e., gambling. See Merriam-Webster.com Dictionary, “gaming” (n.) (“1. the practice or activity of playing games for stakes, 2. the practice or activity of playing games (such as board games, card games, or video games”), available at <https://www.merriam-webster.com/dictionary/gaming> (last visited May 17, 2026); Oxford English Dictionary, “gaming” (n.), (“1.a. The action of engaging in games or entertainments; merrymaking; sport. Now rare. 1.b. The action or practice of playing games, as cards, dice, etc., for stakes. 1.c. The playing of war-games or role-playing games. 1d. The playing of computer (video,

Ordinary definitions of “gambling” include “the act of risking something of value, especially money, for a chance to win a prize.”²⁰⁰ If this definition of gaming built around wagering were implemented, some could argue that the definition should apply to all event contracts and render the Special Rule’s “gaming” category limitless.²⁰¹ Therefore, that definition of gaming is incompatible with the Special Rule’s structure.²⁰² The Commission preliminarily believes the coherent reading is the one the ordinary meaning of the word naturally supplies: gaming is the game itself—the activity in which occurrences, the extent of occurrences, or contingencies determine settlement.²⁰³

Under this approach, the word “gaming” derives from “game,” which in turn is a word with many nuances and meanings.²⁰⁴ The Commission preliminarily believes that the meaning of “game” relevant to the Special Rule encompasses the activities that are games in common parlance—sports games, athletic competitions and recreational games including games of chance. Rather than simply listing examples of games or describing this category using a multifactor approach, the Commission proposes to adopt a specific definition of the term “gaming” in § 40.11.

The Commission intends that this definition will capture conceptually

etc.) games.” (last modified Mar. 2026), available at <https://doi.org/10.1093/OED/1195200884>. However, the Commission also notes that these definitions include a variety of activities and do not directly equate gaming with gambling. For example, if the dictionary definitions were followed strictly, e-sports, in which individuals play video games competitively on a professional basis, would be an Enumerated Activity, but professional sports played athletically would not—a distinction which does not have any apparent basis.

²⁰⁰ Black’s Law Dictionary, “gambling” (12th ed. 2024).

²⁰¹ This is the position of the District Court in the *Kalshi* case. See *supra* note 197 and accompanying text.

²⁰² The Nadex Order equated gaming with gambling, reasoning that the terms “are used interchangeably in common usage, dictionary definitions and several state statutes.” Nadex Order at 2; see also *Kalshi* Order at 8–9 (applying essentially the same reasoning to equate gaming with gambling). The Commission preliminarily believes that this interpretation was incorrect, for reasons discussed here.

²⁰³ Also, the Commission preliminarily believes that interpreting the term “gaming” to mean only wagering by individuals on the outcome of games would be cumbersome to apply. It would be difficult to define and validate individuals’ actions in order to base event contracts on the wagering activity.

²⁰⁴ The Commission notes that the Merriam-Webster.com Dictionary definition of the noun “game” has 20 categories and subcategories of meaning. The Oxford English Dictionary definition has 22 categories.

these types of games and preliminarily believes that a rule defining the term “gaming” will be useful in the future because, as new event contracts reference different activities, prediction markets, market participants and Commission staff will need an easily applied standard to determine if those activities constitute gaming. The Commission’s definition of the term “gaming” in the Proposal is limited to the Special Rule context and does not purport to interpret or displace any other federal or state statutory regime using the same or a related term.

Proposed § 40.11(b) sets out the following definition: “*Gaming* means any activity that: (i) one or more participants typically engage in for purposes of recreation or to entertain others, (ii) is governed by rules; and (iii) includes measurable occurrences or outcomes that depend on the participants’ luck, skill, or athletic ability during the activity.”

The Commission derived this definition from dictionary definitions of the term “game” to mean “a physical or mental competition conducted according to rules with the participants in direct opposition to each other” and “activity engaged in for diversion or amusement,”²⁰⁵ or “an activity which provides amusement or fun” and “a contest or competition, governed by rules of play, according to which victory or success may be achieved through skill, strength, or good luck.”²⁰⁶

As noted above, the Commission aims to capture the activities that are games in common parlance. To do so, the purposes for which participants typically engage in the activity must be an element of the definition.²⁰⁷ The Commission intends that the first clause of the proposed definition—a typical purpose of “recreation or to entertain others”—will reflect the dictionary definitions’ reference to amusement and also capture professional sports, which are commonly understood to be games. By looking to the typical purpose of the activity, the proposed definition acknowledges that there may be atypical circumstances where participants have different purposes for engaging in an activity that is a game in common

²⁰⁵ Merriam-Webster.com Dictionary, “game” (n.), available at <https://www.merriam-webster.com/dictionary/game> (last visited May 17, 2026).

²⁰⁶ Oxford English Dictionary, “game” (n.), (last modified Mar. 2026), available at <https://doi.org/10.1093/OED/3374114774>.

²⁰⁷ The Commission notes that, as discussed further below, a definition of “gaming” to encompass any competition with rules and measurable outcomes depending on skill, without considering the purpose of the activity, would be very broad and contrary to the common understanding of games.

parlance, but the activity should still be encompassed in “gaming.”

The Commission intends that the term “recreation” in the definition would include many elements, such as when participants engage in the activity for the simple pleasure of the activity, the personal satisfaction of meeting a challenge, and the enjoyment of competing against others. And to the extent professional participants are not engaged in recreation, they are engaged in gaming to entertain others.²⁰⁸ The proposed definition encompasses a mix of recreational and entertainment purposes, as well as the variety of purposes subsumed within “recreation.”²⁰⁹

That “gaming” must be governed by rules simply conveys what the Commission believes to be the commonsense understanding of a game and conforms to the dictionary definitions cited above.

To be covered by the Special Rule, the Commission preliminarily believes that the activity must have measurable occurrences or outcomes. These occurrences in the game or outcomes at the end of a game would be the potential bases for event contracts. And, in keeping with the recreational or entertainment purpose of the activity, the occurrences or outcomes must depend on luck, skill or athletic ability during the activity. Thus, gaming includes all games of chance (*e.g.*, roulette), games requiring skill (*e.g.*, chess), and games of mixed chance and skill (*e.g.*, poker). The definition includes both skill and athletic ability to be clear that gaming includes all sports, including e-sports and sports where judges rank participants based on their skill or athletic ability during the activity.

On the other hand, if the outcome of the activity depends on other factors such as judges’ evaluation of the participants’ merit or qualifications on a broader basis than a certain activity, it is not gaming.²¹⁰ The requirements that

gaming have a recreational or entertainment purpose, and that the occurrences or outcome of the activity depend on the participants’ luck, skill, or athletic ability *during the activity*, distinguish gaming from other competitive activities. This Proposal uses the term “contest” to refer to an activity where participants compete for a prize, honor, award or position based on their qualifications or merit displayed in general or over an extended period. These contests are not gaming.

Political elections illustrate the distinction between gaming, as defined in the Proposal, and contests.²¹¹ Elections typically serve the purpose of selecting political leadership, not recreation or entertainment. Their outcomes do not turn on the participants’ luck, skill, or athletic ability during the election itself, but rather on voters’ judgment regarding who should hold office, informed by considerations beyond the discrete election period.²¹² Thus, political elections are not gaming.

The District Court for the District of Columbia reached the same conclusion, reasoning that an event contract on whether a chamber of Congress will be controlled by a specific party in a given term involves “elections, politics, Congress, and party control” and does not “bear any relation to any game—played for stakes or otherwise.”²¹³

Similarly, contests like the Nobel Prize and the Academy Awards are not gaming. The outcome of these contests depends on electors’ judgment on who should receive an award based on a range of considerations beyond the participants’ luck, skill, or athletic ability displayed during the contest. Because the award turns on evaluative

activity—are doing so for recreation and to entertain others. Under the rules of the game, judges rank the participants based on an evaluation of their skill and athletic ability displayed in the competition. On the other hand, an award of “figure skater of the year” based on a vote or panel of judges is a contest, not gaming, if its purpose is to honor the person who the judges assess to have displayed the best overall figure skating ability over the past year.

The same distinction would apply whether the judges are individual people or algorithms developed by the organizers of the event. If the outcome is decided by algorithms based only on skill and ability during the activity, it would be gaming. If the algorithm considers other factors, it would not be gaming.

²¹¹ For clarity, and as discussed in this section, the Commission preliminarily believes that the Nadex Order and the Kalshi Order were incorrect to find that event contracts involving political elections were event contracts that involve gaming.

²¹² It would be cynical, at best, to say that a person won a political election because they got lucky or were more skillful at convincing voters to vote for them.

²¹³ *KalshiEX*, 2024 U.S. Dist. LEXIS 163925, at *38–39.

judgments, *not on measurable occurrences dependent on the participants’ skill or athletic ability in the activity itself*, it is a contest, not gaming.

Mere association with athletic performance does not change this analysis. For example, the Cy Young Award, which is presented annually by the Baseball Writers’ Association of America to the two best baseball pitchers, is not gaming.²¹⁴ Although players are recognized for their athletic performance during the season, the outcome is ultimately determined by the judgment of a panel of voters, who assess overall performance without being strictly limited to occurrences in any game or games. On the other hand, an event contract on which baseball pitcher will record the most strikeouts in a season is gaming. Its outcome depends on a measurable outcome of the participants’ skill and athletic ability in games—*i.e.*, who records the most strikeouts.

The Commission also notes that under the proposed definition, if an activity is not gaming as defined above, the mere fact that gambling occurs in relation to that activity does not make it gaming. For example, if gambling occurs on who will win the Nobel Prize, that gambling does not change the fact that the Nobel Prize contest is not gaming, and event contracts based on who will win the Nobel Prize would not be subject to the Special Rule.²¹⁵ In other words, the Commission preliminarily believes that the definition of gaming in § 40.11 should be limited to activities that are games.

The Commission’s proposed definition focuses on the gaming activity itself. Whether event contracts involve gaming turns on the “involve” analysis discussed above; an event contract involves gaming if its settlement is determined by the occurrence, extent of an occurrence, or contingency in a gaming activity. The outcome of a game is an occurrence in a game. Accordingly, gaming includes events happening in games but does not include events occurring in connection with or around games. An event contract on whether a football player

²¹⁴ See Baseball Reference, *Cy Young Award*, available at https://www.baseball-reference.com/bullpen/Cy_Young_Award (last visited May 19, 2026).

²¹⁵ The Commission notes that the contrary interpretation would be illogical and difficult to apply. That is, if bets were initially not offered on the Nobel Prize contest, then it would not be gaming, but as soon as bets were offered, the activity would “become” gaming. The Commission believes that whether an activity is gaming should depend on the activity itself, not on other things occurring around or in connection with the activity.

²⁰⁸ The Commission understands that professional athletes are paid or receive monetary compensation and are therefore motivated by the opportunity to earn an income. Nonetheless, the Commission preliminarily believes it is accurate, and in accordance with common understanding, to say that the purpose of the participants in a professional sporting activity is typically to entertain an audience (and also to gain personal satisfaction through achievement). The salary or compensation that the participants receive is a result of fulfilling the entertainment purpose.

²⁰⁹ The Commission notes that a recreational or entertainment purpose is not contrary to the activity having financial or economic consequences. Recreation and entertainment are large parts of the U.S. economy.

²¹⁰ For example, a figure skating competition is gaming because the skaters—the participants in the

will score a certain number of touchdowns in a game involves gaming: settlement is determined by an occurrence in the football game. An event contract on attendance at the football game does not involve gaming: settlement is determined by ticket-purchasing decisions by prospective attendees, not by an occurrence in the game itself. Similarly, an event contract on whether a particular athlete will win a gold medal at the Olympic Games involves gaming: settlement is determined by a contingency in the Olympic athletic event itself. An event contract on which city will host future Olympic Games does not involve gaming: settlement is determined by the International Olympic Committee's host-selection decision, which is a political and economic decision rather than occurrence in any gaming activity. The "involve" analysis, together with the definition of gaming, distinguishes event contracts that the Special Rule addresses from event contracts that it does not.

The Commission requests comment on its proposed definition of gaming. Commenters are invited to address whether the Commission should provide its views regarding whether other activities constitute "gaming." For example, should game shows, reality show competitions, pageants and similar events be considered to be "gaming"? The Commission notes that game shows are typically subject to varying standards intended to promote impartiality and fair competition. Other competitions may allow departure from such standards to enhance their entertainment value. Music and talent competitions often have similarities to elections. How, if at all, should the Commission consider these characteristics in the context of event contracts involving these activities?

The Commission also invites comment on an alternative proposed definition of gaming. The Commission sought to define gaming by reference to activities that are colloquially known as games. The Commission considered an alternative formulation grounded in the structural features that distinguish games from other activities. Under this alternative, "gaming" would mean "an activity created by its rules, in which (1) all participants whose conduct determines the outcome operate within the activity itself, and (2) those participants, in their capacity as participants, have purposes that are defined by and internal to the activity itself."

The Commission preliminarily believes that this alternative may better capture the structural features of gaming

and presents it for comment. Each element of this formulation reflects a structural feature that, in the Commission's preliminary view, identifies the activities that ordinary speakers would recognize as games.

Activity created by its rules. The threshold element of the formulation requires that the activity be one created by its rules—that is, an activity that does not exist apart from the rules that constitute it. This element captures a structural feature that distinguishes games from other rule-governed conduct. Many activities are governed by rules without being created by them. Driving, commerce, professional practice, parenting, and warfare are all subject to elaborate rule structures, but none of these activities exist *because* of its rules. The rules constrain pre-existing activity that have independent existence. Games are different. Football does not exist independently of football's rules; the activity of playing football came into being when its rules were developed and would cease to exist if those rules were abandoned. The same is true of chess, of poker, of baseball—of every activity that ordinary usage recognizes as a game.

All participants whose conduct determines the outcome operate within the activity itself. The first numbered inquiry concerns the structural locus of the participants whose conduct resolves the activity. In a game, the participants who determine the outcome are drawn from the same population as the participants whose conduct generates the inputs the activity is resolving.

This element identifies what distinguishes a game from an evaluative or selective process that may have rule-governed structure but that depends on judgment external to the underlying activity. An award conferred by a voting body, a prize awarded by a panel of judges, a hiring decision made by a committee, an honor bestowed by an institution—each of these may involve elaborate rules and rule-governed deliberation, but each is structurally distinct from a game because the participants who determine the outcome (the voters, judges, committee members, institutional officers) operate outside the underlying activity being evaluated, selected from, or recognized. The conduct that generates the inputs (the candidate's performance, the work being judged, the credentials being assessed) is produced by one set of participants; the conduct that determines the outcome is produced by a different set of participants who observe, assess, or select from the inputs but who are not themselves engaged in the underlying activity.

Purposes defined by and internal to the contest itself. The second numbered inquiry concerns the teleological structure of participation—the relationship between the participants' purposes and the activity in which they participate. A participant's purpose is internal to the contest when it is intelligible only within the rules that constitute the contest and would not exist apart from those rules. A purpose is external when it pre-exists the activity and would persist whether or not the contest occurred.

In a game, the participants' purpose in their role as participants are internal to the activity. A poker player's purpose in drawing to a flush exists only because poker exists; the purpose has no content outside the rules that define what a flush is, how cards may be drawn, and what winning a poker hand means. A quarterback's purpose in completing a pass exists only because football exists; the purpose has no content outside the rules that define what completing a pass is, what it accomplishes, and why it matters. These purposes are not pursued *through* the game in service of ends that exist outside of it; they are constituted by the game itself and have no existence apart from it.

This element identifies what distinguishes a game from an activity that may have rule-governed structure, but whose participants are pursuing ends that exist independently of any contest. A candidate seeking office pursues purposes (governing, advancing policy preferences) that exist independently of any electoral contest and would persist under any system of selecting officeholders. A trader executing a transaction pursues purposes (profit, hedging, capital allocation) that exist independently of any market structure and would persist in any economic system that permitted the exchange of value. In each case, the activity is a vehicle for ends that transcend it. The contest, if there is one, is not the source of the participants' purposes but a forum in which independently existing purposes are pursued.

The "in their capacity as participants" qualifier. The qualifier is essential to the second inquiry's operation. Most participants in any serious activity have motivational structures that combine internal purposes with external purposes. A professional athlete pursues internal purposes (winning, performing, executing the play) and external purposes (compensation, career advancement, public recognition) simultaneously. The relevant inquiry is not whether participants have any

external purposes—which would be true of virtually every activity in which people engage seriously over time—but whether their purpose *in their role as participants* in the activity is constituted by and internal to the activity.

The Commission presents this alternative definition of “gaming” described above for comment.

4. Illustrative Examples of Event Contracts Not Within Scope

The Commission preliminarily believes that prediction markets and market participants would benefit from the Commission providing examples of the types of event contracts that, in the Commission’s view, fall outside of the scope of the Special Rule and, by extension, § 40.11.²¹⁶ The Commission believes that, among other things, this will assist prediction markets, as well as applicants for registration, in making informed business decisions with respect to product design, thereby supporting responsible innovation. The Commission believes that this also will support the more efficient use of CFTC staff resources in connection with the review of event contract submissions.

While the Commission cannot anticipate every contract design, the Commission believes that event contracts based on the following would generally fall outside of the scope of the Special Rule and § 40.11:²¹⁷

- Rates, measures or levels of economic indicators, including the CPI and other price indices; the U.S. trade deficit with another country; measures related to GDP, jobless claims, or the unemployment rate; and U.S. new home sales.²¹⁸
- Rates, measures or levels of financial indicators, including the federal funds rate; total U.S. credit card debt; fixed-rate mortgage averages (e.g., the 30-year fixed-rate mortgage interest rate); and the values for broad-based stock indexes at particular times.
- Rates, measures or levels of foreign exchange rates or currencies.

²¹⁶ For the avoidance of doubt, with respect to these types of event contracts, a prediction market or clearinghouse still must comply with the substantive and procedural requirements that apply, more generally, to the listing for trading or acceptance for clearing of derivative contracts, including, for DCMs and SEFs, the statutory requirement to ensure that such contracts are not readily susceptible to manipulation.

²¹⁷ For the avoidance of doubt, these event contracts remain subject to the statutory and regulatory requirements for listing and trading of event contracts.

²¹⁸ The rates, measures, and levels in the first three items of this list are outside the scope of the Special Rule and § 40.11 for the reasons described in section II.B., *supra*.

- Results of political elections and outcomes or occurrences of political activities, such as legislative votes, enactments of laws or appointments of people to political offices.

- Results or outcomes of honor and award contests, or occurrences during those contests, such as who will win or be nominated for a particular award, or when or if an award will be granted.

The Commission requests comment on all aspects of its proposed approach to determine whether event contracts involve the Enumerated Activities.

E. Adoption of Factors To Determine Whether Contrary to Public Interest

As discussed above, the Commission preliminarily interprets the Special Rule to require the Commission to engage in a three-step inquiry. In the third step of this inquiry, the Commission would have to assess whether event contracts that involve an Enumerated Activity are contrary to the public interest. Specifically, the Special Rule provides that, “[i]n connection with the listing” of event contracts by prediction markets, the Commission may determine that certain event contracts are “contrary to the public interest” if the event contracts involve one of the five Enumerated Activities or other similar activity.²¹⁹

The Special Rule does not define the term “public interest.” As discussed above, prior to the enactment of the CFMA, the Commission used an economic purpose test as part of determining the public interest test when evaluating contracts, but that test was controversial and difficult to administer, and the CEA provision for that test was repealed. Currently, the public interests underlying the CEA are described in CEA section 3, which provides the statutory findings and purposes of the Act.²²⁰ Section 3(a) states that “[t]he transactions subject to [the CEA] . . . are affected with a national public interest by providing a means for managing and assuming price risks, discovering prices, or disseminating pricing information through trading in liquid, fair and financially secure trading facilities.”²²¹

Further, CEA section 3(b) provides that to foster the public interests described in subsection (a), the purposes of the CEA include “to deter and prevent price manipulation or any other disruptions to market integrity; to ensure the financial integrity of all transactions subject to [the CEA] and the

²¹⁹ CEA sec. 5(c)(5)(C)(i), 7 U.S.C. 7a–2(c)(5)(C)(i).

²²⁰ 7 U.S.C. 5.

²²¹ 7 U.S.C. 5(a).

avoidance of systemic risk; to protect all market participants from fraudulent or other abusive sales practices and misuses of customer assets; and to promote responsible innovation and fair competition among [DCMs], other markets and market participants.”²²²

While CEA section 3 guides the Commission’s consideration of whether a contract is contrary to the public interest, it is not the Commission’s exclusive consideration. Neither CEA section 3 nor the Special Rule limits the Commission’s ability to consider additional public interest factors beyond CEA section 3 and traditional hedging or price-discovery functions.

The Commission observes that by limiting the application of the Special Rule to Enumerated Activities—activity that is unlawful under any federal or state law, terrorism, assassination, war, and gaming—Congress specified the areas that are of particular public interest concern. Congress did not simply say that any event contract which is contrary to the public interest considerations in CEA section 3 (e.g., hedging and price-basing utility) should be prohibited. Rather, the Commission preliminarily believes that the Special Rule is an instruction to apply a particular, focused public interest analysis to specific types of event contracts. That is, the Commission should consider how the public interest purposes of the CEA (and other public interest factors) may be particularly implicated in the context of event contracts involving Enumerated Activities. The discussion in this section includes an explanation of when the Commission preliminarily believes it should apply these public interest factors in a more focused manner than the same factors would be applied to other event contracts that do not involve Enumerated Activities and are not subject to the Special Rule.

Further, the Commission preliminarily believes the public interest factors should be articulated in a manner that is clear, focused, and readily applied both by prediction markets in designing event contracts and by Commission staff in reviewing submissions. The review should focus on specific, potential harms, rather than a broad or indeterminate inquiry into the “public good.” The relevant question is whether particular event contracts that otherwise satisfy all applicable requirements nonetheless raise public interest concerns.

²²² 7 U.S.C. 5(b).

1. Overview of Proposed Amendments

Proposed §§ 40.11(a)(5) and 40.11(a)(6) set out the factors that the Commission would apply in determining whether event contracts subject to the Special Rule are contrary to the public interest. Proposed § 40.11(a)(5) sets out factors that apply to all event contracts subject to the Special Rule, and § 40.11(a)(6) sets out factors specific to particular Enumerated Activities. Additionally, proposed appendix F to part 40 describes how the Commission would apply these factors.

The Commission notes that this determination is made after a prediction market self-certifies that particular event contracts comply with the requirements of the CEA, including the Core Principles; the Special Rule is not the only way in which a prediction market could be prohibited from listing an event contract. Therefore, the Commission preliminarily believes that the public interest inquiry under the Special Rule encompasses considerations in addition to compliance with the Core Principles and other requirements under the CEA.

Given the range of the Enumerated Activities and potential breadth of event contracts that could be listed, the Commission preliminarily believes it is appropriate to consider a series of factors when determining whether an event contract that involves an Enumerated Activity is contrary to the public interest, instead of relying on a single, static public interest test. The Special Rule contemplates a review that considers the public interest, including the public interests underlying the CEA, in a holistic manner to determine whether the event contracts in question raise the potential for harms to the public interest that outweigh any utility or public interest value of the event contracts. The Commission preliminarily believes that evaluating whether an event contract is contrary to the public interest through multiple factors, rather than a single static test, is beneficial because it allows the Commission to account for the diversity and complexity of event contracts that could fall within the Enumerated Activities.

A multifactor approach enables the Commission to weigh different dimensions of potential harm or public benefit—including the event contract's hedging or price-basing utility or potential to encourage illicit behavior—while also accommodating novel event contract designs and market developments and supporting innovation. This flexibility would help ensure that the Commission's analysis

remains consistent, transparent, and adaptable across a wide range of event contracts, rather than constrained by an overly rigid or underinclusive test. The Commission notes that no single public interest factor discussed below would be dispositive as the Commission would apply a range of public interest considerations when determining whether an event contract is contrary to the public interest. The Commission also notes that the factors that inform a public interest determination, and the weight given to each such factor, are likely to vary depending on the particular characteristics of the event contract and Enumerated Activity being evaluated.

2. Public Interest Factors Applicable to All Enumerated Activities

To provide a consistent and transparent framework for evaluating event contracts subject to a public interest review under the Special Rule, the Commission has developed a set of public interest factors that it proposes to apply to all such event contracts. As discussed in greater detail below, the proposed factors are:

- whether the event contracts serve the public interest by providing meaningful hedging or price basing utility consistent with CEA section 3, yielding information that is economically, financially, or commercially useful or otherwise meaningful, or promoting responsible innovation and fair competition;
- whether, in the context of the focused review required by the Special Rule, the event contracts present a particular risk of manipulation or market disruption, exhibit settlement integrity deficits arising from the event contracts' particular characteristics, or create particular risks of information leakage or exploitation of material non-public information by insiders; and
- whether trading or clearing of the event contracts would challenge the prediction market's self-regulatory tools or compliance infrastructure because of the event contracts' involvement of Enumerated Activities.

The Commission preliminarily believes these factors would be generally applicable to event contracts involving any of the Enumerated Activities and would serve as the Commission's initial criteria for assessing whether such event contracts are contrary to the public interest. In addition to these general considerations, the Commission would also apply more specific public interest factors tailored to the specific Enumerated Activity which a given event contract involves, as discussed further in section II.E.3

below. The Commission notes that no single factor is dispositive as the Commission would weigh the various factors on balance.

(a) Price Discovery and Information Aggregation Utility

As discussed above, the public interests underlying the CEA are stated in CEA section 3 as “findings” that hedging and price formation are the public purpose of CFTC-regulated markets and are in the public interest. The Commission preliminarily believes that event contracts subject to the Special Rule, like other event contracts, can play a role in “managing and assuming price risks, discovering prices, or disseminating pricing information” as contemplated by CEA section 3(a).²²³ Also, prediction markets “function as information aggregation vehicles” because event contract prices reflect the market participants' aggregate beliefs regarding whether the events will occur.²²⁴ Another purpose of the CEA is to promote responsible innovation and fair competition.²²⁵

The Commission preliminarily believes that these public interests underlying the CEA, relevant to all derivatives under the CFTC's jurisdiction, should be included in the Commission's review under the Special Rule. Therefore, when reviewing event contracts involving an Enumerated Activity, the Commission would consider whether the event contracts can facilitate these functions.

Meaningful hedging or price basing utility. The Commission notes that the test specifically focused on whether a derivative contract serves an economic purpose was removed from the CEA by the CFMA in 2000, and as explained above, the Commission preliminarily does not believe that the Dodd-Frank Act reinstated the economic purpose test in the Special Rule.²²⁶ Therefore, the Commission preliminarily believes it is not necessary to demonstrate that event contracts have a reasonable potential for a hedging or pricing function to avoid a finding that the event contracts are contrary to the public interest. Still, event contracts' reasonable potential for a hedging or pricing function would be a significant factor against a finding that they are contrary to the public interest. As part

²²³ 7 U.S.C. 5(a).

²²⁴ ANPRM, 91 FR at 12517.

²²⁵ CEA sec. 3(b), 7 U.S.C. 5(b).

²²⁶ Some commenters on the ANPRM argued that the economic purpose test should be reinstated and applied to event contracts. *See, e.g.*, Letter from Jerome Johnson 3 (Apr. 2, 2026) (CEA should not apply to purely speculative contracts which cannot serve any hedging purpose).

of this inquiry, the Commission would consider whether the event contracts can meaningfully facilitate risk transfer and price discovery.

Use of information in economic decisions. The Commission preliminarily believes that price discovery and the connection between prices and economic decisions become more complex as information is used in economic decision-making in ever more sophisticated ways. In 1976, a CFTC Advisory Committee wrote:

“Futures prices guide production, storage, and consumption decisions which help the economy function more smoothly. . . . Thus, a futures contract which is likely to be actively traded on an organized futures market can be expected to provide economic benefits—unless it has a flaw.”²²⁷

Now, a half-century later, derivatives markets serve this same purpose in more complex ways. Economic modeling uses inputs from a multitude of sources to guide decision-making on a variety of topics that are not necessarily directly tied to a specific commodity market. For example, prices in the corn futures market, which represent a collective assessment of future price trends, can be one input (along with others such as interest rate futures as an indicator of future interest rates) to guide a farm equipment manufacturer in planning its production of corn harvesters. At the next level of removal from the corn market, an investor could use the prices of corn futures, interest rate futures and certain securities in deciding whether to invest in farm equipment manufacturers. This is a simple example. But it illustrates how the prices in a derivatives market should not be viewed in isolation but rather as one thread in a fabric of information. The corn futures market is about more than just corn.

The Commission preliminarily believes the same is true of prediction markets. Whether event contracts have a potential price discovery function depends not just on whether the price of a particular event contract can be used, alone, to make economic decisions. Instead, the event contracts’ role in price discovery can arise from how the prices of a variety of event contracts can be factored into decision-making processes.²²⁸ Event contracts

can serve as a collective assessment of not only the likelihood of events, but also the level of the market’s or the public’s attention to various issues and their assessment of the importance of that issue.

The collective assessment reflected in event contract pricing has economic value, which, in turn, would be a factor in the Commission’s assessment of event contracts’ price discovery functionality. For example, event contracts that involve sporting events can be used for price discovery in a variety of ways. Sports teams are economic enterprises and sports stadiums are regional economic anchors that generate economic activity and materially affect both regional and national markets.²²⁹ For these reasons, it is economically useful to know not only how a sports team is likely to perform in upcoming games, but also how the public *believes* that the sports team will perform in upcoming games.²³⁰ Thus, the price discovery utility of an event contract on whether a team will win a game this weekend arises not simply from whether the information about that particular game can be directly tied to a specific economic decision. Rather, the price discovery usefulness of all event contracts about a team may arise from other analyses, such as how their pricing and trading volume change over time, how trading in event contracts about one team compares to trading in event contracts about other teams, and so forth. Anyone interested in that team as an economic enterprise can use information derived from those event contracts as one factor in economic decision-making on a variety of topics. Just as the corn futures market is about more than just corn, a prediction market about one sporting event is about more than just that sporting event.

The Commission preliminarily believes that three fundamental points are especially pertinent here. First, the

LLC 3 (Apr. 23, 2026) (the market-implied probabilities implied in prediction market prices are themselves an information good).

²²⁹ See, e.g., Ryan Grandeau, *Securing the Best Odds: Why Congress Should Regulate Sports Gambling Based on Securities-Style Mandatory Disclosure*, 41 Cardozo L. Rev. 1229, 1247 (2020); *Los Angeles Mem’l Coliseum Comm’n v. NFL*, 726 F.2d 1381, 1397 (9th Cir.1984) (discussing claim that a professional sporting team’s presence generates local business activity); and *Pennsylvania v. Nat’l Collegiate Athletic Ass’n*, 948 F.Supp. 2d 416, 433 (M.D. Pa. 2013) (summarizing the Commonwealth’s allegations that sanctions would cause a loss of football-related hospitality revenue for surrounding businesses).

²³⁰ This information could be useful, for example, to hotels adjusting their pricing models, restaurants making staffing decisions to accommodate increased demand, vendors increasing supply orders, and cities allocating resources to accommodate projected crowds.

price discovery function of event contracts is not limited to how the market participants buying and selling event contracts use the prices as guides to how likely events are to occur. Rather, so long as there is a sufficient volume of event contracts about an underlying event or issue, they can serve as price discovery tools by indicating what the market or the general public thinks about the underlying events or issues (*i.e.*, market sentiment). Second, the usefulness of event contracts for price discovery, as compared to other tools such as surveys to measure market sentiment, arises from the fact that market participants are spending money, even in nominal amounts, to support their beliefs. Thus, event contracts may be a more accurate indicator than surveys of how strongly those beliefs are held. Third, whether event contracts can be used *directly* for hedging is of limited importance in the public interest determination; rather, the question is whether the information derived from event contract pricing can be used to guide hedging decisions.²³¹

In short, to take just one example, the price discovery value of event contracts on how many points a basketball player will score in a game depends on more than whether the event contracts can be used to hedge the purchase price of a ticket to the game. In some circumstances, the prices of those contracts could also, along with other information including the prices of many other event contracts, be factored into models used for commercial forecasting or audience-demand analysis, which are economic questions.

For these reasons, the Commission preliminarily believes it would be more likely to find that the event contracts involving an Enumerated Activity are contrary to the public interest where the event contracts lack the potential to inform any economic, commercial or financial decisions. This includes event contracts that settle based on purely random events, such as the spin of a roulette wheel or the outcome of a random-number generator.²³² As

²³¹ For example, even if a real estate firm does not use event contracts involving a sports team to hedge its investment in property near the team’s stadium, it could nonetheless use the event contract prices as a factor in its decisions about how to use other financial instruments to hedge its property investment.

