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DEPARTMENT OF AGRICULTURE

Food and Nutrition Administration

7 CFR Chapter II

[FNS–2022–0007]

RIN 0584–AE82

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Revisions in the WIC Food Packages; Delay of Vitamin D in Yogurt Implementation Date and Technical Corrections

AGENCY: Food and Nutrition Administration (FNA), USDA.

ACTION: Final rule; technical corrections.

SUMMARY: On April 18, 2024, the Food and Nutrition Administration (FNA) published a final rule that revised the WIC food package regulations. The final rule contained incorrect table entries. This rule corrects those tables. In addition to the corrections, this rule extends the implementation date for WIC State agencies to meet the vitamin D fortification requirement for yogurts by 36 months. The extension is due to limited marketplace availability of acceptable yogurts, as described in the **SUPPLEMENTARY INFORMATION** section.

DATES: This rule is effective on June 24, 2026.

FOR FURTHER INFORMATION CONTACT: Allison Post, Chief, Administration, Benefits, and Certification Branch, Policy Division, Food and Nutrition Administration, USDA, 1320 Braddock Place, Alexandria, Virginia 22314, (703) 305–2746 OR Allison.Post@usda.gov.

SUPPLEMENTARY INFORMATION:

I. Overview

On April 18, 2024, the Food and Nutrition Administration (FNA) published a final rule titled *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Revisions in the WIC Food Packages* (referred to herein as the 2024 final

rule).¹ The 2024 final rule contained incorrect table entries in Table 4 to 7 CFR 246.10(e)(12) and set the implementation date for a new provision specifying a minimum yogurt vitamin D fortification as April 19, 2027. This rule corrects the table entries and extends the yogurt vitamin D fortification implementation date by 36 months, to April 19, 2030. The following sections provide additional rationale for these changes.

This is a final rule, which will become effective upon publication. Pursuant to the Administrative Procedure Act's exceptions on matters relating to public benefits, the minor updates in this rule are excepted from a notice and comment period and a 30-day deferred effective date.² In its entirety, this rule does not change any WIC policy or require advance notice for WIC State agencies to implement. The corrections to Table 4 to 7 CFR 246.10(e)(12) are not substantive, as explained in Section II. Extending the implementation date for the yogurt vitamin D provision does not require policy change and alleviates a restrictive deadline that many State agencies cannot realistically meet without limiting program benefits, as explained in Section III. Therefore, this rule is effective upon publication to avoid potential disruptions to WIC State agencies' ability to provide program benefits to participants.

II. Correction to Table 4 to 7 CFR 246.10(e)(12)

The 2024 final rule inadvertently added the word “whole” in Table 4 to 7 CFR 246.10(e)(12) preceding the types of cow's milk and goat's milk that must contain a prescriptive amount of vitamin D and vitamin A. The published entries mistakenly read “Whole, reduced fat, low-fat and nonfat” cow's milk and goat's milk. With this correction in the cow's milk category, the correct table entry reads “All reduced-fat, low-fat, and nonfat cow's milk types and varieties must contain at least 400 IU of vitamin D per quart (100 IU per cup) and 2,000 IU of vitamin A per quart (500 IU per cup).” In the goat's milk category, the correct entry reads, “All reduced-fat, low-fat, and nonfat goat's milk must contain at least 400 IU of vitamin D per quart (100 IU per cup)

and 2,000 IU of vitamin A per quart (500 IU per cup).” Removing the word “whole” from Table 4 does not impact the inclusion of whole milk in the WIC food packages. It only removes the requirement to fortify whole milk since this milk type naturally includes vitamin D and vitamin A.

This rule also corrects a few typographical errors found in Table 4 and deletes a redundant sentence in footnote 14.

III. Extension of Implementation Date for Yogurt Vitamin D Fortification

State agencies have the option to provide yogurt as a milk substitute in the WIC food packages for child and woman participants. The 2024 final rule added a requirement that authorized yogurts (dairy- and plant-based) must contain a minimum of 106 IU (2.67 micrograms) of vitamin D per 8 ounces of yogurt. When FNA received public comments on this provision in the proposed rule,³ industry commenters requested an extended implementation date to allow time for manufacturers to reformulate products. In response to this feedback, and to allow time for WIC State agencies to review products once available and update all necessary systems, FNA set the implementation deadline for this provision as April 19, 2027, 12 months later than the other provisions in the 2024 final rule.

This rulemaking further extends the compliance deadline for State agencies to ensure that the yogurt provided in the WIC food packages is fortified with vitamin D amounts found in Table 4 to 7 CFR 246.10(e)(12) by an additional 36 months, to April 19, 2030. This rulemaking does not change the underlying regulation or any related policy. Industry partners have indicated to FNA that reformulating yogurt products to meet the vitamin D specification is taking longer than anticipated. Given the limited marketplace availability of vitamin D-fortified yogurts, most State agencies would need to remove yogurts from their approved food list (AFL) to meet the 2027 implementation deadline, resulting in fewer supplemental food options for WIC participants and potential for inadequate consumption of the critical nutrients provided through a complete WIC food package. State agencies will also need to update their

¹ 89 FR 28488 (April 18, 2024).

² 5 U.S.C. 553(a)(2).

³ 87 FR 71090 (Nov. 21, 2022).

Management Information System (MIS) to adjust WIC food package issuance, communicate any updates to local agencies and vendors, and review any changes to benefits with participants. FNA expects that yogurt producers will be able to reformulate their products by 2030 to meet the federal minimum vitamin D requirement. If industry reformulates on a faster timeline and allowable products become available on the commercial marketplace, State agencies have the option to implement the vitamin D requirement at any time prior to the deadline. Therefore, extending the implementation deadline for this provision to 2030 avoids unnecessary administrative work for State agencies and potential disruptions to benefits. This extension also aligns with directives from the House of Representatives and Senate Appropriations Committees, as given in reports that accompanied the *Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026* (P.L. 119–37).^{4 5}

Procedural Matters

Executive Order 12866

Under Executive Order 12866, as amended, agencies must assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, select regulatory approaches that maximize net benefits. The correction and extended implementation timeline described in this rule was reviewed by the Office of Management and Budget (OMB) and determined to be significant. As required, the Department developed an economic summary to describe the consideration of costs and benefits of these actions.

Economic Summary

As required for all rules that have been designated as significant by OMB, the following economic summary was developed for this final rule.

Need for Action: Throughout the rulemaking process, manufacturers and industry groups expressed a willingness to meet the new vitamin D fortification requirement by the 36-month deadline

of April 19, 2027, set in the 2024 final rule, but some entities have since stated a need for additional time to reformulate products. As such, this correction extends this deadline by another 36 months to April 19, 2030, which also responds to the direction given in the House of Representatives and Senate Appropriations Committee reports that accompanied the *Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026* (P.L. 119–37).^{6 7}

The corrections to the text in Table 4 and footnote 14 described above are typographical in nature and do not impact the intent of those sections of the 2024 final rule and thus are not considered in the benefits and costs described below.

Benefits: Many commonly purchased WIC-approved yogurt products already meet the updated vitamin D requirement. However, some products, and particularly many popular Greek yogurts in the marketplace, do not meet the vitamin D requirement. Extending the implementation deadline for the vitamin D requirement for yogurt by another 36 months will allow manufacturers additional time to reformulate and relabel products that they wish to maintain as WIC-eligible foods. In the short term, this extension serves to mitigate potential disruptions for WIC participants and WIC State agencies by maintaining the wide variety of yogurt choices currently available until more products are reformulated to meet the requirement. In the long term, by being responsive to recent manufacturer concerns, the Department expects that this extension will improve marketplace availability of vitamin D-fortified yogurt across a wider range of products—which in turn promotes consumer choice and greater vitamin D intake for both WIC and non-WIC shoppers.

Costs: Because this regulatory action simply extends the implementation timeline and otherwise does not change the fortification requirement itself, the Department does not expect this extension will have a significant impact on costs to any affected parties including manufacturers, retailers, WIC State agencies, or participants.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires agencies to analyze the impact of rulemaking on small entities and consider alternatives that would minimize any significant

impacts on a substantial number of small entities. Pursuant to that review, it has been certified that this rule would not have a significant impact on a substantial number of small entities.

This final rule primarily affects WIC State agencies by removing a restrictive deadline that some State agencies cannot realistically meet without limiting program benefits. The Department does not expect this change to have a significant impact on small State agencies because it will not result in operational changes.

Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs has not found that this rule meets the criteria of a “major rule,” as defined by 5 U.S.C. 804(2).

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104–4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments and the private sector. Under section 202 of the UMRA, the Department generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with “Federal mandates” that may result in expenditures by State, local or tribal governments, in the aggregate, or the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. When such a statement is needed for a rule, Section 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the most cost effective or least burdensome alternative that achieves the objectives of the rule.

This final rule does not contain Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local and Tribal governments or the private sector of \$100 million or more (adjusted annually for inflation) in any one year. Thus, the rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order 12372

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is listed in the Catalog of Federal Domestic Assistance under Number 10.557 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials (see 2 CFR chapter IV).

⁴ H. Rept. 119–172—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2026, H. Rept. 119–172, 119th Cong. (2025), <https://www.congress.gov/committee-report/119th-congress/house-report/172>.

⁵ S. Rept. 119–37—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2026, S. Rept. 119–37, 119th Cong. (2025), <https://www.congress.gov/committee-report/119th-congress/senate-report/37/1>.

⁶ H. Rept. 119–172 (2025).

⁷ S. Rept. 119–37 (2025).

Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. Where such actions have federalism implications, agencies are directed to provide a statement for inclusion in the preamble to the regulations describing the agency's considerations in terms of the three categories called for under Section 6(b)(2)(B) of Executive Order 13132.

The Department has considered the impact of this rule on State and local governments and has determined that this rule does not have federalism implications. Therefore, under section 6(b) of the Executive Order, a federalism summary is not required.

Executive Order 12988, Civil Justice Reform

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full and timely implementation. This rule is not intended to have retroactive effect unless so specified in the Effective Dates section of the final rule. Prior to any judicial challenge to the provisions of the final rule, all applicable administrative procedures must be exhausted.

Civil Rights Impact Analysis

FNA has reviewed the final rule, in accordance with the Agriculture Improvement Act of 2018, "2018 Farm Bill," Section 12403, Civil Rights Analyses, to identify and address any major civil rights impacts the final rule might have on participants of specific groups. The changes in the rule are intended to avoid any impact on State and local agencies, Indian Tribal Organizations (ITOs), and WIC participants that would be caused by an earlier implementation deadline for the yogurt vitamin D specification. This final rule will eliminate the need for State agencies to remove yogurts from

their approved foods lists while industry partners continue to reformulate their products.

FNA will notify State agencies when this final rule is to be published and will provide technical assistance as needed to ensure that participants do not experience any disruption to their WIC benefits. State agencies will notify local agencies of the final rule publication. Participants should see no change in benefits. After reviewing the potential impacts, FNA does not anticipate that extending the yogurt vitamin D fortification implementation date would result in civil rights impacts on specific groups of WIC participants and applicants.

Executive Order 13175

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. FNA is unaware of any current Tribal laws in conflict with this rule.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; 5 CFR 1320) requires the Office of Management and Budget (OMB) approve all collections of information by a Federal agency before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number.

This rule does not contain new or revised information collection requirements subject to the Paperwork Reduction Act. All information collection requirements referenced in this rule are already approved under OMB Control Number 0584-0043, Special Supplemental Nutrition

Program for Women, Infants, and Children (WIC) Program Regulations—Reporting and Recordkeeping Burden (expiration date: 8/31/2027).

E-Government Act Compliance

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

List of Subjects in 7 CFR Part 246

Administrative practice and procedure, Civil rights, Food assistance programs, Foods, Grants administration, Grant programs—health, Grant programs—social programs, Indians, Infants and children, Maternal and child health, Nutrition, Penalties, Public health, Reporting and recordkeeping requirements, Women.

Accordingly, the Food and Nutrition Administration amends 7 CFR chapter II by making the following technical corrections:

CHAPTER II—FOOD AND NUTRITION ADMINISTRATION, DEPARTMENT OF AGRICULTURE

■ 1. Under the authority of the Reorganization Plan No. 2 of 1953 (5 U.S.C. app.; 7 U.S.C. 2201 note) and the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354), revise the heading for chapter II to read as set forth above.

PART 246—SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN

■ 2. The authority citation for part 246 continues to read as follows:

Authority: 42 U.S.C. 1786.

■ 3. Amend § 246.10 by revising table 4 to paragraph (e)(12) to read as follows:

§ 246.10 Supplemental foods.