²³² It is important to distinguish random events from unpredictable events. The outcome of a game of skill may be unpredictable at times, but it is not random because the outcome depends on the players’ actions in the game, which are under the players’ control. A game of pure chance, such as roulette, is structured to be random and outside any individual’s control. As noted above, many games and other activities mix skill and chance, and are

²²⁷ See Report of the CFTC Advisory Committee on the Economic Role of Contract Markets, *supra* note 64.

²²⁸ Commenters on the ANPRM noted this use of event contracts. See, e.g., Letter from Daniel Cavero 1 (Apr. 27, 2026) (event contracts aggregate knowledge into a single probability that is directly usable in operational decision-making, even when they are not used as traditional hedging instruments); Letter from FanLabel Music Markets,

discussed further in section II.E.3(c)(i), market participants buying and selling such event contracts cannot, by definition, have any insight into whether the events will occur. Therefore, the prices of the event contracts cannot be used to understand market sentiment about any potential economic, financial or commercial consequence.

Information aggregation. The Commission acknowledged in the 2008 Concept Release that “innovative event markets have the capacity to facilitate the discovery of information, and thereby provide potential benefits to the public.”²³³ For many years, event contract markets have been used for educational insights, research, and accurate forecasting of events, among other uses.²³⁴ Many prediction markets have become reliable and accurate information sources, in part, by harnessing the wisdom of crowds—market participants who are incentivized to avoid financial loss when taking a position in a particular contract. There are also many documented cases where prediction markets outperform traditional polling sources or other forecasting methods.²³⁵ In that context, and as discussed in the previous section, information gleaned from prediction markets can help guide economic decision-making.

The Commission preliminarily believes that event contracts are more likely to be contrary to the public interest when any meaningful information about whether the underlying event will occur is unavailable to the broader market. This includes events that are entirely random or where insight into the underlying event is highly concentrated—in a single individual, for example, or only individuals legally prohibited from transacting—and relevant information is necessarily concealed from the public. In such cases, the Commission would consider whether buyers and sellers have any basis to form a meaningful view on the underlying event, and whether the resulting prices can

reasonably be expected to reflect informed market sentiment. This factor could also apply where the only market participants with insight into the underlying event would be legally prohibited from transacting in the event contract. Thus, this factor is closely related to the previous factor about whether the event contract can be used for price discovery, and the factor below regarding inside information.

For example, event contracts settling on where a military attack will occur or on the officiating calls made by referees in a specific game may present this concern. The individuals with genuine insight into such event—military personnel or referees—are typically subject to fiduciary duties or confidentiality obligations that would prevent them from lawfully transacting in the event contract. In some instances, other market participants would lack any comparable basis for forming an informed view on the event, with the result that resulting prices would not reflect aggregated informed sentiment about the underlying event.

The Commission also preliminarily believes that in determining whether event contracts can convey meaningful information, event contracts should generally be considered in the aggregate. As described in the previous section, the prices and volumes of event contracts over time can indicate public sentiment, especially when event contracts on related topics are compared with each other. So, if a small group of event contracts do not appear to convey any meaningful information, the Commission would still consider whether the event contracts convey meaningful information when combined with or compared to other event contracts.

Therefore, when reviewing event contracts involving an Enumerated Activity, the Commission proposes to consider whether the event contracts have any utility as information aggregation vehicles—meaning whether the event contracts provide any meaningful information that is useful to making economic, financial or commercial decisions. The Commission would consider the absence of any information aggregation utility as a factor in favor of finding the event contracts to be contrary to the public interest.

Innovation and fair competition. Another “purpose” of the CEA is to “promote responsible innovation and fair competition among [DCMs], other markets and market participants.”²³⁶ Responsible innovation and fair

competition are critical to the healthy functioning of the derivatives markets, particularly given the substantial increase in the trading of event contracts and the growing demand for these products by market participants seeking information regarding, or to hedge exposure to, variables for which no traditional financial instrument exists. This expansion underscores a clear market need and sustained demand for prediction markets as a means of managing novel and otherwise unaddressed risks. The public therefore has an interest in ensuring that these markets retain the space to innovate and develop responsibly so they can continue to meet the evolving needs of market participants while maintaining appropriate regulatory safeguards.

The Commission observes that market participants have demonstrated demand for event contracts addressing categories of risk for which traditional financial instruments either do not exist or provide only imperfect hedges with substantial basis risk. For example, event contracts referencing the timing or content of legislative, regulatory, and policy actions, such as whether a certain bill will become law, or whether a specified tariff or trade measure will be in force at a given time, likewise address exposure that businesses face but cannot meaningfully hedge through equity, rates, or commodity markets. Indications that event contracts support responsible innovation and fair competition would accordingly weigh against a finding that the event contracts are contrary to the public interest.

In assessing this factor, the Commission proposes to also consider the competitive implications of restricting access to event contracts. Particularly where demand for the event contract is strong, a determination barring its listing on a CFTC-registered prediction market is unlikely to eliminate the activity; rather, it may divert trading to offshore or otherwise less transparent and less supervised markets. Such migration would diminish the Commission’s oversight of these markets, deprive the public of the transparency and market integrity safeguards afforded by the CEA, and undermine the public benefits associated with responsible innovation occurring within the U.S.

Accordingly, the likelihood that prohibiting an event contract would push trading activity into less transparent and less regulated foreign markets is a factor that weighs against finding that the event contract is contrary to the public interest.

therefore not “purely random.” See *supra* section II.D.3.

²³³ 2008 Concept Release, *supra* note 1, 73 FR at 25672.

²³⁴ See CFTC Staff Letter No. 93–66 issued to the University of Iowa (June 18, 1993), available at <https://www.cftc.gov/sites/default/files/idc/groups/public/1rlettergeneral/documents/letter/93-66.pdf>; see also IEM Research Page, available at <https://iemweb.biz.uiowa.edu/about-iem/research/> (last visited May 29, 2026).

²³⁵ See Joyce E. Berg et al., Prediction Market Accuracy in the Long Run, 24 Int’l J. Forecasting 285 (2008), available at <https://www.sciencedirect.com/science/article/pii/S0169207008000320>.

²³⁶ CEA sec. 3(b), 7 U.S.C. 5(b).

(b) Potential Threats to Market Integrity

Susceptibility to manipulation or market disruption. Another “purpose” of the CEA is to “deter and prevent price manipulation or any other disruptions to market integrity.”²³⁷ As a general matter applicable to all swaps and futures contracts traded on their platforms, DCMs and SEFs have a statutory obligation to ensure that the contracts they list for trading are not readily susceptible to manipulation.²³⁸ But in its public interest analysis of event contracts subject to the Special Rule, the Commission preliminarily believes that, as discussed above, it should also consider how the public interest purposes of the CEA are particularly implicated. The Commission therefore proposes to distinguish its evaluation of whether a particular risk of manipulative activity may raise public interest concerns for purposes of the Special Rule, from the review that all DCMs and SEFs must undertake to evaluate whether a contract complies with this statutory obligation. Thus, the use of the factors outlined below in determining whether event contracts are contrary to the public interest is beyond and separate from a DCM’s or SEF’s analysis of a contract’s compliance with the CEA and applicable regulations.

In the same way, the Commission also proposes to apply a particular analysis of whether event contracts involving Enumerated Activities can be settled based on objective, publicly verifiable criteria within a reasonable timeframe in determining whether the event contracts are contrary to the public interest, and whether such event contracts raise a particular potential for improperly obtained non-public information to be exploited by insiders.²³⁹ To the extent particular concerns arise with respect to event contracts subject to the Special Rule, such factors would weigh in favor of finding the event contracts to be contrary to the public interest.

The factors outlined below address risks that inhere in the event contracts themselves—their terms, their underlying subject matter, and the criteria on which settlement turns—and that may be present regardless of the prediction market’s compliance capabilities. In contrast, the factors in section II.E.2(c) below will address whether the event contracts raise any public interest concerns in light of the

prediction market’s compliance capabilities.

Settlement integrity. Prediction markets are statutorily required to “establish, monitor, and enforce compliance with . . . the terms and conditions of” contracts traded on the prediction market.²⁴⁰ The Commission preliminarily believes that in the context of its public interest analysis under the Special Rule, it is particularly important that the criteria on which event contracts involving Enumerated Activities settle are clear, objective, and publicly verifiable, and that the contracts identify the triggering events and the means by which it is determined whether those events have occurred transparently and in a manner that clearly identifies the triggering events and how it is determined whether or not those events have occurred. It is also important that the settlement mechanism and the data upon which it relies are suitable to the event contracts under review. The Commission acknowledges that a variety of data sources may be appropriate for the settlement of event contracts and does not intend to overly restrict prediction markets’ flexibility to determine which sources should be used in settlement.

Vulnerability to settlement integrity deficits—e.g., a lack of clarity about exactly how event contracts involving Enumerated Activities will be resolved—undermines market function and is indicative of event contracts that are likely to be contrary to the public interest. Therefore, when reviewing event contracts involving an Enumerated Activity, the Commission proposes to consider whether the criteria for settlement of the event contracts are clear, objective, and publicly verifiable. Event contracts whose conditions or resolution criteria are ambiguous, overly complex, or potentially misleading to market participants raise settlement integrity concerns under this factor.

Information leakage and misuse of confidential information. Commission Rule 180.1 makes it unlawful for any person to employ any device, scheme, or artifice to defraud or attempt to defraud any person or manipulate the price of any futures contract listed on a DCM or any swap, including the misappropriation of confidential information in breach of a pre-existing

duty of trust or confidence to the source.²⁴¹

The Commission preliminarily believes that certain event contracts involving Enumerated Activities may create unique incentives for information leakage or misuse of material nonpublic information—for example, by encouraging individuals with privileged access to disclose or act upon such information, by incentivizing the unlawful acquisition of additional sensitive information, or by enabling third parties to pressure, solicit, or bribe such individuals to obtain it. These incentives may present significant public interest concerns for event contracts involving Enumerated Activities, particularly where the information is highly sensitive and closely guarded, and meaningful insight into the underlying event is concentrated among a small number of individuals.

The Commission preliminarily believes that these concerns are especially acute for contracts involving national-security matters, where relevant information is tightly held, highly sensitive, and subject to strict confidentiality obligations.²⁴² In such settings, an event contract may create improper incentives to leak or misuse sensitive information, or to attempt to obtain such information illicitly. For example, event contracts settling on the occurrence, timing, or specifics of intelligence activities could create financial incentives for individuals with security clearances or other access to classified information to disclose or trade upon such information in violation of their obligations, and could similarly incentivize foreign intelligence services or other third parties to target cleared personnel for the purpose of extracting tradeable information.

Where the structural features of an event contract—the sensitivity of the underlying information, the concentration of insight among a small number of individuals, or the nature of the activity to which the contract refers—give rise to identifiable concerns regarding the leakage, misuse, unlawful acquisition, or third-party exploitation of privileged information, and where a

²⁴¹ See 17 CFR 180.1 and 180.2. See CFTC Press Release No. 9185–26, CFTC Enforcement Division Issues Prediction Markets Advisory (Feb. 25, 2026), available at <https://www.cftc.gov/PressRoom/PressReleases/9158-26> (reiterating the Commission’s full authority to police illegal trading practices occurring on any DCM, including those related to prediction markets).

²⁴² That is, beyond the broad prohibition noted above, see *id.*, the Commission preliminarily believes that these concerns are of special importance when it reviews event contracts involving an Enumerated Activity.

²³⁷ *Id.*

²³⁸ See Core Principle 3 for DCMs, CEA sec. 5(d), 7 U.S.C. 7(d)(3), and Core Principle 3 for SEFs, CEA sec. 5h(f)(3), 7 U.S.C. 7b–3(f)(3).

²³⁹ See *infra* note 241 and accompanying text.

²⁴⁰ See CEA sec. 5(d)(2)(A)(ii), 7 U.S.C. 7(d)(2)(A)(ii) (DCMs); see also CEA sec. 5h(f)(2), 7 U.S.C. 7b–3(f)(2) (SEFs).

prediction market has not implemented adequate safeguards, those concerns would weigh in favor of finding the event contracts contrary to the public interest.²⁴³

(c) Compliance and Self-Regulatory Challenges Arising From the Prediction Market's Capacity to Administer the Contracts

Prediction markets have self-regulatory obligations to ensure proper surveillance and oversight of trading in all of the event contracts that they list, accounting for the particular characteristics and attributes of each event contract.²⁴⁴ In the context of the Special Rule and the analysis of whether event contracts involving Enumerated Activities are contrary to the public interest, the Commission proposes to consider whether the event contracts would be difficult to administer or challenge the prediction market's compliance obligations. This factor addresses a question distinct from the contract-design concerns identified in the prior section: whether the prediction market, given its existing compliance, surveillance, and dispute-resolution infrastructure, can discharge its statutory self-regulatory obligations with respect to the event contracts. These types of challenges would weigh in favor of a finding that such event contracts are contrary to the public interest. Conversely, the Commission preliminarily believes that the existence of guardrails reasonably designed to address the specific risks the event contracts present is a factor weighing against a finding that the contract is contrary to the public interest.

Among the considerations relevant to this factor, the Commission would consider whether the prediction market's dispute resolution processes are suitable to resolving potential disputes about the resolution of the event contracts. The Commission would consider the absence of settlement criteria and dispute resolution procedures that are suitable for event contracts involving Enumerated Activities as a factor in favor of finding the event contracts to be contrary to the public interest.

The Commission would also consider whether a prediction market has adopted effective guardrails against the spread or misuse of non-public information, such as prohibiting certain categories of traders likely to have access to inside information from

trading in certain event contracts, and maintaining a robust surveillance and customer identification policy. Such mitigating measures would weigh against a finding that the event contracts are contrary to the public interest.

The Commission preliminarily believes that public interest concerns are likely to arise when uncertainties about the circumstances influencing the underlying events mean that the prediction market's surveillance program may not be able to detect whether or not insiders would have an information advantage.

The Commission invites comment on all aspects of the proposed public interest factors applicable to all Enumerated Activities. Are there any additional general factors that should be considered in the Commission's public interest determinations?

3. Public Interest Factors Specific to the Enumerated Activities

The Commission proposes to evaluate all event contracts subject to review under the Special Rule under the public interest factors set out in the previous section, and also to apply additional factors applicable to event contracts involving each type of Enumerated Activity, as discussed in this section. The following factors specific to each type of Enumerated Activity supplement the general factors in the previous section. Thus, for event contracts involving each type of Enumerated Activity, the Commission proposes to apply both the general factors above and the relevant specific factors below in determining whether the event contracts are contrary to the public interest.

(a) Activity That Is Unlawful Under Any Federal or State Law

In determining whether event contracts involving activity that is unlawful under any federal or state law are contrary to the public interest, the Commission proposes to consider the following factors, in addition to the general factors in section II.E.2.

First, the Commission preliminarily believes that there may be a distinction between event contracts involving an overall rate of unlawful activity, and event contracts involving more specific unlawful actions. For example, event contracts based on crime rates in a general area over extended periods may have price basing or information utility in matters such as insurance or other economic planning.

In contrast, the Commission preliminarily believes that event contracts based on more specific unlawful activity raise concerns under

the general public interest factors described above. To the extent that trading in such event contracts would yield meaningful information about specific criminal actions, that information should be shared confidentially with the appropriate authorities—it would be contrary to the public interest for such information to be revealed in a public market because it could compromise law enforcement efforts. Trading in such event contracts could also incentivize criminal behavior,²⁴⁵ and, if the event contracts are based on potential actions of individuals or small groups, would be subject to manipulation and insider trading concerns.

Public interest considerations particular to federal and state law are described below.

Activity that is unlawful under any federal law. The Commission exercises the authorities granted to it by Congress under the CEA to help ensure that U.S. derivatives markets operate with integrity. The Commission preliminarily believes that it is likely contrary to the public interest to permit trading, in the financial markets that the Commission is mandated by Congress to oversee, in event contracts that involve activity that Congress has determined to be illegal under federal law.²⁴⁶

The Commission recognizes, however, that not all references to unlawful activity present public policy concerns. In particular, event contracts that involve aggregate crime rates in a geographic area over extended periods generally do not create incentives to engage in specific unlawful acts. Instead, they reflect broad, statistical measures used for economic, demographic, or public-policy analysis. Because these event contracts do not encourage or reward criminal conduct—and instead reference generalized, population-level data—the Commission preliminarily believes they do not raise the same public policy concerns.

Accordingly, under the Commission's proposed factors, it would be highly likely that event contracts involving activity that is unlawful under federal law would be found contrary to the

²⁴⁵ Also, public attention to such event contracts could lead to "copycats," i.e., individuals engaging in the criminal behavior because of the publicity about it.

²⁴⁶ The Commission notes that, as discussed *supra* in section II.C., the issue here is whether the activity on which the event contracts are based is unlawful under federal law. If trading in the event contracts was unlawful under federal law or facilitated unlawful activity (e.g., if trading in the event contracts facilitated money laundering), then the event contracts could not be certified to be in compliance with the CEA. See CEA sec. 5(c)(1), 7 U.S.C. 7a-2(c)(1).

²⁴³ See also *infra* the discussion of event contracts involving war in section II.E.3(b).

²⁴⁴ See, generally, CEA sec. 5(d), 7 U.S.C. 7(d) (DCMs), and CEA sec. 5h(f), 7 U.S.C. 7b-3(f) (SEFs).

public interest, except where the event contracts reference generalized crime rates over time in a manner that does not incentivize specific criminal conduct.

Activity that is unlawful under any state law. The Commission preliminarily believes that event contracts that involve activity that is illegal under state law likely raise public interest concerns. Legislative bodies generally bar or prohibit activity that they recognize as causing, or posing, public harm. Judges and judicial bodies, applying statutes and developing common law, also establish the illegality of activity that is recognized as causing, or posing, public harm. The Commission thus preliminarily believes that event contracts that involve activity that is unlawful under state law would likely undermine important state interests, expressed in state statutes and common law, in protecting the public good.

The Commission notes that there are variations across state law in the specific activities that are recognized as unlawful. In assessing whether event contracts are contrary to the public interest, the Commission preliminarily believes it would need to account for variations in state laws and in how states define the underlying activity; consider any relevant judicial precedent that may bear on the Commission's analysis; review a survey of state statutes to understand the extent to which jurisdictions have determined the activity to be unlawful; and consider whether the underlying activity is generally considered as causing, or posing, public harm. The Commission proposes that it would then weigh these considerations—together with the broader public-interest factors discussed above—to understand the extent to which the underlying activity is recognized as unlawful. This inquiry would address the character of the underlying activity for purposes of the Special Rule and does not alter the Commission's exclusive jurisdiction.

For these reasons, under the Commission's proposed factors, it would be likely that event contracts that involve activity that is unlawful under state law would be found to be contrary to the public interest, unless the event contracts involve crime rates in a general area over extended periods as described above. As noted above, the relevant issue is whether the activity on which the event contracts are based is unlawful under state law.

(b) Terrorism, Assassination, and War

As discussed above, in addition to the general factors in section II.E.2, the

Commission proposes to consider also the more specific factors below in determining whether event contracts involving terrorism, assassination, or war are contrary to the public interest.

National security. The Commission preliminarily believes that event contracts involving terrorism, assassination, or war can present significant national security risks and therefore raise public interest concerns. The Commission is concerned, first, that the prices of such event contracts would not necessarily align with the actual likelihood of the underlying terrorism, assassination, or war events because the trading public is shielded as a matter of public policy from relevant information about the event. For this reason, trading in such event contracts could, at the least, present a distraction to law enforcement and military authorities and, at worst, be manipulated by wrongdoers to divert attention from planned harmful events.²⁴⁷ For example, event contracts based on whether an attack on a particular location will occur would provide an opportunity to individuals planning such an attack to buy the "no" contract and thereby create misleading market signals, potentially diverting attention and resources at a critical time.

As discussed above, these event contracts also present especially significant information leakage and misappropriation concerns because individuals with access to sensitive national security information could potentially be incentivized to exploit that information through trading that would be in violation of their duty of confidentiality.²⁴⁸

More generally, the Commission preliminarily believes that event contracts involving terrorism, assassination or war are particularly vulnerable to settlement ambiguity. The inherent uncertainty and limited access to reliable information during such events—often described as the "fog of war"—can undermine clarity regarding whether relevant events have taken place. Additionally, as noted above, the prices of these event contracts may not

accurately reflect actual probabilities because the individuals with direct knowledge or insight are typically insiders subject to legal restrictions that prohibit them from trading these event contracts. To promote public safety, the Commission believes it is preferable for other individuals with pertinent information to share that information with the authorities, rather than to use it for trading purposes.

Violence, profiting from harm to human life, or potential to facilitate illicit behavior. The Commission preliminarily believes that event contracts involving terrorism, assassination, or war could potentially result in or incentivize violence or harm to human life or other illicit behavior and therefore raise public interest concerns. First, as noted above, these types of event contracts have very little informational value, but individuals who do have any special knowledge regarding these types of activities or events have a public duty to report this information to the proper authorities to prevent any violence, harm, or illicit behavior. For example, if a private terrorist expert were to uncover communications regarding a plot to assassinate a public figure, the Commission believes that expert should alert authorities rather than trade event contracts regarding that assassination. It is contrary to the public interest to profit from the potential assassination of a human being.

Moreover, the Commission preliminarily believes that event contracts involving terrorism, assassination, or war could potentially encourage such activity, because there is a potential for individuals to act in order to receive payout under the event contracts, resulting in significant risk of harm to human life and property. The Commission preliminarily believes that this encouragement and incentivization of violence, human harm, or illicit behavior is not in the public interest and proposes to carefully analyze these types of contracts to ensure that the incentives structured into the contract for a monetary payout do not encourage any direct violence, harm to human life, or illicit behavior. Based on the foregoing public interest analysis, all event contracts involving terrorism, assassination, and war are highly likely to be against the public interest.

(c) Gaming

In determining whether event contracts involving gaming are contrary to the public interest, the Commission proposes to consider the following factors in addition to the general factors in section II.E.2.

²⁴⁷ The Commission notes that this concern could become increasingly problematic as the volume of trading in such event contracts increases.

²⁴⁸ Although the case does not involve event contracts traded on a CFTC-registered prediction market, a recent instance where a U.S. service member allegedly used confidential information regarding a U.S. military operation to trade in event contracts on an unregistered platform is an example of the potential for such insider trading. See CFTC Press Release No. 9217-26, CFTC Charges U.S. Service Member with Insider Trading in Nicolás Maduro-Related Event Contracts (Apr. 23, 2026), available at <https://www.cftc.gov/PressRoom/PressReleases/9217-26>.

(i) Games of Random Chance Are Likely Contrary to the Public Interest

The Commission preliminarily believes that event contracts involving games whose outcome depends on random chance—*e.g.*, pure luck—are likely to be contrary to the public interest. As discussed above, prediction markets function as information aggregation vehicles, meaning their usefulness depends in part on whether market participants can bring insight, expectations, or informed views as to whether the event underlying the contract will occur. When an outcome is dictated solely by luck and cannot be meaningfully predicted, participants have no insight to contribute, leaving their forecasts without any informational value. Trading in such event contracts therefore provides no meaningful information that could support decision making or market understanding.

On the other hand, the outcome of some games that depend on a high degree of luck, like poker, can also be significantly affected by the participants' skill, particularly when the game is repeated over many rounds, as in organized tournaments. The Commission preliminarily believes that when a game with some element of random chance also depends to a significant extent on the participants' skill, and the settlement of an event contract involving the game is determined by an occurrence, extent of an occurrence or contingency in an organized tournament, then that event contract would less likely be viewed as involving a game that depends entirely on random chance.

Thus, the Commission preliminarily believes that event contracts involving games whose outcome depends on random chance—by definition, devoid of informational content—would not advance any of the purposes of the CEA. For these reasons, under the Commission's proposed factors, it would be highly likely that event contracts involving games that depend entirely on random chance would be found to be contrary to the public interest.

(ii) Factors Indicating When Event Contracts Involving Sports Activities Are Not Contrary to the Public Interest

The Commission observes that prediction markets have successfully listed for trading a wide variety of event contracts based on sports activities. The Commission preliminarily finds that certain characteristics of event contracts involving sports activities would reduce the basis for finding that the event

contracts are contrary to the public interest. For example, the extent to which event contracts settle based on the overall outcome of a sporting event—including final scores, point differentials, win-loss results, tournament advancement, individual or team statistical performance or season long performance metrics—would be factors against a finding that the event contracts are contrary to the public interest. The Commission preliminarily believes that these categories of sports event contract markets may serve price discovery functions and provide meaningful information. Additionally, in terms of the Commission's focused analysis of event contracts involving Enumerated Activities described above,²⁴⁹ the Commission preliminarily believes that these event contracts are unlikely to raise the particular manipulation, settlement ambiguity and information leakage issues that could raise public interest concerns.

The structural features underlying the Commission's preliminary view are that, for these event contracts, manipulation risk is bounded by the distribution of determinative capacity among participants and events in the underlying activity, and any residual manipulation risk produces observable patterns that the prediction market can detect through surveillance.²⁵⁰ An event contract involving the aggregate outcome of a single game typically depends on the cumulative contributions of many participants over the course of the game; no individual participant has determinative capacity to affect settlement through their own conduct, and any participant's attempt to do so produces performance patterns inconsistent with prior play and inconsistent with game context.²⁵¹ An event contract involving aggregate statistical performance of an individual over the course of a game presents a similar analysis. No single act has determinative capacity to affect settlement, and a participant's attempt to do so produces performance patterns that are detectable.

Among other considerations, the Commission notes that the settlement outcomes of these types of event contracts would typically depend on the aggregate performance over an extended

period of play. The breadth of potential outcomes, and the variety of factors influencing the outcomes, should provide more opportunities for the event contracts to advance price discovery or provide meaningful information. Generally, a finding that sports-related event contracts fall within the above categories would weigh heavily against finding that the contract is contrary to the public interest.

Objective and verifiable settlement data. As part of its review of particular public interest concerns in event contracts involving Enumerated Activities, the Commission preliminarily believes that objective settlement data reduces the risk that settlement values can be manipulated through the exercise of subjective judgment by individuals positioned to influence the settlement determination. The Commission also preliminarily believes that objective settlement data permits surveillance of trading activity for patterns inconsistent with the publicly available data, which is a tool by which prediction markets detect attempted manipulation. The fact that event contracts involving sports settle by reference to publicly reported, league-verified, or otherwise objectively determinable data would be a factor weighing against a finding that the applicable event contracts are contrary to the public interest.²⁵²

Established sport-level integrity infrastructure. The Commission preliminarily believes the public interest considerations relevant to event contracts involving sports are materially affected by whether the underlying game operates within a framework that addresses integrity concerns at the level of the sport. A prediction market listing event contracts involving a sport with a developed integrity framework can leverage that framework in ways unavailable for sports without comparable infrastructure. The fact that the sport underlying an event contract is subject to an established integrity framework, including a recognized governing body, an integrity unit or comparable monitoring function, published rules of competition, and disciplinary procedures applicable to participants, officials, and other personnel would be a factor weighing against a finding that the applicable

²⁴⁹ See *supra* introduction to section II.E.

²⁵⁰ That is, the event contracts would generally not be reasonably susceptible to manipulation, and moreover any residual manipulation risk would not raise public interest concerns.

²⁵¹ For example, the Commission preliminarily believes that in games such as tennis or golf, an individual player's attempt to skew occurrences during the game would typically be detectable in the context of the game and the player's prior performance.

²⁵² As noted above, see *supra* section II.E.2(b), the settlement mechanism and the data upon which it relies should be suitable to the event contracts under review. The Commission acknowledges that a variety of data sources may be appropriate for the settlement of event contracts and does not intend to overly restrict prediction markets' flexibility to determine which sources should be used in settlement.

event contract is contrary to the public interest.

Information sharing and coordination with relevant sports leagues and governing bodies. As noted above, event contracts involving sports may implicate the involvement of a recognized governing body, integrity unit or comparable monitoring function for that sport, including but not limited to professional sports leagues and their integrity units, as well as the National Collegiate Athletic Association. The Commission preliminarily believes that communication between prediction markets and such relevant governing bodies or authorities prior to listing sports event contracts would support compliance and surveillance programs for sports events contracts.²⁵³ The Commission also preliminarily believes that establishing formal information sharing agreements between prediction markets, the Commission, and the relevant sports integrity monitoring organization may aid prediction markets in monitoring sports event contracts for manipulation, insider trading and other compliance issues. Such engagement and information sharing efforts could entail a practice or agreement with the relevant sports governing body that the prediction market will:

- Report suspicious trading activity or trading activity by prohibited traders to the relevant sports governing body;
- Cooperate with sports governing bodies to provide certain data in connection with sports integrity investigations;
- Consult with sports governing bodies on proposed event contracts; and
- Consult, as appropriate, with relevant governing bodies regarding integrity-related restrictions applicable to marketing, participant protections, and event contract design in the relevant sport.

To the extent a prediction market coordinated with or entered into information sharing arrangements with the relevant sports leagues or governing bodies and/or designs event contracts in accordance with league integrity standards, where applicable, those facts would weigh against a finding that the applicable event contracts are contrary to the public interest.

For these reasons, the Commission preliminarily believes that event

contracts based on the aggregate outcomes of professional or collegiate sports events, based on objective and verifiable settlement criteria, listed by prediction markets that maintain appropriate surveillance, trading prohibitions, and coordination with relevant sports governing bodies, are, depending on the full record and the Commission's evaluation of all relevant factors, unlikely to be found to be contrary to the public interest. This preliminary belief also rests on relevant prior experience with how similar event contract types have operated, although no prior listing or experience is dispositive. Prediction markets have listed sports event contracts of the types described—final scores, point differentials, win-loss results, tournament advancement, individual and team statistical performance, and season-long performance metrics—in volumes sufficient to permit meaningful evaluation of their operating characteristics. The Commission has considered surveillance data, integrity referrals, identified instances of attempted manipulation, and the prediction markets' responses to those instances. The Commission preliminarily believes that the record supports the conclusion that event contracts involving aggregate outcomes can be operated consistent with the public interest when prediction markets maintain the structural protections outlined in § 40.11(a)(6)(iii)(A). The Commission has also considered the potential uses of price information generated by these event contracts in commercial decision-making, including by sports broadcasters, sponsors, advertisers, fantasy sports operators, sports analytics firms, and other commercial participants in sports-adjacent industries, although generalized use of price information by adjacent industries is not, standing alone, sufficient to resolve the public interest inquiry.

Nothing in the Proposal, including the Commission's preliminary belief that such event contracts are unlikely to be contrary to the public interest, is intended to create a safe harbor that any particular contract satisfies the public interest standard, nor does it replace the multi-factor analysis required under §§ 40.11(a)(5) and 40.11(a)(6). Rather, it reflects the Commission's considered preliminary view of how the factor analysis generally resolves for such event contracts. Event contracts remain subject to factor-by-factor weighing.

(iii) Factors Indicating That the Commission Would Find Event Contracts Involving Sports Activities To Be Contrary to the Public Interest

The Commission preliminarily finds that certain types of event contracts involving sports activities are likely to be found to be contrary to the public interest.

Player injury contracts. The Commission preliminarily believes that event contracts that explicitly settle solely by reference to the duration, severity, occurrence, or medical diagnosis of an injury sustained by a specific athlete raise serious public interest concerns.²⁵⁴ First, such event contracts create perverse financial incentives that could encourage or facilitate physical harm to athletes. Second, the settlement of such event contracts would likely depend on medical diagnoses, which raises public interest concerns about the confidentiality of medical information and the potential for such sensitive information to be leaked or exploited by insiders. Third, settlement conditions based on a physicians' diagnoses or injury reports do not provide a sufficiently objective, verifiable, and manipulation-resistant basis for contract settlement. Therefore, under the Commission's proposed factors, it would be likely that event contracts that explicitly settle solely by reference to the severity, occurrence, or medical diagnosis of an injury sustained by a specific player would be found to be contrary to the public interest.

Officiating outcome contracts. The Commission preliminarily believes that event contracts that settle solely by reference to judgment calls, discretionary decisions, or rulings of referees, umpires, or other game officials, including without limitation, penalties assessed, fouls called or not called, reviews initiated, video replay decisions, player ejections, or disciplinary rulings made during live games raise public interest concerns. Unlike final score outcome contracts, event contracts based on officiating decisions resolve on the basis of a small number of discrete human decisions made by identifiable individuals under significant pressure and with limited

²⁵³ The Commission notes that any communication by prediction markets with third parties must comply with any applicable regulatory or confidentiality requirements. Also, beyond the relevance of interactions with sports governing bodies to the public interest determination under the Special Rule, these interactions may also be relevant to a prediction market's compliance obligations in general.

²⁵⁴ Comments on the ANPRM from the associations representing major league sports players said that event contracts based on player injuries should be prohibited, including because they involve personal medical information. See Letter from the National Football League Players Ass'n, the Major League Baseball Players Ass'n, the National Basketball Players Ass'n, the National Hockey League Players' Ass'n, and the Major League Soccer Players Ass'n 2-3 (Apr. 30, 2026).

accountability in real time.²⁵⁵ The Commission preliminarily finds that the risk of inappropriate contact between market participants and officiating personnel and the risk of selective officiating raises public interest concerns because that risk threatens the integrity of the game, which is, in turn, a matter of public interest.²⁵⁶ In addition, market participants could not form meaningful forecasts about officiating outcomes described above because for these calls officials must make quick, discrete judgments, and so the prices of such event contracts would not provide meaningful information.²⁵⁷ For these reasons, under the Commission's proposed factors, it would be likely that event contracts that explicitly settle solely by reference to officiating outcomes as described above would be found to be contrary to the public interest.²⁵⁸

Discrete-action contracts involving specific participants. The Commission preliminarily believes that event contracts that settle solely by reference to a discrete action, event, or occurrence in sporting events, including, without limitation, event contracts settling on the type of a specific play called for or executed by a specific player or team, the type or outcome of a specific pitch thrown by a specific pitcher, the outcome of a specific shot taken by a specific player, or whether a specific player or team commits a specific foul or penalty, present public interest concerns.

Specifically, event contracts based on discrete actions do not provide meaningful information because market participants can have little actual insight into specific in-game acts of identifiable participants. Also, in the context of the Commission's focused

review of event contracts involving Enumerated Activities, the Commission preliminarily views such event contracts as raising public interest concerns relating to manipulation and information leakage because a single player or team coaching staff member can determine the settlement outcome of the event contracts. Last, the risk that athletes' in-game decisions would be influenced by such event contracts is contrary to the integrity of the game. For these reasons, under the Commission's proposed factors, it would be likely that event contracts meeting the criteria of a discrete-action contract as described above would be found to be contrary to the public interest.

Physical altercation contracts. The Commission preliminarily believes that event contracts that settle solely by reference to physical altercations, fights, or conduct between players or participants in the game that are subject to penalty, ejection, or disciplinary action raise public interest concerns.²⁵⁹ Such event contracts could create a direct financial incentive for both athletes and market participants to encourage, facilitate, or provoke such conduct. Even if the probability that any athlete or market participant acts on such an incentive is low, the effect of a market in physical altercation contracts on the culture of athletic competition is inconsistent with the public interest. Also, the Commission preliminarily believes that such event contracts are unlikely to provide meaningful information, as market participants would generally not have insight into when altercations would occur and, to the extent they do have such insight, it is contrary to the public interest for market participants to express those views on regulated markets. For these reasons, under the Commission's proposed factors, it would be likely that event contracts involving game-related altercations, as described above, would be found to be contrary to the public interest.

Pre-collegiate sports events. The Commission preliminarily believes that event contracts that settle solely by reference to games, sporting events, or outcomes in which participants are below the collegiate level raise public

interest concerns.²⁶⁰ There are several factors that differentiate pre-collegiate sports from sports at the collegiate and professional levels. Since pre-collegiate sports have less extensive governing bodies and typically lack a rigorous integrity infrastructure, prediction markets would be less able to interface with the governing body. Also, the relevant data flows (to the extent formal data are collected at all) are decentralized and less reliable than for collegiate and professional sports. Similarly, broad and numerous groups of individuals would potentially have inside information about pre-collegiate sports and would be subject to little or no contractual limitations on information usage. In the context of its focused review of event contracts involving Enumerated Activities, the Commission preliminarily believes that these differences from professional and collegiate sports raise particular concerns about manipulation, settlement integrity and information leakage.

The Commission also notes that, to the extent event contracts based on pre-collegiate sports events would yield economically useful information, this use of the event contracts could raise public interest concerns relating to marketing and other commercial use of information related to minors. There may also be public interest concerns related to the disclosure of minors' personal identifying information. For these reasons, under the Commission's proposed factors, it would be likely that event contracts involving pre-collegiate sports events would be found to be contrary to the public interest.

The Commission requests comment on all aspects of its proposed factors to determine whether event contracts that involve particular Enumerated Activities are contrary to the public interest.

F. The Commission's Authority To Identify Additional Activities Similar to the Enumerated Activities

Clause (VI) in paragraph (i) of the Special Rule provides that the Commission may determine that event contracts are contrary to the public interest if the event contracts involve "other similar activity determined by the Commission, by rule or regulation,

²⁶⁰ The Commission preliminarily does not view this category to include any professional league, international competition sanctioned by recognized governing bodies, or other games that may include athletes of various ages but are not organized primarily at the pre-collegiate or youth level.

²⁵⁵ For example, event contracts based on officiating decisions could incentivize game participants to commit more fouls, thereby threatening the integrity of the game.

²⁵⁶ The Commission notes an instance of selective officiating and other inappropriate conduct that is an example of the public interest concerns regarding officials' conduct. See *U.S. v. Donaghy*, 570 F.Supp.2d 411 (E.D.N.Y. 2008) (NBA official cooperated in investigation and pled guilty in case where official used inside information in a betting scheme).

²⁵⁷ That is, market participants' opinions on such matters are irrelevant and expression of those opinions through event contract trading would call into question the integrity of the game involved.

²⁵⁸ For the avoidance of doubt, event contracts that settle based on the overall outcome of sports events, including final scores, point differentials, or statistics compiled over the course of play, are not included in this category, even if such outcomes may have been affected in part by officiating decisions. This factor relates solely to event contracts in which the settlement events are officiating decisions, rather than derivative outcomes of play.

²⁵⁹ The Commission preliminarily believes that event contracts based on the overall outcomes, and not the specific actions of a particular fighter, of combat sports, including Mixed Martial Arts, Brazilian Jujitsu, Muay Thai, Boxing, Wrestling, and other sports in which physical contact or combat is an integral and sanctioned element of the game, are not included in this category. For these sports, the occurrence of physical combat or contact during the game is a core and lawful element of the sporting event on which the contract is based, not an extraneous act of misconduct.

to be contrary to the public interest.”²⁶¹ The Commission notes that this phrasing appears to call for the Commission to make two separate determinations that the event contracts are contrary to the public interest, but preliminarily does not believe that is the intent of the provision.

Instead, the Commission preliminarily believes that the Special Rule calls for, first, a determination that the other activity is similar to one or more of the Enumerated Activities, made by rule or regulation, and second, a determination that event contracts involving that activity are contrary to the public interest. The second determination would be made in the same way as for other event contracts that involve Enumerated Activities.

The Commission also preliminarily believes that the phrase “contrary to the public interest” at the end of clause (VI) means that the similarity to the Enumerated Activities should be in a way that makes event contracts based on the similar activity also subject to a public interest prohibition. That is, this phrase emphasizes that the similarity must be in some public interest-related aspect.

Clause (VI) is implemented in proposed § 40.11(a)(2)(vi), which provides that § 40.11 applies to event contracts that involve “Other activity that the Commission determines, by rule or regulation, to be similar to one or more activities enumerated in paragraphs (a)(2)(i) through (v) of this section.” Proposed § 40.11(a)(2)(vi) would thus authorize the Commission to identify, by rule or regulation, additional, similar activities to the Enumerated Activities. And if event contracts involved those similar activities, then the event contracts would be subject to a determination that the event contracts are contrary to the public interest. While the Commission is not proposing to adopt, at this time, a rule or regulation determining that any activity is similar to any Enumerated Activity, the Commission reiterates that it retains the authority under the Special Rule and proposed § 40.11(a)(2)(vi) to do so.

The Commission requests comment on all aspects of its proposed approach to event contracts that involve activities that are similar to the Enumerated Activities.

G. Process Under § 40.11 and Technical Amendments

The Commission acknowledges that under the structure of the Special Rule,

event contracts could be found to be contrary to the public interest after trading of the event contracts has begun. Since this statutory structure could require that prediction markets close out market participants’ positions in event contracts that are found to be contrary to the public interest, the Commission recognizes that this could disadvantage market participants and prediction markets. This section discusses these issues and how the Commission has attempted, in the Proposal, to streamline § 40.11 so that any necessary Commission action can be taken as efficiently as possible. This section also discusses technical amendments in § 40.11 and the delegation of authority in § 40.7.

1. The Process for Commission Action Under § 40.11

The Special Rule provides that the Commission must make a final public interest determination “not later than 90 days from the commencement of its review unless the party seeking to offer the [relevant event contract] agrees to an extension of this time limitation.”²⁶² CEA section 5c(c)(1) provides that a DCM may list a contract for trading by providing a written certification that the contract complies with the CEA (including Commission regulations thereunder).²⁶³ Rule 40.2(a)(2) provides that the Commission must receive a self-certified contract submission by the open of business on the business day preceding the product’s listing.²⁶⁴ The Special Rule (*i.e.*, CEA section 5c(c)(5)(C)) does not include any requirement that the DCM suspend the listing of event contracts that are under review by the Commission.²⁶⁵

The Commission preliminarily believes it is clear from this statutory timeline that Congress contemplated that self-certified event contracts that are subject to the Special Rule and that are listed and actively trading could be found to be contrary to the public interest and prohibited, in which case the event contracts would have to be delisted under clause (ii) of the Special Rule. The Commission notes that the Special Rule applies “[i]n connection with the listing of” event contracts but does not impose a specific time limit on when the Commission may commence a public interest review of event

contracts.²⁶⁶ Also, as explained above, the Commission preliminarily believes that the Special Rule does not authorize the Commission to determine that event contracts are contrary to the public interest unless the Commission has the relevant event contracts before it.

For these reasons, the Commission preliminarily anticipates that its determinations that event contracts are contrary to the public interest might entail the delisting of at least some event contracts that are actively trading. The Commission understands that this delisting could result in an administrative burden for the prediction market but anticipates that it would be manageable for the prediction market to cancel the event contracts and return the purchase price and fees paid by market participants for the event contracts. Market participants would lose any hedge and unrealized gains provided by the event contracts, but the Commission preliminarily believes that event contracts found to be contrary to the public interest would have lesser hedging utility. In any case, contracts that are determined to be contrary to the public interest should not be listed for trading or cleared, as is stated in the Special Rule.

The Commission also acknowledges that unless the prediction market agrees to suspend trading of the event contracts while they are under review, it is possible that event contracts that are later found to be contrary to the public interest would be traded for the time permitted for the Commission’s review under the proposed process. To mitigate this, the Commission has attempted to propose factors that should assist prediction markets in avoiding the self-certification of event contracts that would likely be found to be contrary to the public interest. The Commission encourages prediction markets to engage with Commission staff to discuss event contracts that may involve Enumerated Activities and potentially raise concerns under the factors in proposed §§ 40.11(a)(5) and 40.11(a)(6). Such discussions prior to self-certification could mitigate adverse consequences from trading of event contracts that are later prohibited under the Special Rule.

Last, the Commission preliminarily believes that proposed § 40.11(c)(5), which provides for the Commission to request that the prediction market suspend trading of the event contracts under review, could also mitigate such adverse consequences. In determining whether to abide by the request and suspend trading, the prediction market

²⁶¹ CEA sec. 5c(c)(5)(C)(i)(VI), 7 U.S.C. 7a–2(c)(5)(C)(i)(VI).

²⁶² CEA sec. 5c(c)(5)(C)(iv), 7 U.S.C. 7a–2(c)(5)(C)(iv).

²⁶³ 7 U.S.C. 7a–2(c)(1).

²⁶⁴ 17 CFR 40.2(a)(2).

²⁶⁵ *Cf.* CEA sec. 5c(c)(3), 7 U.S.C. 7a–2(c)(3), providing for a stay of the certification of a new rule or rule amendment while under review by the Commission.

²⁶⁶ CEA sec. 5c(c)(5)(C)(i), 7 U.S.C. 7a–2(c)(5)(C)(i).

could consider any of its relevant statutory, regulatory or self-regulatory obligations (e.g., its obligations to ensure market integrity and prevent market disruption) and circumstances such as the volume of transactions in the event contracts. Thus, relevant obligations and market factors would influence the prediction market's choice whether trading should occur in event contracts that may potentially be found contrary to the public interest.

The Commission requests comment on its preliminary interpretation of the process under § 40.11 and any steps that could mitigate any market disruption from a determination that event contracts are contrary to the public interest.

Recalling that clause (i) of the Special Rule states that “[i]n connection with the listing of” event contracts, “the Commission may determine that such [event contracts] are contrary to the public interest” if they involve an Enumerated Activity,²⁶⁷ commenters are invited to address a different possible reading of this provision. It could be interpreted to mean that the Commission's public interest determination may be made *prior to* listing, so long as the determination relates to a type of event contract that involves an Enumerated Activity and could potentially be listed.

The Commission is not proposing to adopt this reading.²⁶⁸ Under such an interpretation, however, the Commission could issue determinations that categories of event contracts involving certain Enumerated Activities (as described in the determinations) are contrary to the public interest and may not be listed or made available for clearing or trading, even before any such event contracts are self-certified. In this approach, all of the Proposal would remain the same, including the factors that the Commission would apply to determine if event contracts involve an Enumerated Activity and if such event contracts are contrary to the public interest. The difference would be the addition of a provision to proposed § 40.11 to the effect that the Commission may issue an order finding that event contracts involving an Enumerated Activity described in the order are contrary to the public interest, based on the factors in proposed §§ 40.11(a)(5) and 40.11(a)(6), without requiring that the event contracts be self-certified by a prediction market or that the Commission undertake a 90-day review

of the event contracts under proposed § 40.11(c).

As another alternative, the Commission requests comment on whether it should use its exemptive authority under CEA section 4(c) to provide that defined classes of event contracts may be listed and traded without individualized review under § 40.11,²⁶⁹ and whether such relief would meaningfully reduce the burden of individualized review.

The Commission requests comment on whether either of these alternative approaches should be added to the proposed approach.

2. Information Required for Commission Action Under § 40.11

The Commission notes that application of the proposed factors to determine whether event contracts involve an Enumerated Activity and whether such event contracts are contrary to the public interest would require that prediction markets provide appropriate information about the event contracts they certify for trading. This information would have to be sufficient for Commission staff reviewing the event contracts to recommend Commission action under § 40.11 when appropriate.

The Commission notes that § 40.2(a)(3)(v) requires the prediction market to submit with its self-certification of a contract “[a] concise explanation and analysis that is complete with respect to the product's terms and conditions, the underlying commodity, and the product's compliance with applicable provisions of the [CEA],” along with sufficient documentation.²⁷⁰ The Commission believes that, where an event contract potentially involves an Enumerated Activity, this rule requires that the prediction market concisely explain and analyze whether the event contract does in fact involve an Enumerated Activity and, if it does, why the event contract is not contrary to the public interest, as these are applicable provisions of the CEA.

The Commission preliminarily anticipates that prediction markets would address the proposed factors for the Commission's determinations in the prediction markets' part 40 submissions of event contracts that potentially involve an Enumerated Activity. The Commission notes that overly broad or generalized contract specifications may impact a prediction market's ability to provide a complete explanation and analysis of whether the event contract's

potential permutations may involve an Enumerated Activity and, if so, are contrary to the public interest—as well as the CFTC's ability to effectively evaluate such explanation and analysis.²⁷¹ The Commission preliminarily believes that for event contracts that potentially involve an Enumerated Activity, a mere general statement of the type of event contracts to be listed would be insufficient for the Commission's review under § 40.11 and would not comply with the § 40.2(a)(3)(v) requirement that the prediction market explain why the event contracts comply with the CEA. Therefore, the Commission preliminarily anticipates that in such instances, the staff would request that the prediction market provide additional information, sufficient for the Commission's review under § 40.11, demonstrating that the event contracts meet the requirements of the CEA, as required by § 40.2(b).²⁷²

3. Amendments to § 40.11(c) and New § 40.11(d)–(f)

A determination under the Special Rule that an event contract is contrary to the public interest carries substantial consequences. The event contract cannot be listed for trading or accepted for clearing. The prediction market loses the ability to offer a product it has developed, on which it has expended compliance costs, and around which market participants may have organized hedging or trading strategies. Counterparties lose access to the event contract. The information-aggregation and price-discovery functions the event contract might have served are foreclosed. And the certification right Congress provided to prediction markets under section 5c(c)(1) is overridden as to that event contract.

Accordingly, the Commission proposes a framework designed to ensure that prohibition determinations rest on a record sufficient to support them and on the considered judgment of the Commission as a body. The framework reflects the Commission's preliminary view that determinations of this consequence should be made carefully, on a developed record, with the prediction market having had a meaningful opportunity to respond to the agency's reasoning, and only when the Commission has reached a

²⁶⁷ *Id.*

²⁶⁸ See *supra*, introduction to section II., for a description of the Commission's proposed interpretation of the Special Rule.

²⁶⁹ CEA sec. 4(c), 7 U.S.C. 6(c).

²⁷⁰ 17 CFR 40.2(a)(3)(v).

²⁷¹ See CFTC Staff Letter 26–08 (Mar. 12, 2026), at 4–5, available at <https://www.cftc.gov/csl/26-08/download>. The statutory and regulatory requirements discussed in this letter apply to all event contracts self-certified by prediction markets, not just event contracts subject to the Special Rule.

²⁷² 17 CFR 40.2(b).

considered conclusion that the public interest requires prohibition.

The 90-day timeline the Special Rule imposes is a hard backstop on the determination process. The proposed framework's procedural steps are designed to fit within 90 days because the statute requires it. Where additional time is needed to develop the record adequately, the statute provides for extensions only with the prediction market's agreement,²⁷³ and the framework preserves that mechanism by permitting extensions only with the agreement of, or upon the request of, the prediction market.

The Commission acknowledges that the framework proposed herein departs in several respects from the procedures established in the existing § 40.11(c). The existing rule provides a 90-day review process triggered by Commission determination based on review of submissions and contemplates suspension of listing or trading during the pendency of review at the Commission's request. The framework proposed by the Commission refines the initiation procedure, clarifies the suspension provision, and adds procedural protections for the prediction market that is the subject of review. The reasons supporting the new framework are stated in the discussion of each provision below.

The Commission's proposed § 40.11 establishes a structured 90-day review process with defined procedural rights for the prediction market, defined record-development obligations on the Commission and its staff, and defined limits on the Commission's authority to act on a thin record or without considered Commission-level engagement.

Initiation of Review. Proposed § 40.11(c)(1) provides that the Commission may commence a review under this section only by a written determination of the Commission that there is a basis to believe that an event contract submitted under § 40.2 or § 40.3 both involves an Enumerated Activity and may be contrary to the public interest under the factors set forth in §§ 40.11(a)(5) and 40.11(a)(6). Such a review must commence within 10 days after the event contract's listing. This provision implements the statute's "may determine . . . if" structure. The statute does not require the Commission to review every submission involving an Enumerated Activity; it authorizes the Commission to act when warranted. This proposed basis-determination ensures that the Commission's

discretion to initiate review is exercised through a Commission-level commitment, rather than through informal staff-level processes that the Commission must subsequently ratify, under time pressure. Notice to the prediction market of the Commission's written determination initiating review would be the action that triggers the 90-day clock and engages the procedural and substantive consequences that follow; the Commission preliminarily believes that the triggering action should reflect the Commission's considered judgment from the start.

The proposed provision refines the initiation procedure under the existing § 40.11(c)(1), which permits the Commission to determine, based on review of submissions, that event contracts may involve an enumerated activity and are subject to review, without specifying a basis standard or a written-determination requirement. The Commission preliminarily believes that initiation of review should rest on a written determination of the Commission satisfying a defined standard. The written determination requirement and the basis standard ensure that the procedural and substantive consequences of review are engaged only when the Commission has determined those consequences are warranted, and they create a record at the start against which any subsequent determination can be measured.

The proposed notice-content requirements in § 40.11(c)(2) ensure that the prediction market knows what is being reviewed, which Enumerated Activity is implicated, which terms of the event contract are at issue, and which factors in proposed §§ 40.11(a)(5) and 40.11(a)(6) the Commission has identified as warranting review. Without this information, the Commission preliminarily believes the prediction market cannot meaningfully respond. The Commission also preliminarily believes the requirements are also beneficial for record development—the Commission should articulate its theory at the start of the review and be constrained, going forward, to develop the record consistent with the theory it has stated.²⁷⁴

Consolidation. As noted above, due to the increase in the number of event contracts that DCMs have self-certified for listing under § 40.2, the Commission preliminarily believes that in some circumstances DCMs and the general public would benefit from the issuance of a single order (rather than multiple

orders) finding that a group of similar event contracts are contrary to the public interest. Throughout proposed § 40.11, the text refers to agreements, contracts, transactions, or swaps in the plural to match the text of the Special Rule.²⁷⁵ The plural form used in the Special Rule implies that more than one contract can be covered by a public interest finding.

Therefore, proposed § 40.11(c)(4) provides that the Commission may consolidate review of multiple submissions pending under § 40.2 or § 40.3 that share common characteristics, in which case the determination to begin the review would include a description of the group of submissions. The rule also makes clear that a determination to begin a 90-day review can cover event contracts submitted by multiple prediction markets. The Commission preliminarily intends that this provision would apply to groups of event contracts that are similar in substance because they involve the same underlying event or a substantially similar set of underlying events. Distinctions between the event contracts in matters such as the particular settlement mechanism would be less important. The purpose would be to group together event contracts that raise substantially the same potential public interest concerns so that the event contracts could be reviewed together and, if found to be contrary to the public interest, be covered by a single order by the Commission.

Correspondingly, proposed § 40.11(e)(1)(i) provides that the Commission may issue an order finding that a group of event contracts that are subject to a 90-day review are contrary to the public interest. The Commission preliminarily believes that its action with respect to a group of event contracts would promote predictability for prediction markets and market participants. It would also obviate the need for multiple determinations with respect to similar contracts and streamline the process for Commission action under § 40.11. The Commission realizes that to serve this purpose, an order covering a group of event contracts would have to describe the group and the reasons why the event contracts in the group are contrary to the public interest in a manner that would be useful to prediction markets and market participants in understanding what types of event contracts would be subject to the same finding.

²⁷³ CEA sec. 5(c)(5)(c)(iv), 7 U.S.C. 7a–2(c)(5)(c)(iv).

²⁷⁴ Cf. *SEC v. Chenery Corp.*, 318 U.S. 80, 87 (1943).

²⁷⁵ CEA sec. 5(c)(5)(C)(i), 7 U.S.C. 7a–2(c)(5)(C)(i).

The Commission has carefully considered whether the proposed rule should authorize categorical determinations—that is, determinations applying prospectively to a defined class of agreements, contracts, transactions, or swaps not yet certified or submitted to the Commission. The Commission preliminarily believes that such categorical determinations are not permissible under the structure of CEA section 5c. This preliminary belief flows from the text of the Special Rule, the structure of section 5c, and the APA.

The Special Rule authorizes the Commission to “determine that such agreements, contracts, or transactions are contrary to the public interest if the agreements, contracts, or transactions involve” any of the enumerated activities.²⁷⁶ The text refers to specific “agreements, contracts, transactions, or swaps”—the same agreements, contracts, transactions, or swaps that registered entities certify or submit to the Commission under CEA section 5c(c) and the Commission’s part 40 regulations. The Special Rule’s placement within the same statutory section as the certification and approval framework suggests that it operates as a backstop: when a prediction market certifies an agreement, contract, transaction, or swap involving an enumerated activity, the Commission may determine whether that particular instrument is contrary to the public interest. The text does not authorize the Commission to issue prospective declarations applying to agreements, contracts, transactions, or swaps that have not been certified or submitted and that may not yet exist.

The Commission preliminarily believes that categorical determinations would function as rulemaking without APA compliance. The APA distinguishes between “rule making” which is “the agency process for formulating, amending, or repealing a rule,” and “adjudication,” which is “the agency process for the formulation of an order.”²⁷⁷ A “rule” is defined as “the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy.”²⁷⁸ An “order” is “the whole or a part of a final disposition, whether affirmative, negative, injunctive, or declaratory in form, of an agency in a manner other than rule making but including licensing.”²⁷⁹

The Commission preliminarily believes that a categorical determination applying prospectively to a class of agreements, contracts, transactions, or swaps not before the Commission would have general applicability and future effect—the defining features of a rule rather than an order. The Supreme Court has long recognized that an agency cannot achieve through adjudication what the APA requires it to achieve through notice-and-comment rulemaking.²⁸⁰ A categorical determination—purporting to apply prospectively to a class of future certifications without those certifications having been the subject of the determinative proceeding—would have precisely the general applicability and future effect that distinguish a rule from an order. The Commission preliminarily believes that issuing such a determination through an adjudicative posture rather than through notice-and-comment rulemaking would invert the APA’s allocation of agency authority.

The Commission acknowledges that the volume of event contracts certified under §§ 40.2 and 40.3 may make individualized review burdensome, particularly during periods of high submission activity. The Commission preliminarily believes, however, that this burden follows from the structure Congress established.

The absence of categorical determinations does not leave market participants without guidance. Although the Commission’s determinations would apply only to the event contracts before it, the Commission’s reasoning in prior determinations would inform its analysis of substantially similar event contracts. Consistent with ordinary principles of reasoned decision-making, the Commission would treat like event contracts alike and would explain any departure from its prior analysis. Prediction markets could thus look to the Commission’s published determinations to anticipate how the public interest factors are likely to apply to comparable event contracts. This predictability arises from the consistency of the Commission’s reasoning rather than from any binding categorical effect. The Commission preliminarily expects that prediction markets, as self-regulatory organizations, will incorporate the Commission’s public interest findings into their construction and listing of event contracts, reducing the number of

event contracts that the Commission will need to review.

As noted above, the Commission requests comment on alternatives to the proposed approach in this regard.²⁸¹

Statement of concerns and prediction market response. Proposed § 40.11(d)(1) requires the Director of the Division of Market Oversight, within fifteen days after the prediction market is provided the written determination of initiation, to provide the prediction market a written statement identifying the factual basis, legal theory, specific contract terms, and factors in proposed §§ 40.11(a)(4), 40.11(a)(5), and 40.11(a)(6) supporting the Commission’s review. Proposed § 40.11(d)(2) provides the prediction market 30 days from the written determination of initiation to submit a written response, which may include supporting data, expert submissions, economic analysis, and any proposed modifications to the event contract.

The Commission preliminarily believes that these provisions advance two principles. The first is that meaningful opportunity to respond requires advance notice of the Commission’s theory. The fifteen-day statement of concerns prevents the prediction market from responding to a moving target. It also forecloses the Commission from refining its theory after seeing the response, which is a form of post hoc rationalization the Commission disfavors and which administrative law bars.²⁸²

The second principle is that determinations of this consequence are substantively better when the Commission has the prediction market’s response and proposed modifications before it. The Commission preliminarily believes that a determination process that operates as a binary yes-or-no on the event contract as submitted is suboptimal. The prediction market may be able to address the Commission’s concerns through targeted modifications, and the Commission may be able to reach a result that protects the public interest without imposing the determinate costs of prohibition. The express provision for proposed modifications during the response period creates space for that possibility on the record, before the Commission commits to a determination.

The existing § 40.11(c) does not provide defined procedural rights of this kind to the prediction market that is the

²⁷⁶ *Id.*

²⁷⁷ 5 U.S.C. 551(5), (7).

²⁷⁸ 5 U.S.C. 551(4).

²⁷⁹ 5 U.S.C. 551(6).

²⁸⁰ See, e.g., *Chrysler Corp. v. Brown*, 441 U.S. 281, 301–03 (1979) (agency action having “the force and effect of law” must be promulgated through procedures consistent with the APA).

²⁸¹ See *supra*, text accompanying notes 268 to 269.

²⁸² See *Motor Vehicle Manufacturers Ass’n v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 50 (1983).

subject of review. The Commission preliminarily believes that defined procedural rights are warranted given the consequences of a § 40.11 determination and given the contribution that meaningful registered-entity participation makes to the quality of the Commission's record and reasoning.

Staff recommendation and prediction market response to recommendation. Proposed § 40.11(d)(3) provides that the Director of the Division of Market Oversight, with the concurrence of the General Counsel, may submit a written recommendation to the Commission not later than 60 days after the written determination of initiation. The recommendation would address the prediction market's response and any proposed modifications and would be required to be provided to the prediction market simultaneously with submission to the Commission. Proposed § 40.11(d)(4) allows the prediction market until day 70 to submit a written response to the recommendation, limited in scope to the recommendation.

The Commission preliminarily believes that these provisions reflect the principle that a party adverse to consequential agency action should have the opportunity to identify errors in the Commission's reasoning before the agency acts. A staff recommendation provided to the Commission without the prediction market's response operates as a one-sided submission. The Commission preliminarily believes that the prediction market may have factual or analytical responses to the recommendation that the Commission would benefit from considering before voting. The Commission preliminarily believes that the day-70 response right ensures that the Commission has those responses before it.

The scope of the day-70 response would be limited to the recommendation itself. It would not be an opportunity to relitigate the response submitted by day 30. The Commission preliminarily believes the response should be limited to address what the staff recommendation said, what it relied on, what it omitted, and how it characterized the prediction market's prior submission.

The existing § 40.11(c) does not provide for any of these procedures. The Commission preliminarily believes that the response opportunity is warranted given the consequence of the determination and the contribution responsive submissions make to the quality of the Commission's deliberation.

Extensions. Proposed § 40.11(d)(5) provides that the 90-day review period may be extended only with the agreement of, or upon the request of, the prediction market. This proposed provision implements the statute.²⁸³ The statute does not authorize unilateral Commission extension.

Determination and review deemed concluded. Proposed § 40.11(e)(1) provides that, not less than 90 days after the written determination of initiation, or at the conclusion of any registered-entity-agreed extension, the Commission may issue an order finding that the event contract (or contracts if a consolidated group is under review) is contrary to the public interest. If the Commission does not issue such an order, the event contract may be, or continue to be, listed for trading and accepted for clearing, and the review is deemed concluded.

Proposed § 40.11(e)(1)(ii) includes a specific statement that if the Commission does not issue an order before the end of the 90-day review period, or any agreed extension thereof, or if 100 days have passed since the date of the contracts' listing, the event contracts subject to review (or never subjected to review) may be, or continue to be, listed for trading and accepted for clearing and the review shall be deemed concluded. The Commission preliminarily believes that this provision would allow for a more streamlined process by not requiring that the Commission issue an order of approval and provide certainty in cases where the Commission does not take any action at the end of the review period. Thus, whether through an order or through non-action, the agency will have taken final agency action.

For clarity, proposed § 40.11(c)(3) specifically provides for the Commission to notify the prediction market of the commencement of a 90-day review.

The existing § 40.11 does not articulate the consequences of inaction at the 90-day point in the terms the new proposed rule uses. The Commission preliminarily believes this feature is warranted. The Commission preliminarily believes that the deemed-concluded default is supported by the statutory text and benefits prediction markets, market participants, and the Commission by providing certainty about the status of contracts at the conclusion of the review period.

Required findings. Proposed § 40.11(e)(2) provides that an order finding an event contract contrary to the

public interest must include written findings addressing each factor in proposed §§ 40.11(a)(4), 40.11(a)(5), and 40.11(a)(6) on which the Commission relied, weighing the factors favoring listing against those disfavoring listing, and explaining the consistency of the determination with prior Commission determinations involving comparable agreements, contracts, transactions, or swaps, or providing a reasoned explanation for any departure.

These requirements would codify obligations that already apply to the Commission as a matter of administrative law. The duty of reasoned decision-making, including the duty to consider relevant factors and to weigh evidence in the record, is a *State Farm* obligation.²⁸⁴ The duty to acknowledge departures from prior agency positions and to provide a reasoned explanation for them is a *Fox* obligation.²⁸⁵ The Commission preliminarily believes that codifying these obligations in the Proposal does not impose substantive standards beyond what administrative law requires, but it makes those obligations explicit on the face of the regulation and ensures that any reviewing court will have a clear regulatory benchmark against which to assess Commission action.

Limits on delegation. Proposed § 40.11(f) provides that the Commission shall not delegate the determination to initiate review, the submission of a recommendation to the Commission (except as provided in proposed § 40.11(d)(3)), or the issuance of a determination. The Commission preliminarily believes that delegation of these functions is incompatible with the structure of the proposed framework.

4. Delegation of Authority to Director of Division of Market Oversight

The Commission is proposing to add a provision to § 40.7(a) that delegates to the Director of the Division of Market Oversight, or the Director's designee, the authority to perform ministerial and record-development functions under § 40.11, including service of notices, written determinations, and statements and the development of staff recommendations. The proposed provision states expressly that the Commission does not delegate the functions reserved to the Commission under § 40.11(f).