*	*	*	*	*
(e)*	*	*		
(12)	*	*	*	

TABLE 4 TO PARAGRAPH (12)—MINIMUM REQUIREMENTS AND SPECIFICATIONS FOR SUPPLEMENTAL FOODS

Categories/foods	Minimum requirements and specifications
WIC FORMULA: Infant Formula	All authorized infant formulas must: (1) Meet the definition for an infant formula in section 201(z) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(z)) and meet the requirements for an infant formula under section 412 of the Federal Food, Drug and Cosmetic Act, as amended (21 U.S.C. 350a), and the regulations at 21 CFR parts 106 and 107; (2) Be designed for enteral digestion via an oral or tube feeding; (3) Provide at least 10 mg iron per liter (at least 1.5 mg iron/100 kilocalories) at standard dilution; (4) Provide at least 67 kilocalories per 100 milliliters (approximately 20 kilocalories per fluid ounce) at standard dilution; and (5) Not require the addition of any ingredients other than water prior to being served in a liquid state.
Exempt Infant Formula	All authorized exempt infant formula must: (1) Meet the definition and requirements for an exempt infant formula under section 412(h) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 350a(h)), and the regulations at 21 CFR parts 106 and 107; and (2) Be designed for enteral digestion via an oral or tube feeding.
WIC-eligible Nutritionals ¹	Certain enteral products that are specifically formulated and commercially manufactured (as opposed to a naturally occurring foodstuff used in its natural state) to provide nutritional support for individuals with a qualifying condition, when the use of conventional foods is precluded, restricted, or inadequate. Such WIC-eligible nutritionals must serve the purpose of a food, meal, or diet (may be nutritionally complete or incomplete) and provide a source of calories and one or more nutrients; be designed for enteral digestion via an oral or tube feeding; and may not be a conventional food, drug, flavoring, or enzyme.
MILK, MILK ALTERNATIVES, AND MILK SUBSTITUTIONS: Cow's Milk ²	Must conform to FDA Standard of Identity for whole, reduced-fat, low-fat, or nonfat milks (21 CFR 131.110). Must be pasteurized. Only unflavored milk is permitted. May be fluid, shelf-stable, evaporated (21 CFR 131.130), or dry. Dry whole milk must conform to FDA Standard of Identity (21 CFR 131.147). Nonfat dry milk must conform to FDA Standard of Identity (21 CFR 131.127). Cultured milks must conform to FDA Standard of Identity for cultured milk, <i>e.g.</i>, cultured buttermilk, kefir cultured milk, acidophilus cultured milk (21 CFR 131.112). Acidified milk must conform to FDA Standard of Identity for acidified milk, <i>e.g.</i>, acidified kefir milk, acidified acidophilus milk or acidified buttermilk (21 CFR 131.111). All reduced-fat, low-fat, and nonfat cow's milk types and varieties must contain at least 400 IU of vitamin D per quart (100 IU per cup) and 2,000 IU of vitamin A per quart (500 IU per cup).
Goat's Milk	Must be pasteurized. Only unflavored milk is permitted. May be fluid, shelf-stable, evaporated, or dry (<i>i.e.</i>, powdered). All reduced-fat, low-fat, and nonfat goat's milk must contain at least 400 IU of vitamin D per quart (100 IU per cup) and 2,000 IU of vitamin A per quart (500 IU per cup).
Plant-based Milk Alternatives	Must contain ≤10 g of added sugars per cup and be fortified to meet the following nutrient levels (amounts are provided per cup): 276 mg calcium, 8 g protein, 500 IU vitamin A, 100 IU (2.5 µg) vitamin D, 24 mg magnesium, 222 mg phosphorus, 349 mg potassium, 0.44 mg riboflavin, and 1.1 mcg vitamin B12, in accordance with FDA-issued fortification guidelines. May be flavored or unflavored.
Cheese	Domestic cheese made from 100 percent pasteurized milk. Must conform to FDA Standard of Identity (21 CFR part 133); Monterey Jack, Colby, natural Cheddar, Swiss, Brick, Muenster, Provolone, part-skim or whole Mozzarella, pasteurized process American, or blends of any of these cheeses are authorized. Cheeses that are labeled low, free, reduced, less or light in sodium, fat or cholesterol are WIC-eligible.
Plant-based Cheese Alternatives.	Must contain a minimum of 250 mg of calcium and 6.5 g of protein per 1.5 ounces. Plant-based curd cheeses are not authorized.
Yogurt (cow's milk)	Must be pasteurized, conform to FDA Standard of Identity (21 CFR 131.200) and contain ≤16 grams of added sugar and a minimum of 106 IU (2.67 micrograms) of vitamin D per 8 ounces. May be plain or flavored. Yogurts that are fortified with vitamin A and other nutrients may be allowed at the State agency's option. Yogurts sold with accompanying mix-in ingredients such as granola, candy pieces, honey, nuts, and similar ingredients are not authorized. Drinkable yogurts are not authorized.
Plant-based Yogurt Alternatives.	Must contain ≤16 g of added sugars and a minimum of 250 mg of calcium, 6.5 g of protein, and 106 IU (2.67 micrograms) of vitamin D per 8 ounces. May be plain or flavored. Plant-based yogurts sold with accompanying mix-in ingredients such as granola, candy pieces, honey, nuts, and similar ingredients are not authorized. Drinkable yogurts are not authorized.
Tofu	Must contain a minimum of 100 mg of calcium per 100 g of tofu. May not contain added fats, sugars, oils, or sodium.
JUICE	Must be pasteurized 100 percent unsweetened fruit juice. Must contain at least 30 mg of vitamin C per 100 mL of juice. Must conform to FDA Standard of Identity as appropriate (21 CFR part 146) or vegetable juice must conform to FDA Standard of Identity as appropriate (21 CFR part 156). Except for 100 percent citrus juices, State agencies must verify the vitamin C content of all State-approved juices. Juices that are fortified with other nutrients may be allowed at the State agency's option. Juice may be fresh, from concentrate, frozen, canned, or shelf stable. Blends of authorized juices are allowed. Vegetable juice may be regular or lower in sodium.
EGGS	Fresh shell domestic hens' eggs or dried eggs mix (must conform to FDA Standard of Identity in 21 CFR 160.105) or pasteurized liquid whole eggs (must conform to FDA Standard of Identity in 21 CFR 160.115). Hard boiled eggs, where readily available for purchase in small quantities, may be provided for homeless participants.

TABLE 4 TO PARAGRAPH (12)—MINIMUM REQUIREMENTS AND SPECIFICATIONS FOR SUPPLEMENTAL FOODS—Continued

Categories/foods	Minimum requirements and specifications
BREAKFAST CEREAL (READY-TO-EAT AND INSTANT AND REGULAR HOT CEREALS).	Must contain a minimum of 28 mg iron per 100 g dry cereal. Must contain ≤ 21.2 g of added sugar per 100 g dry cereal (≤ 6 g per dry oz.). 75 percent of cereals on the State agency authorized food list must contain whole grain as the first ingredient.
FRUITS AND VEGETABLES (FRESH AND PROCESSED) ^{3 4 5 6 7}	Any variety of fresh (as defined by 21 CFR 101.95) whole or cut fruit without added sugars. Any variety of fresh (as defined by 21 CFR 101.95) whole or cut vegetable without added sugars, fats, or oils. Any variety of canned fruits (must conform to FDA Standard of Identity as appropriate (21 CFR part 145)); including applesauce, juice pack or water pack without added sugars, fats, oils, or salt (<i>i.e.</i> , sodium). The fruit must be listed as the first ingredient. Any variety of frozen fruits without added sugars, fats, oils, or salt (<i>i.e.</i> , sodium). Any variety of canned or frozen vegetables without added sugars, fats, or oils. Vegetable must be listed as the first ingredient. May be regular or lower in sodium. Must conform to FDA Standard of Identity as appropriate (21 CFR part 155). Any type of dried fruits or dried vegetables without added sugars, fats, oils, or salt (<i>i.e.</i> , sodium). Any type of immature beans, peas, or lentils, fresh or in canned ⁴ forms. Any type of frozen beans (immature or mature). Beans purchased with the CVV may contain added vegetables and fruits, but may not contain added sugars, fats, oils, or meat as purchased. Canned beans, peas, or lentils may be regular or lower in sodium content. State agencies must allow organic forms of WIC-eligible fruits and vegetables.
WHOLE WHEAT BREAD, WHOLE GRAIN BREAD, AND WHOLE GRAIN OP- TIONS:	
Bread	<i>Whole wheat bread</i> must conform to FDA Standard of Identity (21 CFR 136.180) (includes whole wheat buns and rolls). “Whole wheat flour” and/or “bromated whole wheat flour” must be the only flours listed in the ingredient list. OR <i>Whole grain bread</i> must conform to FDA Standard of Identity (21 CFR 136.110) (includes whole grain buns and rolls). AND Must contain at least 50 percent whole grains with the remaining grains being either enriched or whole grains. ⁸
Whole Grain Options	Brown rice, wild rice, quinoa, bulgur (cracked wheat), oats, whole-grain barley, millet, triticale, amaranth, cornmeal (including blue), corn masa flour, whole wheat macaroni (pasta) products, whole wheat bread products (<i>i.e.</i> , pita, English muffin, bagels, naan), soft corn or whole wheat tortillas, buckwheat, teff, kamut, sorghum, wheat berries without added sugars, fats, oils, or salt (<i>i.e.</i> , sodium). May be instant-, quick-, or regular-cooking. State agencies have the option to authorize other intact whole grain options without added sugars, fats, oils, or salt (<i>i.e.</i> , sodium). Corn meal (including blue) must conform to FDA Standard of Identity 21 CFR 137.260 & align with USDA School Meal Guidance. Soft corn or whole wheat tortillas. Soft corn tortillas made from ground masa flour (corn flour) using traditional processing methods are WIC-eligible, <i>e.g.</i> , whole corn, corn (masa), whole ground corn, corn masa flour, masa harina, and white corn flour. For whole wheat tortillas, “whole wheat flour” must be the only flour listed in the ingredient list. States may offer tortillas made with folic acid-fortified corn masa flour. Whole wheat macaroni (pasta) products. Must conform to FDA Standard of Identity (21 CFR 139.138) and have no added sugars, fats, oils, or salt (<i>i.e.</i> , sodium). “Whole wheat flour” and/or “whole durum wheat flour” must be the only flours listed in the ingredient list. Other shapes and sizes that otherwise meet the FDA Standard of Identity for whole wheat macaroni (pasta) products (21 CFR 139.138), and have no added sugars, fats, oils, or salt (<i>i.e.</i> , sodium), are also allowed (<i>e.g.</i> , whole wheat rotini, and whole wheat penne).
FISH (CANNED) ⁴	Light tuna (must conform to FDA Standard of Identity (21 CFR 161.190)); Salmon (Pacific salmon must conform to FDA Standard of Identity (21 CFR 161.170)); Sardines; and Mackerel (<i>N. Atlantic Scomber scombrus</i> , Chub Pacific <i>Scomber japonicas</i>). ⁹ May be packed in water or oil. Pack may include bones or skin. Only boneless varieties of fish may be provided to children at State agency option. Added sauces and flavorings, <i>e.g.</i> , tomato sauce, mustard, lemon, are authorized at the State agency's option. May be regular or lower in sodium content.
MATURE LEGUMES, PEANUT BUTTER, AND PEANUT BUTTER SUBSTITUTIONS:	
Mature Legumes (dry beans and peas) ¹⁰	Any type of mature dry beans, peas, or lentils in dry-packaged and canned ⁴ forms. Examples include but are not limited to black beans, black-eyed peas, garbanzo beans (chickpeas), great northern beans, white beans (navy and pea beans), kidney beans, mature lima (“butter beans”), fava beans, mung beans, pinto beans, soybeans/edamame, split peas, lentils, and refried beans. Does not include green beans or green peas. All categories exclude soups. May not contain added sugars, fats, oils, vegetables, fruits, or meat as purchased. Canned legumes may be regular or lower in sodium content. ¹¹
Peanut Butter	Baked beans may only be provided for participants with limited cooking facilities. ¹¹ Peanut butter and reduced-fat peanut butter must conform to FDA Standard of Identity (21 CFR 164.150); creamy or chunky, regular, or reduced-fat, salted or unsalted forms are allowed. Peanut butters with added marshmallows, honey, jelly, chocolate, or similar ingredients are not authorized.

TABLE 4 TO PARAGRAPH (12)—MINIMUM REQUIREMENTS AND SPECIFICATIONS FOR SUPPLEMENTAL FOODS—Continued

Categories/foods	Minimum requirements and specifications
Nut and Seed Butters	Must provide comparable nutritive value to peanut butter (<i>i.e.</i> , protein and iron). May be creamy or chunky, regular, or reduced-fat, salted or unsalted forms are allowed. Nut and seed butter with added marshmallows, honey, jelly, chocolate, or similar ingredients are not authorized.
INFANT FOODS:	
Infant Cereal	Infant cereal must contain a minimum of 45 mg of iron per 100 g of dry cereal. ¹²
Infant Fruits	Any variety of single ingredient commercial infant food fruit without added sugars, starches, or salt (<i>i.e.</i> , sodium). Texture may range from strained through diced. The fruit must be listed as the first ingredient. ¹³
Infant Vegetables	Any variety of single ingredient commercial infant food vegetables without added sugars, starches, or salt (<i>i.e.</i> , sodium). Texture may range from strained through diced. The vegetable must be listed as the first ingredient. ¹⁴
Infant Meat	Any variety of commercial infant food meat or poultry as a single major ingredient, with added broth or gravy. Added sugars or salt (<i>i.e.</i> , sodium) are not allowed. Texture may range from pureed through diced. ¹⁵

Note: FDA = Food and Drug Administration of the U.S. Department of Health and Human Services. Foods must comply with labeling requirements consistent with 21 CFR parts 130 and 101.

¹ The following are not considered a WIC-eligible nutritional: Formulas used solely for the purpose of enhancing nutrient intake, managing body weight, or addressing picky eaters or used for a condition other than a qualifying condition (*e.g.*, vitamin pills, weight control products, etc.); medicines or drugs as defined by the Federal Food, Drug, and Cosmetic Act as amended; enzymes, herbs, or botanicals; oral rehydration fluids or electrolyte solutions; flavoring or thickening agents; and feeding utensils or devices (*e.g.*, feeding tubes, bags, pumps) designed to administer a WIC-eligible formula.

² All authorized milks must conform to FDA Standards of Identity for milks as defined by 21 CFR part 131 and meet WIC's requirements for vitamin fortification as specified in this table 4. Additional authorized milks include, but are not limited to calcium-fortified, lactose-reduced, organic, and UHT pasteurized milks. Other milks are permitted at the State agency's discretion provided that the State agency determines that the milk meets the minimum requirements for authorized milk.

³ Processed refers to frozen, canned (see footnote 4 to this table 4), or dried.

⁴ Canned refers to processed food items in cans or other shelf-stable containers, *e.g.*, jars, pouches.

⁵ Fresh herbs, cut at the root or with the root intact, are authorized. The following are not authorized: spices and dried herbs; seeds; potted plants with vegetables, fruits or herbs; creamed vegetables or vegetables with added sauces; fresh fruits and/or vegetables packaged with dips, sauces, or glazes; mixed vegetables containing noodles, nuts, or sauce packets; vegetable-grain (*e.g.*, pasta, rice) mixtures; fruit-nut mixtures; breaded vegetables; fruits and vegetables for purchase on salad bars; peanuts or other nuts; ornamental and decorative fruits and vegetables such as chili peppers or garlic on a string, gourds, painted pumpkins, fruit baskets, and decorative blossoms and flowers; and foods containing fruits such as blueberry muffins and other baked goods. Home-canned and home-preserved fruits and vegetables are not authorized.

⁶ Excludes catsup or other condiments; pickled vegetables; olives; soups; juices; and fruit leathers and fruit roll-ups. Canned tomato sauce, tomato paste, salsa, and spaghetti sauce without added sugar, fats, or oils are authorized.

⁷ State agencies have the option to allow only lower sodium canned vegetables for purchase with the cash-value voucher.

⁸ One of the following criteria must be met to confirm the product provides 50% or more whole grains: (1) product labeling contains the FDA health claim "Diet rich in whole grain foods and other plant foods and low in total fat, saturated fat, and cholesterol may reduce the risk of heart disease and some cancers" OR "Diets rich in whole grain foods and other plant foods, and low in saturated fat and cholesterol, may help reduce the risk of heart disease"; (2) meets the "rule of three" criteria (*i.e.*, the first ingredient (or second after water) must be whole grain, and the next two grain ingredients (if any) must be whole grains, enriched grains, bran or germ; (3) the manufacturer provides written documentation that the product contains 50% or more whole grains by weight.

⁹ King mackerel is not authorized.

¹⁰ Mature dry beans, peas, or lentils in dry-packaged and canned forms are authorized under the mature legume category. Immature varieties of fresh or canned beans and frozen beans of any type (immature or mature) are authorized for purchase with the cash-value voucher only. Juices are provided as a separate WIC food category and are not authorized under the fruit and vegetable category.

¹¹ The following are not authorized in the mature legume category: soups; immature varieties of legumes, such as those used in canned green peas, green beans, snap beans, yellow beans, and wax beans; baked beans with meat, *e.g.*, beans and franks; beans containing added sugars (except for baked beans), fats, oils, meats, fruits, or vegetables.

¹² Infant cereals containing infant formula, milk, fruit, or other non-cereal ingredients are not allowed.

¹³ Mixtures with cereal or infant food desserts (*e.g.*, peach cobbler) are not authorized; however, combinations of single ingredients (*e.g.*, apple-banana) and combinations of single ingredients of fruits and/or vegetables (*e.g.*, apples and squash) are allowed.

¹⁴ Combinations of single ingredients (*e.g.*, peas and carrots) and combinations of single ingredients of fruits and/or vegetables (*e.g.*, apples and squash) are allowed.

¹⁵ Infant food combinations (*e.g.*, meat and vegetables) and dinners (*e.g.*, spaghetti and meatballs) are not allowed.

Signed:
Shiela Corley,
Acting Administrator.

[FR Doc. 2026-12700 Filed 6-23-26; 8:45 am]

BILLING CODE 3410-30-P

DEPARTMENT OF TRANSPORTATION
Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA-2026-4167; **Airspace**
Docket No. 26-ASW-9]

RIN 2120-AA66

Establishment of Class E Airspace;
Glen Rose, TX

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes Class
E airspace at Rancho Hielo Brazos

Airport, Glen Rose, 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 Rancho Hielo Brazos Airport, Glen Rose, TX, to support IFR operations at this airport.

History

The FAA published an NPRM for Docket No. FAA-2025-4167 in the **Federal Register** (91 FR 21273; April 21, 2026) proposing to establish Class E airspace at Rancho Hielo Brazos Airport, Glen Rose, TX. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. One anonymous comment was received stating the word "no" using capital letters, numerous "o"s, and numerous exclamation points. It is unclear whether the commenter objects to the proposal and, if so, on what grounds. The FAA cannot determine, for example, if the comment was made in error or in jest. Without an explanation of the substantive reasons for the potential objection, the FAA is unable to

respond in more detail. Pursuant to FAA Order JO 7400.2R, Section 18-2-3, the airspace designation is necessary to contain instrument flight procedures (IFPs) that have been developed for the affected airport, which are not protected by other controlled airspace. Although the designation of Class E airspace could result in costs or burdens for regulated parties, these have been determined to be de minimis.

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-mile radius of Rancho Hielo Brazos Airport, Glen Rose, 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 Glen Rose, TX [Establish]

Rancho Hielo Brazos Airport, TX
(Lat. 32°12'02" N, long. 97°50'32" W)

That airspace extending upward from 700 feet above the surface within a 6-

mile radius of the Rancho Hielo Brazos Airport, and within 2.2 miles each side of the 006° bearing from the airport extending from the 6-mile radius to 8.4 miles north of the airport, and within 2.2 miles each side of the 186° bearing from the airport extending from the 6-mile radius to 8.5 miles south of the airport.

* * * *

Issued in Fort Worth, Texas, on June 22, 2026.

Jerry J. Creecy,

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

[FR Doc. 2026-12701 Filed 6-23-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA-2026-4171; **Airspace**
Docket No. 26-ASW-10]

RIN 2120-AA66

Establishment of Class E Airspace; Barksdale, TX

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes Class E airspace at Cedar Creek Ranch Airport, Barksdale, 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 Cedar Creek Ranch Airport, Barksdale, TX, to support IFR operations at this airport.

History

The FAA published an NPRM for Docket No. FAA-2026-4171 in the **Federal Register** (91 FR 21394; April 22, 2026) proposing to establish Class E airspace at Cedar Creek Ranch Airport, Barksdale, 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 7-mile radius of Cedar Creek Ranch Airport, Barksdale, 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 Barksdale, TX [Establish]

Cedar Creek Ranch Airport, TX
(Lat 29°46'19" N, Long 100°09'27" W)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Cedar Creek Ranch Airport, and within 2.2 miles each side of the 053° bearing from the airport extending from the 7-mile radius to 9.5 miles northeast of the airport.

* * * * *

Issued in Fort Worth, Texas, on June 22, 2026.

Jerry J. Creecy,

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

[FR Doc. 2026–12698 Filed 6–23–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–3372; Airspace
Docket No. 25–ANM–146]

RIN 2120–AA66

Modification of Class E Airspace, Omak Airport, Omak, WA

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Final rule, correction.

SUMMARY: This action corrects a final rule published by the FAA in the *Federal Register* on June 11, 2026, modifying the Class E airspace area extending upward from 700 feet above

the surface at Omak Airport, Omak, WA. Specifically, this action administratively rewrites the body of the legal description as it was presented in the final rule for greater clarity, without substantive impacts.

DATES: The effective date of the final rule published in the *Federal Register* on June 11, 2026, remains 0901 UTC, September 3, 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: FAA Order JO 7400.11K, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at www.faa.gov/air_traffic/publications/. You may also contact the Rules and Regulations Group, Policy Directorate, Federal Aviation Administration, 600 Independence Avenue SW, Washington, DC 20597; telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT: Bryantjay T. Toves, Federal Aviation Administration, Western Service Center, Operations Support Group, 2200 S. 216th Street, Des Moines, WA 98198; telephone (206) 231–3465.

History

The FAA published a final rule in the *Federal Register* for Docket No. FAA 2026–3372 (91 FR 35377; June 11, 2026), modifying the Class E airspace area at Omak Airport, Omak, WA. Subsequent to publication, the FAA identified a need to more clearly define the airspace at Omak to assist the general public in better understanding the modified airspace area. This action provides administrative revisions to clarify the airspace without substantive changes.

Correction to Final Rule

Accordingly, pursuant to the authority delegated to me, the final rule for Docket No. FAA–2026–3372, as published in the *Federal Register* on June 11, 2026 (91 FR 35377; FR Doc. 2026–11792), is corrected as follows:

■ On page 35378, in the second column, the amended legal description for “ANM WA E5 Omak, WA” is revised as follows:

ANM WA E5 Omak, WA (Amended)

Omak Airport, WA
(Lat. 48°27'52" N, long. 119°31'05" W)

That airspace extending upward from 700 feet above the surface within a 5.1-mile radius excluding that airspace east of long. 119°28'00" W, within one mile either side of the airport's 189° bearing extending to 9 miles south, and within

two miles either side of the airport's 204° bearing extending to 12 miles southwest.

Issued in Washington, DC, on June 18, 2026.

B.G. Chew,

*Group Manager, Operations Support Group,
Western Service Center.*

[FR Doc. 2026–12673 Filed 6–23–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2025–2423; Airspace
Docket No. 23–AAL–10]

RIN 2120–AA66

Modification of Class E Airspace; Ralph Wien Memorial Airport, Kotzebue, AK

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies the Class E airspace area designated as a surface area (Class E2 airspace) and Class E airspace extending upward from 700 feet above the surface (Class E5 airspace) to optimize instrument flight procedure containment at the Ralph Wien Memorial Airport, Kotzebue, AK. This action supports the safety and management of instrument flight rules (IFR) operations at the airport.

DATES: Effective date 0901 UTC, September 3, 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), supplemental notice of the proposed rulemaking (SNPRM), all comments received, this final rule, and all background material may be viewed online at www.regulations.gov using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from www.federalregister.gov.

FAA Order JO 7400.11K, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at www.faa.gov/air_traffic/publications/. You may also contact the Rules and Regulations Group, Policy Directorate, Federal Aviation

Administration, 600 Independence Avenue SW, Washington, DC 20597; telephone: (202) 267-8783.

FOR FURTHER INFORMATION CONTACT: BryantJay Toves, Federal Aviation Administration, Western Service Center, Operations Support Group, 2200 S. 216th Street, Des Moines, WA 98198; telephone (206) 231-3465.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it modifies Class E airspace to support IFR operations at Ralph Wien Memorial Airport, Kotzebue, AK.

Differences From the NPRM and SNPRM

After publication of the NPRM and SNPRM, FAA discovered inconsistencies between geographic locations and airport data within the state of Alaska. As a result, in this final rule, Kotzebue's Class E2 and E5 airspace legal descriptions will be described in relation to a "Point of Origin" utilizing the same geographic coordinates as the SNPRM. Referencing a "Point of Origin" is consistent with FAA's processing of other airspace modifications currently proposed within the state and assists in preventing future errors in aeronautical charting. This change is administrative in nature and does not substantively alter the proposed airspace boundaries or operating requirements. Accordingly, the FAA finds good cause that recirculating the proposal for notice and comment is unnecessary. 5 U.S.C. 553(b)(B).

History

The FAA published an NPRM for Docket No. FAA-2025-2423 in the **Federal Register** (90 FR 52899; Nov. 24, 2025), proposing to modify Class E airspace at Ralph Wien Memorial Airport, Kotzebue, AK. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the

FAA, but no comments were received. Following the above NPRM publication, four procedures were amended due to magnetic variation changes and/or procedure updates. As a result, FAA published an SNPRM for Docket No. FAA-2025-2423 in the **Federal Register** (91 FR page 20944; April 20, 2026), which updated the proposal to modify Class E airspace area at Ralph Wien Memorial Airport, Kotzebue, AK. Again, interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. One comment was received in support of the airspace action.

Incorporation by Reference

Class E2 and E5 airspace designations are published in paragraphs 6002 and 6005, respectively, of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This document amends the current version of that order, FAA Order JO 7400.11K, dated August 4, 2025, and effective September 15, 2025. These amendments will be published in the next update to FAA Order JO 7400.11. FAA Order JO 7400.11K, which lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points, is publicly available as listed in the **ADDRESSES** section of this document.

The Rule

This action amends 14 CFR part 71 by modifying the Class E airspaces at Ralph Wien Memorial Airport, Kotzebue, AK.

First, the Class E2 airspace radius is increased from 4.3-miles to 4.4-miles to better accommodate circling maneuvers to Runways (RWY) 18 and 9. Furthermore, the 1.4-mile and 0.6-mile extensions to the southeast and west, respectively, were added to contain departing aircraft until reaching the base of the next adjacent airspace when executing the COGAS TWO Area Navigation (RNAV) (Required Navigation Performance [RNP]) DEPARTURE and BALIN TWO RNAV (RNP) DEPARTURE from RWYs 9 and 27.

Additionally, the Class E5 airspace is modified to remove unnecessary controlled airspace to the northeast, east, southwest, and west, and to expand the airspace in targeted areas southeast and northwest of the airport. The expansion to the southeast better contains aircraft until reaching 1,200 feet above the surface on the RNAV (Global Positioning System [GPS]) RWY 27 missed approach procedure and BALIN TWO RNAV (RNP) DEPARTURE

RWY 9 procedure. The expansion to the northwest adds an additional one-by-five-mile airspace area to better contain arriving aircraft operating below 1,500 feet above the surface on the Instrument Landing System (ILS) or Localizer (LOC) RWY 9 approach procedure. The eastern boundary is extended by approximately 1.6 miles and the western boundary extended to approximately 10.7 miles to more appropriately contain the Very High Frequency Omnidirectional Range (VOR) RWY 9 and the VOR RWY 27 instrument approach procedures when operating less than 1,500 feet above the surface, respectively.

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 (42 U.S.C. 4321, *et seq.*) and in accordance with FAA Order 1050.1G, "FAA National Environmental Policy Act Implementing Procedures," paragraph B-2.5.a. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

Lists of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Amendment

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

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

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

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

§ 71.1 [Amended]

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

Paragraph 6002 Class E Airspace Areas Designated as Surface Areas.

* * * * *

AAL AK E2 Kotzebue, AK [Amended]

Ralph Wien Memorial Airport, AK
(Lat. 66°53'05" N, Long. 162°35'53" W)
Point of Origin
(Lat. 66°53'05" N, Long. 162°35'53" W)

That airspace extending upward from the surface within a 4.4-mile radius of the Point of Origin, within 2.9 miles northeast and .8 miles southwest of the Point of Origin's 130° bearing extending from the 4.4-mile arc to 5.8 miles southeast of the Point of Origin, and clockwise from the Point of Origin's 260° bearing to its 286° bearing extending from the 4.4-mile arc to the 5 mile-arc.

* * * * *

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

* * * * *

AAL AK E5 Kotzebue, AK [Amended]

Ralph Wien Memorial Airport, AK
(Lat. 66°53'05" N, Long. 162°35'53" W)
Point of Origin
(Lat. 66°53'05" N, Long. 162°35'53" W)

That airspace extending upward from 700 feet above the surface within a 6.8-mile radius of the Point of Origin, within an 8.3-mile radius of the Point of Origin between its 118° bearing clockwise to its 137° bearing, within 3 miles north and 3.2 miles south of the Point of Origin's 095° bearing extending to 13.6 miles east, and within 4 miles either side of the Point of Origin's 280° bearing extending to 10.7 miles west; that airspace extending upward from 1,200 feet above the surface within a 45-mile radius of the Ralph Wien Memorial Airport, excluding that airspace extending beyond 12 miles from the coast.

* * * * *

Issued in Des Moines, Washington, on June 18, 2026.

B.G. Chew,

Group Manager, Operations Support Group, Western Service Center.

[FR Doc. 2026–12674 Filed 6–23–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

19 CFR Part 10

[USCBP–2026–0760; CBP Dec. 26–12]

RIN 1685–AA44

Indefinite Suspension of the De Minimis Exemption for Merchandise Arriving Through All Modes Other Than the International Postal Network

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Interim final rule; request for comments.

SUMMARY: This document amends the U.S. Customs and Border Protection (CBP) regulations to implement an indefinite suspension of the *de minimis* administrative exemption for imports valued at \$800 or less arriving via all modes other than through the international postal network. This indefinite suspension means that all entries of merchandise valued at \$800 or less arriving through all modes other than the international postal network must utilize formal or informal entry procedures.

DATES: This interim final rule is effective on June 24, 2026. Comments on the rule must be received on or before July 24, 2026.

ADDRESSES: You may submit comments, identified by docket number, through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP–2026–0760.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received may be posted without change to <http://www.regulations.gov>, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the “Public Participation” heading of the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: For access to the docket to read background documents and submitted comments, go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Christopher Mabelitini, Director, Intellectual Property Rights & E-Commerce Division, Office of Trade, U.S. Customs and Border Protection, 202–325–6915, ecommerce@cbp.dhs.gov.

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I. Public Participation

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of this rulemaking. U.S. Customs and Border Protection (CBP) also invites comments that relate to the economic, environmental, or federalism effects that might result from this rule, if relevant. If appropriate to a specific comment, the commenter should reference the specific portion of the rule, explain the reason for any recommended change, and include data, information, or authority that supports the recommended change.

II. Background

On July 30, 2025, the President signed Executive Order (E.O.) 14324 (Suspending Duty-Free De Minimis Treatment For All Countries).¹ Among other things, E.O. 14324 suspended the availability of the *de minimis* administrative exemption under 19 U.S.C. 1321(a)(2)(C) for most imports, to address the national emergencies declared in E.O. 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), E.O. 14194 of

¹ 90 FR 37775 (Aug. 5, 2025).

February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), E.O. 14195 of February 1, 2025 (Imposing Duties To Address the Synthetic Opioid Supply Chain in the People's Republic of China), and E.O. 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits).² E.O. 14324 generally calls for shipments that qualified for the *de minimis* exemption prior to the effective date of the order, other than shipments sent through the international postal network, to be entered using an appropriate entry type in the Automated Commercial Environment (ACE) by a party qualified to make such entry.