The proposed new provision would be subject to the existing limitation in § 40.7(d) that the Commission may at

²⁸⁴ *State Farm*, 463 U.S. at 43.

²⁸³ CEA sec. 5(c)(5)(C)(iv), 7 U.S.C. 7a-2(c)(5)(C)(iv).

²⁸⁵ *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009).

any time exercise the delegated authority. Also, current § 40.7(c) provides that the Director of the Division of Market Oversight may submit to the Commission for its consideration any matter that has been delegated pursuant to § 40.7, which would include the new provision.

The Commission requests comment on all aspects of its preliminary views on the process for Commission action under § 40.11 and the proposed amendments to streamline the rule.

H. Implementation Timeline and Severability

The Commission proposes that the amendments to part 40, including the adoption of the proposed factors for determining whether event contracts involve Enumerated Activities and, if so, are contrary to the public interest, would go into effect 60 days following publication of a final rule in the **Federal Register**. At this time, Commission staff would begin to review certified event contracts as described in section II.G. above. The Commission preliminarily believes that the public interest is served by preventing the listing and trading of event contracts that are contrary to the public interest as soon as practicable.

The Commission intends that if any provision of the Proposal were to be held to be invalid or unenforceable facially, or as applied to any person, plaintiff, or circumstance, the provision shall be severable from the remainder of the Proposal, and shall not affect the remainder thereof, and the invalidation of any specific application of a provision shall not affect the application of the provision to other persons or circumstances.

III. Related Matters

A. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) requires agencies to consider whether the rules they issue will have a significant economic impact on a substantial number of small entities and, if so, provide a regulatory flexibility analysis with respect to such impact.²⁸⁶ The Commission has previously established certain definitions of “small entities” to be used by the Commission in evaluating the impact of its regulations on small entities in accordance with the RFA.²⁸⁷ The amendments to part 40 set forth herein impact DCMs and SEFs. The Commission has previously determined

that DCMs are not small entities for purposes of the RFA.²⁸⁸ As the Commission explained in its Small Entity Policy Statement, DCMs play a vital role in the national economy and are required to operate as self-regulatory organizations, subject to Commission oversight, with statutory duties to enforce the rules adopted by their own governing bodies. Accordingly, the Commission designates a DCM only when it meets the stringent requirements set forth in section 5 of the Act, 7 U.S.C. 7, including expenditure of sufficient resources to establish and maintain adequate self-regulatory programs. Moreover, the Commission considered the resource and capital requirements for operation of a DCM. Membership on the designated exchanges is expensive and includes the nation’s largest brokerage houses. Moreover, the Commission considered the high volume of transactions on Commission-designated DCMs and the large number of employees. Based on these factors, the Commission has concluded DCMs do not constitute small entities for purposes of the RFA.

Likewise, The Commission has also previously determined that SEFs²⁸⁹ are not small entities for purposes of the RFA. The Commission has determined that SEFs should not be considered “small entities” for essentially the same reasons that DCMs have previously been determined not to be small entities.²⁹⁰ In making this determination, the Commission has considered the resource and capital requirements for registration as a SEF. SEFs play a central role in the national regulatory scheme overseeing the trading of swaps and are subject to Commission oversight with statutory duties to enforce the regulations adopted by their own governing bodies. Accordingly, the Commission will register an entity as a SEF only after it has met specific criteria to establish it has the capability and sufficient resources to establish and maintain an adequate self-regulatory program. In addition, once registered, SEFs are required to comply with the requirements set forth part 37 of the Commission’s rules. For this reason, the Commission has previously determined that SEFs do not constitute small entities for purposes of the RFA.

Accordingly, the Chairman, on behalf of the Commission, pursuant to 5 U.S.C. 605(b), hereby certifies that the proposed amended rules will not have

a significant economic impact on a substantial number of small entities. The Commission invites the public to comment on this determination.

B. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA)²⁹¹ imposes certain requirements on Federal agencies, including the Commission, in connection with their conducting or sponsoring any collection of information, as defined by the PRA. Under the PRA, 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 control number from the Office of Management and Budget (OMB).²⁹² The PRA is intended, in part, to minimize the paperwork burden created for individuals, businesses, and other persons as a result of the collection of information by Federal agencies, and to ensure the greatest possible benefit and utility of information created, collected, maintained, used, shared, and disseminated by or for the Federal government.²⁹³ The PRA applies to all information, regardless of form or format, whenever the Federal government is obtaining, causing to be obtained, or soliciting information, and includes required disclosure to third parties or the public, of facts or opinions, when the information collection calls for answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons.²⁹⁴

The Commission is proposing amendments to regulations containing a collection of information for which the Commission has previously received a control number from OMB. The title for this collection is: OMB control number 3038–0093, Part 40, Provisions Common to Registered Entities.²⁹⁵ The Proposal does not, however, contain any new collections of information or modify any existing information collection requirements subject to the PRA. Instead, as described in this preamble, the proposed amendments specify types of event contracts that may fall within the scope of section 5c(c)(5)(C) of the CEA. They also include provisions allowing the Commission to determine that certain categories of event contracts are contrary to the public interest and therefore may not be listed for trading

²⁹¹ 44 U.S.C. 3501 *et seq.*

²⁹² 44 U.S.C. 3507(a)(3); 5 CFR 1320.5(a)(3).

²⁹³ 44 U.S.C. 3501.

²⁹⁴ 44 U.S.C. 3502(3).

²⁹⁵ For the previously approved estimates, see ICR Reference No: 202408–3038–001, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202408-3038-001.

²⁸⁶ 5 U.S.C. 601 *et seq.*

²⁸⁷ Policy Statement and Establishment of “Small Entities” for purposes of the Regulatory Flexibility Act, 47 FR 18618 (Apr. 30, 1982).

²⁸⁸ *Id.* at 18618, 18619.

²⁸⁹ Core Principles and Other Requirements for Swap Execution Facilities, 78 FR 33476, 33548 (June 4, 2013).

²⁹⁰ *Id.*

or accepted for clearing on or through a CFTC-registered entity and set out factors the Commission would apply in making this public interest determination. Further, the Commission is proposing a definition of the term “gaming,” a rule defining when an event contract “involves” an Enumerated Activity, and related procedural amendments. These proposed amendments do not include information collection requirements and will not alter the information collection obligations of Commission registrants subject to part 40.

Accordingly, the CFTC has not prepared a PRA submission to OMB with respect to the proposed amendments.

C. Consideration of Costs and Benefits

1. Introduction

Section 15(a) of the CEA requires the Commission to consider the costs and benefits of its actions before promulgating a regulation under the CEA or issuing certain orders.²⁹⁶ Consistent with this statutory obligation, the Commission preliminarily considers the potential costs and benefits associated with the proposed amendments to § 40.11. As required by CEA section 15(a), the Commission evaluates these potential costs and benefits in light of the five broad areas of market and public concern identified in the statute: (i) protection of market participants and the public; (ii) efficiency, competitiveness, and financial integrity of the derivatives markets; (iii) price discovery; (iv) sound risk-management practices; and (v) other public-interest considerations.²⁹⁷

²⁹⁶ See 7 U.S.C. 19(a). See also, *Investment Co. Inst. v. Commodity Futures Trading Comm’n*, 720 F.3d 370 (D.C. Cir. 2013); *Sec. Indus. & Fin. Mkts. Ass’n v. U.S. Commodity Futures Trading Comm’n*, 67 F. Supp. 3d 373 (D.D.C. 2014) (stating, “Section 19(a) does not require the CFTC to promulgate only rules that have low or no costs; rather, the agency is simply required to show that they ‘considered’ and ‘evaluated’ the costs of the rule . . . Nor does Section 19(a) require the CFTC to conduct a ‘rigorous, quantitative economic analysis to consider hypothetical costs that may never arise or to ‘measure the immeasurable’ benefits of ‘preventing future financial crises . . . the CFTC need not even gather additional market data or conduct empirical studies to support its analysis, so long as it reasonably addresses the uncertainty stemming from any data limitations’”).

²⁹⁷ The Commission’s requirements under CEA sec. 15(a) differ from those set out in Title II of the Unfunded Mandates Reform Act (UMRA) of 1995 (2 U.S.C. 1532–1538), which covers Cabinet departments and independent agencies, but not independent regulatory agencies. According to Congressional Research Service, “UMRA requires that before promulgating a rule containing a mandate that may result in the expenditure of \$100 million or more in any one year . . . covered agencies are to prepare a written statement

Since 2023, prediction-market activity has evolved against a backdrop of significant legal and regulatory developments. The Commission has observed continued growth in both the number and diversity of event contracts listed for trading, as well as heightened interest from entities seeking registration for the purpose of offering such contracts as DCMs.²⁹⁸ A 2024 lawsuit challenged the Commission’s prior interpretations of the Special Rule, including the Commission’s treatment of political-control contracts and the scope of the term “involve” under the Special Rule.²⁹⁹ The Commission’s history with event contracts has also included academic-purpose political and economic indicator markets,³⁰⁰ a 2008 Commission concept release seeking comment on the appropriate regulatory treatment of event contracts,³⁰¹ several resource-intensive 90-day reviews of political and sports-related contracts,³⁰² and the significant expansion of novel event contracts in

containing (among other things) a qualitative and quantitative assessment of the anticipated costs and benefits . . . as well as the effect of the Federal mandate on health, safety, and the natural environment. The written statement is also generally required to include estimates of future compliance costs, and any disproportionate budgetary effects on particular regions, governments, or segments of the private sector, and estimates of effects on the national economy, including effects on job creation, productivity, full employment, and international competitiveness.” See Curtis W. Copeland, Cong. Research Serv., R41974, *Cost-Benefit and Other Analysis Requirements in the Rulemaking Process* (2011), available at <https://www.congress.gov/crs-product/R41974>.

²⁹⁸ In the past year, the Commission has reviewed 28 applications involving DCMs and SEFs. The Commission approved 7 DCMs, while 18 DCM applications and 3 SEF applications are still under review. Currently, there are 25 DCMs and 20 SEFs that operate within the Commission’s regulatory framework. See <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizations>. In one of the largest prediction markets, the daily average number of event contracts listed for trading increased from approximately 1,600 in April 2025 to 162,000 in April 2026.

²⁹⁹ See *supra* section I.C.7.

³⁰⁰ The Commission has long evaluated small-scale prediction markets operated for academic purposes. For example, the Commission issued no-action relief to the University of Iowa in 1992 and to Victoria University of Wellington in 2014, permitting limited political and economic-indicator trading for research purposes. See *supra* section I.C.1.

³⁰¹ The 2008 Concept Release sought public comment on the appropriate regulatory treatment of event contract markets, prompted by numerous questions about how the CEA applied to such products. The release sought responses to 24 enumerated questions and reflected early recognition of the increasing diversity of event-based derivatives. See *supra* section I.C.2.

³⁰² Since the adoption of § 40.11 in 2011, the Commission has conducted three 90-day reviews under § 40.11(c) reflecting recurring interpretive challenges under the Special Rule. See *supra* sections I.C.5., I.C.6., and I.C.7.

recent years.³⁰³ Collectively, these developments highlight that the current regulatory framework may benefit from additional clarity, greater predictability, and a more focused articulation of the factors that guide the Commission’s evaluation of whether an event contract is within the scope of the Special Rule and, if so, whether the event contract is contrary to the public interest.

The proposed amendments seek to provide this clarity while aligning the Commission’s administration of § 40.11 with recent judicial interpretations and the statutory structure of the Special Rule. In particular, the Commission is considering amendments that would: (i) clarify what it means for an event contract to “involve” an enumerated activity under the Special Rule, including by expressly focusing the analysis on whether an event contract’s settlement is determined by an occurrence, extent of an occurrence, or contingency in such an activity; (ii) provide a definition of “gaming” consistent with the ordinary meaning of the term and recent judicial guidance by distinguishing “gaming” from other contests or competitive activities; (iii) articulate a focused and understandable set of public-interest factors, as described in proposed §§ 40.11(a)(5) and 40.11(a)(6), that the Commission would apply in determining whether an event contract subject to the Special Rule is contrary to the public interest; and (iv) clarify the procedures for initiating and conducting a 90-day review while preserving the requirement that any final determination be based on the statutory public-interest standard. Because prediction markets operate as self-regulatory organizations under the CEA, the implementation of more explicit § 40.11 standards and a factor-based framework enhance certainty at the time of contract listings, minimize interpretive discrepancies, and mitigate late-stage disruptions. The Commission preliminarily believes these improvements are likely to generate tangible administrative efficiencies for prediction markets and market participants, including shorter review cycles, fewer scope-related disputes,

³⁰³ Since 2021, the number and diversity of event contracts listed for trading have increased dramatically—from roughly five per year historically to more than 220 in 2021, with over 8,000 contracts trading in May 2026. New event contract underliers vary from international events and natural disasters in specific U.S. cities to public-health metrics, the occurrence of exoplanet discoveries, video-game release dates, Academy Awards, public-health metrics (COVID–19 cases and restrictions), confirmation of federal officials, Supreme Court case outcomes, NFL television ratings, and NASA moon-landing milestones.

and reduced risk of post-listing reversals.

These amendments are intended to make the rules more transparent, encourage responsible innovation, and reduce uncertainty for registered entities and market participants. They also aim to ensure that any event contracts traded on prediction markets comply with the CEA and serve the public interest.

Under the Special Rule, the Commission interprets the public interest as tied to specific, identifiable concerns rooted in the CEA's purposes. These include whether a contract provides meaningful price-discovery or informational utility; whether it poses risks of manipulation, information leaks, or unclear settlement; and whether the contract can be administered effectively within a prediction market's compliance framework. The Proposal also considers the economic, financial, and commercial significance of prediction market pricing as an input into economic decision-making—including how aggregated market sentiment may inform commercial planning, resource allocation, and assessments of economic conditions. Conversely, if an event contract does not provide meaningful informational value, encourages illicit conduct, raises national-security concerns, or creates particular risks of manipulation or information leakage, these factors strongly support a finding that the contract is contrary to the public interest.

The Commission recognizes that market participants and prediction markets may experience costs under the proposed amendments. These include those associated with contract design, compliance planning, market integrity, informational value, and submission practices, and potentially second order impacts on the market structure and the availability of new risk management tools. The Commission preliminarily believes that the proposed factors-based framework, while imposing some additional upfront analysis and documentation costs, will reduce longer-term uncertainty, improve the predictability of Commission determinations, and decrease the likelihood of late-stage disruptions such as delisting following an adverse finding.

The discussion that follows identifies the baseline against which potential costs and benefits are evaluated, describes the anticipated effects associated with the amendments under consideration, and explains how the Commission interprets and applies the CEA section 15(a) factors in this context. Because the Commission's analysis is

preliminary, and because the amendments under consideration may be revised in response to public comments, the Commission invites commenters to provide both qualitative and quantitative data regarding the costs and benefits associated with these potential amendments, as well as any information that may assist the Commission in refining its evaluation in final rulemaking.

In the discussion that follows, the Commission has endeavored to quantify costs and benefits, where possible and appropriate. In many places, however, the Commission either lacks the necessary data to reasonably quantify all of the costs and benefits, quantification is impossible, or quantification would not enhance the consideration of costs and benefits. Therefore, the Commission discusses the costs and benefits in qualitative terms. Moreover, the Commission recognizes that each market participant structures their business differently, so the costs and benefits will not be applied uniformly across the market. Lastly, the costs and benefits set out in the discussion below may be mitigated by current market practices; however, the Commission's discussion takes an expansive approach, as not all affected market participants may have already realized or mitigated these costs and benefits.

2. Baseline

For purposes of evaluating the potential costs and benefits of the amendments under consideration, the Commission identifies the current legal framework and current market conditions as its baseline. This baseline includes: (i) the Special Rule—meaning CEA section 5c(c)(5)(C), (ii) the text of § 40.11 as adopted in 2011, which governs the submission process and how the Commission applies the Special Rule; and (iii) the current state of the law applying that text, including the 2024 decision of the U.S. District Court for the District of Columbia in *KalshiEX*,³⁰⁴ the resulting vacatur of the Commission's 2023 disapproval order, and the Commission's withdrawal of the 2024 proposed rulemaking.

The baseline also reflects current market practices and conditions, especially the rapid growth and expansion of some prediction markets. These practices and conditions provide insight and frame both the expected benefits (e.g., price discovery, information aggregation, hedging) and the risks borne by market participants (e.g., manipulation susceptibility, exposure to information leakage).

Under the current framework for CFTC-regulated transactions, prediction markets self-certify contracts (§ 40.2), including event contracts, and list them for trading or clearing on the business day following submission. These submissions are subject to the general requirements of the CEA and the Commission's regulations, including Core Principles applicable to prediction markets. Such event contracts are also subject to the Special Rule, which applies after the prediction market has certified the contract's compliance with all other applicable requirements. The Special Rule directs the Commission to evaluate whether the event contracts "involve" an enumerated activity and, if so, whether the contracts are contrary to the public interest. As reflected in the Commission's history with prediction markets, the application of the Special Rule has produced significant interpretive and procedural challenges.³⁰⁵

The 2024 *KalshiEX* decision exposed significant unresolved questions about the application of the Special Rule.³⁰⁶ The court rejected the Commission's interpretation of "involve" and the scope of "gaming" in the Special Rule and vacated the Commission's 2023 disapproval of congressional control event contracts.³⁰⁷ The decision resolved the particular event contracts before the court but left open broader questions about how the Special Rule applies, including how to identify when an event contract "involves" an enumerated activity, what falls within "gaming," and how the unlawful-activity prong interacts with conduct regulated under non-federal law. The Commission's subsequent withdrawal of the 2024 proposed rulemaking left these questions unaddressed.

In parallel, the Commission has observed a substantial expansion in the number and diversity of event contract submissions and trading activity, especially since October 2025, reaching \$25 billion in March 2026, including new underlying events related to entertainment, public health, natural phenomena, scientific discoveries, and political events.³⁰⁸ Even though some of

³⁰⁵ These include the adoption of § 40.11 in 2011 and the subsequent 90-day reviews and determinations involving political event contracts and sports-related contracts; the 2023 disapproval of congressional control contracts; and a 2024 decision of the U.S. District Court for the District of Columbia vacating that disapproval. See *supra* section I.C.

³⁰⁶ *KalshiEX*, 2024 U.S. Dist. LEXIS 163925.

³⁰⁷ *Id.* at *39.

³⁰⁸ The \$25 billion in event contracts is approximately 0.08% of the \$31 trillion total notional value in futures contracts regulated by the

³⁰⁴ *KalshiEX*, 2024 U.S. Dist. LEXIS 163925.

these markets are still relatively new, event contracts are already being used for price discovery, information aggregation, and hedging across macroeconomics, politics, weather, and sports. The market for event contracts is proving to be a vibrant and competitive space. In response to strong demand from retail and institutional market participants, multiple venues have registered as DCMs.

DCMs registered with the CFTC (and other platforms outside the U.S. where event contracts are listed and traded) have increasingly applied their self-regulatory obligations to address trading on material non-public information. In February 2026, for example, Kalshi closed two cases alleging trading on material non-public information against its own members, and the CFTC's Division of Enforcement issued an advisory publicizing them.³⁰⁹ These developments reflect both heightened DCM and Commission scrutiny of insider trading, manipulation, and surveillance sufficiency in prediction markets, elements that bear on baseline risk and compliance burdens for exchanges and market participants.

The withdrawal of the 2024 proposal and the issuance of the 2026 ANPRM have further informed the Commission. The 2026 ANPRM requested comments on the scope and operation of the Special Rule, including the meaning of "involve," the appropriate treatment of the Enumerated Activities, and the factors relevant to a public-interest determination. The Commission received approximately 3,500 public comments.

Collectively, these developments reflect a regulatory environment where the meaning and application of § 40.11 remains uncertain for both courts and market participants. At the same time, the scope of the Commission's authority under the Special Rule has been the subject of judicial scrutiny, leaving exchanges and market participants without clear guidance on how their event contract submissions will be evaluated.

3. Proposed Amendments

Key elements of the Proposal include: (1) providing a definition of the circumstances in which an event contract "involves" an enumerated activity, consistent with the

understanding that "involve" refers to the underlying event and not to trading activity or incidental relationships; (2) providing a definition of "gaming" that aligns with the meaning of the term as playing a game for recreational or entertainment purposes and distinguishing games from contests such as elections and awards; (3) setting out a structured set of factors to guide Commission evaluations when determining whether a contract is contrary to the public interest, which intends to ensure that the Special Rule remains narrow and does not duplicate the Core Principles or introduce an open-ended "public good" standard; (4) allowing the Commission to review a self-certified contract, or a group of similar contracts, by placing such contract(s) into a 90-day review period to evaluate whether listing would be contrary to the public interest under the Special Rule using the Proposal's factor framework; (5) clarifying that at the end of the 90-day review period (i) if the Commission issues an order finding a contract contrary to the public interest, the contract may not be listed or may not continue to trade; or (ii) if no order is issued, self-certification remains operative under § 40.2 and the contract may be listed or continue to trade; and (6) delegating authority to the Director of the Division of Market Oversight to perform ministerial actions in the 90-day review.

The Proposal reflects the Commission's recent experience with event contract market submissions, the procedural challenges observed in prior 40.11(c) reviews, the interpretive issues raised in recent litigation, observations of DCMs' responses to violations of their standards in certain event contracts, and the feedback received in response to the 2026 ANPRM. As described in section I.C., the Commission's prior efforts demonstrate that flexibility and clarity are required for a regulatory framework that ensures a fulsome analysis of event contracts, leading to responsible market innovation. The Proposal aims to clarify the Commission's authority under the Special Rule by providing exchanges and market participants with clear standards and predictable procedures, concentrating on the public-interest inquiry relating to the specific characteristics of the underlying event and contract design. The Commission also believes that the Proposal reestablishes the relationship between the Commission and prediction markets, acting in their role as self-regulatory organizations (SROs), where the Commission is providing SROs with a clear framework in applying the Special

Rule, resulting in market and administrative efficiencies.

The proposed amendments are intended to support prediction markets as they provide price discovery, function as an information aggregation tool, and enable hedging for events that lack traditional financial-hedging instruments. Overall, these amendments may result in increased regulatory scrutiny. This scrutiny may raise compliance burdens for prediction markets listing diverse set of event contracts, potentially increasing their costs. Furthermore, prediction markets may face additional costs as they may need to modify internal reviews to align with new definitions and factors. The Commission preliminarily believes that to some extent these costs are attenuated by the Proposal as they provide clearer boundaries for lawful versus prohibited products resulting in potential declines in litigation risk and regulatory uncertainty. Finally, to the extent that proposed amendments result in enhanced consistency across prediction markets, there may be benefits as consistency leads to a better functioning marketplace.

While the Proposal is likely to result in both costs and benefits, the Commission preliminarily believes that the costs will be largely mitigated by current market practices, and the benefit of enhanced regulatory certainty will more than offset the costs.

(a) Proposed § 40.11(a)(3): Event-Focused "Involves" Standard

Proposed § 40.11(a)(3) identifies event contracts that "involve" an activity if their settlement is determined by an occurrence, the extent of an occurrence, or a contingency in that activity. This formulation focuses analysis on the underlying event the contract references, not on features of trading behavior, venue mechanics, or incidental relationships among market participants. This event-focused formulation is part of the Proposal's broader effort to increase clarity and align § 40.11 to the statutory structure of the Special Rule. The objective of the proposed amendment is to reduce ambiguity around the scope of the Special Rule by focusing the inquiry on the event that the event contract references. Focusing on what happens in the world (e.g., whether a specified game is played and a given outcome occurs) rather than on how trading happens (e.g., who participates, market-maker strategies, cross-listing) is intended to produce more consistent determinations and streamline review under § 40.11, thereby advancing the Proposal's goals of clarity,

Commission. See Commodity Futures Trading Commission, FY 2025 Agency Financial Report 4, available at <https://www.cftc.gov/media/13096/2025AFR/download>.

³⁰⁹ CFTC Press Release No. 9185-26, CFTC Enforcement Division Issues Prediction Markets Advisory (Feb. 25, 2026), available at <https://www.cftc.gov/PressRoom/PressReleases/9185-26>.

predictability, and consistency in public-interest analysis.

Under the existing § 40.2(a)(3)(v), prediction markets are required to submit a concise explanation and analysis on whether the event contract does in fact involve an Enumerated Activity and, if it does, why the event contract is not contrary to the public interest. Currently, many event contracts are certified using a template submission, which is then used for listing many specific event contracts. These templates often provide only a general description of type of event contracts that will be listed. The Commission preliminarily believes that for event contracts that potentially involve an Enumerated Activity, this general description would be insufficient for the Commission's review under § 40.11 and would not comply with the § 40.2(a)(3)(v) requirement that the prediction market explain why the event contracts comply with the CEA. Therefore, the Commission preliminarily anticipates that in such instances, the staff would request that the DCM supplement the template with additional information, sufficient for the Commission's review under § 40.11, demonstrating that the event contracts meet the requirements of the CEA and regulations thereunder, as required by § 40.2(b).

(i) Benefits

By shifting the focus to the triggering event of the event contract, the Commission preliminarily believes that the Proposal will provide prediction markets with clearer standards and a more transparent review process. This added clarity will make it easier and more efficient for prediction markets to bring event contracts to market, producing administrative benefits for both the public and the exchanges. The Commission also preliminarily believes that clearer criteria and greater transparency will help prediction markets better anticipate how their submissions will be evaluated, which may, in turn, support a timelier listing of certain event contracts. As a result, market participants may benefit from a broader range of contract offerings, enabling more targeted exposures and improved hedging opportunities. Clarity will also enable prediction markets to more efficiently execute their responsibilities as SROs.

(ii) Cost

The Commission preliminarily believes there may be documentation and workflow costs resulting from specific analysis of each underlying event of an event contract. However, the

Commission believes that these costs will be incremental, short-term, and modest, as many prediction markets list similar types of events that can be slightly modified for each event contract. The Commission further believes that these costs are also mitigated by the clarity gained resulting from fewer interpretive disputes, shorter review cycles, and lower likelihood of post-listing challenges once settlement conditions are objectively specified.

(b) Proposed Amendment: Revised Definition of "Gaming"

The proposed rulemaking defines "gaming" as activity typically engaged in for recreation or to entertain others, governed by rules, with measurable occurrences or outcomes dependent on participants' luck, skill, or athletic ability during the activity. The Proposal also clarifies that elections and awards are contests, not gaming. The Commission is now providing clarity and objective criteria to the market regarding the Commission's approach in reviewing these types of event contracts under the Special Rule, aligning the definition with the U.S. District Court for the District of Columbia decision vacating the Commission's previous definition.

Currently listed event contracts already reflect elements of this shift away from the Commission's prior view. These event contracts include underlying events focused on aggregate performance in sports events (final scores, point differentials, season long statistics, tournament advancement).

Relative to the baseline, where the Commission did not define gaming, the proposed definition is expected to reduce interpretive variance and correct past misapplications that read "gaming" too broadly. By centering classification on the character of the underlying activity and the event contract's settlement link to that activity, the amendment narrows gaming to games and provides prediction markets with clearer design criteria.

The Commission preliminarily believes the resulting economic effects of the proposed approach are operational and compliance-focused, as prediction markets may incur front-loaded documentation and taxonomy costs to restate product families and certification narratives in activity-based terms, update internal review workflows to reflect game vs. contest distinctions, and evidence settlement triggers with independent, reliable sources. Based on Commission estimates, these initial compliance activities are expected to require between 40 and 100 staff hours per entity, resulting in a one-time cost

of approximately \$6,400 to \$16,000 per prediction market, assuming an average fully loaded hourly rate of \$160 for compliance and legal professionals. Costs for updating internal review workflows and training staff on new distinctions (such as game vs. contest) are expected to be included within this range, as most entities can leverage existing compliance infrastructure. The cost of evidencing settlement triggers with independent, reliable sources may vary depending on the complexity of the product, but for most prediction markets, this is expected to be a modest incremental cost, typically involving additional documentation and, where necessary, procurement of third-party data or verification services. For highly novel or complex products, costs may be higher, but the Commission does not expect these to be significant for the majority of entities. These are expected to be modest and are attenuated by greater determinacy at listing and review, fewer scope disputes, and reduced risk of post-listing reversals. The Proposal's process clarifications elsewhere—particularly that, at the end of a 90-day review, if no order issues the contract may be listed or continue to trade—also may limit uncertainty costs while factor-based analysis proceeds.

(i) Benefits

In providing a definition of the term "gaming," the Commission believes that it is providing clarity, as prediction markets will know what underlying activities meet the definition of gaming. With this clarity, prediction markets will ensure that those event contracts that meet this definition follow the proper procedures when taking an event contract to market. Prediction markets gain predictable criteria for designing and certifying event contracts, which reduces signal-to-noise at the threshold and streamlines staff review to focus on objective, verifiable settlement conditions in the underlying activity. These effects align with the Proposal's goals of clarity, predictability, and consistency and with the statutory alignment objective under the Special Rule.

In addition, acting in their capacity as SROs, prediction markets will benefit from the Commission's definition of gaming, as it provides clarity in executing the Special Rule. This clarity may result in greater efficiency in executing their responsibilities as SROs.

The Proposal also identifies process benefits that lessen uncertainty while factual determinations proceed. Where event contracts or groups of event contracts are placed into a 90-day review, the Proposal clarifies that if the

Commission does not issue an order by the end of the review period, listing may proceed or continue and the review is deemed concluded. This process mitigates delay costs for exchanges and market participants while protecting market integrity, as exchanges will now have a clear definition of gaming, which allows them to follow the correct process when bringing an event contract to market, and market participants will have confidence that the event contract will not be cancelled after entering into a transaction.

Finally, by correcting past misapplications associated with the Nadex Order and Kalshi Order—where “gaming” was read expansively—the proposed definition decreases the likelihood of post-listing disruption, improves regulatory certainty, and supports responsible innovation in prediction markets.

(ii) Cost

The possible costs incurred by prediction markets include incremental, front-loaded compliance and operational costs to implement the “gaming” definition. The Commission believes that prediction markets may have to redocument product designs to map settlement conditions to the proposed definition. In addition, legal and surveillance teams must update § 40.2 certification workflows with a concise explanation and analysis addressing classification and any public-interest considerations tied to the design. The Commission believes that these changes may include training, taxonomy changes in product governance, and limited vendor work for outcome verification.

For borderline categories, such as certain hybrid events, prediction markets may need to invest additional effort in classification to ensure the event contract meets the activity-based criteria and aligns with the factor framework. If the Commission decides to review groups of event contracts, prediction markets could experience temporary timing costs pending determinations. Due to this uncertainty, there may be costs. First, data availability and quality can affect the pace at which clarity benefits are realized, particularly for gaming events reliant on non-standard adjudicators or specialized sources. The proposed definition is likely to mitigate this effect by requiring exchanges to substantiate settlement conditions with independent, reliable providers. Second, since involvement of activity that is unlawful under state law is a basis for application of the Special Rule, if an event contract references contests

subject to state prohibitions, prediction markets may face additional advisory time and documentation costs during reviews. To the extent that the activity-based gaming definition enhances clarity by keeping classification focused on games and settlement linkage, the costs will be limited.

Lastly, the Commission’s proposed definition of “gaming” may be over or under inclusive. If the Commission is over-inclusive in its definition, certain contracts that should not have been covered under the definition, and therefore, the Special Rule, may be reviewed and ultimately delayed or never listed. Alternatively, the proposed definition may be too narrow. If this is the case, certain contracts that should be covered under § 40.11 may be listed without Commission review.

(c) Public Interest Factors Relating to Price Discovery and Information Aggregation Utility

The Proposal sets out a multi-factor public interest analysis in two separate categories: factors applicable to all event contracts and factors specific to each enumerated activity. This section and sections III.C.3(d) and III.C.3(e) below discuss the factors applicable to all event contracts.

The Commission’s policy objective is to clarify scope and increase determinacy in Special Rule reviews, focusing the public interest inquiry through clear, multi-factor criteria while preserving room for responsible innovation by registered entities. By making explicit how the Commission will assess (i) whether event contracts involve an Enumerated Activity and (ii) whether they are contrary to the public interest, the framework aims to reduce interpretive variance and limit ad hoc determinations, ultimately promoting transparent design discipline and predictable outcomes for prediction markets and the public.

Regarding price discovery and information aggregation utility, the Commission is seeking in the Proposal to screen out contracts that, by design, would likely produce uninformative or misleading signals. Under proposed § 40.11(a)(5), the factor involving price discovery and information aggregation utility directs the Commission’s analysis to whether a contract’s settlement conditions, data environment, and use case plausibly support information aggregation and decision-relevant pricing. The extent to which event contracts exhibit predictable informational value, including the ability to inform hedging decisions or model-based economic choices, would weigh against a finding that the event

contracts are contrary to the public interest. In applying this factor, the Commission does not reinstate the pre-CFMA “economic-purpose” test; rather, event contracts exhibiting predictable informational value—whether by facilitating hedging decisions or by serving as inputs to model-based economic choices—would be less likely to be found contrary to the public interest.