On February 20, 2026, the United States Supreme Court decided *Learning Resources, Inc. v. Trump*, 607 U.S. ____ (2026), holding that the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1701 *et seq.*, does not authorize the President to impose additional tariffs. That decision did not address the suspension of the *de minimis* administrative exemption pursuant to IEEPA. In light of that decision, E.O. 14389 of February 20, 2026 (Ending Certain Tariff Actions),³ terminated the additional duties that had been imposed under IEEPA in certain Executive Orders (including the Executive Orders listed in the preceding paragraph), while making clear that the national emergency declarations underlying the imposition of the tariffs remain ongoing and maintaining other measures adopted under those orders. On the same day, E.O. 14388 of February 20, 2026 (Continuing the Suspension of Duty-Free De Minimis Treatment for All Countries),⁴ continued the suspension of the duty-free *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C), and stated that CBP should continue to inspect such goods and collect applicable duties, taxes, fees, exactions, and charges on such shipments.

Consistent with the policy objectives encapsulated by these Executive Orders,

and independently pursuant to CBP's own statutory authorities, and after considering the relevant issues and factors and weighing the relevant considerations, this rulemaking implements in CBP regulations an indefinite suspension of the *de minimis* administrative exemption under 19 U.S.C. 1321(a)(2)(C) (hereinafter "the *de minimis* administrative exemption" or "the *de minimis* exemption") for merchandise valued at \$800 or less and imported by one person on one day arriving through any mode other than the international postal network, consistent with 19 U.S.C. 1321(b), to protect revenue, prevent unlawful importations, and for further reasons discussed in more detail below. This rulemaking does not affect the availability of the exemptions for bona fide gifts under 19 U.S.C. 1321(a)(2)(A) or personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(B). Although this rulemaking is implementing an indefinite suspension of the *de minimis* administrative exemption for merchandise valued at \$800 or less arriving by all modes other than through the international postal network, CBP is also publishing a concurrent rulemaking announcing, *inter alia*, an indefinite suspension of the *de minimis* administrative exemption for merchandise valued at \$800 or less arriving through the international postal network.⁵

Specifically, and as discussed in more detail below, this rulemaking addresses certain challenges CBP faces related to the *de minimis* exemption. These challenges concern efforts to protect the revenue and to identify violations of U.S. customs and trade laws, health and safety requirements, intellectual property rights, and consumer protection rules, as well as to detect and prevent the entry of illicit drugs such as fentanyl (including synthetic drug precursors and related chemicals and related manufacturing equipment).

A. Authority

1. The De Minimis Administrative Exemption

Section 321 of the Tariff Act of 1930 (19 U.S.C. 1321), as amended by the

Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), Section 901, Public Law 114–125, 130 Stat. 122, authorizes the Secretary of the Treasury,⁶ "in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected," to provide by regulation for administrative exemptions from duty and any tax imposed on or by reason of importation for three categories of articles. These categories include: bona fide gifts valued at \$100 or less (\$200, if the gift is from certain island possessions) sent from persons in foreign countries to persons in the United States (19 U.S.C. 1321(a)(2)(A)); certain personal or household articles valued at \$200 or less accompanying persons arriving in the United States (19 U.S.C. 1321(a)(2)(B)); and other articles when the value of the article is \$800 or less, referred to here as the *de minimis* administrative exemption (19 U.S.C. 1321(a)(2)(C)). The origin of the *de minimis* exemption was to codify the Government's existing discretionary "practice of waiving duties when, in the opinion of local customs officials, collecting the duty would be an inefficient use of government resources."⁷ Though Congress has several times amended Section 321, including to adjust the statute's dollar amounts, the purpose of Section 321 has remained the same.⁸

⁶ The Secretary of the Treasury has delegated this authority to the Secretary of Homeland Security pursuant to the Homeland Security Act of 2002 (see Pub. L. 107–296, 116 Stat. 2142) and Treasury Order 100–20 (Oct. 30, 2024), available at <https://home.treasury.gov/about/general-information/orders-and-directives/treasury-order-100-20>.

⁷ *Imports and the Section 321 (De Minimis) Exemption: Origins, Evolution, and Use*, Cong. Research Serv., R48380 at 5–6 (Jan. 31, 2025); see also, e.g., Customs Administrative Act of 1938, Public Law 75–721, 52 Stat. 1081 (June 25, 1938), ch. 679, § 7.

⁸ See, e.g., Simplification of Customs Administration: Hearings on H.R. 1535 Before the Comm. on Ways and Means House of Rep., 82nd Cong., at 19 (1951) ("the purpose" of this provision was "to avoid waste of customs manpower in determining and collecting trivial amounts of money," and "[t]he object of the [1953] amendment [was] the same as that of the original section[] . . . [as it was] necessary in order to minimize the cost of administering the customs service"); H.R. Rep. No. 83–760, at 123 (1953) (noting that Section 321 was "intended to avoid dissipating customs manpower in assessing and collecting duties in trivial amounts"); H.R. Rep. No. 103–361, pt. 1, at 144–45 (1993) (changing the statutory amount because "inflation and the substantial increases in passenger arrivals and low-value entries" meant that the statutory amounts that were then in place were "not sufficiently high for the statutorily stated goal of limiting expense to the Government disproportionate to the revenue that is collected"); S. Rep. No. 103–189, at 93 (1993); Customs Modernization Act, Title VI of the North American Free Trade Agreement Implementation Act, Public Law 103–182, 651, 107 Stat. 2057, 2209 (1993);

² For more information regarding these national emergency declarations, please see "Notice of Implementation of the President's Executive Order 14324, Suspending Duty-Free De Minimis Treatment for All Countries" at 90 FR 42418 (Sept. 2, 2025), which is CBP's notice effectuating Executive Order 14324, *inter alia*: Executive Order 14193, 90 FR 9113 (Feb. 7, 2025); Executive Order 14194, 90 FR 9117 (Feb. 7, 2025); Executive Order 14195, 90 FR 9121 (Feb. 7, 2025); and Executive Order 14257, 90 FR 15041 (Apr. 7, 2025). As noted in Executive Order 14389, 91 FR 9437 (Feb. 20, 2026), the national emergencies declared or described in the above orders remain in effect.

³ 91 FR 9437 (Feb. 25, 2026).

⁴ 91 FR 9433 (Feb. 25, 2026).

⁵ Although CBP is issuing this interim final rule concurrently with a separate interim final rule addressing related issues under 19 U.S.C. 1321, CBP views each rule as a distinct regulatory action. CBP would have issued this interim final rule even if the other interim final rule had not been issued, and CBP intends that this interim final rule remain in effect even if the other interim final rule is later amended, delayed, or held invalid in whole or in part, unless CBP itself changes this rule through subsequent rulemaking.

In granting this discretion to admit articles free of duty and of any tax imposed by reason of importation, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, Section 321(a)(2)(C) sets a framework for any *de minimis* exemption that the Secretary of the Treasury (Secretary) (and now the Secretary of Homeland Security) chooses, in his or her discretion, to implement. In other words, the Secretary's authority to implement the administrative exemptions authorized under Section 321 is, and has always been, discretionary, not mandatory. Nothing in Section 321 requires the Secretary to create (or to maintain) a *de minimis* exemption. Instead, the creation (or the maintaining) of the *de minimis* exemption is in the Secretary's discretion.

Importantly, 19 U.S.C. 1321(b) also authorizes the Secretary to promulgate regulations that except certain merchandise from eligibility for the administrative exemptions in 19 U.S.C. 1321(a) when the Secretary finds that such an exception is consistent with the purpose of 19 U.S.C. 1321(a) or is necessary for any reason to protect the revenue or to prevent unlawful importations.

The *de minimis* exemption is implemented in part 10 of title 19 of the Code of Federal Regulations (19 CFR part 10) at 19 CFR 10.151 and 10.153, and is also referenced in 19 CFR parts 128, 143, and 145.

2. Entry Procedures

All merchandise imported into the customs territory of the United States is subject to entry and clearance procedures, unless specifically excepted. These procedures ensure the proper appraisement, valuation, and tariff classification of the merchandise for the purpose of collecting the lawful amount of duties owed, as well as compliance with all other laws and regulations administered and enforced by CBP. Different types of entry procedures are used for the entry and clearance of merchandise depending upon its value and other relevant criteria.

Formal entry procedures, established by 19 U.S.C. 1484 and 1485, are generally applicable to shipments of merchandise valued in excess of

\$2,500.⁹ Informal entry procedures are authorized by 19 U.S.C. 1498(a)(1)(A) for shipments of merchandise valued at \$2,500 or less, and may incorporate formal entry procedures appearing in 19 U.S.C. 1484 and 1485.¹⁰ 19 U.S.C. 1498(b). Informal entry regulations are generally found in 19 CFR part 143, subpart C. Generally, informal entry procedures are less burdensome and complex than formal entry procedures. But CBP may require formal entry for any merchandise if deemed necessary for purposes of admissibility, revenue protection, or the efficient conduct of customs business. 19 CFR 143.22.

Additionally, specific procedures for imported shipments arriving through the international postal network, including informal entries valued at \$2,500 or less, are found in part 145, Mail Importations (19 CFR part 145). CBP is publishing a separate rulemaking concurrently with this rulemaking announcing the indefinite suspension of the *de minimis* administrative exemption for merchandise valued at \$800 or less arriving through the international postal network and imposing new requirements for filings in the mail environment.

B. De Minimis and the Dangers of the Low-Value Shipment E-Commerce Environment

The Customs Administrative Act of 1938 amended the Tariff Act of 1930 by adding Section 321, which authorized the original *de minimis* exemption for articles imported by one person on one

⁹ Part 142 of title 19 of the CFR (19 CFR part 142) implements 19 U.S.C. 1484, as amended, and prescribes formal entry procedures.

¹⁰ The Secretary of the Treasury is authorized to "prescribe rules and regulations for the declaration and entry of merchandise when the aggregate value of the shipment does not exceed an amount specified . . . by regulation, but not more than \$2,500." See 19 U.S.C. 1498(a)(1)(A). The Homeland Security Act of 2002 ("HSA") generally transferred the functions of the U.S. Customs Service from the Treasury Department to the Secretary of Homeland Security. See Public Law 107–296, 116 Stat. 2142; 6 U.S.C. 203 ("there shall be transferred to the Secretary [of Homeland Security] the functions . . . of (1) the United States Customs Service of the Department of the Treasury, including the functions of the Secretary of the Treasury relating thereto"). Nevertheless, pursuant to Section 412 of the HSA, the Treasury Department retained authority related to various customs revenue functions, including those functions found in the Tariff Act of 1930, Public Law 71–361, 46 Stat. 590, as amended (codified at 19 U.S.C. 1202 *et seq.*). 6 U.S.C. 212(a)(1), (2). But the Secretary of the Treasury may delegate any such retained authority at the Secretary's discretion. 6 U.S.C. 212(a)(1). Consistent with this delegation authority, the Secretary of the Treasury issued Treasury Order 100–20 [available at <https://home.treasury.gov/about/general-information/orders-and-directives/treasury-order-100-20>], delegating the authorities contained in 6 U.S.C. 212 and 215 to the Secretary of Homeland Security.

day which are valued at \$1 or less, in order to limit the "expense and inconvenience" of collecting duty when "disproportionate to the amount of such duty." ¹¹ At that time, the amount of duty to be collected for these low-value shipments was deemed to be so minimal (especially when compared to the costs associated with collecting the duties that would have been owed) that "the purpose of [Section 321 as added in 1938 was] to avoid waste of customs manpower in determining and collecting trivial amounts of money." ¹² Congress subsequently raised the value cap for articles eligible for the *de minimis* exemption authorized by Section 321(a)(2)(C), as amended, to \$5 in 1978, \$200 in 1993, and most recently, to \$800 in 2016.¹³

The current regulatory framework for the *de minimis* exemption was promulgated through two final rules in 1994 and 1995. The 1994 rule provided express consignment operators and carriers the right to enter goods into the United States without a registered customs broker.¹⁴ The 1995 rule amended the customs regulations to implement the legislative increase of the value cap to \$200, and to specify the special informal entry procedures applicable to qualifying low-value shipments.¹⁵ In 2016, Section 901(d) of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) amended 19 U.S.C. 1321(a)(2)(C) by increasing the value cap from \$200 to \$800.¹⁶ CBP published an interim final rule amending the regulations to implement the new statutory value cap and to identify certain goods excluded from eligibility for the *de minimis*

¹¹ Customs Administrative Act of 1938, Public Law 75–721, 52 Stat. 1077, 1081 (1938).

¹² Hearings on H.R. 1535 before House Committee on Ways and Means, Aug. 6, 1951, at 19 (Analysis of Customs Simplification Act of 1951 at section 11, Administrative Exemptions) (analysis was prepared by the Department of the Treasury and included as part of the legislative record for the Customs Simplification Act of 1953 (Aug. 8, 1953)), Public Law 83–243, c. 397, § 13, 67 Stat. 515.

¹³ Customs Procedural Reform and Simplification Act of 1978, Public Law 95–410, 205(b)(3), 92 Stat. 888, 900 (1978) (raising the daily value cap to \$5); North American Free Trade Agreement Implementation Act, Public Law 103–182, 107 Stat. 2057, 2209 (1993) (raising the daily value cap to \$200 and also removing the specific authorization to the Secretary of the Treasury to diminish the dollar amount of the administrative exemption); Trade Facilitation and Trade Enforcement Act of 2015, Public Law 114–125, 130 Stat. 122 (2016) (raising the daily value cap to \$800).

¹⁴ T.D. 94–71 (59 FR 43283 (Aug. 23, 1994)).

¹⁵ T.D. 95–31 (60 FR 18983 (Apr. 14, 1995)).

¹⁶ Section 901 did not change the administrative exemptions for bona-fide gifts and personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(A) and (B), respectively.

Trade Facilitation and Trade Enforcement Act of 2015, Public Law 114–125, 901, 130 Stat. 122 (2016).

exemption.¹⁷ Otherwise, CBP has not made any significant changes to the regulatory requirements since 1995. In those intervening three decades, however, there have been significant changes in the trade environment relating to the *de minimis* exemption.

As noted above, E.O. 14324 suspended duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C). Given the risks of evasion of U.S. laws, fraud, and illicit-drug importations that create health and safety risks, as well as risks to the revenue described in the following sections, CBP is implementing the *de minimis* suspension for all merchandise arriving via all modes other than through the international postal network in its regulations pursuant to the authority provided for in 19 U.S.C. 1321.¹⁸

Because these shipments of merchandise valued at \$800 or less are no longer eligible for the *de minimis* exemption, they are also unable to use the special informal entry procedures applicable to articles claiming the *de minimis* exemption. Therefore, these shipments will need to use an appropriate entry type, such as the existing informal entry procedures for merchandise valued at \$2,500 or less.

Although this rule is consistent with and responsive to E.O. 14324 and related Presidential actions, CBP is herein independently exercising its statutory authorities to implement the *de minimis* suspension for merchandise arriving via all modes other than through the international postal network. After considering the relevant issues and factors and weighing the relevant considerations, CBP has determined that duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is no longer necessary to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected. *See* 19 U.S.C. 1321(a). Further, after considering the relevant issues and factors and weighing the relevant considerations, CBP has determined that the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is consistent with the purpose of 19 U.S.C. 1321(a). *See* 19 U.S.C. 1321(b). Moreover, after considering the relevant issues and factors and weighing the relevant considerations, CBP has independently determined that the suspension of duty-free *de minimis* treatment under 19

U.S.C. 1321(a)(2)(C) is necessary to protect the revenue. *See* 19 U.S.C. 1321(b). In addition, after considering the relevant issues and factors and weighing the relevant considerations, CBP has independently determined that the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is necessary to prevent unlawful importations, including unlawful importations of illicit or dangerous goods. *See* 19 U.S.C. 1321(b). Finally, after considering the relevant issues and factors and weighing the relevant considerations, CBP has determined that any of the above reasons—separately, cumulatively, or in any combination—justifies the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C).

In making these determinations, CBP considered the relevant issues and factors and weighed the relevant considerations. For example, CBP considered any potential reliance interests but determined that the reliance interests are either not actually present or are outweighed by the benefits of this rule. CBP also considered various alternatives but determined that this rule is more reasonable than and preferable to potential alternatives. In CBP's judgment, this rule is reasonable, consistent with the purpose of 19 U.S.C. 1321(a), necessary to protect the revenue, and necessary to prevent unlawful importations.

CBP is adopting these regulatory measures under its own statutory authority and would do so even in the absence of E.O. 14324 or any related Executive Orders. Moreover, this rulemaking aligns with U.S. Government positions in trade and security negotiations with countries regarding policy matters that are squarely within the foreign affairs domain. The timing of this rulemaking is linked intimately with the United States's overall foreign-affairs and national-security agenda and affects relations with foreign countries.

1. Exponential Increase in the Volume of De Minimis Packages

The continued rise of e-commerce, with the internet empowering individuals to easily make international purchases, the increase of the value cap for the *de minimis* exemption to \$800 in 2016, and the establishment of the Entry Type 86 Test¹⁹ in which CBP authorized a voluntary electronic entry process for qualifying low-value shipments in the Automated

Commercial Environment (ACE), led to drastic increases in the volume of shipments using the \$800 *de minimis* exemption. The dramatic increase in the volume of *de minimis* shipments accelerated overwhelmingly during the COVID-19 pandemic and never returned to pre-pandemic levels. During Fiscal Year 2024, over 1.36 billion *de minimis* shipments were processed by CBP, an almost ten-fold increase over the 139 million *de minimis* shipments processed by CBP in 2015.²⁰ Today, the crushing volume of these *de minimis* shipments imposes a significant and costly burden on CBP related to identifying violative merchandise and processing the shipments.

Despite the staggering volume of trade involved, CBP's current regulations generally require minimal data for entry of shipments claiming the *de minimis* administrative exemption. With certain exceptions, shipments claiming the *de minimis* exemption could previously be entered by presenting a bill of lading or a manifest listing each bill of lading.²¹ This entry process is termed the "release from manifest" process, and it generally permits shipments to be released from CBP custody based on the information provided on the manifest or bill of lading.

The release from manifest process is a slow and labor-intensive process to administer, ill-suited to the increase in the volume of merchandise claiming the exemption authorized by 19 U.S.C. 1321(a)(2)(C). A CBP officer must review each entry and make a determination regarding release. While this process may have been manageable historically, the sheer volume of increasing imports and the breadth of the hazards and revenue risks posed in today's e-commerce environment strain the resources available for enforcement at ports of entry, making the continued use of this process untenable for the long-term.

With the release from manifest process, the burden on CBP to make timely withhold or release decisions regarding the merchandise increases when using the limited data from the manifest or bill of lading. The data submitted as part of a standard manifest or bill of lading, documents not specifically designed for entry purposes alone, are generally insufficient or too vague for CBP to effectively target merchandise, make admissibility decisions in a timely manner, and ensure that the merchandise is not subject to any partner government

¹⁷ CBP Dec. No. 16-13 (81 FR 58831 (Aug. 26, 2016)).

¹⁸ As noted elsewhere, CBP is also publishing a concurrent rulemaking regarding the suspension of the *de minimis* exemption for merchandise arriving via the international postal network.

¹⁹ 84 FR 40079 (Aug. 13, 2019), suspended by 90 FR 42418 (Sept. 2, 2025).

²⁰ Source: CBP's Automated Targeting System (ATS) Data.

²¹ 19 CFR 143.23(j)(3), (k).

agency (PGA) requirements.²² For example, the data provided on a manifest or bill of lading often does not adequately identify the entity causing the shipment to cross the border, the final recipient, or even the contents of the package. With the dramatic increase in shipments that only provide minimal data, CBP has been left with fewer data points about a greater number of shipments. Further, many of these shipments using the release from manifest process were likely undervalued or incorrectly presented for release from manifest and thus should not have qualified for the *de minimis* exemption.²³

Moreover, shipments released under a type 86 entry, *i.e.*, the voluntary electronic entry type CBP established in 2019 for qualifying low-value shipments, still required labor-intensive processing of additional data for purposes of validating entry information and conducting targeting and seizures of illicit merchandise, such as firearms, counterfeit merchandise, prohibited items, illicit fentanyl, and other illicit drugs. Similarly, CBP has also determined that goods entered through the Entry Type 86 Test were often undervalued, misclassified, or failed to comply with applicable PGA requirements.²⁴ Despite the additional data provided to CBP and PGAs as part of the Entry Type 86 process for qualifying shipments, the unabated volume in shipments continued to pose significant challenges in conducting effective targeting and enforcement.

In an attempt to account for these issues, CBP modified the Entry Type 86 Test in 2024 to require submission of entry data at any time prior to, or upon, arrival of the cargo, to facilitate targeting and enforcement efforts, instead of allowing it to be submitted up to 15 days after arrival, as the original 2019 test notice permitted.²⁵ This modification was intended to provide CBP with sufficient data upon

importation to determine admissibility and compliance with applicable legal requirements. Following the issuance of E.O. 14324, type 86 entries could no longer be used, and entry filers were required to use an alternate entry type for shipments valued at \$800 or less.²⁶

Ultimately, there has been no reduction in the overwhelming volume of low-value shipments entering the United States. As noted above, CBP's regulations require limited data on *de minimis* shipments for CBP to assess their admissibility and determine whether duties are owed, which impedes CBP's ability to ensure compliance with applicable U.S. laws and regulations, and to protect the revenue. Moreover, the rise of novel and intricate e-commerce business models utilizing the *de minimis* exemption have complicated and added to the traditional array of parties involved in an import transaction. New or infrequent importers, by definition, possess less familiarity with U.S. customs laws and regulations, which can lead to the attempted importation of non-compliant goods or misclassified or undervalued merchandise, requiring additional effort on CBP's part to educate and ameliorate stakeholders in addition to the costs to intercept, process and dispose of non-compliant goods.

2. Attempted Unlawful Importations

There is an apparent perception amongst transnational criminal organizations and other bad actors that low-value shipments are less likely to be interdicted due to the sheer volume of entries and because these shipments are generally not subject to the more extensive formal entry procedures. This has resulted in attempts to enter illicit and dangerous goods, such as firearms, counterfeit merchandise, illicit fentanyl and other illicit drugs, by claiming the *de minimis* exemption.²⁷

²⁶ See 90 FR 42418, 42420 (Sept. 2, 2025).

²⁷ See, e.g., E.O. 14324, 90 FR at 37776–77 (“For example, many shippers go to great lengths to evade law enforcement and hide illicit substances in imports that go through international commerce. These shippers conceal the true contents of shipments sent to the United States through deceptive shipping practices. Some of the techniques employed by these shippers to conceal the true contents of the shipments, the identity of the distributors, and the country of origin of the imports include the use of re-shippers in the United States, false invoices, fraudulent postage, and deceptive packaging. The risks of evasion, deception, and illicit-drug importation are particularly high for low-value articles that have been eligible for duty-free *de minimis* treatment.”). For more information regarding the national emergency declarations, see 90 FR 42418 (Sept. 2, 2025) discussing, *inter alia*, E.O. 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), E.O.

As noted above, the overwhelming volume of low-value shipments makes it more challenging for CBP to conduct targeting for purposes of identifying violations of U.S. customs and trade laws, health and safety requirements, intellectual property rights, and consumer protection rules, as well as preventing illicit drugs, such as fentanyl (including synthetic drug precursors and related chemicals and related manufacturing equipment) from entering the country. Indeed, as discussed above, CBP determined that many goods entered through the Entry Type 86 Test were undervalued, misclassified, or failed to comply with applicable PGA requirements. Despite the additional data provided to CBP and PGAs as part of the Entry Type 86 process for qualifying shipments, the unabated volume in shipments continued to pose significant challenges in conducting effective targeting and enforcement.

Moreover, the fact that many consumers ordering goods online are not familiar with the customs and trade laws increases the danger that an item they are purchasing may not comply with U.S. health and safety standards or pose other risks. Taken together, if not addressed, the enforcement challenges in the current environment have the capacity to put American consumers' well-being and lives at risk.

3. Significant Uncollected Duties Endangering the Revenue

Because of the volume of shipments, and the significant burdens that *de minimis* merchandise imposes on CBP relating to targeting and processing, allowing for the *de minimis* exemption to remain in place for merchandise arriving via all methods other than through the international postal network is no longer consistent with the purpose of 19 U.S.C. 1321(a), which is to avoid a cost and inconvenience to the government that is outweighed by the duties that would be collected. To put it plainly, despite collecting no revenue, the burden of work imposed on CBP related to the *de minimis* exemption was growing with each passing year until the exemption was suspended by E.O. 14324.

Moreover, advances in technology have facilitated the electronic filing of an entry along with the automation of data verification and duty collection. As a result, where an electronic entry is filed for dutiable merchandise, the cost

²² “Shipments that have PGA data reporting requirements, or require the payment of any duties, fees, or taxes [could] not benefit from the use of . . . the ‘release from manifest’ process, and [were required to] be entered using [an] appropriate informal or formal entry process.” 89 FR 2632 (Jan. 16, 2024). The Entry Type 86 Test authorized shipments subject to PGA data requirements to claim the *de minimis* exemption if entered through the test.

²³ Source: CBP Office of Field Operations (OFO) subject matter experts provided summary information from the FY24 E-Commerce Compliance Measurement analysis which included violation statistics from release from manifest and type 86 entries.

²⁴ OFO subject matter experts estimate that 34.8 million violations occurred in type 86 entries in FY 2024. *Id.*

²⁵ 89 FR 2630 (Jan. 16, 2024).

14194 of February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), and E.O. 14195 of February 1, 2025 (Imposing Duties To Address the Synthetic Opioid Supply Chain in the People's Republic of China).

to and burden on CBP from collecting duties is negligible, particularly when compared to the burden and amount of duties that would otherwise be owed but for the *de minimis* exemption. Additionally, there have been significant improvements in CBP's automation regarding the targeting, verification, and processing of entry data, which removed a significant time burden that was part of the original justification for establishing the *de minimis* exemption.

Today, the outdated and burdensome tasks, involving CBP employees having to manually review documents and process money or paper checks to collect duties, stand ready to be replaced by fully electronic and automated processes. These newer processes minimize the cost to CBP to assess and collect duty payments, enforce compliance with applicable PGA requirements, and determine admissibility. Technological advances have thereby significantly reduced the burden on CBP personnel pertaining to general duty collection and enforcement.²⁸

Moreover, the revenue that the government has forgone due to the *de minimis* exemption has steadily increased, as even low-value merchandise would otherwise be subject to additional duties pursuant to trade actions addressing discriminatory trade practices and threats to national security and domestic industries.²⁹ In addition, given CBP's challenges in the *de minimis* enforcement environment, the volume of shipments that claimed the *de minimis* exemption but did not actually qualify resulted in significant lost revenue. Therefore, the cost to and burden on CBP to collect the duties owed, given advances in technology, pale in comparison to the vast aggregate amount of duties uncollected due to the *de minimis* exemption, which endangers the revenue.

As a result of the challenges addressed above, CBP is implementing in the regulations the indefinite suspension of the *de minimis* exemption pursuant to its authority in 19 U.S.C. 1321 for merchandise arriving via all modes other than through the international postal network. By requiring the use of the existing formal

and informal entry processes, CBP will receive additional data on the merchandise entering the United States and will be in a better position to enforce U.S. customs and trade laws.

4. January 2025 Notices of Proposed Rulemaking and Other Potential Alternatives

In January 2025, CBP published two notices of proposed rulemaking that proposed changes to the entry process for low-value shipments. The first of these, the "Entry of Low-Value Shipments" (ELVS) proposed rule, proposed new "enhanced" and "basic" entry processes and associated data requirements for shipments qualifying for and seeking the benefit of the *de minimis* duty exemption authorized under 19 U.S.C. 1321(a)(2)(C) and 19 CFR 10.151 (90 FR 3048, Jan. 14, 2025). The second, the "Trade and National Security Actions and Low-Value Shipments" (TranSALS) proposed rule, proposed to make merchandise subject to specified Section 232, 201, and 301 actions ineligible for the administrative exemption and to require 10-digit HTSUS classification for shipments entered under both the basic and enhanced processes (90 FR 6852, Jan. 21, 2025).

But CBP proposed these two rulemakings under very different circumstances. Since that time, additional legal and factual developments, including E.O. 14324, as revised, subsequent national emergency declarations, enactment of legislation terminating the *de minimis* exemption effective July 1, 2027,³⁰ and further experience with the Entry Type 86 Test, have demonstrated that these proposed rulemakings are not the appropriate course of action at this time and do not adequately address revenue and public safety risks associated with low-value shipments to the United States.

As further discussed below, although this rulemaking represents a different approach from those proposed in ELVS and TranSALS, ELVS and TranSALS demonstrate the path CBP has taken in its attempts to get control of the overwhelming volume of low-value shipments, as well as the associated risks discussed throughout this document. While the ELVS proposed rule was intended to assist CBP in acquiring additional data regarding shipments claiming the *de minimis* exemption, the TranSALS proposed rule was designed to limit the availability of the *de minimis* exemption in certain scenarios. Neither of the rules went far

enough to address the issues CBP faces in the *de minimis* environment. Those proposed approaches, separately or together, do not as effectively remove the unlawful-importation concern for all low-value imports that could qualify for the *de minimis* exemption, does not adequately address administrative expense or revenue concerns, and raises significant circumvention and evasion concerns. Indeed, unlawful importation concerns exist for all imports that could qualify for the *de minimis* exemption. Further, limited exceptions to the *de minimis* exemption would raise circumvention or evasion concerns. Lastly, the sheer volume of shipments claiming the *de minimis* exemption, combined with the technological advances CBP has implemented in recent years, means that allowing the exemption is no longer consistent with the purpose stated in Section 321(a); that is, the administrative burden of collecting the duties no longer outweighs the revenue to be collected for low-value shipments.