As proposed, the Commission would consider whether the contract’s design (i) permits market participants to contribute and aggregate dispersed information about the underlying occurrence, (ii) produces trading prices that can be used, either directly or as inputs to economic models, for forecasting and decision-making, and (iii) does not depend on inherently non-informational mechanisms (e.g., outcomes determined purely by chance). This framing reflects the Commission’s understanding that prediction markets may serve as information aggregation vehicles, and that useful signals can arise even where traditional cash-market price basing is indirect; conversely, events determined solely by luck (e.g., pure chance games) lack meaningful information aggregation and presumptively weigh in favor of a contrary-to-the-public-interest finding.

The price discovery and information aggregation utility factor operates as a quality filter that distinguishes contracts whose prices include credible beliefs about future states of the world from contracts whose prices are uninformative. A contract passing this screen will typically: (a) specify objective, verifiable settlement criteria tied to occurrences about which non-insider participants can form rational expectations; (b) leverage publicly accessible data or transparent adjudication so that prices can be compared to eventual outcomes; and (c) exhibit breadth of outcome space (e.g., aggregate sports statistics over a game or season rather than a single controlled action) that dilutes any single actor’s unilateral control over settlement. These design attributes enhance the information content of prices and thereby serve the CEA’s price-discovery purpose.

The price discovery and information aggregation utility factor explicitly recognizes that event-contract prices may be input variables to broader economic models, not solely direct hedges. For example, aggregated prices on sports outcomes can inform downstream decisions by sponsors, broadcasters, advertisers, or local businesses, even absent a one-for-one hedge; in such settings, market-implied

probabilities may be used with other data (e.g., foot traffic, inventory, staffing) to optimize economic choices. By favoring contracts that meaningfully inform decisions, the factor favors event contracts that advance price discovery in the sense contemplated by CEA section 3.

(i) Benefits

By directing listings toward event contracts with demonstrable information value, the Commission believes that this factor reduces the likelihood of listing event contracts that do not provide informative data to the market, which may result in more accurate information in the market. The Commission believes that this more accurate information and its resulting price series given through event contracts provides the market with a better guide in economic decisions, consistent with CEA section 3(a), resulting in a more efficient market and economy. Furthermore, the Commission believes that to the extent that prediction markets adopt objective settlement feeds and, as relevant, real-time dissemination, markets can absorb data more accurately and form prices that reflect aggregated beliefs, improving transparency in the marketplace and supporting public price discovery across prediction markets and related sectors.

The Commission believes that there are potentially indirect benefits as well. For example, to the extent that the utilization of this factor encourages event contract designers to build around objective data and wider outcome spaces, and to pair event contracts with integrity coordination (e.g., with governing bodies), it will likely contribute to the development of clear informational-utility benchmarks. Those clear benchmarks will, in turn, reduce the likelihood of subsequent re-work and late disapprovals, resulting in more efficiencies in the process of creating and taking an event contract to market. The Commission also believes that this self-reinforced design discipline by the prediction markets is likely to result in responsible innovation, which will potentially improve signal quality, yielding efficiency gains for market participants and commercial users who incorporate event contract prices into resource allocation or risk-management models (e.g., staffing, sponsorship hedging strategies, advertising placement). Lastly, in providing clarity to the prediction market, acting as an SRO, the Commission preliminarily believes that this will result in greater efficiencies in carrying out its role, as there will be less uncertainty in overseeing the market.

(ii) Cost

The Commission preliminarily believes that the direct cost associated with this factor stems from increased documentation in the self-certification process. The Proposal would require prediction markets to provide detailed narratives—such as data sources, adjudication pathways, and anticipated informational use—to demonstrate compliance with the price-discovery and information-aggregation benchmarks. This would likely increase initial compliance obligations for event contract submissions.³¹⁰ Data procurement and integrity arrangements further contribute to operational costs. To maintain objective settlement and ensure verifiable data, registrants may incur vendor fees, governance expenses, or additional integrity coordination overhead, such as suspicious-activity reporting channels and restrictions for certain trader categories. These requirements add to standard surveillance responsibilities and costs to be implemented.

The Commission also believes that there are potential indirect costs. For example, time-to-market considerations are particularly relevant for event contracts approaching the threshold of non-informational designs, such as single-action or pure-chance event constructs. To the extent that redesigning to increase outcome diversity or introducing objective data elements results in delayed product launches, there will be not only administrative costs, but also opportunity costs to the prediction market and to the market in general, as the event contract is not available for trading. Nevertheless, these delays are attenuated by long-term advantages resulting from the Proposal, including more reliable signals and a reduction in subsequent regulatory actions.

Some commenters on the ANPRM asserted that prediction markets built around agricultural events could alter participation patterns and trading behavior on traditional agricultural derivatives exchanges, potentially shifting liquidity and affecting the cost and reliability of hedge execution for producers, merchants, processors, and

allied participants.³¹¹ The commenters also noted that if rules enable agricultural event contracts without early, systematic engagement, the result could be event contract designs misaligned with real hedging needs, leading to basis risks, weaker convergence, or less useful risk-transfer for producers, all of which translate into additional costs across supply chains.

(d) Public Interest Factors Relating to Potential Threats to Market Integrity

The market integrity factor addresses three principal risk domains: (i) susceptibility to manipulation or market disruption; (ii) presence of settlement-integrity deficits (e.g., subjective or non-verifiable adjudication, unclear resolution criteria, or contested data pipelines) that undermine orderly market function; and (iii) risks of information leakage or exploitation of material non-public information by insiders or identifiable persons capable of influencing outcomes. Elevation of any of these risks would weigh in favor of a determination that an event contract is contrary to the public interest.

The first prong of this factor is intended to function as a manipulation susceptibility test. Specifically, the Commission would assess whether settlement outcomes are unduly controllable by a narrow set of actors (e.g., single-decision officiating, first-action triggers for a named participant) or whether event contract terms invite selective influence inconsistent with orderly markets. Designs that diffuse control across aggregate outcomes and rely on data not subject to discretionary intervention weigh against manipulation concerns. This test augments Core Principle 3 expectations and settlement practices referenced in exchange compliance materials.

The second prong of this factor is intended to function as a settlement-integrity test. Specifically, the Commission would evaluate whether the event contracts settle on clear, objective, and publicly verifiable criteria, supported by resilient data feeds, transparent calculation procedures, and defined dispute-resolution protocols. Settlement frameworks that minimize subjectivity and establish auditability of inputs and triggers weigh against a contrary-to-public-interest finding. This approach is designed to be consistent with guidance concerning third-party cash-settlement

³¹⁰ In the past year, approximately 14% of the self-certified event contracts required additional review by Commission staff to ensure consistency with core principles and self-certification requirements. For these contracts, registrants may incur further costs associated with responding to staff inquiries, providing supplemental documentation, or revising submissions. The Commission estimates that such follow-up activities may require an additional 5–15 staff hours per contract, or \$800–\$2,400 per contract, depending on the complexity of the issues raised.

³¹¹ See, e.g., Letter from National Cattlemen's Beef Association (Apr. 30, 2026); Letter from the Commodity Markets Council on behalf of multiple agricultural trade organizations (Apr. 30, 2026).

series and data reliability reflected in exchange compliance materials.

The third prong of this factor is intended to function as a tool to control information leakage. Because misuse of insider information degrades market integrity and public confidence, the Commission would consider whether registrants implement prohibited-trader policies, eligibility screens, and surveillance protocols capable of identifying and deterring misappropriation of confidential information or other illegal trading practices. The Commission believes that trader-identifying information and prompt public dissemination of transaction data facilitate monitoring and enforcement, as discussed in event contract reporting materials.

As this factor is designed to ensure that certain event contracts are not listed because they lack certain design controls and assurances, leading to a lack of market confidence, the Commission preliminarily believes that this proposed factor is likely to deter and prevent manipulation, price distortion, settlement ambiguity, and exploitation of material non-public information in event contract markets, thereby preserving the integrity, fairness, and financial soundness of Commission-regulated trading facilities. In furtherance of the findings and purposes of the CEA, the market integrity factor directs the Commission's analysis to whether a contract's design, data environment, and surveillance posture create heightened risks of market disruption or insider misuse that outweigh any informational or innovative benefits.

(i) Benefits

The Commission believes that one of the direct benefits of implementing this factor is the potential reduction in the susceptibility of event contracts to manipulation and disruption. Specifically, by prioritizing aggregate-outcome designs and objective, non-discretionary settlement criteria (*e.g.*, verified statistics rather than single officiating calls), this factor curtails channels through which identifiable persons could exert selective influence over settlement triggers. The Commission believes that event contract types that diffuse control across many participants and that settle on publicly verifiable data materially reduce the likelihood of price distortion or disruptive tactics, thereby preserving market integrity. The Commission, however, recognizes that there could still be room for residual manipulation through indirect channels limiting the effectiveness of this factor. Even with

aggregate outcomes, actors may attempt indirect influence (*e.g.*, strategic behavior affecting statistics without overt rule violations). The Commission preliminarily believes that while risk controls and surveillance programs mitigate the possibility of manipulation, the factor is not likely to screen for all evolving tactics, which may reduce the overall benefit derived from this factor.

The Commission believes that a second potential benefit is enhanced settlement integrity. Specifically, by requiring clear, objective, and publicly verifiable settlement feeds, paired with documented calculation procedures and dispute resolution protocols, the Commission believes that the proposed factor provides auditability and predictability at resolution. Exchange compliance frameworks that evaluate third-party cash-settlement series and the reliability of input data—including safeguards against unauthorized release—further reinforce settlement integrity. The Commission, however, believes that the benefits may be attenuated due to the potential heterogeneity of the implementation of these practices across prediction markets. Specifically, differences in prediction markets' technology infrastructure, staffing, and compliance maturity may lead to uneven application of integrity controls. Furthermore, the potential benefits resulting from enhanced settlement integrity may be limited due to cross-regime coordination frictions. The Commission recognizes that since the integrity coordination relies on third-party governing bodies, differences in data standards and legal constraints may limit the speed and completeness of information sharing. The Commission, therefore, preliminarily believes that the factor, as a review criterion, cannot substitute for the operational capabilities required to sustain robust surveillance and rapid incident response once trading begins. While the factor may encourage responsible arrangements, it cannot compel uniform practices across non-Commission entities.

The Commission also preliminarily believes that a third potential benefit exists, as there may be an increase in the detection and deterrence of the misuse of insider information. Specifically, by embedding trader-identifying information collection and real-time public dissemination of transaction data into operational practices, the utilization of the proposed factor is likely to improve surveillance which will then support the identification of misappropriation of confidential information and other illegal practices.

Reporting provisions (*e.g.*, dissemination as soon as technologically practicable) could formalize transparency expectations that bolster market monitoring and enforcement. The Commission, however, preliminarily believes that there are limitations to the effectiveness of controls that aim to limit access to, and deter the misuse of, insider information. Specifically, eligibility screens and surveillance are likely to reduce risk but cannot perfectly eliminate trading by people with privileged access (*e.g.*, team staff, medical personnel, broadcast insiders). The Commission believes that the factor's effectiveness in detecting and deterring misuse of non-public information will depend on prediction market enforcement and on the timeliness and accuracy of trader-identifying information and alerts. Despite best practices residual leakage risk may still exist.

The Commission preliminarily believes that the proposed factor is also likely to result in indirect benefits. One of the potential indirect benefits of implementing this factor is discipline and predictability it may bring to event contract design. Clear integrity benchmarks encourage registrants to internalize risk-mitigating attributes (objective feeds, redundancy, prohibited-trader lists, integrity coordination) at the design stage. This reduces ad hoc interventions and late prohibitions, fosters predictable Commission determinations, and supports competitive neutrality across prediction markets. Another potential indirect benefit that the Commission preliminarily believes may be realized is the improvements in the price-signal quality. When settlement standards and insider-risk controls are robust, information content of prices is less likely to be degraded by selective influence or data uncertainty, thereby improving public price discovery and the reliability of market-implied probabilities used in downstream decisions. Finally, the utilization of the proposed factor may likely lead to operational resilience, which is an indirect benefit. Specifically, risk-control practices (*e.g.*, trading halts, order-entry limits, layered surveillance) documented in exchange materials strengthen resilience to emergent disturbances, may help contain the aberrant behavior in an expedient manner. As discussed above, in providing clarity, the Commission preliminarily believes that this will result in greater administrative efficiencies to prediction markets in

carrying out their role as SROs, as there will be less uncertainty in overseeing the process of bringing an event contract through the Special Rule to market.

(ii) Cost

The Commission believes that possible direct costs may result from procurement of settlement-related data and the implementation of governance protocols. Specifically, to meet integrity expectations, registrants may incur costs to secure third-party verified feeds, implement redundant data sources, and formalize calculation/adjudication protocols and dispute processes. The Commission believes that these investments are incremental to ordinary listing preparations and are necessary to demonstrate objective and verifiable settlement and will be spread over many event contracts that involve similar underlying events. Another source of direct costs that the Commission believes prediction markets are likely to incur are costs from the surveillance and compliance practices implemented in response to the Proposal. Specifically, the Commission preliminarily believes that to the extent that prediction markets implement prohibited-trader policies, eligibility screens, and enhanced monitoring, including trader-identifying information workflows, in response to the Proposal, they are likely to incur technology, staffing, and policy costs. Finally, the Commission believes that prediction markets are likely to incur costs relating to the necessary documentation for certifications. Specifically, the Proposal would require prediction markets to submit granular narratives in § 40.2 certifications detailing settlement data provenance, adjudication pathways, redundancy, surveillance programs, and risk controls, which is likely to increase the pre-listing documentation burden.

The Commission preliminarily believes that the implementation of the proposed factor is also likely to result in indirect costs. For example, indirect costs may arise from the additional time it may take to market and re-design event contracts. Specifically, in cases where the event contracts rely on subjective judgement or narrowly controllable outcomes, prediction markets will need to re-design to expand outcomes and eliminate discretion which may result in delays in event contract listings. Similarly, the need to establish feed redundancy, integrity coordination, and dissemination workflows may extend development timelines, resulting in additional indirect costs. Furthermore, even objective settlement feeds may experience latency, outages, or

revisions, and some sports contexts inevitably involve judgment elements (e.g., review processes) that can reintroduce subjectivity. While redundancy mitigates risk, the proposed factor is not likely to fully eliminate feed-level vulnerabilities.

The Commission preliminarily believes that prediction markets may also incur additional indirect costs due to their ongoing operational commitments. Specifically, in response to the Proposal prediction markets may establish continuous insider-risk surveillance which would result in additional and sustained demand for operational capacity. Since these indirect costs are fixed costs, small or new prediction markets are likely to face a larger burden to maintain these capabilities over time. Finally, the Commission believes that prediction markets may face additional indirect costs resulting from coordination. Specifically, prediction markets' efforts in establishing and maintaining information-sharing arrangements with governing bodies (e.g., league integrity units) in an attempt to promote market integrity and confidence is likely to result in legal and administrative burdens (e.g., MOUs, data-sharing protocols), especially in cases where multiple sports or governing authorities are involved.

(e) Public Interest Factors Relating to Compliance and Self-Regulatory Challenges

Under the Proposal, the Commission considers whether a prediction market, in its capacity as a self-regulatory organization, can meaningfully administer the event contracts at issue. This factor focuses on the prediction market's ability to discharge its obligations under CEA sections 5(d) and 5h(f), including market surveillance, position monitoring, customer-identification programs, dispute-resolution processes, and data-integrity controls. Unlike the preceding factors, which evaluate how the characteristics of the event contract itself bear on public-interest concerns, this factor examines whether the prediction market possesses the operational infrastructure necessary to supervise trading, detect and deter misconduct, and ensure accurate, timely, and verifiable settlement. The Commission preliminarily believes that to the extent that the prediction market lacks the surveillance, compliance, or dispute-resolution capabilities necessary to oversee trading in event contracts involving Enumerated Activities, this would weigh in favor of finding the

event contracts contrary to the public interest.

This aspect of the Proposal considers several dimensions of administrability: (i) whether the prediction market maintains surveillance systems capable of detecting abnormal trading patterns, insider-information risks, coordinated activity, and other behavior inconsistent with orderly markets; (ii) whether the prediction market's customer identification and account monitoring systems are sufficient to identify traders, link trading activity to individuals or entities, and distinguish insiders or persons with privileged access to information about the underlying event; (iii) whether the prediction market's dispute-resolution processes, including documentation standards, process timelines, and escalation procedures, are adequate to resolve settlement or trading disputes for event contracts involving Enumerated Activities; (iv) whether the prediction market has access to reliable settlement feeds, its processes for validating the integrity of those data, and the mechanisms it uses to identify incomplete, inconsistent, or contested information.

The Commission preliminarily believes that evolving market dynamics may affect whether a prediction market can effectively perform its self-regulatory responsibilities. For example, advancements in artificial intelligence tools, such as model-driven trading agents capable of generating rapid, correlated trading patterns, may strain conventional surveillance models, increasing the need for predictive analytics and real-time anomaly detection. Furthermore, competitive pressures from offshore or foreign platforms, which may operate without comparable surveillance obligations, may also create incentives for domestic prediction markets to list higher-risk products despite lacking the operational capacity to supervise them effectively. Under this factor, the Commission would evaluate whether these dynamic conditions meaningfully limit the prediction market's ability to fulfill its self-regulatory responsibilities.

(i) Benefits

The Commission preliminarily believes that this factor would enhance market integrity and public confidence by ensuring that prediction markets list only those event contracts that they can effectively supervise. By requiring prediction markets to demonstrate robust surveillance systems, comprehensive customer-identification controls, effective dispute-resolution procedures, and reliable settlement-data pipelines, the factor strengthens

protections against insider misuse, manipulation, information leakage, and operational failures. This, in turn, supports orderly markets and reduces the likelihood of disruptive post-listing events such as settlement disputes or large-scale position close-outs.

The Commission preliminarily believes indirect benefits may also arise as prediction markets invest in upgraded surveillance technologies, expand their customer-identification and account-monitoring systems, and improve their ability to ingest and validate settlement feeds. These improvements may enhance operational resilience, reduce systemic vulnerabilities exposed by AI-driven trading dynamics, and allow prediction markets to respond more effectively to emerging risks. By basing listing decisions in administrability, this factor may deter product offerings driven by regulatory arbitrage or competitive pressures from offshore markets and instead favor those that the prediction market can monitor responsibly. The Commission preliminarily believes that, over time, this is likely to result in a more stable and reliably supervised market structure, improving participant trust and supporting responsible innovation among registered entities.

(ii) Cost

The Commission preliminarily believes that prediction markets may incur direct costs in upgrading their surveillance, compliance, and data-integrity infrastructure to meet the expectations outlined under this factor. These costs may include additional staffing for compliance and surveillance functions, investment in analytical and pattern-recognition technologies, enhancements to customer-identification and verification systems, and procurement of reliable third-party settlement feeds. Prediction markets may also incur costs associated with strengthening dispute-resolution frameworks, documenting control processes, and maintaining operational redundancies necessary to ensure accurate and timely settlement.

The Commission preliminarily believes that there may also be indirect costs. For example, prediction markets that cannot feasibly supervise certain event contracts may forego listing them, reducing potential revenues and limiting the breadth of products available to market participants. In addition, competitive pressure from offshore or pseudonymous markets may exacerbate these indirect costs, especially by listing higher-risk products without comparable self-regulatory obligations. Furthermore,

innovations in the marketplace, including growth in artificial intelligence driven trading, may entail continuous surveillance upgrades, raising ongoing operational expenditures. The Commission notes that smaller or newer prediction markets may face disproportionate burdens in scaling these capabilities, potentially affecting their competitiveness. Nonetheless, the Commission preliminarily believes that these costs are mitigated by the benefits of improved oversight, reduced manipulation and insider-risk exposure, and increased market stability.

(f) Public Interest Factors Specific to Unlawful Activity

The Commission is proposing specific factors to prevent listing of event contracts that reference specific criminal acts or otherwise involve activity unlawful under federal or state law, due to attendant manipulation risk, public-harm incentives, and comity concerns. The Commission also proposes to distinguish such event contracts from those that reference broad measures such as crime-rate indices, where different informational and integrity considerations may apply. In determining whether event contracts fit under the “unlawful event” category, the Commission is proposing to consider the following three factors: (i) whether the event contracts reference specific criminal acts (heightened manipulation and perverse incentive risk to create harm); (ii) whether the event contracts reference activity that is unlawful under federal law (strong presumption against listing); or (iii) whether the event contracts reference activity that is unlawful under state law, with weight calibrated to the breadth and consistency of state prohibitions and public harm considerations.

(i) Benefits

The Commission preliminarily believes that to the extent that the public interest factor discourages the listing of event contracts that could incentivize criminal conduct or exploit crime-adjacent information asymmetries, strengthening protection of market participants and the public, there will be benefits. The Commission preliminarily believes that by preventing incentives of criminal activity through these types of event contracts, the Proposal would lower the possibility of increasing illegal behavior, as the incentive through these contracts may be removed. Additionally, the Commission anticipates that applying clear illegality weighting will lead to more predictable outcomes

disincentivizing the listing of these event contracts, thereby minimizing resource-intensive scope disputes during the listing process. There could be, however, limitations to this benefit due to the heterogeneity in state-laws resulting in residual interpretive uncertainty.

(ii) Cost

The Commission believes that the cost of implementation of this factor may require the exchanges to document legality, public-harm considerations, and integrity controls within a § 40.2 submission, which may increase the costs in a prediction market’s pre-listing process. In addition, the Commission believes that prediction markets may face indirect costs as event contract designs based on broader-measures (*e.g.*, indices) may require legal surveys across jurisdictions and calibrations to avoid implied references to specific criminal acts, marginally extending timelines.

(g) Public Interest Factors Specific to Terrorism, Assassination, and War

The Commission believes that event contracts that involve terrorism, assassination, or war present national-security harms, extraordinary information leakage risks, and perverse incentive effects that overwhelm any potential informational utility. Consequently, these event contracts would be very likely to be contrary to the public interest. In determining whether event contracts fit under this category, the Commission is proposing three factors that emphasize: (i) national-security externalities; (ii) insider-information constraints and misuse risk (including classified or sensitive sources); (iii) settlement uncertainty in contested or incomplete information environments; and (iv) perverse incentive effects that could facilitate or reward violence.

(i) Benefits

With these public interest factors specifically tailored to apply to this category, the Commission believes that the Proposal would prevent these event contracts from being listed because they could, among other things, distract authorities, enable exploitation of sensitive information, or incentivize violence. The Commission also believes that the specialized set of factors is likely to enhance clarity at the time of the listing, reduces interpretive variance, and results in prediction markets avoiding event contracts involving these prohibited activities. To the extent that the factors prevent these event contracts from being listed,

encourage innovation on non-sensitive event categories, and reduce the risk of post-listing disruption, there will be benefits. In addition, as with illegal activity discussed above, the Commission believes that by preventing the incentivization of these activities through these types of event contracts, the Proposal may lower the possibility of these types of activities. Moreover, the Commission preliminarily believes that proposing specific factors for event contracts on terrorism, assassination, or war may result in greater administrative efficiencies, as there will be less uncertainty for SROs overseeing the market with regard to these types of contracts.

(ii) Cost

The Commission believes that by providing clarity regarding event contracts that fall under this category, the Proposal is likely to foreclose potential revenue and possible informational value from event contracts tied to geopolitical violence categories. The Commission preliminarily believes that potential foregone revenue and value from these event contracts are outweighed by public-interest harms. Furthermore, there are likely to be additional costs as event contracts proximate to “war” (e.g., sanction triggers, mobilization thresholds) may require careful scoping and documentation under the factors in the Proposal. There are potentially additional costs as dynamic geopolitical events can blur boundaries—even categorical prohibitions require ongoing interpretive guidance to prevent a chilling impact on lawful macro-risk contracts.

(h) Public Interest Factors Specific to Gaming

The Proposal defines gaming functionally and distinguishes games from contests such as elections and awards. Within gaming, the Commission aims to permit contracts settled on aggregate sports outcomes with objective data and integrity infrastructure, while prohibiting pure-chance games and high-risk sports-adjacent designs (e.g., injury, officiating-only, discrete actions, altercations, pre-collegiate events). The activity specific factors that group event contracts into three categories: (i) event contracts involving pure chance games, with outcomes determined entirely by randomness that lack informational utility and create gambling-adjacent risks; (ii) event contracts involving aggregate sports outcomes, which include final scores, point differentials, win-loss results, advancement,

statistics, and season-long metrics, where settlement relies on objective, verifiable, league-certified data and robust integrity coordination; (iii) event contracts involving player injury, officiating-only decisions, discrete actions, altercations, and pre-collegiate sports. Furthermore, for event contracts in this category, the general factors that apply to all event contracts are also highly relevant as they weigh settlement-integrity, insider-risk, and information-sharing arrangements to preserve information quality and limit manipulation.

The Commission preliminarily believes that event contracts involving pure games of chance are likely to be contrary to the public interest due to the absence of informational utility. In contrast, contracts based on broad sports outcomes, such as final scores, statistics, and season records, are generally considered not to be contrary to the public interest, if settlement relies on objective, verifiable data and robust integrity measures. The Commission preliminarily believes that contracts referencing player injuries, officiating decisions, limited-controlled outcomes, altercations, or pre-collegiate sports are likely contrary to the public interest as these types of event contracts present significant risks of manipulation, offer opportunities for insider access, and may create perverse incentives for harmful behavior. As a result, the Commission would likely find event contracts in these areas to be contrary to the public interest and thereby protect market integrity.

(i) Benefits

The Commission preliminarily believes that the Proposal provides market participants with clarity and predictability by offering a transparent taxonomy that permits aggregate sports outcomes with objective data, while screening out designs prone to manipulation or harm incentives. Furthermore, the Commission believes that the proposed factors focusing on specific circumstances relating to sports contracts provide benefits to the market through enhanced market integrity by prohibiting injury, officiating-only, limited-control outcomes, and altercation contracts, and protecting minors in pre-collegiate contexts. Furthermore, the Commission believes that the Proposal is likely to result in responsible innovation by encouraging prediction markets to embed integrity coordination (e.g., information sharing, suspicious-activity reporting) and objective settlement feeds, improving market signal quality.

In addition, the Commission preliminarily believes that this factor may also improve process efficiency by reducing scope disputes and late-stage interventions—supporting category-level determinations where appropriate. The Commission, however, also preliminarily believes that as the result of residual judgment, the proposed application will have limited effectiveness in some settings (e.g., replay decisions), as the integrity controls and objective feeds may mitigate but cannot eliminate residual subjectivity. Similarly, there could be limitations in the effective implementation of the factors due to the persistence of insider risk where even though eligibility screens and surveillance reduce the risk, these mitigants cannot fully eliminate trading by people with privileged access. Finally, the Commission believes that there could be limitations on applying the factors effectively due to coordination variability across prediction markets and sports leagues because the integrity arrangements could depend on third-party practices and uneven cooperation or data standards may affect effectiveness of their collaboration. In defining gaming functionally, and distinguishing games from contests, the Commission preliminarily believes that it is increasing regulatory certainty over these event contracts, which is likely to result in more administrative efficiencies for SROs and lessen the likelihood of litigation, as the Commission is limiting the probability that problematic event contracts may be listed.

(ii) Cost

The Commission preliminarily believes that this factor is likely to result in costs, as registrants may incur vendor costs for league-certified data, feed redundancy, protocol decisions, and eligibility controls to address insider risk. The registrations may incur additional costs relating to the changes in the certification process as the Proposal requires more granular § 40.2 narratives mapping event contracts to the gaming taxonomy and its sub-factors. In addition, the Commission preliminarily believes that as a result of this factor, some sports-related event contracts may not be listed, which may result in lost revenue to the prediction market and the unavailability of trading to market participants. The Commission also preliminarily believes that there are likely to be indirect costs associated with the redesign of event contracts and the time it takes to market these event contracts as redesign may be required

(e.g., shift from first-action to aggregate metrics). The Commission preliminarily believes that there may also be further indirect costs associated with potential coordination challenges, such as the legal and administrative burdens introduced when establishing information-sharing agreements with governing bodies.

(i) Additional Activities Similar to the Enumerated Activities

The Proposal seeks to clarify its authority under the Special Rule to identify additional activities that are similar to the Enumerated Activities (*i.e.*, unlawful activity, terrorism, assassination, war, and gaming) and to determine whether event contracts involving such similar activities are contrary to the public interest. The Proposal describes the general approach that the Commission would take in a comparative assessment of risk channels and public-interest concerns between the candidate activity and the enumerated categories, using the general factors (*i.e.*, price discovery, information aggregation, market integrity, compliance) as the analytic baseline and considering whether the activity may be identified as “similar” for Special Rule purposes if risk profiles and public-interest harms are materially similar.

(i) Benefits

The Commission preliminarily believes that this approach provides clarity and flexibility. The authority to identify similar activities indicates that the Special Rule is not limited to a closed list, enabling flexible, timely responses to novel event contract designs that pose comparable public-interest risks. Determining “similarity” is, however, inherently context-dependent and may require nuanced judgments about risk comparators and public-interest harms. While the factors in proposed §§ 40.11(a)(5) and 40.11(a)(6) enhance determinacy, some borderline cases will remain fact-intensive. While there likely will be limitations due to definitions around the boundary cases, there likely will also be benefits, to the extent that the proposed approach promotes consistency and market integrity in line with statutory purposes.

Furthermore, the Commission believes that the Proposal approaches harm mitigation proactively, as the proposed mechanism allows the Commission to preemptively address emerging activities whose incentive effects, insider-risk profiles, or settlement uncertainties would otherwise replicate concerns in Enumerated Activities, thereby

protecting market participants and the public. The Commission preliminarily believes that there are likely to be indirect benefits due to potential increases in process efficiency and competitive neutrality across prediction markets, as they internalize the risk-profile comparators, which in turn leads to improved ex-ante event contract design and reduced scope disputes. The Commission, however, recognizes that there may be limitations to this benefit as innovation may outpace codified examples, which may result in the Commission’s updating guidance through orders and interpretations, as event contract architecture evolves. The Commission also believes that there are also potential indirect benefits as the Proposal encourages listing activity away from similar-risk categories with poor settlement integrity or insider-leakage risks, which in turn increases the potential benefit from listed event contracts, leading to possible greater price discovery and information aggregation. Moreover, the Commission preliminarily believes that in proposing specific factors for other similar activities, it may result in greater administrative efficiencies when an SRO reviews event contracts and oversees its market in regard to these similar contracts.

(ii) Cost

As a result of this section of the Proposal, the Commission preliminarily believes that prediction markets may incur incremental costs to analyze whether proposed event contracts could be deemed similar to enumerated activities, including detailed § 40.2 narratives mapping risk channels, settlement data provenance, and integrity controls to address comparability concerns. Furthermore, in cases of similarity concerns, prediction markets may need to redesign settlement features (*e.g.*, objective feeds, redundancy, dispute procedures), tighten eligibility policies, or embed coordination with independent adjudicators or integrity bodies, entailing vendor, legal, and surveillance costs. In addition, products close to similar-activity boundaries may face longer development timelines as prediction markets assess and address comparability to Enumerated Activities, potentially slowing rollout of borderline designs, resulting in costs. Finally, the Commission preliminarily believes that until precedents accumulate, registrants may experience interpretive uncertainty regarding certain hybrid or emerging activities that may be deemed similar, increasing advisory and scoping costs for first movers.

(j) Procedural Amendments and Delegations

Under proposed § 40.11, the Commission may initiate a 90-day review when a self-certified event contract appears to involve an Enumerated Activity and may be contrary to the public interest. The review would proceed within the 90-day statutory window with defined milestones (initiation; written statement of concerns; prediction market response; staff recommendation; Commission order), with extensions only at the prediction market’s request or agreement. The Commission may also conduct reviews of groups of substantially similar submissions to foster consistency and reduce duplicative effort.

At the end of the review, the Commission may either: (i) issue an order finding the event contract (or a group of event contracts) contrary to the public interest, in which case it may not be listed or must be delisted; or (ii) allow the contract to continue trading if no such order is issued, potentially with modifications proposed by the prediction market that resolve the Commission’s concerns. Because the CEA permits self-certified contracts to trade on the business day following self-certification, event contracts are likely to trade during the review period. The Proposal allows the Commission to request suspension of trading of the event contracts under review, but prediction markets are not required to abide by such requests.