Accordingly, considering its past efforts and the changed landscape, CBP has determined that it is necessary to move forward with the indefinite suspension of the *de minimis* exemption for merchandise arriving by all modes other than through the international postal network, under CBP's own authorities. As described throughout this preamble, the indefinite suspension of the *de minimis* exemption for goods valued at \$800 or less for merchandise arriving via all modes other than the international postal network will help CBP address the risks to the revenue and public safety consistent with long-standing and recent developments, including the policy objectives of this Administration.

CBP has considered other alternatives and determined that at this time, this rule is still more reasonable than and preferable to potential alternatives.

For example, CBP has considered excepting from the *de minimis* exemption some low-value imports but not other low-value imports, as in the TranSALS proposed rule discussed above.³¹ But unlawful importation

²⁸ For example, CBP recently announced Pay.gov as being available to pay bills at the importer's convenience. For more information, see <https://www.cbp.gov/trade/priority-issues/revenue/bill-payments>.

²⁹ For example, additional duties imposed pursuant to Section 232 of the Trade Expansion Act of 1962, Section 201 of the Trade Act of 1974, and Section 301 of the Trade Act of 1974. See 90 FR 6852 (Jan. 21, 2025).

³⁰ One Big Beautiful Bill Act, Public Law 119–21, Section 70531(b)(3), 139 Stat. 72, 283 (2025).

³¹ This rule does not suspend the exemptions for bona fide gifts under 19 U.S.C. 1321(a)(2)(A) or personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(B). The lower volume and lower value threshold of these exemptions raise different issues. Bona fide gifts and personal or household articles accompanying travelers do not raise the same unlawful-importation or revenue concerns or at least do not do so anywhere near the same extent. In CBP's judgment, it is not necessary at this time to suspend the exemptions for bona fide gifts under 19 U.S.C. 1321(a)(2)(A) or personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(B).

concerns exist for all low-value imports that could qualify for the *de minimis* exemption. And in general, the expense and inconvenience of imports under the *de minimis* exemption exist for all such imports; a limited suspension of the *de minimis* exemption would not resolve the imbalance of the expense and inconvenience of administering the exemption vis-à-vis the potential revenue collection. A limited exception to the suspension of the *de minimis* exemption also raises circumvention or evasion concerns that are obviated by applying the suspension to all shipments. So a limited suspension of only certain low-value imports is not as consistent with the purpose of 19 U.S.C. 1321(a) as this rule, and would not as effectively protect the revenue or prevent unlawful importations. In CBP's judgment, this rule is more reasonable than and preferable to this alternative approach.

CBP has considered the option of requiring additional information while not indefinitely suspending the *de minimis* exemption, as proposed in the ELVS proposed rule discussed above. But merely requiring additional entry requirements without the suspension of *de minimis* does not adequately address the revenue and unlawful-importation concerns. Indeed, even if increased information could as effectively address unlawful importation, increased information does not protect the revenue and, in fact, exacerbates the expense and inconvenience to the Government, making such expenses and inconvenience even more disproportionate to the amount of revenue that would otherwise be collected. So this alternative is not as consistent with the purpose of 19 U.S.C. 1321(a) as this rule and does not as effectively as this rule protect the revenue or prevent unlawful importations as this rule.

Moreover, additional entry requirements without the suspension of the *de minimis* exemption do not as effectively prevent unlawful importation. The additional expense from importation through the collection of duties and fees otherwise not collected under the *de minimis* exemption will disincentivize importation of unlawful goods through ordinary international commerce as opposed to other avenues where there are other effective safeguards to police unlawful importation, allowing more effective combatting of unlawful importations. In CBP's judgment, this rule is more reasonable than and preferable to this alternative approach.

Finally, CBP has considered other alternatives, including a combination of

the above alternatives, but CBP has determined that at this time, this rule's approach is more consistent with the applicable statutory provisions and more effectively protects the revenue or prevents unlawful importations than potential alternatives. In CBP's judgment and based on CBP's experience, this rule is better than alternative approaches and is the most reasonable approach for addressing the relevant issues.

C. Addressing the Dangers of the De Minimis Exemption

1. Suspension of the De Minimis Administrative Exemption for Merchandise Arriving by All Modes Other Than Through the International Postal Network

As discussed above, the *de minimis* exemption is discretionary under Section 321. Moreover, 19 U.S.C. 1321(b) authorizes the Secretary to promulgate regulations that except merchandise from eligibility for the administrative exemptions otherwise authorized by 19 U.S.C. 1321(a) when such exceptions are consistent with the purpose of 19 U.S.C. 1321(a), or necessary to protect the revenue or to prevent unlawful importations. Pursuant to this statutory authority, and consistent with E.O. 14324, as revised by E.O. 14388, CBP is implementing a regulatory suspension of the exemption authorized in 19 U.S.C. 1321(a)(2)(C) for merchandise arriving by all modes other than through the international postal network.³² Accordingly, this rule amends 19 CFR 10.151 to indefinitely suspend the *de minimis* exemption at 19 U.S.C. 1321(a)(2)(C) for merchandise arriving by all modes other than through the international postal network. Any subsequent modification or revocation of this suspension will be announced in the **Federal Register**. Therefore, another appropriate entry type must be filed for merchandise that would have previously qualified for the *de minimis* exemption prior to its suspension.

No other duty exemptions specified in 19 U.S.C. 1321(a)(2) are affected by this rulemaking. Specifically, the requirements for entering shipments exempt from duty under 19 U.S.C. 1321(a)(2)(A), bona-fide gifts valued at \$100 or less (\$200, if the gift is from certain island possessions) sent from persons in foreign countries to persons in the United States, and under 19 U.S.C. 1321(a)(2)(B), certain personal or household articles valued at \$200 or less

accompanying persons arriving in the United States, remain unchanged.

2. Reliance Interests

It is well established that there is no protectable legal interest in importing merchandise, let alone doing so free of duty.³³ Indeed, importers lack any constitutional right to the maintenance of an existing rate of duty. But to the extent importers may have reliance interests tethered to the regulatory *status quo*, CBP has determined that they in no event outweigh the United States's interest in indefinitely suspending the *de minimis* exemption.

Whatever reliance interest related to the *de minimis* exemption importers may have, the interest is not weighty. The existence of the *de minimis* exemption has always been at the discretion of the Secretary under Section 321 and in any event, has always been subject to an express statutory authorization for reduction or modification through regulatory action. Plus, the *de minimis* exemption has been suspended since at least August 29, 2025.³⁴ Moreover, the One Big Beautiful Bill Act, which was enacted on July 4, 2025, terminated the *de minimis* exemption effective July 1, 2027.³⁵ Thus, any reliance interests from prior regulatory policy are significantly minimized by the fact that the *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C) was always subject to change under Section 321, is currently suspended, has been suspended for months, and will in 2027 be permanently terminated pursuant to a recent statute. Though CBP is cognizant that importers may have some minimal residual reliance interests in the *de minimis* exemption, CBP has determined that such reliance interests are outweighed by the benefits of

³³ See, e.g., *Int'l Custom Prods., Inc. v. United States*, 791 F.3d 1329, 1337 (Fed. Cir. 2015) ("As we noted, 'the Constitution does not provide a right to import merchandise under a particular classification or rate of duty.' . . . or even afford 'a protectable interest to engage in international trade.'" (quoting, respectively, *A Classic Time v. United States*, 123 F.3d 1475, 1476 (Fed. Cir. 1997), and *Am. Ass'n of Exporters & Importers—Textile & Apparel Grp. v. United States*, 751 F.2d 1239, 1250 (Fed. Cir. 1985)); *The Abby Dodge v. United States*, 223 U.S. 166, 176–77 (1912) ("[N]o one can be said to have a vested right to carry on foreign commerce with the United States."); *Norwegian Nitrogen Prods. Co. v. United States*, 288 U.S. 294, 318 (1933) ("No one has a legal right to the maintenance of an existing rate or duty.").

³⁴ See E.O. 14324, 90 FR 37775 (suspending duty-free *de minimis* treatment for low-value imports of all countries since August 29, 2025); E.O. 14256, 90 FR 14899 (suspending duty-free *de minimis* treatment for low-value imports from the People's Republic of China since May 2, 2025).

³⁵ One Big Beautiful Bill Act, Public Law 119–21, Section 70531(b), 139 Stat. 72, 283 (2025).

³² Again, CBP issues this rule independently of the Executive Orders.

eliminating the *de minimis* exemption. Indeed, CBP has determined at this time that any of the above reasons—separately, cumulatively, or in any combination—outweigh any reliance interests created by a prior policy allowing the *de minimis* exemption for low-value imports and any benefits from a prior policy allowing the *de minimis* exemption for low-value imports.

III. Explanation of Amendments to the CBP Regulations

CBP is amending 19 CFR 10.151, in accordance with the requirements discussed above. Along with other conforming amendments in § 10.151(a), CBP is adding a new paragraph (b), stating that the *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C) is indefinitely suspended for merchandise arriving via all modes other than through the international postal network. CBP is also adding a cross-reference to 19 CFR 145.31, which addresses the availability of the exemption for merchandise arriving through the international postal network.

CBP's determinations in this interim final rule are intended to apply across all persons and circumstances covered by the rule, for the reasons described in this preamble. CBP would have adopted this interim final rule even if it applied only to a subset of those persons or circumstances. Accordingly, if the application of this interim final rule to any particular person, category of persons, or specific circumstances is held unlawful or unenforceable, CBP intends that the rule continue to apply to other persons and circumstances to the maximum extent permitted by law. For example, if the rule were limited or set aside as applied to a particular mode of transportation or operational environment for whatever reason, CBP would intend that it continue to apply to other modes and environments.

IV. Statutory and Regulatory Requirements

A. Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, generally requires agencies to publish a notice of proposed rulemaking in the **Federal Register** and provide interested persons the opportunity to submit comments prior to issuing a final rule. But there are exceptions. As relevant here, the requirements of the APA, including advance notice and comment, do not apply to the extent that a rulemaking involves a foreign affairs function of the United States. 5 U.S.C. 553(a)(1). Further, the APA provides an exception

to advance notice and comment “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public comment thereon are impracticable, unnecessary, or contrary to the public interest.” 5 U.S.C. 553(b)(B).

In CBP's judgment, advance notice and comment is not required here for two independent reasons. First, this rule involves a foreign affairs function of the United States. 5 U.S.C. 553(a)(1). Second, CBP finds that there is good cause to except this rule from advance notice and comment because advance notice and public comment here is impracticable and contrary to the public interest. 5 U.S.C. 553(b)(B).

Foreign Affairs Function

This rule involves a foreign affairs function of the United States, so notice and comment is not required. Proceeding before notice and comment will prevent definitely undesirable international consequences.³⁶ It will allow the government to more promptly address sensitive foreign-policy and national-security matters that affect relations with foreign governments. Proceeding before notice and comment will reduce the risk that a delay in acting would undermine the strength of U.S. Government positions in trade and security negotiations with foreign countries, which implicate this rulemaking. For example, the United States is currently in negotiations regarding imports of certain articles and derivative articles that the President has found under Section 232 are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security of the United States.³⁷ This rule

directly implicates the collection of duties for such imports and how such imports enter the United States. In addition, the United States is negotiating trade and security agreements with foreign governments, as well as issuing joint statements on framework trade and security agreements.³⁸ Again, this rule could implicate the collection of duties and the terms of entry for imports that are at issue in these negotiations and framework trade and security agreements.

Moreover, proceeding before notice and comment will reduce the risk of impairing relations with other countries through advance public discussion of whether certain imports from certain countries are a potential danger to the national security and revenue collection of the United States. It will also reduce the risk of the United States suffering retaliation from foreign countries for the action in this interim final rule before the rule takes effect.³⁹

In short, advance public notice and comment here would hamper the President and his Administration's ability to conduct foreign policy regarding matters that are squarely within the foreign affairs domain. The timing and substance of this rulemaking are linked intimately with the United States's overall foreign-affairs and national-security agenda and relations with foreign countries.

In addition, proceeding before notice and comment may prevent the flooding

2026, *Adjusting Imports of Pharmaceuticals and Pharmaceutical Ingredients Into the United States*, 91 FR 18183 (Apr. 9, 2026) (similar with respect to imports of pharmaceuticals and pharmaceutical ingredients).

³⁶ See, e.g., *Am. Ass'n of Exporters & Importers-Textile & Apparel Grp. v. United States*, 751 F.2d 1239, 1249 (Fed. Cir. 1985) (“The purpose of the exemption was to allow more cautious and sensitive consideration of those matters which ‘so affect relations with other Governments that, for example, public rule-making provisions would provoke definitely undesirable international consequences.’”).

³⁷ See, e.g., Proclamation 10976 of September 29, 2025, *Adjusting Imports of Timber, Lumber, and Their Derivative Products*, 90 FR 48127 (Oct. 6, 2025) (imposing tariffs under Section 232 on certain imports of wood products and directing senior officials to pursue negotiations of agreements regarding the national security threat posed by imports of wood products); Proclamation 11002 of January 14, 2026, *Adjusting Imports of Semiconductors, Semiconductor Manufacturing Equipment, and Their Derivative Products Into the United States*, 91 FR 2443 (Jan. 20, 2026) (imposing tariffs under Section 232 on certain semiconductors and directing senior officials to pursue negotiations of agreements regarding the national security threat posed by imports of semiconductors, semiconductor manufacturing equipment, and their derivative products); Proclamation 11020 of April 2,

³⁸ See, e.g., Executive Order 14346 of September 5, 2025, *Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements*, 90 FR 43737 (Sept. 10, 2025); *General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal*, White House (May 8, 2025), <https://www.whitehouse.gov/briefings-statements/2025/05/general-terms-for-the-united-states-of-america-and-the-united-kingdom-of-great-britain-and-northern-ireland-economic-prosperity-deal/>; *Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balance Trade*, White House (Aug. 21, 2025), <https://www.whitehouse.gov/briefings-statements/2025/08/joint-statement-on-a-united-states-european-union-framework-on-an-agreement-on-reciprocal-fair-and-balanced-trade/>; *United States-India Joint Statement*, White House (Feb. 6, 2026), <https://www.whitehouse.gov/briefings-statements/2026/02/united-states-india-joint-statement/>.

³⁹ See, e.g., Executive Order 14259 of April 8, 2025, *Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-Value Imports From the People's Republic of China*, 90 FR 15509 (Apr. 14, 2025); Executive Order 14266 of April 9, 2025, *Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment*, 90 FR 15625 (Apr. 15, 2025).

of low-value merchandise into the United States including the illegal importation or smuggling of illicit drugs and other harmful unlawful imports in these low-value shipments. Before completion of advance notice and comment, manufacturers and importers may have a significant incentive to flood as much low-value merchandise as possible into the United States before this rule takes effect.⁴⁰

The President's actions under IEEPA confirm that the foreign affairs function exception applies here.⁴¹ In E.O. 14324, discussed in more detail above, the President took several actions "to deal with the unusual and extraordinary threats, which have their source in whole or substantial part outside the United States, to the national security, foreign policy, and economy of the United States." To address these threats, E.O. 14324 suspended the *de minimis* exemption, and, among other things, mandated certain filing requirements for shipments that qualified for the *de minimis* exemption prior to the effective date of the order (requiring entry using an appropriate electronic entry type in ACE by a party qualified to make such entry).

This interim final rule addresses those same foreign threats, consistent with the President's direction and foreign-policy priorities. Specifically, as discussed above, this interim final rule implements a regulatory suspension of the *de minimis* exemption for merchandise arriving via all modes other than through the international postal network under CBP's own statutory authority to address those foreign threats discussed in E.O. 14324 and related Executive Orders. Therefore,

this interim final rule involves foreign affairs functions of the United States.

Good Cause

CBP finds that good cause exists to issue this rule as an interim final rule, with provisions for post-promulgation public comments, under the APA's good-cause exception. Delaying the publication of this interim final rule for purposes of providing public notice and comment would be impracticable and contrary to the public interest. CBP finds that due and timely execution of its functions would be significantly impeded by advance notice and comment.⁴² CBP finds that immediate implementation of this rule directly affects public safety and addresses imminent hazards to persons or property within the United States. CBP finds that delay for advance notice and comment would create a significant threat of serious damage to important public interests, would harm the public welfare, and would tend to defeat the purpose of the action in this interim final rule.⁴³ In CBP's judgment and based on CBP's experience, the urgency here is one that does not always exist in the trade context.

As explained above, further delaying the interim final rule's effectiveness for notice and comment will have significant foreign-affairs implications and undesirable international consequences. Further, as explained above, it may also result in the flooding of low-value shipments into the United States that undermines this rule and the foreign policy, national security, and economy of the United States.

And as noted above, this interim final rule addresses the unusual and extraordinary foreign threats acknowledged in E.O. 14324 and other related Executive Orders, consistent with the Administration's direction and foreign policy priorities. Indeed, as discussed above, and for the reasons cited above as well as those cited in E.O. 14324 and E.O. 14388, to address the unusual and extraordinary threats in the *de minimis* environment, this interim final rule suspends the availability of the *de minimis* exemption for merchandise arriving via all modes

other than through the international postal network, thus requiring the use of another method of entry that will provide CBP with more accurate and relevant data and aid in targeting, processing, protecting the revenue of the United States, and most importantly, protecting the health and safety of the public.

Given the critical public health and safety implications of continued shipments of illegal opioids into the United States, in particular in the *de minimis* environment, to delay the implementation of this rule would be impracticable and contrary to the public interest.⁴⁴

With this rulemaking, CBP is addressing various issues threatening public safety and posing risks to revenue in the *de minimis* environment, while directing lawful importers to other suitable processes of entry. This in turn allows CBP to more effectively interdict illicit drugs, goods that violate intellectual property rights, contraband, and misclassified merchandise, and to protect the revenue. In short, delaying implementation of these requirements, for purposes of notice-and-comment proceedings, would delay action that immediately addresses risks to the public's health and safety.

A delay would also result in multiple burdens for the government. As discussed above, the threat to the revenue posed by the sheer volume of shipments utilizing the *de minimis* exemption has defeated the underlying purpose of the *de minimis* exemption. That is, there was no revenue being collected yet the burden to process shipments on CBP continued to grow. Moreover, by suspending the availability of the *de minimis* exemption and requiring the use of another suitable method of entry, CBP is better able to accurately collect all duties owed without posing a significant burden on CBP personnel due to the technological advances pertaining to duty collection and targeting, enforcement, and processing. Accordingly, it would be impracticable and contrary to the public interest to further delay these requirements, which are meant to protect the American public from dangerous and illegal goods entering

⁴⁰ See *Am. Ass'n of Exporters & Importers-Textile & Apparel Grp.*, 751 F.2d at 1249 (concluding that the foreign affairs function exception applied in part because "prior announcement of CITA's intention to impose stricter quotas pending consultations creates an incentive for foreign interests and American importers to increase artificially the amount of trade in textiles prior to a final administrative determination. American importers would want to increase inventories in the face of the prospect that foreign supplies could drop below current levels. Foreign manufacturers would have a great incentive to dump (in the literal and technical senses of the word) as much merchandise as possible into the United States, since the quotas CITA imposes are based on the levels of trade in the preceding months. The expansion in American imports between the date of notice and date of the final rule would exacerbate the market disruption which led CITA to act in the first place.") (citation modified).

⁴¹ See, e.g., *United States v. Quinn*, 401 F. Supp. 2d 80, 94, n.12 (D.D.C. 2005) ("IEEPA-based regulations are likely to be exempt from the notice-and-comment requirements of the Administrative Procedure Act as relating to the 'foreign affairs function of the United States,' within the meaning of 5 U.S.C. 553(a)(1).").

⁴² See, e.g., Tom C. Clark, Attorney General's Manual on the Administrative Procedure Act, at 30 (1947) ("In general, it may be said that a situation is 'impracticable' when an agency finds that due and timely execution of its functions would be impeded by the notice otherwise required in section 4 (a)."); S. Doc. No. 248, 79th Cong., 2d Sess. 200 (1946); *Jifry v. FAA*, 370 F.3d 1174, 1179 (D.C. Cir. 2004); *NRDC v. Nat'l Highway Traffic Safety Admin.*, 894 F.3d 95, 114 (2d Cir. 2018).

⁴³ See, e.g., Tom C. Clark, Attorney General's Manual on the Administrative Procedure Act, at 30–31 (1947).

⁴⁴ See *Mack Trucks, Inc. v. EPA*, 682 F.3d 87, 93 (D.C. Cir. 2012) (citing as an example of a proper showing, "possible imminent hazard to aircraft, persons, and property" and rules of "life-saving importance" necessary to "stave off any imminent threat to the environment or safety or national security"); see also *Util. Solid Waste Activities Group v. EPA*, 236 F.3d 749 (D.C. Cir. 2001) (citing the Attorney General's Manual for the proposition that the contrary to the public interest prong is applicable where advance notice would defeat the purpose of the rule).

from abroad, and to protect the revenue of the United States.

In sum, for the reasons discussed, this rule is exempt from the prior public notice and comment requirements of the APA under both the foreign affairs exception and the good cause exception. CBP published this rulemaking with a request for comments to allow the public to weigh in on the regulatory changes. CBP will consider all timely submitted comments in determining whether and, if so, how to revise the rule in a subsequent final rulemaking. For more information and statistics on the volume of attempted illicit shipments, including dangerous and harmful drugs, and informal entry shipments generally, please see the analysis below.

B. Executive Orders 12866, 13563, and 14192

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

The Office of Management and Budget (OMB) has designated this rule a “significant regulatory action” under section 3(f) of Executive Order 12866, although not economically significant under section 3(f)(1). Accordingly, the rule has been reviewed by the Office of Management and Budget.

Pursuant to section 5(a) of Executive Order 14192, the requirements of that Executive Order do not apply to regulations issued with respect to foreign affairs-related functions of the United States. As discussed above, this interim final rule is issued with respect to foreign affairs-related functions of the United States Government. Accordingly, this rule is exempt from the requirements of Executive Order 14192.

CBP estimates that this rule would result in no new costs, benefits, or transfers compared to the baseline where the *de minimis* exemption has

already been suspended by Executive Order 14324.

Background

The Customs Administrative Act of 1938 amended the Tariff Act of 1930 by adding Section 321, which authorized a general *de minimis* exemption for imported merchandise valued at \$1 or less in order to limit the “expense and inconvenience” of collecting duty when “disproportionate to the amount of such duty.”⁴⁵ The duties potentially owed for such shipments were considered *de minimis* because the revenue associated with collecting the duties that would have been owed would not cover the cost of collecting the duties.

The current regulatory framework for the *de minimis* exemption was promulgated through a final rule in 1995, which, among other things, amended the customs regulations to implement the legislative increase of the exemption to \$200 and specify the special informal entry procedures applicable to qualifying low-value shipments.⁴⁶ Such shipments were not subject to the same formal customs entry procedures and data requirements as higher-value shipments entering the United States.⁴⁷

In 2016, TFTEA increased the administrative exemption from \$200 to \$800.⁴⁸ CBP published an interim final rule amending the regulations to implement the new statutory amount and to specify certain goods excluded from the administrative exemption.⁴⁹ Otherwise, CBP has not made any significant changes to the regulatory requirements since 1995. In the intervening three decades, however, there have been significant changes in the trade environment relating to the *de minimis* exemption.

Since 2016, the continued rise of e-commerce, with the internet empowering individuals to easily make international purchases, the increase of the value cap for the *de minimis* exemption to \$800 in 2016, and the establishment of the Entry Type 86⁵⁰ Test in which CBP authorized a

voluntary electronic entry process for qualifying low-value shipments in ACE have led to drastic increases in the volume of shipments using the \$800 *de minimis* exemption. The dramatic increase in the volume of *de minimis* shipments accelerated overwhelmingly during the COVID-19 pandemic and has shown no signs of returning to pre-pandemic levels. During Fiscal Year 2024, over 1.36 billion *de minimis* shipments were processed by CBP, an almost ten-fold increase over the 139 million *de minimis* shipments processed by CBP in 2015.⁵¹ Today, the crushing volume of these shipments imposes a significant and costly burden on CBP relating to targeting and processing the shipments.

To facilitate the flow of legitimate trade while also mitigating risks associated with the substantial increase in the number of low-value shipments, in September 2019, CBP launched a test program, called the “Entry Type 86 Test.”⁵² The test program was voluntary and open to all trade participants, and it modernized the submission of entry data, including additional data required under the test, for these *de minimis* shipments by providing for an electronic entry and clearance process. This process resulted in faster clearance times for these shipments and reduced the amount of manual time that must be spent by CBP officers clearing goods that were considered low risk based on the data CBP received, as compared to the “release from manifest” process, discussed in more detail below.

On July 4, 2025, the President signed into law the “One Big Beautiful Bill” Act, which, among other things, enacted the termination of the *de minimis* exemption effective July 1, 2027.⁵³

On July 30, 2025, the President signed Executive Order 14324 (Suspending Duty-Free De Minimis Treatment For All Countries), which discussed multiple declared national emergencies and announced that the President determined that it was necessary and appropriate to suspend duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) for most imports, to deal with the continuing unusual and extraordinary threats, which have their source in whole or substantial part outside the United States, to the national security, foreign policy, and economy of the United States.⁵⁴

⁴⁵ Customs Administrative Act of 1938, Public Law 75–721, 52 Stat. 1077, 1081 (1938).

⁴⁶ 60 FR 18983 (Apr. 14, 1995). See 19 U.S.C. 1498(a)(1)(A) (authorizing regulations to prescribe special rules for the declaration and entry of merchandise when the aggregate value of the shipment does not exceed an amount specified by the Secretary by regulation, but not more than \$2,500).

⁴⁷ See 60 FR 18983.

⁴⁸ Section 901 did not change the administrative exemptions for bona-fide gifts and personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(A) and (B), respectively.

⁴⁹ 81 FR 58831 (Aug. 26, 2016).

⁵⁰ 84 FR 40079 (Aug. 13, 2019); suspended by 90 FR 42418 (Sept. 2, 2025).

⁵¹ Source: CBP’s Automated Targeting System (ATS) Data.

⁵² 84 FR 40079 (Aug. 13, 2019).

⁵³ One Big Beautiful Bill Act, Public Law 119–21, Section 70531(b), 139 Stat. 72, 283 (2025).

⁵⁴ For more information regarding the multiple national emergency declarations, please see 90 FR 42418 (Sept. 2, 2025), which is CBP’s notice

On February 20, 2026, the President signed Executive Order 14388 (Continuing the Suspension of Duty-Free De Minimis Treatment For All Countries), which, among other things, continued the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C), and confirmed that CBP should continue to collect applicable duties, taxes, fees, exactions, and charges on such shipments.

On February 20, 2026, the President signed Executive Order 14389 (Ending Certain Tariff Actions), which ended certain *ad valorem* duties that were imposed under IEEPA and implemented under certain Executive Orders (including the Executive Orders listed in previous paragraphs) while leaving in place the underlying national emergency declarations and other measures adopted under those orders.

Under current regulations, shipments claiming the *de minimis* exemption generally require minimal data for entry purposes. With certain exceptions, shipments claiming the *de minimis* exemption may be entered by presenting a bill of lading, or a manifest listing each bill of lading. This entry process is termed the “release from manifest” process, and it generally permits shipments to be released from CBP custody based on the information provided on the manifest or bill of lading.

The release from manifest process is a slow and labor-intensive process, ill-suited to the recent increase in volume of merchandise claiming the exemption under 19 U.S.C. 1321(a)(2)(C). A CBP officer must review each entry and provide a determination regarding release. While this process may have been sustainable before 2016, the sheer volume of imports and the breadth of security and revenue risks posed in today’s e-commerce environment strain the resources available for enforcement at ports of entry, making the process untenable. Moreover, the data currently provided on the standard manifest is insufficient for CBP to effectively target and inspect merchandise and provide admissibility decisions in a timely manner, and to identify whether the merchandise is subject to any PGA

requirements.⁵⁵ The data often does not adequately identify the entity causing the shipment to cross the border, the final recipient, or the contents of the package. With the dramatic increase in shipments that only provide minimal data, CBP is left with little information with which to determine admissibility for an increasing number of shipments.

Some shipments that were ineligible for the release from manifest process due to PGA requirements were instead eligible for the voluntary Entry Type 86 Test. However, despite some benefits, goods entered through the Entry Type 86 Test were often found to be undervalued or misclassified and frequently failed to comply with applicable PGA requirements. Despite the additional data provided to CBP and PGAs as part of the electronic Entry Type 86 process for qualifying shipments, the volume of shipments, coupled with the inaccuracy of data provided, imposed significant challenges in conducting effective targeting and enforcement. Shipments released under a type 86 entry still required labor-intensive processing of data for purposes of validating entry information and conducting seizures of illicit merchandise such as firearms, prohibited items, illicit fentanyl, and other illicit drugs. CBP modified the test in 2024 to require submission of entry data at any time prior to or upon arrival of the cargo, to assist with targeting and enforcement efforts. This modification enabled CBP to better interdict shipments of illicit merchandise, but data sufficiency challenges persisted.

Purpose of Rule

CBP had been overwhelmed by the number of *de minimis* shipments being brought into the country with little or no accurate and reliable data which CBP could use to properly assess admissibility, duty requirements, and PGA requirements. By 2025, the administrative exemption had become a substantial risk to the revenue and the health and welfare of U.S. residents, and, through Executive Order 14324, the administrative exemption was suspended for most importations in 2025.

This rule aims to align the regulations with current policy that includes the suspension of the administrative exemption for non-postal shipments. CBP is amending its regulations under its own authorities to suspend the use of the Section 321(a)(2)(C) administrative exemption for non-postal

shipments and is promulgating a separate rule that suspends the use of the administrative exemption for postal shipments. As a result, the “release from manifest” process will no longer be available for formerly *de minimis* shipments pursuant to Section 321(a)(2)(C).