(i) Benefits

The Commission preliminarily believes that the 90-day framework with defined steps provides predictable timing and clear expectations for prediction markets, reducing uncertainty costs at listing and improving efficiency in Commission operations. The Proposal may also provide indirect benefits as grouped reviews could reduce duplicative effort and streamline recurring determinations, encouraging design discipline and fewer borderline submissions. Nonetheless, novel or hybrid event contract designs requiring fact intensive approach may remain and as a result benefits will be limited as the effectiveness of the process relies on accumulating precedents and clear orders to reduce residual uncertainty. The Commission preliminarily believes that there are additional potential indirect benefits if prediction markets are able to discern from any Commission orders finding event contracts to be contrary to the public

interest ways to design event contracts that would not be subject to an adverse Commission order. The Commission, however, notes that differences in capabilities among prediction markets could lead to uneven preparedness for the milestones in the proposed process.

(ii) Cost

The Commission preliminarily believes that the Proposal is likely to result in certification and documentation costs if prediction markets choose to engage in the Commission's review process and submit responses to the Commission. Preparing such responses would require pre-listing effort and associated advisory time. Potential operational processes (*e.g.*, tracking Commission milestones, preparing responses) may require additional vendor costs (*e.g.*, to strengthen data feeds), as the registrants develop protocols consistent with the proposed process. The Commission preliminarily believes that event contracts near scope boundaries may require redesign or additional documentation, potentially lengthening development timelines resulting in indirect costs. Furthermore, while fixed costs faced by prediction markets decline as precedents accumulate, they may continue to incur transitional costs to standardize templates to the revised processes resulting in indirect costs.

4. Section 15(a) Factors

The Commission has evaluated the costs and benefits of the Proposal in light of the following five broad areas of market and public concern identified in CEA section 15(a): protection of market participants and the public; efficiency, competitiveness, and financial integrity of the markets; price discovery; sound risk management practices; and other public interest considerations.

(a) Protection of Market Participants and the Public

Section 15(a) requires the Commission to ensure its regulations protect market participants and the public. For event contracts, this includes discouraging harmful incentives or illicit conduct, ensuring clear settlement and market safeguards, deterring misuse of material non-public information and manipulation, and mitigating risks for all participant types including retail traders. The framework in part 40 (including appendix F) aims to effect these protections, when necessary, through the Commission's review of event contracts that may be contrary to the public interest. The accompanying analysis notes that while the process may require prediction

markets to provide more documentation, the factor-based approach reduces uncertainty, encourages responsible innovation, and lowers disruption risks like late-stage delistings—ultimately protecting market participants and the public.

In the Proposal, the Commission aims to ensure event contracts are settled using clear, verifiable data and streamlined dispute-resolution processes to protect market participants. The Proposal's focus on real-time, objective information helps build trust, reduces confusion and disputes, and enhances oversight for all investors. Furthermore, the framework excludes designs with outcomes easily controlled by a few participants, instead favoring those with distributed influence to limit disruptive tactics and support orderly markets. Furthermore, the Proposal would prioritize event contracts that prediction markets could supervise efficiently within existing structures, reducing participant risk and promoting self-regulatory effectiveness. Finally, the proposed framework aims to protect retail users by excluding pure games of chance from CFTC derivatives markets and requiring clear settlement, objective procedures, and dispute resolution for allowed contracts. These measures help ensure retail participants avoid contracts lacking informational value or with random outcomes.

The Proposal recognizes that contracts referencing specific unlawful acts pose acute manipulation and perverse-incentive risks, can undermine public-safety objectives, and may compromise law-enforcement efforts if trading reveals sensitive information. Accordingly, the Proposal weighs heavily against listing such event contracts while recognizing a limited role for broader-measure references (*e.g.*, area crime-rate indices) where informational utility and integrity controls can be demonstrated without incentivizing specific harmful conduct.

The Proposal recognizes that contracts tied to terrorism, assassination, or war present extreme information leakage risks, settlement uncertainty (*e.g.*, the "fog of war"), and incentive effects incompatible with the protective aims of the CEA. Therefore, the framework treats these products as highly likely to be contrary to the public interest, noting that prices could distract or be manipulated to misdirect authorities and that persons with sensitive information should report to authorities rather than trade. Foreclosing listings of this type would best protect market participants and the public.

Finally, the Proposal defines "gaming" by its ordinary meaning. It

also would find event contracts involving games of pure chance likely to be contrary to the public interest, while channeling permissible sports event contracts toward aggregate outcomes (final scores, tournament advancement, season metrics) settled on objective, league-verified data within established integrity frameworks. Within sports, the framework discourages or disallows designs that directly increase participant harm or selective influence—such as player-injury, officiating-only, first-action, altercation, and pre-collegiate contracts—because these structures heighten perverse incentives, subjectivity, and insider risk in ways incompatible with participant protection and the integrity of the game.

The framework advances protection when contract pricing conveys decision-relevant information rather than low-content or misleading signals. Designs that meet this quality filter anchor settlement to objective, verifiable criteria, use transparent adjudication and reliable data, and diffuse control across broad outcome spaces, thereby reducing measurement error and elevating the informational utility of prices.

Protection also derives from a predictable process. The proposed 90-day framework, written statement of concerns, prediction market response (which could include proposed modifications), staff recommendation, and Commission final action promotes fairness, transparency, due process, and certainty. It ensures prediction markets can address concerns on the record, limits rationalization of outcomes *ex post*, and provides clear defaults (*e.g.*, if no order issues, listing may proceed or continue), reducing disruption risks for market participants.

It is the Commission's preliminary view that the proposed factor-based framework protects market participants and the public by excluding event contracts involving activities with inherent harm risks (terrorism, assassination, war; pure-chance games; specified unlawful acts), steering permissible event contracts toward aggregate outcomes settled on objective data with integrity coordination, demanding administrability and surveillance feasibility, and providing procedural safeguards that reduce uncertainty and disruption. The Commission recognizes that despite the residual risks, such as innovation risks, coordination problems with third-parties, and potential migration of demand offshore, the Proposal's clear protective factors, process rights, and category guidance are designed to limit these externalities while supporting

responsible innovation consistent with market integrity and public welfare.

(b) Efficiency, Competitiveness and Financial Integrity

By clarifying what it means for a contract to involve an Enumerated Activity (*i.e.*, its settlement is determined by an occurrence, extent of an occurrence, or contingency in that activity), defining gaming using its ordinary meaning, and aligning the rule text with the statute (including the cross-reference to CEA section 1a(19)(i)), the Proposal is designed to reduce interpretive variance, streamline Commission review, and provide predictable procedures. The factor-based framework and the codified, time-bounded review process anchors determinations in objective settlement linkages and enumerated decision criteria, improving the contract listing and review process and lowering late-stage uncertainty costs while preserving Commission control over consequential determinations. These proposed changes aim to support a marketplace experiencing rapid growth and facing ongoing interpretive challenges.

From an efficiency standpoint, the Commission preliminarily believes that the framework established in the Proposal will likely reduce threshold disputes and shorten review cycles relative to ad hoc sequencing, and, importantly, create space for targeted event contract modifications that resolve integrity concerns without foreclosing listing. In addition, it should allow for a more efficient SRO, when carrying out their responsibilities. At the same time, the Proposal introduces some fixed costs (more granular § 40.2 narratives, objective settlement feeds and redundancy, dispute-resolution protocols) that can increase the time it takes to list contracts, especially for smaller exchanges. Additionally, the Commission preliminarily believes that dependence on third-party data vendors may introduce potential latency or outage risks. There may also be efficiency challenges resulting from heterogeneity in the effectiveness of and uneven implementation of the surveillance programs. Moreover, because trading may still occur during the Commission's review, unless the prediction market voluntarily suspends the trading, adverse determinations may still result in late-stage delistings and position close-outs. The Commission preliminarily believes that the efficiency gains from clarity and predictable timing will dominate these frictions over the medium term but recognizes transitional costs and operational heterogeneity across prediction markets.

The Commission believes the presence and implementation of transparent factors and explicitly defined review milestones should lower discovery costs particularly for event contract designs that pursue compliant innovation and support a process that is applied uniformly across all prediction markets, promoting product competition that focuses on informational utility, enhancing the integrity of the infrastructure, and data quality rather than regulatory arbitrage. Furthermore, the Commission believes that the ability to group reviews reduces duplication of effort, supporting new entrants with predictable compliance expectations.

The Commission, however, recognizes this is a growing marketplace with multiple new and potential entrants competing for traders, liquidity, and market share. Such competition can create incentives to differentiate by offering broader event contract selections, including designs that test the boundary of acceptability under the Proposal. While competition typically promotes efficiency, competition on listing standards can have countervailing effects, including liquidity fragmentation across prediction markets with uneven standards, rising transaction costs, and reduced overall market efficiency. The Commission preliminarily believes that uniform enforcement of the Proposal across platforms would alleviate these concerns, but on the other hand scale economies in integrity tooling could advantage incumbents, narrow precedents may chill borderline experimentation, and unequal access to league-verified data or integrity arrangements could create de facto asymmetries. The Proposal acknowledges migration risks for prohibited or borderline event contract designs to offshore venues, with attendant liquidity fragmentation; however, clarity around aggregate-outcome designs and objective settlement standards is intended to sustain viable compliant alternatives, while competitive pressure from least-compliant venues remains a relevant constraint.

The factors in proposed §§ 40.11(a)(5) and 40.11(a)(6) elevate settlement clarity and market-integrity safeguards by favoring aggregate-outcome designs that diffuse control across broader outcome spaces and settle on objective, publicly verifiable data, and disfavoring constructs that are inherently susceptible to manipulation or insider misuse (*e.g.*, discrete-action triggers for named competitors, officiating-only or injury-diagnosis settlement). Paired with surveillance practices—eligibility

screens, trader identification, and prompt public dissemination—the framework strengthens auditability and enforcement against misappropriation of confidential information and other illegal practices. Coordination with relevant governing bodies and resilient data pipelines further enhance resolution confidence and incident response capacity.

Residual vulnerabilities persist, as event contracts based on aggregate outcomes can face indirect influence or strategic behavior, subjective elements in some adjudication contexts, and lower resolution confidence because of feed latency, outages, or revisions. Requiring Commission action to prohibit event contracts that are contrary to the public interest anchors consequential prohibitions in a developed record and reasoned decision-making, but realization of integrity gains remains contingent on sustained investment by prediction markets and practical cooperation with external data and integrity providers.

(c) Price Discovery

In prediction markets that settle on objective, verifiable events, dispersed signals are translated into market-implied probabilities through continuous trading, and prices become informative when participants can form rational expectations about clearly specified outcomes and control over those outcomes is diffuse rather than concentrated. The Proposal would reinforce this mechanism by focusing any public interest determination on the underlying event that determines settlement, which in turn ensures that price paths credibly aggregate beliefs rather than idiosyncratic discretion.

The Proposal directs event contract listings to focus on comprehensive aggregate sports outcomes rather than designs with limited or conflated content. This approach reduces extraneous noise and enhances the informational value of pricing. Additionally, it explicitly excludes event contracts involving games of pure chance which lack meaningful informational content and do not facilitate public price discovery.

Price discovery should be enhanced when settlement standards are objectively verifiable, data feeds remain robust and transparent, and prediction markets actively prevent the misuse of material non-public information by implementing eligibility screens and surveillance mechanisms. These policy measures mitigate measurement error and reduce adverse selection. Consequently, market-implied probabilities more accurately reflect

realized outcomes resulting in more efficient price discovery process.

The Commission acknowledges that market microstructure and information dissemination practices significantly influence price discovery. Accordingly, the Proposal is designed to facilitate the delivery of timely and objective data streams, alongside well-documented calculation procedures. These measures enhance the auditability and comparability of price series both across various events and over time, thereby strengthening the reliability of these information signals for economic decision-making. In contrast, limited liquidity, wide bid-ask spreads, and delayed or subjective inputs reduce the informativeness of price signals.

The Commission believes that its approach to event contract design focusing on aggregate outcomes and objective data could improve prediction market reliability and limit manipulation. The Proposal would encourage prediction markets to show informational value in their § 40.2 submissions, promoting event contracts that help non-insiders form rational expectations. While listing event contracts may require more documentation and external vendor support, these challenges are outweighed by enhancements in information quality and comparability across event contracts, which could ultimately strengthen the price discovery process.

The Commission preliminarily believes that as precedents are established and prediction markets coordinate actively with governing bodies, the quality and reliability of data pipelines are likely to improve. This collaborative framework is anticipated to reduce price discrepancies, thereby promoting stability between market prices and actual outcomes. The adoption of clearer standards further limits competition based on permissive listing practices, enhancing credibility and acceptance of market-implied probabilities across business models.

The Commission preliminarily believes that effective price discovery relies on robust metrics such as forecast accuracy, timeliness, microstructure health, settlement reliability, and integrity safeguards. By focusing on event-driven settlements, objective aggregate outcomes, and strict process standards, the Proposal would advance the informational quality and trustworthiness of price formation process. Collectively, these enhancements align with the CEA's mandate to promote efficient and reliable price discovery within the marketplace.

(d) Sound Risk Management Practices

The Commission views “sound risk management practices” as the operational controls that prediction markets use to ensure event contract trading, clearing, and settlement are conducted securely and transparently. Prediction markets have grown rapidly with fully collateralized designs that limit immediate clearing risk, but ongoing expansion underscores the need for clear contract settlement, anti-manipulation measures, and insider-risk controls.

Objective and auditable settlement terms reduce risk, prevent disputes, and protect operational systems. As a result of the standards and procedures in the Proposal, the Commission anticipates that prediction markets are likely to use eligibility screens, prohibited-trader lists, and real-time surveillance, and promptly share transaction data, to deter manipulation and maintain orderly markets. The Proposal also would promote cooperation with governing bodies, improving detection of and response to abnormalities in sports-related event contracts.

The Proposal should encourage transparent data pipelines, system redundancy, and well-defined dispute-resolution mechanisms to ensure settlement accuracy. The standardization of integrity tools contributes to greater outcome stability; however, certain residual risks persist, such as offshore migration and challenges with data feeds. To mitigate these risks, the Proposal encourages enhanced coordination among stakeholders.

The Commission believes that ongoing monitoring and comprehensive reporting on surveillance, settlement integrity, market resilience, and governance actions are essential for registrants to fulfill regulatory requirements under CEA section 15(a). The Commission believes that these practices underpin robust risk management, strengthen the security and transparency of event contract trading, clearing, and settlement, and support the Commission's broader objectives of maintaining orderly and trustworthy markets.

(e) Other Public Interest Considerations

The Commission preliminarily considers several additional public interest dimensions implicated by event contract markets. These include the protection of retail participants, the integrity of public processes, informational externalities from technology and data quality, migration to offshore or unregulated venues,

distributional impacts, and design features that may influence real-world outcomes.

The Commission preliminarily believes that as a result of the clarifying nature of the Proposal, it is possible that more event contracts may be listed. With this possible increase in the number of event contracts, a related public interest issue should be considered. Some prediction market trading characteristics (such as outcomes occurring at unpredictable intervals, perception of skill-based decision making, near miss experiences, and potential for loss chasing behavior) are generally associated with addictive potential. Furthermore, low minimum position sizes, continuous market availability, and notification systems that facilitate frequent engagement could further contribute to this potential. These factors can lead to financial harm as users accumulate losses through high frequency trading, allocate disproportionate resources to trading activity, and have trouble disengaging voluntarily. Protective measures, such as position limits, cooling off periods, notification restrictions, or self-exclusion mechanisms might preserve legitimate market functions while mitigating harm to retail traders.

In addition, event contracts can concentrate losses among retail segments with lower financial literacy or higher susceptibility to salience and longshot bias. The systematic overpricing of very low-probability outcomes and underpricing of near-certain ones can draw traders into positions with negative expected values. Because such miscalibration can impair price discovery and produce distributional harms, prediction markets could monitor calibration and cohort outcomes and document when remediation, such as product redesign or targeted education, reduces these adverse consequences.

The Commission also believes that the public interest is served when event contracts do not create incentives to profit from devastating events or undermine confidence in sensitive processes. The Proposal's activity-specific factors reflect that contracts involving terrorism, assassination, or war are very likely to be contrary to the public interest. Insider-risk controls, transparent data pipelines, and eligibility screens for participants with access to confidential information can mitigate the risk of misuse that could erode trust in public institutions.

However, excessive prohibitions of event contracts could shift demand to unregulated or offshore platforms,

fragment liquidity, and reduce access to consumer protections. To mitigate these externalities, the Commission preliminarily favors maintaining viable, compliant event contracts with high informational utility and settlement integrity, pursuing cross-market visibility and enforcement where appropriate, and communicating determinations and precedents clearly so that listing decisions are predictable. The Commission preliminarily believes that monitoring of migration signals, such as traffic to offshore venues for prohibited or borderline designs, could be advisable when appropriate.

The Commission preliminarily believes the public interest could be better served when prediction markets evidence data provenance, publish clear calculation procedures, maintain feed redundancy, and document controls for automated quoting and news ingestion that limit spurious price moves. Surveillance could incorporate model-audit trails and anomaly detection tuned to event-contract microstructure. Where AI-generated content may influence outcomes (e.g., synthetic polling or deep-fakes), prediction markets could consider mitigants, such as verified data sources and latency buffers for contested inputs, so settlement remains anchored to objective, verifiable facts.

Because of these public-interest considerations, the Commission invites comment on which metrics and processes could be implemented to monitor these concerns. For example, would any of the following steps allow for better monitoring of the potential costs and benefits arising from the Proposal: (i) retail-outcomes dashboards (education completion, complaint rates, cohort loss distributions); (ii) integrity and influence indicators (insider-risk detections, event-adjacent incident referrals, influence-risk assessments for narrow outcomes); (iii) migration monitoring (cross-venue traffic or listings on offshore platforms for prohibited/borderline products); and (iv) technology quality measures (feed uptime, revision history, model auditability, anomaly alerts). Could these indicators provide an auditable basis for demonstrating that “other public interest” concerns are being identified early and mitigated effectively?

The Commission preliminarily believes the Proposal would likely support the broader public interest by (1) preserving confidence in sensitive public processes, (2) countering manipulation and insider misuse through objective settlement and surveillance, and (3) guiding innovation

toward designs with demonstrable informational and societal value. The Commission preliminarily believes that these measures, together with the implementation practices described above, are likely to reduce externalities and enhance the welfare of market participants and the public.

D. Antitrust Considerations

Section 15(b) of the CEA requires the Commission to “take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving” the purposes of the CEA, in issuing any order or adopting any Commission rule or regulation (including any exemption under section 4(c) or 4c(b)), or in requiring or approving any bylaw, rule, or regulation of a contract market established pursuant to section 17 of the CEA.³¹²

The Commission believes that the public interest to be protected by the antitrust laws is generally to protect competition. The Commission requests comment on whether the Proposal implicates any other specific public interest to be protected by the antitrust laws.

The Commission has considered the Proposal to determine whether it is anticompetitive and has preliminarily identified no anticompetitive effects. The Commission requests comment on whether the Proposal is anticompetitive and, if it is, what the anticompetitive effects are.

Because the Commission has preliminarily determined that the Proposal is not anticompetitive and has no anticompetitive effects, the Commission has not identified any less anticompetitive means of achieving the purposes of the CEA. The Commission requests comment on whether there are less anticompetitive means of achieving the relevant purposes of the CEA that would otherwise be served by adopting the Proposal.

E. Executive Orders 12866, 13563, and 14192

Executive Orders (E.O.) 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 and distributive impacts). Section 3(f) of E.O. 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.

The Office of Management and Budget has determined that this action is an economically significant regulatory action as defined in section 3(f)(1) of E.O. 12866, and therefore it was subject to E.O. 12866 review.

This Proposal, if finalized as proposed, is not expected to be an Executive Order 14192 regulatory action, because it imposes no more than de minimis net costs.

F. Indian Tribal Consultation

Executive Order 13175 requires subject agencies to adhere, to the extent permitted by law, to certain criteria when formulating actions that have tribal implications.³¹³ The CFTC is not subject to E.O. 13175, but non-subject agencies such as the CFTC are “encouraged to comply with [its] provisions[.]”³¹⁴ Under E.O. 13175, a subject agency identifies whether an action has tribal implications by assessing whether the action has a substantial direct effect on one or more Indian tribes, the federal tribal relationship, or the distribution of power between tribes and the federal government.³¹⁵

The Commission understands that the Indian Gaming Regulatory Act (IGRA) establishes a comprehensive federal framework for the regulation of gaming on Indian lands, that the National Indian Gaming Commission administers that framework, and that Tribal-State compacts under section 11(d) of the IGRA govern the conduct of Class III gaming.³¹⁶ The Commission recognizes the importance of gaming revenue to tribal governments and the federal interest, reflected in the declaration of

³¹³ E.O. 13175 sec. 3, 65 FR 67249 (Nov. 9, 2000). Commenters on the ANPRM suggested that the Commission should consider E.O. 13175 in any rulemaking about prediction markets. *See, e.g.*, Letter from the Tohono O’odham Nation 15 (Apr. 30, 2026).

³¹⁴ E.O. 13175 at secs. 1(c), 8.

³¹⁵ *Id.* at secs. 1(a), 3.

³¹⁶ The IGRA is codified at 25 U.S.C. 2701 *et seq.* Section 11(d) of the IGRA is codified at 25 U.S.C. 2710(d).

³¹² 7 U.S.C. 19(b).

policy in section 2 of the IGRA, in tribal gaming as a means of promoting tribal economic development and self-sufficiency.³¹⁷ However, the Proposal involves event contracts traded as swaps or futures contracts, which are subject to the Commission's exclusive jurisdiction.

The Commission agrees that “[t]he United States has a unique legal relationship with Indian tribal governments as set forth in the Constitution of the United States, treaties, statutes, Executive Orders, and court decisions.”³¹⁸ For this reason, Commission staff has met with Indian tribal governments concerning prediction markets and the Commission invites Indian tribal governments and other concerned parties to provide comments on all aspects of the Proposal that may relate to the relationship between the federal and Indian tribal governments or that may affect tribal governmental, economic, or regulatory interests.

List of Subjects in 17 CFR Part 40

Commodity futures, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, the Commodity Futures Trading Commission hereby proposes to amend 17 CFR part 40 as follows:

PART 40—PROVISIONS COMMON TO REGISTERED ENTITIES

■ 1. The authority citation for part 40 continues to read as follows:

Authority: 7 U.S.C. 1a, 2, 5, 6, 7, 8 and 12, as amended by Titles VII and VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–203, 124 Stat. 1376 (2010).

■ 2. Amend § 40.7 by adding paragraph (a)(6) to read as follows:

§ 40.7 Delegations.

(a) * * *

(6) The Commission hereby delegates to the Director of the Division of Market Oversight, to be exercised by the Director or by such employees of the Commission as the Director may designate, the authority to perform ministerial and record-development functions under § 40.11, including service of notices, written determinations, and statements and the development of staff recommendations. The Commission does not delegate the functions reserved to the Commission under § 40.11(f).

■ 3. Revise § 40.11 to read as follows:

§ 40.11 Event contracts based upon certain excluded commodities.

(a) *Event contracts subject to a public interest determination*—(1)

Determination. The Commission may determine, in accordance with the procedures set forth in this section, that agreements, contracts, transactions, or swaps described in paragraph (a)(2) of this section are contrary to the public interest. Agreements, contracts, transactions, or swaps subject to such a determination shall not be listed for trading or accepted for clearing on or through a registered entity.

(2) *Enumerated activities.* This section shall apply to agreements, contracts, transactions, or swaps in excluded commodities based upon the occurrence, extent of an occurrence, or contingency (other than a change in the price, rate, value, or levels of a commodity described in section 1a(19)(i) of the Act) that involve:

- (i) Activity that is unlawful under any Federal or State law;
- (ii) Terrorism;
- (iii) Assassination;
- (iv) War;
- (v) Gaming; or
- (vi) Other activity that the

Commission determines, by rule or regulation, to be similar to one or more activities enumerated in paragraphs (a)(2)(i) through (v) of this section.

(3) *Involve.* For purposes of paragraph (a)(2) of this section, agreements, contracts, transactions, or swaps involve an activity if their settlement is determined by an occurrence, extent of an occurrence, or contingency in the activity.

(4) *Factors for involvement of enumerated activity.* In determining whether agreements, contracts, transactions, or swaps involve an activity enumerated in paragraph (a)(2) of this section, the Commission shall consider the following factors:

(i) *Involvement of activity that is unlawful under any Federal or State law.* In determining whether agreements, contracts, transactions, or swaps involve activity that is unlawful under any Federal or State law, the Commission shall consider the relevant laws and whether the occurrence, extent of an occurrence, or contingency on which an event contract is based occurs in an activity that is unlawful under any Federal or State law. The discussion in paragraph (b) of appendix F to this part describes how the Commission shall consider these factors.

(ii) *Involvement of terrorism, assassination, or war.* In determining whether agreements, contracts, transactions, or swaps involve terrorism, the Commission shall consider the

extent to which they involve violent or destructive activities occurring outside the United States with an element of coercion or intimidation and some relationship to political or social groups or ideologies. In determining whether agreements, contracts, transactions, or swaps involve assassination, the Commission shall consider the extent to which they involve any intentional killing of an individual outside the United States. In determining whether agreements, contracts, transactions, or swaps involve war, the Commission shall consider the extent to which they involve belligerent military activities and violent activities by organized groups. The discussion in paragraph (c) of appendix F to this part describes how the Commission shall consider these factors.

(iii) *Involvement of gaming.* In determining whether agreements, contracts, transactions, or swaps involve gaming, the Commission shall consider the definition of “gaming” in paragraph (b)(1) of this section. The discussion in paragraph (d) of appendix F to this part describes how the Commission shall interpret this definition.

(5) *Public interest factors applicable to all agreements, contracts, transactions, or swaps subject to this section.* In determining whether agreements, contracts, transactions, or swaps described in paragraph (a)(2) of this section are contrary to the public interest, the Commission shall consider all of the factors in this paragraph (a)(5) as well as the factors in paragraph (a)(6) of this section applicable to the activity that such agreements, contracts, transactions, or swaps involve.

(i) The Commission shall consider whether such agreements, contracts, transactions, or swaps serve the public interest by providing meaningful hedging or price-basing utility consistent with section 3 of the Act, yielding economically useful or otherwise meaningful information, or promoting responsible innovation and fair competition.

(ii) The Commission shall consider whether the agreements, contracts, transactions, or swaps present a particular risk of manipulation or market disruption, exhibit settlement integrity deficits arising from their particular characteristics, or create particular risks of information leakage or exploitation of material non-public information by insiders.

(iii) The Commission shall consider whether trading or clearing of the agreements, contracts, transactions, or swaps would challenge the registered entity's self-regulatory tools or compliance infrastructure.

³¹⁷ 25 U.S.C. 2701.

³¹⁸ E.O. 13175 at sec. 2(a).

(iv) The discussion in paragraph (f) of appendix F to this part describes how the Commission shall consider the factors in this paragraph (a)(5).

(6) *Public interest factors relevant to specific activities.* In determining whether agreements, contracts, transactions, or swaps described in paragraph (a)(2) of this section are contrary to the public interest, the Commission shall consider the factors in this paragraph (a)(6) relevant to the activity that such agreements, contracts, transactions, or swaps involve, as well as the factors in paragraph (a)(5) of this section.

(i) *Activity that is unlawful under any Federal or State law.* (A) Regarding such agreements, contracts, transactions, or swaps that involve activity that is unlawful under any Federal law, the Commission shall consider the extent to which they involve activity that Congress has determined to be illegal under federal law.

(B) Regarding such agreements, contracts, transactions, or swaps that involve activity that is unlawful under any State law, the Commission shall consider the extent to which they involve activity that is unlawful under State law, taking into account variations in State laws, relevant judicial precedents, and whether the underlying activity is generally considered as causing or posing public harm.

(C) The extent to which any such agreements, contracts, transactions, or swaps (involving activity that is unlawful under any Federal or State law) involve aggregate crime rates in a geographic area over extended periods shall weigh against a finding that such agreements, contracts, transactions, or swaps are contrary to the public interest.

(D) The discussion in paragraph (g)(1) of appendix F to this part describes how the Commission shall consider the factors in this paragraph (a)(6)(i).

(ii) *Terrorism, assassination, or war.* Regarding such agreements, contracts, transactions, or swaps that involve terrorism, assassination, or war, the Commission shall consider the factors in this paragraph (a)(6)(ii). The extent to which each such factor is relevant would weigh in favor of finding that such agreements, contracts, transactions, or swaps are contrary to the public interest.

(A) *National security.* Whether such agreements, contracts, transactions, or swaps present a material risk to national security, including by providing a vehicle for individuals planning a terrorist attack, assassination, or act of war to create misleading market signals

or otherwise divert law enforcement or military resources.

(B) *Inside information.* Whether persons with insight into the probability of the underlying event are likely to be insiders subject to a duty of confidentiality with respect to that information, and such duty cannot be adequately addressed through surveillance and trading prohibitions of the registered entity.

(C) *Facilitation.* Whether such agreements, contracts, transactions, or swaps create a financial incentive for any person to commit, facilitate, or encourage the underlying terrorist act, assassination, or act of war.

(D) *Lack of meaningful information.* Whether trading in such agreements, contracts, transactions, or swaps is unlikely to yield meaningful information, taking into account that persons with material insight into the underlying event are typically subject to a duty to report that information to authorities rather than to trade upon it.

(E) *Reference to appendix.* The discussion in paragraph (g)(2) of appendix F to this part describes how the Commission shall consider the factors in this paragraph (a)(6)(ii).

(iii) *Gaming.* Regarding such agreements, contracts, transactions, or swaps that involve gaming, the Commission shall consider the factors in this paragraph (a)(6)(iii).

(A) *Positive public interest factors.* The extent to which a factor in this paragraph (a)(6)(iii)(A) is relevant would weigh against a finding that such agreements, contracts, transactions, or swaps are contrary to the public interest.

(1) *Aggregate outcome.* Whether settlement of such agreements, contracts, transactions, or swaps is based on the aggregate outcome of one or more professional or collegiate games, including final scores, point differentials, win-loss results, tournament advancement, individual or team statistical performance, or season-long performance metrics.

(2) *Individual statistical performance.* Whether settlement of such agreements, contracts, transactions, or swaps is based on aggregate statistical performance of an individual over the course of a game.

(3) *Objectively determinable settlement data.* Whether settlement of such agreements, contracts, transactions, or swaps is based on reference to publicly reported, league-verified, or otherwise objectively determinable settlement data, as opposed to data dependent upon inherently subjective determinations.

(4) *Integrity framework.* Whether the underlying game is subject to an established integrity framework, including a recognized governing body, an integrity unit or comparable monitoring function, published rules of competition, and disciplinary procedures applicable to participants, officials, and other personnel.

(5) *Information sharing.* Whether the registered entity has established formal information-sharing or coordination arrangements with the league, governing body, or integrity monitoring organization relevant to the underlying game, including, with respect to collegiate games, the National Collegiate Athletic Association.

(6) *Surveillance.* Whether the registered entity maintains appropriate surveillance and trading prohibitions, and coordination with relevant governing bodies, with respect to such agreements, contracts, transactions, or swaps.

(B) *Negative public interest factors.* The extent to which a factor in this paragraph (a)(6)(iii)(B) is relevant would weigh in favor of a finding that such agreements, contracts, transactions, or swaps are contrary to the public interest.

(1) *Random chance.* Whether such agreements, contracts, transactions, or swaps involve a game that depends entirely on random chance.

(2) *Player injury.* Whether such agreements, contracts, transactions, or swaps settle solely by reference to the duration, severity, occurrence, or medical diagnosis of one or more injuries sustained by one or more participants in the game.

(3) *Officiating outcome.* Whether such agreements, contracts, transactions, or swaps settle solely by reference to one or more judgment calls, discretionary decisions, or rulings of referees, umpires, or other game officials, including without limitation penalties assessed, fouls called or not called, reviews initiated, video replay decisions, player ejections, or disciplinary rulings made during live games.

(4) *Discrete actions.* Whether such agreements, contracts, transactions, or swaps settle solely by reference to a discrete action, event, or occurrence in a game.

(5) *Physical altercations.* Whether such agreements, contracts, transactions, or swaps settle solely by reference to one or more physical altercations, fights, or conduct between players or participants in the game that are subject to penalty ejection or disciplinary action.

(6) *Pre-collegiate games.* Whether such agreements, contracts, transactions, or swaps settle solely by reference to one or more games or outcomes in which participants are below the collegiate level.

(C) *Reference to appendix.* The discussion in paragraph (g)(3) of appendix F to this part describes how the Commission shall consider the factors in this paragraph (a)(6)(iii).

(b) *Gaming.* (1) For purposes of this section, “gaming” means any activity that:

(i) One or more participants typically engage in for purposes of recreation or to entertain others;

(ii) Is governed by rules; and

(iii) Includes measurable occurrences or outcomes that depend on the participants’ luck, skill, or athletic ability during the activity.

(2) [Reserved]

(c) *Initiation of review.* (1) The Commission may commence a review under this section only by a written determination of the Commission that there is a basis to believe that an agreement, contract, transaction, or swap submitted by a registered entity under § 40.2 or § 40.3 both involves an activity enumerated in paragraph (a)(2) of this section, considering the factors in paragraph (a)(4) of this section, and may be contrary to the public interest under the factors set forth in paragraphs (a)(5) and (a)(6) of this section. Such review must commence no later than 10 days after the date of the listing of an agreement, contract, transaction, or swap under review.

(2) The Commission’s written determination initiating review shall identify:

(i) The specific submission or submissions under § 40.2 or § 40.3 that are under review;

(ii) The enumerated activity under paragraph (a)(2) of this section that is implicated;

(iii) The specific terms of the agreements, contracts, transactions, or swaps at issue; and

(iv) The factors in paragraphs (a)(4), (a)(5), and (a)(6) of this section that the Commission has determined warrant review.

(3) The Commission shall provide the written determination to the registered entity making a submission referred to in paragraph (c)(1) of this section and post it on the Commission’s website. The 90-day review period commences on the date the written determination is provided to the registered entity.

(4) The Commission may consolidate review of multiple submissions under § 40.2 or § 40.3 that involve the same underlying event or a substantially

similar set of underlying events. In such case, the written determination referred to in paragraph (c)(2) of this section shall identify a description of the consolidated group. The consolidated group of submissions may include submissions by more than one registered entity, in which case the written determination referred to in paragraph (c)(2) of this section shall be provided to each such registered entity and references in this section to the registered entity shall include all such registered entities.

(5) The Commission may request that the registered entity suspend the listing or trading of the agreements, contracts, transactions, or swaps subject to a 90-day review during the pendency of the review period.

(d) *Pre-decisional process*—(1) *Statement of concerns.* Not later than 15 days after the date the registered entity is provided the written determination under paragraph (c)(3) of this section, the Director of the Division of Market Oversight shall provide the registered entity a written statement identifying the factual basis, legal theory, specific contract terms, and factors in paragraphs (a)(4), (a)(5), and (a)(6) of this section supporting the Commission’s review.

(2) *Registered entity response.* Not later than 30 days after the date the registered entity is provided the written determination under paragraph (c)(3) of this section, the registered entity may submit a written response, including supporting data, expert submissions, economic analysis, and any proposed modifications to the agreements, contracts, transactions, or swaps.

(3) *Recommendation.* Not later than 60 days after the date the registered entity is provided the written determination under paragraph (c)(3) of this section, the Director of the Division of Market Oversight, with the concurrence of the General Counsel, may submit to the Commission a written recommendation regarding the Commission’s determination. The recommendation shall address the registered entity’s response and any proposed modifications and shall be provided simultaneously to the registered entity.

(4) *Response to recommendation.* Not later than 70 days after the date the registered entity is provided the written determination under paragraph (c)(3) of this section, the registered entity may submit to the Commission a written response to the recommendation under paragraph (d)(3) of this section. The response shall be limited in scope to the recommendation.

(5) *Extensions.* The 90-day review period may be extended only with the agreement of, or upon the request of, the registered entity.

(e) *Determination.* (1) Not later than 90 days after the date the registered entity is provided the written determination under paragraph (c)(3) of this section, or at the conclusion of any extension under paragraph (d)(5) of this section:

(i) The Commission may issue an order finding that the agreement, contract, transaction, or swap, or consolidated group of agreements, contracts, transactions, or swaps, under review is contrary to the public interest and such review shall be deemed concluded; or

(ii) If the Commission does not issue an order under paragraph (e)(1)(i) of this section, or if 100 days have passed since the date of the listing of the agreements, contracts, transactions, or swaps under review (and any extension under paragraph (d)(5) of this section has concluded), the agreements, contracts, transactions, or swaps, or consolidated group of agreements, contracts, transactions, or swaps, that are subject to such review may be, or continue to be, listed for trading and accepted for clearing on or through a registered entity and such review shall be deemed concluded.

(2) An order under paragraph (e)(1)(i) of this section shall include written findings:

(i) Addressing each factor in paragraphs (a)(4), (a)(5), and (a)(6) of this section on which the Commission relied;

(ii) Weighing the factors favoring listing against those disfavoring listing; and

(iii) Explaining the consistency of the order with prior Commission determinations involving comparable agreements, contracts, transactions, or swaps, or providing a reasoned explanation for any departure.

(f) *Limits on delegation.*

Notwithstanding any other provision of this part, the Commission shall not delegate any of the following:

(1) The determination to initiate a review under paragraph (c)(1) of this section;

(2) The submission of a recommendation to the Commission under paragraph (d)(3) of this section, except to the extent provided in that paragraph; or

(3) The issuance of a determination under paragraph (e) of this section.

■ 4. Add appendix F to part 40 to read as follows:

Appendix F to Part 40—Factors To Determine Whether Event Contracts Involve Enumerated Activities and, if so, Are Contrary to the Public Interest

(a) *Definitions.* In this appendix the following terms have the meanings set forth in this paragraph (a).

“Enumerated Activity” means an activity enumerated in clauses (I) to (VI) of section 5c(c)(5)(C)(i) of the Act.

“Event contract” means an agreement, contract, transaction, or swap that is subject to the Special Rule.

“Prediction market” means a designated contract market or swap execution facility that offers for trading event contracts in the form of swaps or contracts of sale of a commodity for future delivery.

“Special Rule” means section 5c(c)(5)(C) of the Act.

(b) *Factors to Determine Whether Event Contracts Involve Activity That is Unlawful Under Any Federal or State Law.* In determining whether agreements, contracts, transactions, or swaps involve activity that is unlawful under any Federal or State law, the Commission shall consider the factors in § 40.11(a)(4)(i) as set forth in this paragraph (b).

(1) *Survey of relevant law.* Where there is a question regarding whether an event contract submitted to the Commission involves activity that is unlawful under any Federal or State law, the Commission would survey the relevant law.

(2) *State laws—(i) Discrepancies.* Where an activity is illegal under the laws of some States, but not others, the Commission would consider whether the discrepancy relates to any of the factors that would apply in determining if the event contract is contrary to the public interest. For example, if an activity is illegal under the laws of some States, and the relevant factors suggest that event contracts involving that activity would be found to be contrary to the public interest, then the Commission would be more likely to find that the event contract involves unlawful activity and is within the scope of the Special Rule.

(ii) *Archaic laws.* The Commission acknowledges that many state codes include laws prohibiting certain activity that, while not repealed, are generally considered archaic and are not enforced. The Commission believes that it is unlikely that a prediction market would seek to list for trading or accept for clearing an event contract involving such a law. To the extent that a prediction market does make a submission to the Commission regarding a contract that may involve such a law, the Commission believes that it may be appropriate to commence a review of the contract pursuant to § 40.11(c) to evaluate whether, in light of the relevant facts and circumstances, it is appropriate to recognize the contract as involving “activity that is unlawful under any . . . State law” for purposes of § 40.11(a)(1).

(3) *Staff review.* The Commission notes further that a prediction market may receive a definitive resolution of any questions concerning the applicability of § 40.11(a)(1) by submitting a contract for Commission

approval under § 40.3. CFTC staff also may, at its discretion and upon a request from a prediction market, review a draft contract submission or proposal and provide guidance concerning the contract’s compliance with the Act and CFTC regulations, including § 40.11(a)(1). The Commission notes, however, that staff’s guidance concerning drafts and proposals is preliminary and non-binding. CFTC staff formally reviews contracts only at such time as a compliant submission is provided to the Commission pursuant to § 40.2 or § 40.3.

(4) *Examples.* (i) An event contract that settles on whether an individual will murder someone involves an activity that is unlawful under State law, because the settlement-determining occurrence—the murder—is itself within unlawful activity.

(ii) By contrast, an event contract that settles on whether an individual is convicted of securities fraud by a specified date does not involve activity that is unlawful under State or Federal law within the meaning of the Special Rule. The settlement-determining occurrence is the entry of a judgment of conviction by the court, which is a lawful judicial act. Although the underlying conduct alleged in the indictment would, if proven, constitute unlawful activity, the event contract’s settlement is determined by the court’s judgment rather than by the underlying conduct itself. The same analysis applies to an event contract settling on whether a defendant in a specified Federal securities-fraud prosecution is sentenced to a term of imprisonment exceeding a specified threshold, or whether a specified judgment of conviction is affirmed on appeal by a specified court.

(c) *Factors to Determine Whether Event Contracts Involve Terrorism, Assassination, or War.* In determining whether agreements, contracts, transactions, or swaps involve terrorism, assassination, or war, the Commission will consider the factors in § 40.11(a)(4)(ii) as set forth in this paragraph (c).

(1) *In general.* Generally, the Commission intends to interpret the terms “terrorism,” “assassination,” and “war” broadly and without making distinctions based on criteria under international law, such as whether a war has been formally declared. The Commission also notes that terrorism and assassination would be unlawful under Federal or State law, and the Commission generally interprets these Enumerated Activities to encompass events occurring outside the United States, including against non-U.S. persons. For clarity, the Commission notes that event contracts involving more than one Enumerated Activity would be subject to the Special Rule.

(2) *Terrorism.* (i) Terrorism includes all violent or destructive activities occurring outside the United States with an element of coercion or intimidation and some relationship to political or social groups or ideologies. To find that an activity constitutes terrorism would not require identification of a specific aim or demand, or identification of a specific responsible group. Terrorism encompasses cyberterrorism and other forms of attack that cause substantial destruction or disruption through non-

physical means, where the attack is conducted with an element of coercion or intimidation and bears a relationship to political or social group or ideologies. Since unlawful activity inside the United States is an Enumerated Activity, it is irrelevant whether a particular unlawful activity in the United States constitutes domestic terrorism.

(ii) *Examples.* (A) An event contract that settles on whether a certain organization outside the U.S. conducts an armed attack causing more than ten civilian deaths in a certain location during a certain month involves terrorism within the meaning of the Special Rule. The settlement-determining occurrence is the attack itself, which is within the terrorism activity.

(B) An event contract that settles on whether a coordinated cyberattack attributed by the United States Cybersecurity and Infrastructure Security Agency to a state-sponsored or politically motivated actor causes the operational shutdown of electricity transmission in a certain location for more than twenty-four hours in a certain time period involves terrorism.

(C) By contrast, an event contract that settles on whether the Transportation Security Administration implements enhanced screening procedures at certain airports does not involve terrorism, because the settlement-determining occurrence is a governmental administrative action, which is a lawful exercise of agency authority, rather than any act of terrorism.

(3) *Assassination.* (i) An act constitutes assassination when the target is a prominent individual and the attack is connected to a political or social motive. The Commission believes that any person who is the subject of an event contract is prominent, and that the relationship to a political or social motive should be interpreted broadly. Therefore, any intentional killing of an individual outside the United States would be an assassination.

(ii) *Examples.* (A) An event contract that settles on whether a foreign leader dies as a result of an attack by an organized political or military faction by a certain date involves assassination. The settlement-determining occurrence is itself within the assassination activity.

(B) By contrast, an event contract that settles on whether the leader will lose an election does not involve assassination, war, or any other Enumerated Activity.

(4) *War.* (i) The Commission intends that the factors to define war would encompass all belligerent military activities and violent activities by organized groups. By referring to belligerent military activity, the Commission does not intend to include any non-belligerent military activities, such as routine deployments, training or disaster relief assistance. That is, this Enumerated Activity is not limited to declared wars and would include the belligerent activities of both government and civil militias. It would also include civil wars and civil unrest by organized groups.

(ii) Because the Special Rule is applied to particular event contracts, the Commission believes that it is not appropriate to apply a temporal or quantitative threshold to determine if belligerent military or violent activities constitute “war.” For example, if

event contracts were certified about a single belligerent military activity, it would not be appropriate to examine whether that activity was isolated or rather a part of a campaign over a certain time. Instead, the proposed factors explain that event contracts about a single belligerent military or organized violent activity would involve war.

(iii) *Examples.* (A) A contract that settles on whether a foreign government conducts a missile or drone strike against a target within a certain city during a certain fiscal quarter involves war within the meaning of the Special Rule, because the settlement-determining occurrence is itself a military activity within the war activity.

(B) A contract that settles on whether a foreign government conducts a naval or amphibious military action against another government likewise involves war, regardless of whether such action is characterized as a declared war or a more limited military operation, because the event contract's settlement turns on the occurrence of a belligerent military activity by an organized armed force.

(C) By contrast, an event contract that settles on whether the front-month Brent crude oil futures contract closes above \$120 per barrel on any trading day during a certain fiscal quarter does not involve war within the meaning of the Special Rule, even though oil prices are sensitive to military and geopolitical conditions. The settlement-determining occurrence is the published settlement price of an exchange-traded futures contract, which is a measurement produced by a registered futures exchange.

(5) *Multiple causal pathways.* (i) The foregoing analysis addresses event contracts whose settlement-determining occurrence falls within an Enumerated Activity on the face of the event contract's terms. A separate question arises when an event contract's settlement-determining occurrence is facially neutral—that is, when the occurrence on which settlement turns can be reached through multiple causal pathways, at least one of which falls within terrorism, war, or assassination. In such cases, the Commission would understand the event contract to involve the Enumerated Activity unless the event contract's terms specify the qualifying settlement pathways with sufficient detail to exclude the Enumerated-Activity pathway. An event contract drafted at a level of generality that permits settlement on the basis of an act of terrorism, war, or assassination is treated as involving that activity. This approach reflects the Commission's view that the Special Rule's protective purpose would be undermined if registered entities could avoid its application by drafting settlement conditions broadly enough to encompass Enumerated-Activity pathways alongside non-enumerated ones.

(ii) *Examples.* (A) An event contract that settles on whether a foreign leader is out of office by a certain date, without further specification of the qualifying mechanisms, involves assassination within the meaning of the Special Rule because assassination is among the pathways by which the settlement condition can be satisfied.

(B) The same event contract, redrafted to settle only on whether the named individual

ceases to hold office “by reason of electoral defeat, resignation, constitutional removal, negotiated departure, or natural death,” would not involve assassination, because the event contract's terms specify the qualifying pathways and exclude the Enumerated-Activity pathway.

(C) Similarly, an event contract that settles on whether a specified facility of a certain foreign nation remain functional as of a certain date would involve war, because an activity of war is among the pathways by which the facility could cease to remain functional; the same event contract, redrafted to settle only on whether the facility is demolished pursuant to a government order, or to negotiated terms of a diplomatic deal, would not.

(d) *Factors to Determine Whether Event Contracts Involve Gaming.* In determining whether agreements, contracts, transactions, or swaps involve gaming, the Commission will consider the definition of “gaming” in § 40.11(b)(1) as set forth in this paragraph (d).

(1) *Ordinary meaning.* The Commission believes that the word “gaming” in the statute carries its ordinary, plain meaning and involves playing a game. Dictionaries define “gaming” as “the practice or activity of playing games for stakes” and “the practice or activity of playing games.” The Commission's interpretation of the term “gaming” in this appendix F is limited to the Special Rule context and does not purport to interpret or displace any other federal or state statutory regime using the same or a related term.

(2) *Interpretive principles.* (i) In interpreting “gaming,” the Commission considers it important to recognize what the Special Rule's other Enumerated Activities describe. Terrorism, assassination, war, and unlawful activity each describe activities that happen in the world: wars are fought, assassinations are carried out, crimes are committed. The term “gaming” must play the same grammatical and functional role in the statute. “Gaming” is the game itself, the activity that occurs.

(ii) This matters for two reasons. First, this structural reading is essential to giving effect to the Special Rule's operative text. As discussed above in connection with the term “involve,” the Commission interprets the Special Rule as asking whether event contracts' settlements are determined by the occurrence of an Enumerated Activity. That inquiry presupposes a distinction between the event contract and the underlying activity to which it refers. Enumerated Activities must therefore be activities in the world that event contracts can reference.

(iii) A definition that characterizes “gaming” as a property of the event contract itself (for example, “the act of risking something of value, especially money, for a chance to win a prize”) cannot coherently be applied because it has no limiting principle. Under such a definition, every event contract would involve “gaming” by definition, because every event contract stakes value on a contingent outcome.

(iv) For similar reasons, a wagering- or gambling-centered definition of gaming is overbroad. Ordinary definitions of “gambling” include “the act of risking

something of value, especially money, for a chance to win a prize.” A definition of gaming built around wagering would apply to all event contracts and render the Special Rule's “gaming” category limitless. The Commission believes the coherent reading is the one the ordinary meaning of the word naturally supplies: gaming is the game itself—the activity in which occurrences, the extent of occurrences, or contingencies determine settlement.

(v) Under this approach, the word “gaming” derives from “game,” which in turn is a word with many nuances and meanings. The Commission believes that the meaning of “game” relevant to the Special Rule encompasses the activities that are games in common parlance—sports games, athletic competitions, and recreational games including games of chance.

(vi) The Commission derived the definition of gaming in § 40.11(b) from dictionary definitions of the term “game” to mean “a physical or mental competition conducted according to rules with the participants in direct opposition to each other” and “activity engaged in for diversion or amusement,” or “an activity which provides amusement or fun” and “a contest or competition, governed by rules of play, according to which victory or success may be achieved through skill, strength, or good luck.”

(vii) As noted above, the Commission aims to capture the activities that are games in common parlance. To do so, the purposes for which participants typically engage in the activity must be an element of the definition. The Commission notes that, as discussed further below, a definition of “gaming” to encompass any competition with rules and measurable outcomes depending on skill, without considering the purpose of the activity, would be very broad and contrary to the common understanding of games.

(3) *Clauses of the definition.* (i)(A) The Commission intends that the first clause of the regulatory definition—a typical purpose of “recreation or to entertain others”—will reflect the dictionary definitions' reference to amusement and also capture professional sports, which are commonly understood to be games. By looking to the typical purpose of the activity, the regulatory definition acknowledges that there may be atypical circumstances where participants have different purposes for engaging in an activity that is a game in common parlance, but the activity should still be encompassed in “gaming.” The Commission intends that the term “recreation” in the definition would include many elements, such as when participants engage in the activity for the simple pleasure of the activity, the personal satisfaction of meeting a challenge, and the enjoyment of competing against others. The proposed definition encompasses a mix of recreational and entertainment purposes, as well as the variety of purposes subsumed within “recreation.” The Commission notes that a recreational or entertainment purpose is not contrary to the activity having financial or economic consequences. Recreation and entertainment are large parts of the U.S. economy.

(B) To the extent professional participants are not engaged in recreation, they are

engaged in gaming to entertain others. The Commission understands that professional athletes are paid or receive monetary compensation and are therefore motivated by the opportunity to earn an income. Nonetheless, the Commission believes it is accurate, and in accordance with common understanding, to say that the purpose of the participants in a professional sporting activity is typically to entertain an audience (and also to gain personal satisfaction through achievement). The salary or compensation that the participants receive is a result of fulfilling the entertainment purpose.

(ii) That “gaming” must be governed by rules simply conveys what the Commission believes to be the commonsense understanding of a game and conforms to the dictionary definitions.

(iii) To be covered by the Special Rule, the Commission believes that the activity must have measurable occurrences or outcomes. These occurrences in the game or outcomes at the end of a game would be the potential bases for event contracts. And, in keeping with the recreational or entertainment purpose of the activity, the occurrences or outcomes must depend on luck, skill, or athletic ability during the activity. Thus, gaming includes all games of chance (*e.g.*, roulette), games requiring skill (*e.g.*, chess), and games of mixed chance and skill (*e.g.*, poker). The definition includes both skill and athletic ability to be clear that gaming includes all sports, including e-sports and sports where judges rank participants based on their skill or athletic ability during the activity.

(iv) *Examples.* (A) If the outcome of the activity depends on other factors such as judges’ evaluation of the participants’ merit or qualifications on a broader basis than a certain activity, it is not gaming. For example, a figure skating competition is gaming because the skaters—the participants in the activity—are doing so for recreation and to entertain others. Under the rules of the game, judges rank the participants based on their skill and athletic ability displayed in the competition.

(B) On the other hand, an award of “figure skater of the year” based on a vote or panel of judges is a contest, not gaming, if its purpose is to honor the person who the judges assess to have displayed the best overall figure skating ability over the past year. The requirements that gaming have a recreational or entertainment purpose, and that the occurrences or outcome of the activity depend on the participants’ luck, skill, or athletic ability during the activity, distinguish gaming from other competitive activities. The same distinction would apply whether the judges are individual people or algorithms developed by the organizers of the event. If the outcome is decided by algorithms based only on skill and ability during the activity, it would be gaming. If the algorithm considers other factors, it would not be gaming.

(4) *Contests.* In this paragraph (d), the term “contest” refers to an activity where participants compete for a prize, honor, award or position based on their qualifications or merit displayed in general

or over an extended period. These contests are not gaming.

(i) Political elections illustrate the distinction between gaming and contests. Elections typically serve the purpose of selecting political leadership, not recreation or entertainment. Their outcomes do not turn on the participants’ luck, skill, or athletic ability during the election itself, but rather on voters’ judgment regarding who should hold office, informed by considerations beyond the discrete election period. Thus, political elections are not gaming.

(ii) Similarly, contests like the Nobel Prize and the Academy Awards are not gaming. The outcome of these contests depends on electors’ judgment on who should receive an award based on a range of considerations beyond the participants’ luck, skill, or athletic ability displayed during the contest. Because the award turns on evaluative judgments, *not on measurable occurrences dependent on the participants’ skill or athletic ability in the activity itself*, it is a contest, not gaming.

(iii) Mere association with athletic performance does not change this analysis. For example, the Cy Young Award, which is presented annually by the Baseball Writers’ Association of America to the two best baseball pitchers, is not gaming. Although players are recognized for their athletic performance during the season, the outcome is ultimately determined by the judgment of a panel of voters, who assess overall performance without being strictly limited to occurrences in any game or games. On the other hand, an event contract on which baseball pitcher will record the most strikeouts in a season is gaming. Its outcome depends on a measurable outcome of the participants’ skill and athletic ability in games—*i.e.*, who records the most strikeouts.

(5) *Other gambling.* The Commission also notes that if an activity is not gaming as defined above, the mere fact that gambling occurs in relation to that activity does not make it gaming. For example, if gambling occurs on who will win the Nobel Prize, that gambling does not change the fact that the Nobel Prize contest is not gaming, and event contracts based on who will win the Nobel Prize would not be subject to the Special Rule. In other words, the Commission believes that the definition of gaming in § 40.11 should be limited to events that are games.

(6) *Events happening in games.* (i) Whether an event contract involves gaming depends on whether its settlement is determined by the occurrence, extent of an occurrence, or contingency in a gaming activity. The outcome of a game is an occurrence in a game. Accordingly, gaming includes events happening in games but does not include events occurring in connection with or around games.

(ii) *Examples.* (A) An event contract on whether a football player will score a certain number of touchdowns in a game involves gaming: settlement is determined by an occurrence in the football game.

(B) An event contract on attendance at the football game does not involve gaming: settlement is determined by ticket-purchasing decisions by prospective

attendees, not by an occurrence in the game itself.

(C) Similarly, an event contract on whether a particular athlete will win a gold medal at the Olympic Games involves gaming: settlement is determined by a contingency in the Olympic athletic event itself.

(D) An event contract on which city will host future Olympic Games does not involve gaming: settlement is determined by the International Olympic Committee’s host-selection decision, which is a political and economic decision rather than occurrence in any gaming activity.

(e) *Illustrative examples of event contracts not within scope.* While the Commission cannot anticipate every contract design, the Commission believes that event contracts based on the following would generally fall outside of the scope of the Special Rule and § 40.11. For the avoidance of doubt, these event contracts remain subject to the statutory and regulatory requirements for listing and trading of event contracts.

- Rates, measures or levels of economic indicators, including the CPI and other price indices; the U.S. trade deficit with another country; measures related to GDP, jobless claims, or the unemployment rate; and U.S. new home sales.
- Rates, measures or levels of financial indicators, including the federal funds rate; total U.S. credit card debt; fixed-rate mortgage averages (*e.g.*, the 30-year fixed-rate mortgage interest rate); and the values for broad-based stock indexes at particular times.
- Rates, measures or levels of foreign exchange rates or currencies.
- Results of political elections and outcomes or occurrences of political activities, such as legislative votes, enactments of laws or appointments of people to political offices.
- Results or outcomes of honor and award contests, or occurrences during those contests, such as who will win or be nominated for a particular award, or when or if an award will be granted.

(f) *Public interest factors applicable to all agreements, contracts, transactions, or swaps subject to § 40.11.* In determining whether agreements, contracts, transactions, or swaps described in § 40.11(a)(2) are contrary to the public interest, the Commission will consider all of the factors in § 40.11(a)(5) as set forth in this paragraph (f). The Commission will also consider the factors in § 40.11(a)(6) applicable to the activity that such agreements, contracts, transactions, or swaps involve, as set forth in paragraph (g) of this appendix.

(1) *Overview.* (i) The Special Rule does not define the term “public interest.” While section 3 of the Act guides the Commission’s consideration of whether a contract is contrary to the public interest, it is not the Commission’s exclusive consideration. The Commission observes that by limiting the application of the Special Rule to Enumerated Activities—activity that is unlawful under any federal or state law, terrorism, assassination, war, and gaming—Congress specified the areas that are of particular public interest concern. The Commission believes that the Special Rule is an instruction to apply a particular, focused

public interest analysis to specific types of event contracts. That is, the Commission should consider how the public interest purposes of the Act (and other public interest factors) may be particularly implicated in the context of event contracts involving Enumerated Activities. The discussion in this section includes an explanation of when the Commission believes it should apply these public interest factors in a more focused manner than the same factors would be applied to other event contracts that do not involve Enumerated Activities and are not subject to the Special Rule.

(ii) Further, the Commission believes the public interest review should focus on specific, potential harms, rather than a broad or indeterminate inquiry into the “public good.” The relevant question is whether particular event contracts that otherwise satisfy all applicable requirements nonetheless raise public interest concerns.

(iii) The Commission believes that the public interest inquiry under the Special Rule encompasses considerations in addition to compliance with the Core Principles and other requirements under the Act.

(iv) *Multi-factor approach.* (A) Given the range of the Enumerated Activities and potential breadth of event contracts that could be listed, the Commission believes it is appropriate to consider a series of factors when determining whether an event contract that involves an Enumerated Activity is contrary to the public interest, instead of relying on a single, static public interest test. The Special Rule contemplates a review that considers the public interest, including the public interests underlying the Act, in a holistic manner to determine whether the event contracts in question raise the potential for harms to the public interest that outweigh any utility or public interest value of the event contracts. The Commission believes that evaluating whether an event contract is contrary to the public interest through multiple factors, rather than a single static test, is beneficial because it allows the Commission to account for the diversity and complexity of event contracts that could fall within the Enumerated Activities.

(B) A multifactor approach enables the Commission to weigh different dimensions of potential harm or public benefit—including the event contract’s hedging or price-basing utility or potential to encourage illicit behavior—while also accommodating novel event contract designs and market developments and supporting innovation. This flexibility helps to ensure that the Commission’s analysis remains consistent, transparent, and adaptable across a wide range of event contracts, rather than constrained by an overly rigid or underinclusive test. The Commission notes that no single public interest factor discussed below would be dispositive as the Commission will apply a range of public interest considerations when determining whether an event contract is contrary to the public interest. The Commission also notes that the factors that inform a public interest determination, and the weight given to each such factor, are likely to vary depending on the particular characteristics of the event contract and Enumerated Activity being evaluated.

(v) To provide a consistent and transparent framework for evaluating event contracts subject to a public interest review under the Special Rule, the Commission will apply the factors in this section to all such event contracts. In addition to these general considerations, the Commission will also apply more specific public interest factors tailored to the specific Enumerated Activity which a given event contract involves, as discussed in paragraph (g) of this appendix. The Commission notes that no single factor is dispositive as the Commission would weigh the various factors on balance.

(2) *Price discovery and information aggregation utility*—(i) *Overview.* (A) The factors in this section consider whether the event contracts serve the public interest by providing meaningful hedging or price basing utility consistent with section 3 of the Act, yielding information that is economically, financially, or commercially useful or otherwise meaningful, or promoting responsible innovation and fair competition. As discussed above, the public interests underlying the Act are stated in section 3 as findings that hedging and price formation are the public purpose of CFTC-regulated markets and are in the public interest.

(B) The Commission believes that event contracts subject to the Special Rule, like other event contracts, can play a role in “managing and assuming price risks, discovering prices, or disseminating pricing information” as contemplated by section 3(a) of the Act.

(C) Also, prediction markets function as information aggregation vehicles because event contract prices reflect the market participants’ aggregate beliefs regarding whether the events will occur.

(D) Another purpose stated in section 3(b) of the Act is to promote responsible innovation and fair competition.

(E) The Commission believes that these public interests underlying the Act, relevant to all derivatives under the CFTC’s jurisdiction, should be included in the Commission’s review under the Special Rule. Therefore, when reviewing event contracts involving an Enumerated Activity, the Commission will consider whether the event contracts can facilitate these functions.

(F) The Commission believes it is not necessary to demonstrate that event contracts have a reasonable potential for a hedging or pricing function to avoid a finding that the event contracts are contrary to the public interest. Still, event contracts’ reasonable potential for a hedging or pricing function would be a significant factor against a finding that they are contrary to the public interest. As part of this inquiry, the Commission will consider whether the event contracts can meaningfully facilitate risk transfer and price discovery.

(ii) *Use of information in economic decisions.* (A) The Commission believes that price discovery and the connection between prices and economic decisions become more complex as information is used in economic decision-making in ever more sophisticated ways. Economic modeling uses inputs from a multitude of sources to guide decision-making on a variety of topics that are not necessarily directly tied to a specific

commodity market. Whether event contracts have a potential price discovery function depends not just on whether the price of a particular event contract can be used, alone, to make economic decisions. Instead, the event contracts’ role in price discovery can arise from how the prices of a variety of event contracts can be factored into decision-making processes. Event contracts can serve as a collective assessment of not only the likelihood of events, but also the level of the market’s or the public’s attention to various issues and their assessment of the importance of that issue.

(B) The collective assessment reflected in event contract pricing has economic value, which, in turn, would be a factor in the Commission’s assessment of event contracts’ price discovery functionality. For example, event contracts that involve sporting events can be used for price discovery in a variety of ways. Sports teams are economic enterprises and sports stadiums are regional economic anchors that generate economic activity and materially affect both regional and national markets. For these reasons, it is economically useful to know not only how a sports team is likely to perform in upcoming games, but also how the public believes that the sports team will perform in upcoming games. This information could be useful, for example, to hotels adjusting their pricing models, restaurants making staffing decisions to accommodate increased demand, vendors increasing supply orders, and cities allocating resources to accommodate projected crowds.

(C) Thus, the price discovery utility of an event contract on whether a team will win a game arises not simply from whether the information about that particular game can be directly tied to a specific economic decision. Rather, the price discovery usefulness of all event contracts about a team may arise from other analyses, such as how their pricing and trading volume change over time, how trading in event contracts about one team compares to trading in event contracts about other teams, and so forth.

(D) The Commission believes that three fundamental points are especially pertinent here.

(1) The price discovery function of event contracts is not limited to how the market participants buying and selling event contracts use the prices as guides to how likely events are to occur. Rather, so long as there is a sufficient volume of event contracts about an underlying event or issue, they can serve as price discovery tools by indicating what the market or the general public thinks about the underlying events or issues (*i.e.*, market sentiment).

(2) The usefulness of event contracts for price discovery, as compared to other tools such as surveys to measure market sentiment, arises from the fact that market participants are spending money, even in nominal amounts, to support their beliefs. Thus, event contracts may be a more accurate indicator than surveys of how strongly those beliefs are held.

(3) Whether event contracts can be used *directly* for hedging is of limited importance in the public interest determination; rather, the question is whether the information

derived from event contract pricing can be used to guide hedging decisions. For example, even if a real estate firm does not use event contracts involving a sports team to hedge its investment in property near the team's stadium, it could nonetheless use the event contract prices as a factor in its decisions about how to use other financial instruments to hedge its property investment.

(E) *Example.* The price discovery value of event contracts on how many points a basketball player will score in a game depends on more than whether the event contracts can be used to hedge the purchase price of a ticket to the game. In some circumstances, the prices of those contracts could also, along with other information including the prices of many other event contracts, be factored into models used for commercial forecasting or audience-demand analysis, which are economic questions.

(F) For these reasons, the Commission will be more likely to find that the event contracts involving an Enumerated Activity are contrary to the public interest where the event contracts lack the potential to inform any economic, commercial or financial decisions. This includes event contracts that settle based on purely random events, such as the spin of a roulette wheel or the outcome of a random-number generator. Market participants buying and selling such event contracts cannot, by definition, have any insight into whether the events will occur. Therefore, the prices of the event contracts cannot be used to understand market sentiment about any potential economic, financial or commercial consequence. However, it is important to distinguish random events from unpredictable events. The outcome of a game of skill may be unpredictable at times, but it is not random because the outcome depends on the players' actions in the game, which are under the players' control. A game of pure chance, such as roulette, is structured to be random and outside any individual's control. Many games and other activities mix skill and chance and are therefore not "purely random."

(iii) *Information aggregation.* (A) The Commission believes that innovative event markets have the capacity to facilitate the discovery of information and thereby provide potential benefits to the public. For many years, event contract markets have been used for educational insights, research, and accurate forecasting of events, among other uses. Many prediction markets have become reliable and accurate information sources, in part, by harnessing the wisdom of crowds—market participants who are incentivized to avoid financial loss when taking a position in a particular contract. There are also many documented cases where prediction markets outperform traditional polling sources or other forecasting methods. In that context, information gleaned from prediction markets can help guide economic decision-making.

(B) The Commission believes that event contracts are more likely to be contrary to the public interest when any meaningful information about whether the underlying event will occur is unavailable to the broader market. This includes events that are entirely random or where insight into the underlying event is highly concentrated—in a single

individual, for example, or only individuals legally prohibited from transacting—and relevant information is necessarily concealed from the public. In such cases, the Commission will consider whether buyers and sellers have any basis to form a meaningful view on the underlying event, and whether the resulting prices can reasonably be expected to reflect informed market sentiment. This factor could also apply where the only market participants with insight into the underlying event would be legally prohibited from transacting in the event contract. Thus, this factor is closely related to the previous factor about whether the event contract can be used for price discovery, and the factor below regarding inside information.

(C) *Examples.* Event contracts settling on where a military attack will occur or on the officiating calls made by referees in a specific game may present this concern. The individuals with genuine insight into such event—military personnel or referees—are typically subject to fiduciary duties or confidentiality obligations that would prevent them from lawfully transacting in the event contract. In some instances, other market participants would lack any comparable basis for forming an informed view on the event, with the result that resulting prices would not reflect aggregated informed sentiment about the underlying event.

(D) The Commission also believes that in determining whether event contracts can convey meaningful information, event contracts should generally be considered in the aggregate. As described in the previous section, the prices and volumes of event contracts over time can indicate public sentiment, especially when event contracts on related topics are compared with each other. So, if a small group of event contracts do not appear to convey any meaningful information, the Commission will still consider whether the event contracts convey meaningful information when combined with or compared to other event contracts.

(E) Therefore, when reviewing event contracts involving an Enumerated Activity, the Commission will consider whether the event contracts have any utility as information aggregation vehicles—meaning whether the event contracts provide any meaningful information that is useful to making economic, financial or commercial decisions. The Commission will consider the absence of any information aggregation utility as a factor in favor of finding the event contracts to be contrary to the public interest.

(iv) *Innovation and fair competition.* (A) Another purpose stated in section 3(b) of the Act is to promote responsible innovation and fair competition among designated contract markets, other markets and market participants. Responsible innovation and fair competition are critical to the healthy functioning of the derivatives markets, particularly given the substantial increase in the trading of event contracts and the growing demand for these products by market participants seeking information regarding, or to hedge exposure to, variables for which no traditional financial instrument exists. This expansion underscores a clear

market need and sustained demand for prediction markets as a means of managing novel and otherwise unaddressed risks. The public therefore has an interest in ensuring that these markets retain the space to innovate and develop responsibly so they can continue to meet the evolving needs of market participants while maintaining appropriate regulatory safeguards.

(B) The Commission observes that market participants have demonstrated demand for event contracts addressing categories of risk for which traditional financial instruments either do not exist or provide only imperfect hedges with substantial basis risk. For example, event contracts referencing the timing or content of legislative, regulatory, and policy actions, such as whether a certain bill will become law, or whether a specified tariff or trade measure will be in force at a given time, likewise address exposure that businesses face but cannot meaningfully hedge through equity, rates, or commodity markets. Indications that event contracts support responsible innovation and fair competition would accordingly weigh against a finding that the event contracts are contrary to the public interest.

(C) In assessing this factor, the Commission will also consider the competitive implications of restricting access to event contracts. Particularly where demand for the event contract is strong, a determination barring its listing on a CFTC-registered prediction market is unlikely to eliminate the activity; rather, it may divert trading to offshore or otherwise less transparent and less supervised markets. Such migration would diminish the Commission's oversight of these markets, deprive the public of the transparency and market integrity safeguards afforded by the Act, and undermine the public benefits associated with responsible innovation occurring within the U.S.

(D) Accordingly, the likelihood that prohibiting an event contract would push trading activity into less transparent and less regulated foreign markets is a factor that weighs against finding that the event contract is contrary to the public interest.

(3) *Potential threats to market integrity.* Another purpose stated in section 3(b) of the Act is to deter and prevent price manipulation or any other disruptions to market integrity. The factors in this section consider whether, in the context of the focused review required by the Special Rule, the event contracts present a particular risk of manipulation or market disruption, exhibit settlement integrity deficits arising from the event contracts' particular characteristics, or create particular risks of information leakage or exploitation of material non-public information by insiders.

(i) *Overview.* (A) As a general matter applicable to all swaps and futures contracts traded on their platforms, designated contract markets and swap execution facilities have a statutory obligation to ensure that the contracts they list for trading are not readily susceptible to manipulation. But in its public interest analysis of event contracts subject to the Special Rule, the Commission believes that, as discussed above, it should also consider how the public interest purposes of the Act are particularly implicated. The

Commission therefore distinguishes its evaluation of whether a particular risk of manipulative activity may raise public interest concerns for purposes of the Special Rule, from the review that all designated contract markets and swap execution facilities must undertake to evaluate whether a contract complies with this statutory obligation. Thus, the use of the factors outlined below in determining whether event contracts are contrary to the public interest is beyond and separate from a designated contract market's or swap execution facility's analysis of a contract's compliance with the Act and applicable regulations.

(B) In the same way, the Commission will also apply a particular analysis of whether event contracts involving Enumerated Activities can be settled based on objective, publicly verifiable criteria within a reasonable timeframe in determining whether the event contracts are contrary to the public interest, and whether such event contracts raise a particular potential for improperly obtained non-public information to be exploited by insiders. To the extent particular concerns arise with respect to event contracts subject to the Special Rule, such factors will weigh in favor of finding the event contracts to be contrary to the public interest.

(C) The factors outlined below address risks that inhere in the event contracts themselves—their terms, their underlying subject matter, and the criteria on which settlement turns—and that may be present regardless of the prediction market's compliance capabilities.

(ii) *Settlement integrity.* (A) Registered entities are statutorily required by sections 5(d)(2)(A)(ii) (designated contract markets) and 5h(f)(2)(A)(i) (swap execution facilities) of the Act to establish, monitor, and enforce compliance with the terms and conditions of contracts traded on the registered entity. The Commission believes that in the context of its public interest analysis under the Special Rule, it is particularly important that the criteria on which event contracts involving Enumerated Activities settle are clear, objective, and publicly verifiable, and that the contracts identify the triggering events and the means by which it is determined whether those events have occurred transparently and in a manner that clearly identifies the triggering events and how it is determined whether or not those events have occurred. It is also important that the settlement mechanism and the data upon which it relies are suitable to the event contracts under review. The Commission acknowledges that a variety of data sources may be appropriate for the settlement of event contracts and does not intend to overly restrict prediction markets' flexibility to determine which sources should be used in settlement.

(B) Vulnerability to settlement integrity deficits—e.g., a lack of clarity about exactly how event contracts involving Enumerated Activities will be resolved—undermines market function and is indicative of event contracts that are likely to be contrary to the public interest. Therefore, when reviewing event contracts involving an Enumerated Activity, the Commission will consider

whether the criteria for settlement of the event contracts are clear, objective, and publicly verifiable. Event contracts whose conditions or resolution criteria are ambiguous, overly complex, or potentially misleading to market participants raise settlement integrity concerns under this factor.

(iii) *Information leakage and misuse of confidential information.* (A) Commission Rule 180.1 (§ 180.1 of this chapter) makes it unlawful for any person to employ any device, scheme, or artifice to defraud or attempt to defraud any person or manipulate the price of any futures contract listed on a registered entity or any swap, including the misappropriation of confidential information in breach of a pre-existing duty of trust or confidence to the source.

(B) The Commission believes that certain event contracts involving Enumerated Activities may create unique incentives for information leakage or misuse of material nonpublic information—for example, by encouraging individuals with privileged access to disclose or act upon such information, by incentivizing the unlawful acquisition of additional sensitive information, or by enabling third parties to pressure, solicit, or bribe such individuals to obtain it. These incentives may present significant public interest concerns for event contracts involving Enumerated Activities, particularly where the information is highly sensitive and closely guarded, and meaningful insight into the underlying event is concentrated among a small number of individuals.

(C) The Commission believes that these concerns are especially acute for contracts involving national-security matters, where relevant information is tightly held, highly sensitive, and subject to strict confidentiality obligations. In such settings, an event contract may create improper incentives to leak or misuse sensitive information, or to attempt to obtain such information illicitly.

(D) *Example.* Event contracts settling on the occurrence, timing, or specifics of intelligence activities could create financial incentives for individuals with security clearances or other access to classified information to disclose or trade upon such information in violation of their obligations and could similarly incentivize foreign intelligence services or other third parties to target cleared personnel for the purpose of extracting tradeable information.

(E) Where the structural features of an event contract—the sensitivity of the underlying information, the concentration of insight among a small number of individuals, or the nature of the activity to which the contract refers—give rise to identifiable concerns regarding the leakage, misuse, unlawful acquisition, or third-party exploitation of privileged information, and where a prediction market has not implemented adequate safeguards, those concerns will weigh in favor of finding the event contracts contrary to the public interest.

(4) *Compliance and self-regulatory challenges arising from the prediction market's capacity to administer the contracts.* (i) The factors in this section

consider whether trading or clearing of the event contracts would challenge the prediction market's self-regulatory tools or compliance infrastructure because of the event contracts' involvement of Enumerated Activities.

(ii) Prediction markets have self-regulatory obligations to ensure proper surveillance and oversight of trading in all of the event contracts that they list, accounting for the particular characteristics and attributes of each event contract. In the context of the Special Rule and the analysis of whether event contracts involving Enumerated Activities are contrary to the public interest, the Commission will consider whether the event contracts would be difficult to administer or challenge the prediction market's compliance obligations. This factor addresses a question distinct from the contract-design concerns identified in the prior section: whether the prediction market, given its existing compliance, surveillance, and dispute-resolution infrastructure, can discharge its statutory self-regulatory obligations with respect to the event contracts. These types of challenges weigh in favor of a finding that such event contracts are contrary to the public interest.

Conversely, the Commission believes that the existence of guardrails reasonably designed to address the specific risks the event contracts present is a factor weighing against a finding that the contract is contrary to the public interest.

(iii) Among the considerations relevant to this factor, the Commission will consider whether the prediction market's dispute resolution processes are suitable to resolving potential disputes about the resolution of the event contracts. The Commission will consider the absence of settlement criteria and dispute resolution procedures that are suitable for event contracts involving Enumerated Activities as a factor in favor of finding the event contracts to be contrary to the public interest.

(iv) The Commission will also consider whether a prediction market has adopted effective guardrails against the spread or misuse of non-public information, such as prohibiting certain categories of traders likely to have access to inside information from trading in certain event contracts and maintaining a robust surveillance and customer identification policy. Such mitigating measures will weigh against a finding that the event contracts are contrary to the public interest.

(v) The Commission believes that public interest concerns are likely to arise when uncertainties about the circumstances influencing the underlying events mean that the prediction market's surveillance program may not be able to detect whether or not insiders would have an information advantage.

(g) *Public interest factors specific to the enumerated activities.* The Commission will evaluate all event contracts subject to review under the Special Rule under the public interest factors set out in § 40.11(a)(5), as discussed in paragraph (f) of this appendix. The Commission will also consider the factors in § 40.11(a)(6) applicable to the activity that such agreements, contracts,

transactions, or swaps involve, as discussed in this paragraph (g). The following factors specific to each type of Enumerated Activity supplement the general factors in paragraph (f) of this appendix.

(1) *Activity that is unlawful under any federal or state law*—(i) *Overview*. (A) First, the Commission believes that there is a distinction between event contracts involving an overall rate of unlawful activity, and event contracts involving more specific unlawful actions. For example, event contracts based on crime rates in a general area over extended periods may have price basing or information utility in matters such as insurance or other economic planning.

(B) In contrast, the Commission believes that event contracts based on more specific unlawful activity raise concerns under the general public interest factors described above. To the extent that trading in such event contracts would yield meaningful information about specific criminal actions, that information should be shared confidentially with the appropriate authorities—it would be contrary to the public interest for such information to be revealed in a public market because it could compromise law enforcement efforts. Trading in such event contracts could also incentivize criminal behavior, and, if the event contracts are based on potential actions of individuals or small groups, would be subject to manipulation and insider trading concerns. Also, public attention to such event contracts could lead to “copycats,” *i.e.*, individuals engaging in the criminal behavior because of the publicity about it. Public interest considerations particular to federal and state law are described below.

(ii) *Activity that is unlawful under any federal law*. (A) The Commission exercises the authorities granted to it by Congress under the Act to help ensure that U.S. derivatives markets operate with integrity. The Commission believes that it is likely contrary to the public interest to permit trading, in the financial markets that the Commission is mandated by Congress to oversee, in event contracts that involve activity that Congress has determined to be illegal under federal law. The Commission notes that the issue here is whether the activity on which the event contracts are based is unlawful under federal law. If trading in the event contracts was unlawful under federal law or facilitated unlawful activity (*e.g.*, if trading in the event contracts facilitated money laundering), then the event contracts could not be certified to be in compliance with the Act.

(B) The Commission recognizes, however, that not all references to unlawful activity present public policy concerns. In particular, event contracts that involve aggregate crime rates in a geographic area over extended periods generally do not create incentives to engage in specific unlawful acts. Instead, they reflect broad, statistical measures used for economic, demographic, or public-policy analysis. Because these event contracts do not encourage or reward criminal conduct—and instead reference generalized, population-level data—the Commission believes they do not raise the same public policy concerns.

(C) Accordingly, it is highly likely that event contracts involving activity that is unlawful under federal law will be found contrary to the public interest, except where the event contracts reference generalized crime rates over time in a manner that does not incentivize specific criminal conduct.

(iii) *Activity that is unlawful under any state law*. (A) The Commission believes that event contracts that involve activity that is illegal under state law likely raise public interest concerns. Legislative bodies generally bar or prohibit activity that they recognize as causing, or posing, public harm. Judges and judicial bodies, applying statutes and developing common law, also establish the illegality of activity that is recognized as causing, or posing, public harm. The Commission thus believes that event contracts that involve activity that is unlawful under state law would likely undermine important state interests, expressed in state statutes and common law, in protecting the public good.

(B) The Commission notes that there are variations across state law in the specific activities that are recognized as unlawful. In assessing whether event contracts are contrary to the public interest, the Commission will account for variations in state laws and in how states define the underlying activity; consider any relevant judicial precedent that may bear on the Commission’s analysis; review a survey of state statutes to understand the extent to which jurisdictions have determined the activity to be unlawful; and consider whether the underlying activity is generally considered as causing, or posing, public harm. The Commission will then weigh these considerations—together with the broader public-interest factors discussed above—to understand the extent to which the underlying activity is recognized as unlawful.

(C) For these reasons, it is likely that event contracts that involve activity that is unlawful under state law will be found to be contrary to the public interest, unless the event contracts involve crime rates in a general area over extended periods as described above. As noted above, the relevant issue is whether the activity on which the event contracts are based is unlawful under state law.

(2) *Terrorism, assassination, and war*—(i) *National security*. The Commission believes that event contracts involving terrorism, assassination, or war can present significant national security risks and therefore raise public interest concerns. The Commission is concerned, first, that the prices of such event contracts would not necessarily align with the actual likelihood of the underlying terrorism, assassination or war events because the trading public is shielded as a matter of public policy from relevant information about the event. For this reason, trading in such event contracts could, at the least, present a distraction to law enforcement and military authorities and, at worst, be manipulated by wrong-doers to divert attention from planned harmful events. The Commission notes that this concern could become increasingly problematic as the volume of trading in such event contracts increases.

(ii) *Example*. Event contracts based on whether an attack on a particular location will occur would provide an opportunity to individuals planning such an attack to buy the “no” contract and thereby create misleading market signals, potentially diverting attention and resources at a critical time.

(iii) *Information leakage*. As discussed above, these event contracts also present especially significant information leakage and misappropriation concerns because individuals with access to sensitive national security information could potentially be incentivized to exploit that information through trading that would be in violation of their duty of confidentiality.

(iv) *No meaningful information*. More generally, the Commission believes that event contracts involving terrorism, assassination or war are particularly vulnerable to settlement ambiguity. The inherent uncertainty and limited access to reliable information during such events—often described as the “fog of war”—can undermine clarity regarding whether relevant events have taken place. Additionally, as noted above, the prices of these event contracts may not accurately reflect actual probabilities because the individuals with direct knowledge or insight are typically insiders subject to legal restrictions that prohibit them from trading these event contracts. To promote public safety, the Commission believes it is preferable for other individuals with pertinent information to share that information with the authorities, rather than to use it for trading purposes.

(v) *Violence, profiting from harm to human life, or potential to facilitate illicit behavior*. The Commission believes that event contracts involving terrorism, assassination, or war could potentially result in or incentivize violence or harm to human life or other illicit behavior and therefore raise public interest concerns. First, as noted above, these types of event contracts have very little informational value, but individuals who do have any special knowledge regarding these types of activities or events have a public duty to report this information to the proper authorities to prevent any violence, harm, or illicit behavior. For example, if a private terrorist expert were to uncover communications regarding a plot to assassinate a public figure, the Commission believes that expert should alert authorities rather than trading event contracts regarding that assassination. It is contrary to the public interest to profit from the potential assassination of a human being.

(vi) *Incentivization of violence*. Moreover, the Commission believes that event contracts involving terrorism, assassination, or war could potentially encourage such activity, because there is a potential for individuals to act in order to receive payout under the event contracts, resulting in significant risk of harm to human life and property. The Commission believes that this encouragement and incentivization of violence, human harm, or illicit behavior is not in the public interest and will carefully analyze these types of contracts to ensure that the incentives structured into the contract for a monetary payout do not encourage any direct violence,

harm to human life, or illicit behavior. Based on the foregoing public interest analysis, all event contracts involving terrorism, assassination, and war are highly likely to be against the public interest.

(3) *Gaming*—(i) *Games of random chance are likely contrary to the public interest.* (A) The Commission believes that event contracts involving games that depend on random chance—e.g., pure luck—are likely to be contrary to the public interest. As discussed above, prediction markets function as information aggregation vehicles, meaning their usefulness depends in part on whether market participants can bring insight, expectations, or informed views as to whether the event underlying the contract will occur. When an outcome is dictated solely by luck and cannot be meaningfully predicted, participants have no insight to contribute, leaving their forecasts without any informational value. Trading in such event contracts therefore provides no meaningful information that could support decision making or market understanding.

(B) On the other hand, the outcome of some games that depend on a high degree of luck, like poker, can also be significantly affected by the participants' skill, particularly when the game is repeated over many rounds, as in organized tournaments. The Commission believes that when a game with some element of random chance also depends to a significant extent on the participants' skill, and the settlement of an event contract involving the game is determined by an occurrence, extent of an occurrence or contingency in an organized tournament, then that event contract would not be viewed as involving a game that depends entirely on random chance.

(C) Thus, the Commission believes that event contracts involving games that depend on random chance—by definition, devoid of informational content—would not advance any of the purposes of the Act. For these reasons, it is highly likely that event contracts involving games that depend entirely on random chance would be found to be contrary to the public interest.

(ii) *Factors indicating when event contracts involving sports events are not contrary to the public interest*—(A) *Overview.* (1) The Commission finds that certain characteristics of event contracts involving sports events would reduce the basis for finding that the event contracts are contrary to the public interest. For example, the extent to which event contracts settle based on the overall outcome of a sporting event—including final scores, point differentials, win-loss results, tournament advancement, individual or team statistical performance or season long performance metrics—are factors against a finding that the event contracts are contrary to the public interest. The Commission believes that these categories of sports event contract markets may serve price discovery functions and provide meaningful information. Additionally, in terms of the Commission's focused analysis of event contracts involving Enumerated Activities described above, the Commission believes that these event contracts are unlikely to raise the particular manipulation, settlement ambiguity and information leakage issues that could raise public interest concerns.

(2) The structural features underlying the Commission's view is that, for these event contracts, manipulation risk is bounded by the distribution of determinative capacity among participants and events in the underlying activity, and any residual manipulation risk produces observable patterns that the prediction market can detect through surveillance. That is, the event contracts would generally not be reasonably susceptible to manipulation, and moreover any residual manipulation risk would not raise public interest concerns. An event contract involving the aggregate outcome of a single game typically depends on the cumulative contributions of many participants over the course of the game; no individual participant has determinative capacity to affect settlement through their own conduct, and any participant's attempt to do so produces performance patterns inconsistent with prior play and inconsistent with game context. An event contract involving aggregate statistical performance of an individual over the course of a game presents a similar analysis. No single act has determinative capacity to affect settlement, and a participant's attempt to do so produces performance patterns that are detectable. For example, the Commission believes that in games such as tennis or golf, an individual player's attempt to skew occurrences during the game would typically be detectable in the context of the game and the player's prior performance.

(3) Among other considerations, the Commission notes that the settlement outcomes of these types of event contracts would typically depend on the aggregate performance over an extended period of play. The breadth of potential outcomes, and the variety of factors influencing the outcomes, should provide more opportunities for the event contracts to advance price discovery or provide meaningful information. Generally, a finding that sports-related event contracts fall within the above categories will weigh heavily against finding that the contract is contrary to the public interest.

(B) *Objective and verifiable settlement data.* As part of its review of particular public interest concerns in event contracts involving Enumerated Activities, the Commission believes that objective settlement data reduces the risk that settlement values can be manipulated through the exercise of subjective judgment by individuals positioned to influence the settlement determination. The Commission also believes that objective settlement data permits surveillance of trading activity for patterns inconsistent with the publicly available data, which is a tool by which prediction markets detect attempted manipulation. The fact that event contracts involving sports settle by reference to publicly reported, league-verified, or otherwise objectively determinable data would be a factor weighing against a finding that the applicable event contracts are contrary to the public interest. The settlement mechanism and the data upon which it relies should be suitable for the event contracts under review. The Commission acknowledges that a variety of data sources may be appropriate for the

settlement of event contracts and does not intend to overly restrict prediction markets' flexibility to determine which sources should be used in settlement.

(C) *Established sport-level integrity infrastructure.* The Commission believes the public interest considerations relevant to event contracts involving sports are materially affected by whether the underlying game operates within a framework that addresses integrity concerns at the level of the sport. A prediction market listing event contracts involving a sport with a developed integrity framework can leverage that framework in ways unavailable for sports without comparable infrastructure. The fact that the sport underlying an event contract is subject to an established integrity framework, including a recognized governing body, an integrity unit or comparable monitoring function, published rules of competition, and disciplinary procedures applicable to participants, officials, and other personnel is a factor weighing against a finding that the applicable event contract is contrary to the public interest.

(D) *Information sharing and coordination with relevant sports leagues and governing bodies.* (1) As noted above, event contracts involving sports may implicate the involvement of a recognized governing body, integrity unit or comparable monitoring function for that sport, including but not limited to professional sports leagues and their integrity units, as well as the National Collegiate Athletic Association. The Commission believes that communication between registered entities and such relevant governing bodies or authorities prior to listing sports event contracts would support compliance and surveillance programs for sports events contracts. The Commission notes that any communication by registered entities with third parties must comply with any applicable regulatory or confidentiality requirements.

(2) The Commission also believes that establishing formal information sharing agreements between prediction markets, the Commission, and the relevant sports integrity monitoring organization may aid prediction markets in monitoring sports event contracts for manipulation, insider trading and other compliance issues. Such engagement and information sharing efforts could entail a practice or agreement with the relevant sports governing body that the prediction market will:

- Report suspicious trading activity or trading activity by prohibited traders to the relevant sports governing body;
- Cooperate with sports governing bodies to provide certain data in connection with sports integrity investigations;
- Consult with sports governing bodies on proposed event contracts; and
- Consult, as appropriate, with relevant governing bodies regarding integrity-related restrictions applicable to marketing, participant protections, and event contract design in the relevant sport.

(3) To the extent a prediction market coordinated with or entered into information sharing arrangements with the relevant sports leagues or governing bodies and/or designs event contracts in accordance with league

integrity standards, where applicable, those facts will weigh against a finding that the applicable event contracts are contrary to the public interest.

(E) For these reasons, the Commission believes that event contracts based on the aggregate outcomes of professional or collegiate sports events, based on objective and verifiable settlement criteria, listed by prediction markets that maintain appropriate surveillance, trading prohibitions, and coordination with relevant sports governing bodies, are, depending on the full record and the Commission's evaluation of all relevant factors, unlikely to be found to be contrary to the public interest. This belief also rests on relevant prior experience with how similar event contract types have operated, although no prior listing or experience is dispositive. Prediction markets have listed sports event contracts of the types described—final scores, point differentials, win-loss results, tournament advancement, individual and team statistical performance, and season-long performance metrics—in volumes sufficient to permit meaningful evaluation of their operating characteristics. The Commission has considered surveillance data, integrity referrals, identified instances of attempted manipulation, and the prediction markets' responses to those instances. The Commission has also considered the potential uses of price information generated by these event contracts in commercial decision-making, including by sports broadcasters, sponsors, advertisers, fantasy sports operators, sports analytics firms, and other commercial participants in sports-adjacent industries, although generalized use of price information by adjacent industries is not, standing alone, sufficient to resolve the public interest inquiry.

(F) Nothing in this appendix F, including the Commission's belief that such event contracts are unlikely to be contrary to the public interest is intended to create a safe harbor that any particular contract satisfies the public interest standard, nor does it replace the multi-factor analysis required under § 40.11(a)(5) and (a)(6). Rather, it reflects the Commission's considered view of how the factor analysis generally resolves for such event contracts. Event contracts remain subject to factor-by-factor weighing.

(iii) *Factors indicating that the Commission would find event contracts involving sports events to be contrary to the public interest.* The Commission finds that certain types of event contracts involving sports events are likely to be found to be contrary to the public interest.

(A) *Player injury contracts.* The Commission believes that event contracts that explicitly settle solely by reference to the duration, severity, occurrence, or medical diagnosis of an injury sustained by a specific athlete raise serious public interest concerns. First, such event contracts create perverse financial incentives that could encourage or facilitate physical harm to athletes. Second, the settlement of such event contracts would likely depend on medical diagnoses, which raises public interest concerns about the confidentiality of medical information and the potential for such sensitive information

to be leaked or exploited by insiders. Third, settlement conditions based on a physicians' diagnoses or injury reports do not provide a sufficiently objective, verifiable, and manipulation-resistant basis for contract settlement. Therefore, it is likely that event contracts that explicitly settle solely by reference to the severity, occurrence, or medical diagnosis of an injury sustained by a specific player will be found to be contrary to the public interest.

(B) *Officiating outcome contracts.* The Commission believes that event contracts that settle solely by reference to judgment calls, discretionary decisions, or rulings of referees, umpires, or other game officials, including without limitation, penalties assessed, fouls called or not called, reviews initiated, video replay decisions, player ejections, or disciplinary rulings made during live games raise public interest concerns. Unlike final score outcome contracts, event contracts based on officiating decisions resolve on the basis of a small number of discrete human decisions made by identifiable individuals under significant pressure and with limited accountability in real time. For example, event contracts based on officiating decisions could incentivize game participants to commit more fouls, thereby threatening the integrity of the game. The Commission finds that the risk of inappropriate contact between market participants and officiating personnel and the risk of selective officiating raises public interest concerns because that risk threatens the integrity of the game, which is, in turn, a matter of public interest. In addition, market participants could not form meaningful forecasts about officiating outcomes described above because for these calls officials must make quick, discrete judgments, and so the prices of such event contracts would not provide meaningful information. That is, market participants' opinions on such matters are irrelevant and expression of those opinions through event contract trading would call into question the integrity of the game involved.

(C) For these reasons, it is likely that event contracts that explicitly settle solely by reference to officiating outcomes as described above will be found to be contrary to the public interest. For the avoidance of doubt, event contracts that settle based on the overall outcome of sports events, including final scores, point differentials, or statistics compiled over the course of play, are not included in this category, even if such outcomes may have been affected in part by officiating decisions. This factor relates solely to event contracts in which the settlement events are officiating decisions, rather than derivative outcomes of play.

(D) *Discrete-action contracts involving specific participants.* The Commission believes that event contracts that settle solely by reference to a discrete action, event, or occurrence in sporting events, including, without limitation, event contracts settling on the type of a specific play called for or executed by a specific player or team, the type or outcome of a specific pitch thrown by a specific pitcher, the outcome of a specific shot taken by a specific player, or whether a specific player or team commits a

specific foul or penalty, present public interest concerns.

(E) Specifically, event contracts based on discrete actions do not provide meaningful information because market participants can have little actual insight into specific in-game acts of identifiable participants. Also, in the context of the Commission's focused review of event contracts involving Enumerated Activities, the Commission views such event contracts as raising public interest concerns relating to manipulation and information leakage because a single player or team coaching staff member can determine the settlement outcome of the event contracts. Last, the risk that athletes' in-game decisions would be influenced by such event contracts is contrary to the integrity of the game. For these reasons, it is likely that event contracts meeting the criteria of a discrete-action contract as described above will be found to be contrary to the public interest.

(F) *Physical altercation contracts.* The Commission believes that event contracts that settle solely by reference to physical altercations, fights, or conduct between players or participants in the game that are subject to penalty, ejection, or disciplinary action raise public interest concerns. Such event contracts could create a direct financial incentive for both athletes and market participants to encourage, facilitate, or provoke such conduct. Even if the probability that any athlete or market participant acts on such an incentive is low, the effect of a market in physical altercation contracts on the culture of athletic competition is inconsistent with the public interest. Also, the Commission believes that such event contracts are unlikely to provide meaningful information, as market participants would generally not have insight into when altercations would occur and, to the extent they do have such insight, it is contrary to the public interest for market participants to express those views on regulated markets. For these reasons, it is likely that event contracts involving game-related altercations, as described above, will be found to be contrary to the public interest. The Commission believes that event contracts based on the overall outcomes, and not the specific actions of a particular fighter, of combat sports, including Mixed Martial Arts, Brazilian Jujitsu, Muay Thai, Boxing, Wrestling, and other sports in which physical contact or combat is an integral and sanctioned element of game, are not included in this category. For these sports, the occurrence of physical combat or contact during the game is a core and lawful element of the sporting event on which the contract is based, not an extraneous act of misconduct.

(G) *Pre-collegiate sports events.* (1) The Commission believes that event contracts that settle solely by reference to games, sporting events or outcomes in which participants are below the collegiate level raise public interest concerns. The Commission does not view this category to include any professional league, international competition sanctioned by recognized governing bodies, or other games that may include athletes of various ages but are not organized primarily at the pre-collegiate or youth level.

(2) There are several factors that differentiate pre-collegiate sports from sports at the collegiate and professional levels. Since pre-collegiate sports have less extensive governing bodies and typically lack a rigorous integrity infrastructure, prediction markets would be less able to interface with the governing body. Also, the relevant data flows (to the extent formal data are collected at all) are decentralized and less reliable than for collegiate and professional sports. Similarly, broad and numerous groups of individuals would potentially have inside information about pre-collegiate sports and would be subject to little or no contractual limitations on information usage. In the context of its focused review of event contracts involving Enumerated Activities,

the Commission believes that these differences from professional and collegiate sports raise particular concerns about manipulation, settlement integrity and information leakage.

(3) The Commission also notes that, to the extent event contracts based on pre-collegiate sports events would yield economically useful information, this use of the event contracts could raise public interest concerns relating to marketing and other commercial use of information related to minors. There may also be public interest concerns related to the disclosure of minors' personal identifying information. For these reasons, it is likely that event contracts involving pre-collegiate sports events will be found to be contrary to the public interest.

Issued in Washington, DC, on June 10, 2026, by the Commission.

Christopher Kirkpatrick,
Secretary of the Commission.

Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix to Prediction Markets; Public Interest Determinations—Commission Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.

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