Suspension of the De Minimis Exemption

Due to the high volume of *de minimis* shipments and the lack of reliable data for admissibility determinations, administering the *de minimis* exemption had become a significant time burden to CBP. CBP officers needed to manually review data submitted and, often, physically inspect the package to know what was in the shipment. At the same time, advances in technology that facilitate automation and electronic filing of entry and collection of duties reduced the burden of collecting duties on shipments. Combined, the increased burden of administering the *de minimis* exemption and the reduced burden of collecting duties made the current environment no longer consistent with the purposes of 19 U.S.C. 1321(a), which is to avoid a cost and inconvenience to the government that is outweighed by the possible duties that would be collected. Executive Order 14324 suspended use of the administrative exemption for most importations in 2025, and Executive Order 14388 continued the suspension of the administrative exemption. To align the regulations with current policy that includes the suspension of the administrative exemption for non-postal shipments, CBP is amending its regulations under its own authorities to suspend the use of the Section 321(a)(2)(C) administrative exemption for non-postal shipments and is promulgating a separate rule that suspends the use of the administrative exemption for postal shipments. As a result, the “release from manifest” process will no longer be available for formerly *de minimis* shipments pursuant to Section 321(a)(2)(C). CBP has also suspended the Entry Type 86 Test.⁵⁶ This leaves Entry Type 11 as the main appropriate informal entry method for these shipments, although formal entry remains an option. With the suspension of *de minimis*, importers will need to provide additional data for these shipments compared to the old *de minimis* processes. The data elements that are required for an Entry Type 11 provide much more information to CBP than under the “release from manifest”

effectuating Executive Order 14324, discussing, *inter alia*, Executive Order 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), Executive Order 14194 of February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), and Executive Order 14195 of February 1, 2025 (Imposing Duties To Address the Synthetic Opioid Supply Chain in the People’s Republic of China).

⁵⁵ Shipments that are subject to PGA data requirements are not eligible for the release from manifest process.

⁵⁶ 90 FR 42418 (Sept. 2, 2025).

process for *de minimis* and better aid CBP's efforts to protect the revenue of the U.S. Government and ensure the safety of American consumers.

While CBP is exercising its own authority to suspend *de minimis*, Executive Order 14324 has been in effect since August 29, 2025, and the statutory repeal of the basis for *de minimis* will take effect starting on July 1, 2027. This rule does not, in practice, change the existing suspension of *de minimis*; rather it matches the existing suspension to a regulatory suspension implemented in this rule, providing better clarity. CBP considers the effects of the suspension of *de minimis* to belong to the Executive Order (from August 29, 2025 until July 1, 2027) and the statutory repeal of the basis for the *de minimis* exemption (from July 1, 2027 on).

Should the Executive Order be amended or removed prior to the statutory repeal of *de minimis*, CBP's regulatory suspension would remain in effect and take on the effects of the suspension of *de minimis* that would have otherwise belonged to the Executive Order between the date of change in the Executive Order and the statutory change. Once the statutory repeal of *de minimis* is effective, the effects of the *de minimis* suspension belong to the statutory change and not this rule.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, requires an agency to prepare and make available to the public a regulatory flexibility analysis that describes the effect of a proposed rule on small entities (*i.e.*, small businesses, small organizations, and small governmental jurisdictions) when the agency is required to publish a general notice of proposed rulemaking for a rule. Since a general notice of proposed rulemaking was not necessary for this rule, CBP is not required to prepare a regulatory flexibility analysis for this rule.

D. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 44 U.S.C. 3507), an agency may not conduct, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by OMB. This rule does not create or change any collection of information.

E. Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–38, UMRA) requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed rule or final rule for which the agency published a proposed rule, which includes any Federal mandate that may result in a \$100 million or more expenditure (adjusted annually for inflation) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector.

A written statement under UMRA is not required unless an agency has published a notice of proposed rulemaking. See 2 U.S.C. 1532(a). In addition, an action is exempt from UMRA if it is necessary for national security. See 2 U.S.C. 1503(5). As discussed elsewhere in this document, this rule is exempt from notice and comment rulemaking procedures and is necessary for national security. Accordingly, CBP has not prepared a written statement in connection with this rule.

F. Congressional Review Act

Before a rule can take effect, 5 U.S.C. 801, the Congressional Review Act (CRA) requires agencies to submit the rule and a report indicating whether it is a major rule, to Congress and the Comptroller General. If a rule is deemed a “major rule” by OMB, the CRA generally provides that the rule may not take effect until at least 60 days following its publication. 5 U.S.C. 801(a)(3). However, the CRA provides that if an agency finds good cause that notice and public procedure are impracticable, unnecessary, or contrary to the public interest, the rule shall take effect at such time as the agency determines. 5 U.S.C. 808(2).

The Administrator of the Office of Information and Regulatory Affairs of OMB has determined that this IFR does not meet the criteria for a “major rule” in 5 U.S.C. 804(2) as this rule merely implements the status quo in the regulations, without any associated costs.

V. Signing Authority

In accordance with Treasury Order 100–20, the Secretary of the Treasury delegated to the Secretary of Homeland Security the authority related to the customs revenue functions vested in the Secretary of the Treasury as set forth in 6 U.S.C. 212 and 215, subject to certain exceptions. This regulation is being issued in accordance with DHS Delegation 07010.3, Revision 03.2,

which delegates to the Commissioner of CBP the authority to prescribe and approve regulations related to customs revenue functions.

List of Subjects in 19 CFR Part 10

Bonds, Exports, Imports, Reporting and recordkeeping requirements, Trade agreements.

For the reasons stated above in the preamble, CBP amends 19 CFR part 10 as set forth below:

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

■ 1. The general authority citation for part 10 continues to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States (HTSUS)), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 4513.

* * * * *

■ 2. Revise § 10.151 to read as follows:

§ 10.151 Importations not over \$800.

(a) Subject to the conditions in § 10.153, and subject to the provisions of paragraph (b) of this section, the port director shall pass free of duty and tax any shipment of merchandise, as defined in § 101.1 of this chapter, imported by one person on one day having a fair retail value, as evidenced by an oral declaration or the bill of lading (or other document filed as the entry) or manifest listing each bill of lading, in the country of shipment not exceeding \$800, unless he has reason to believe that the shipment is one of several lots covered by a single order or contract and that it was sent separately for the express purpose of securing free entry therefor or of avoiding compliance with any pertinent law or regulation. Merchandise subject to this exemption shall be entered under the informal entry procedures (see subpart C, part 143, and §§ 128.24, 145.31, 148.12, and 148.62 of this chapter).

(b) The exemption provided in paragraph (a) of this section is suspended for merchandise arriving via all modes other than through the international postal network until such time as CBP determines that the application of the exemption is no longer inconsistent with the purpose of 19 U.S.C. 1321(a), no longer jeopardizes the revenue, and no longer facilitates unlawful importations. Notice of a modification or revocation of this suspension will be announced by the Commissioner in the **Federal Register**. For provisions regarding the availability of the exemption provided in paragraph (a) for merchandise arriving through the

international postal network, see § 145.31 of this chapter.

Rodney S. Scott,
Commissioner, U.S. Customs and Border Protection.

[FR Doc. 2026–12670 Filed 6–23–26; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

19 CFR Part 145

[USCBP–2026–0761; CBP Dec. 26–13]

RIN 1685–AA45

Indefinite Suspension of the De Minimis Exemption for Mail Shipments and New Postal Informal Entry Process

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Interim final rule; request for comments.

SUMMARY: This document amends the U.S. Customs and Border Protection (CBP) regulations to implement an indefinite suspension of the *de minimis* administrative exemption for imports valued at \$800 or less arriving through the international postal network. This document also establishes a new postal informal entry process for certain merchandise entering the United States through the mail environment.

DATES: *Effective date:* This interim final rule is effective on July 24, 2026, except for amendatory instruction 4 (19 CFR 145.31), which is effective on June 24, 2026.

Compliance date: The compliance date for 19 CFR 145.12(a)(2)(v) and (vi) is on October 22, 2026.

Comments due date: Comments on the rule must be received on or before July 24, 2026.

ADDRESSES: You may submit comments, identified by docket number, through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP–2026–0761.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received may be posted without change to <http://www.regulations.gov>, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the “Public Participation” heading of the

SUPPLEMENTARY INFORMATION section of this document.

Docket: For access to the docket to read background documents and submitted comments, go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Christopher Mabelitini, Director, Intellectual Property Rights & E-Commerce Division, Office of Trade, U.S. Customs and Border Protection, 202–325–6915, ecommerce@cbp.dhs.gov.

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I. Public Participation

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of this rulemaking. U.S. Customs and Border Protection (CBP) also invites comments that relate to the economic, environmental, or federalism effects that might result from this rule, if relevant. If appropriate to a specific comment, the

commenter should reference the specific portion of the rule, explain the reason for any recommended change, and include data, information, or authority that supports the recommended change.

II. Background

On July 30, 2025, the President signed Executive Order (E.O.) 14324 (Suspending Duty-Free *De Minimis* Treatment For All Countries).¹ Among other things, E.O. 14324 suspended the availability of the *de minimis* administrative exemption under 19 U.S.C. 1321(a)(2)(C) for most imports, to address the national emergencies declared in E.O. 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), E.O. 14194 of February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), E.O. 14195 of February 1, 2025 (Imposing Duties To Address the Synthetic Opioid Supply Chain in the People's Republic of China), and E.O. 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits).² E.O. 14324 generally calls for shipments that qualified for the *de minimis* exemption prior to the effective date of the order, other than shipments sent through the international postal network, to be entered using an appropriate entry type in the Automated Commercial Environment (ACE) by a party qualified to make such entry.

On February 20, 2026, the United States Supreme Court decided *Learning Resources, Inc. v. Trump*, 607 U.S. ____ (2026), holding that the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1701 *et seq.*, does not authorize the President to impose additional tariffs. That decision did not address the suspension of the *de minimis* administrative exemption pursuant to IEEPA. In light of that decision, E.O. 14389 of February 20, 2026 (Ending Certain Tariff Actions),³ terminated the additional duties that had been imposed under IEEPA in

¹ 90 FR 37775 (Aug. 5, 2025).

² For more information regarding these national emergency declarations, please see “Notice of Implementation of the President’s Executive Order 14324, Suspending Duty-Free *De Minimis* Treatment For All Countries” at 90 FR 42418 (Sept. 2, 2025), which is CBP’s notice effectuating Executive Order 14324, *inter alia*: Executive Order 14193, 90 FR 9113 (Feb. 7, 2025); Executive Order 14194, 90 FR 9117 (Feb. 7, 2025); Executive Order 14195, 90 FR 9121 (Feb. 7, 2025); and Executive Order 14257, 90 FR 15041 (Apr. 7, 2025). As noted in Executive Order 14389, 91 FR 9437 (Feb. 20, 2026), the national emergencies declared or described in the above orders remain in effect.

³ 91 FR 9437 (Feb. 25, 2026).

certain Executive Orders (including the Executive Orders listed in the preceding paragraph), while making clear that the national emergency declarations underlying the imposition of the tariffs remain ongoing and maintaining other measures adopted under those orders. On the same day, E.O. 14388 of February 20, 2026 (Continuing the Suspension of Duty-Free De Minimis Treatment for All Countries),⁴ continued the suspension of the duty-free *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C), including for shipments sent through the international postal network, and stated that CBP should continue to inspect such goods and collect applicable duties, taxes, fees, exactions, and charges on such shipments.

Pursuant to section 2(b) of E.O. 14324, as revised by E.O. 14388, shipments sent through the international postal network that would otherwise qualify for the *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C) “shall pass free of any duties except those specified in section 3 of this order,” and without the preparation of an entry by CBP, “until the effective date for the new entry process for postal shipments established by CBP and published in the **Federal Register**.” Section 3 of E.O. 14324, as revised by E.O. 14388, established an interim process and new duty rates for covered products sent to the United States through the international postal network, discussed in more detail below, and directed that the duty rate “shall be assessed until the expiration date of the temporary import surcharge established by Proclamation 11012 of February 20, 2026 (Imposing a Temporary Import Surcharge to Address Fundamental International Payment Problems), or until the effective date of the new entry process for postal shipments established by CBP, whichever date occurs first.”⁵ In turn, Proclamation 11012 invoked Section 122 of the Trade Act of 1974, and pursuant to Section 122, imposed, for a period of 150 days, a 10 percent *ad valorem* surcharge on certain imports.

Consistent with the policy objectives encapsulated by these Executive Orders, and independently pursuant to CBP’s own statutory authorities, as discussed in further detail below, and after considering the relevant issues and

factors and weighing the relevant considerations, this rulemaking implements in CBP regulations an indefinite suspension of the *de minimis* administrative exemption under 19 U.S.C. 1321(a)(2)(C) (hereinafter “the *de minimis* administrative exemption” or “the *de minimis* exemption”) for merchandise valued at \$800 or less and imported by one person on one day arriving through the international postal network, consistent with 19 U.S.C. 1321(b), to protect revenue, prevent unlawful importations, and for further reasons discussed in more detail below. This rulemaking does not affect the availability of the exemptions for bona fide gifts under 19 U.S.C. 1321(a)(2)(A) or personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(B). Further, this rulemaking establishes a new process for merchandise valued at \$2,500 or less entering the United States through the mail environment, including shipments that would previously have been eligible for the *de minimis* exemption. Although this rulemaking is implementing the indefinite suspension of the *de minimis* administrative exemption for merchandise valued at \$800 or less arriving through the international postal network (also referred to in this document as mail or postal environment), CBP is publishing a concurrent rulemaking announcing the indefinite suspension of the *de minimis* administrative exemption for merchandise valued at \$800 or less arriving via all modes other than through the international postal network.⁶

Specifically, and as discussed in more detail below, this rulemaking addresses certain challenges CBP faces in the informal mail entry environment related to the *de minimis* exemption. These challenges concern efforts to protect the revenue and to identify violations of U.S. customs and trade laws, health and safety requirements, intellectual property rights, and consumer protection rules, as well as to detect and prevent the entry of illicit drugs such as fentanyl (including synthetic drug precursors and related chemicals and related manufacturing equipment). To address these challenges, in addition to announcing the indefinite suspension of

the *de minimis* exemption for merchandise in the postal environment, this rule also makes changes from what is currently required under the interim process announced in Executive Order 14324, as amended, for goods arriving through the international postal network and further specified in CBP’s Notice of Implementation of the President’s Executive Order 14324, Suspending Duty-Free De Minimis Treatment for All Countries.⁷

A. Authority

1. The De Minimis Administrative Exemption

Section 321 of the Tariff Act of 1930 (19 U.S.C. 1321), as amended by the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), Section 901, Public Law 114–125, 130 Stat. 122, authorizes the Secretary of the Treasury,⁸ “in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected,” to provide by regulation for administrative exemptions from duty and any tax imposed on or by reason of importation for three categories of articles. These categories include: bona fide gifts valued at \$100 or less (\$200, if the gift is from certain island possessions) sent from persons in foreign countries to persons in the United States (19 U.S.C. 1321(a)(2)(A)); certain personal or household articles valued at \$200 or less accompanying persons arriving in the United States (19 U.S.C. 1321(a)(2)(B)); and other articles when the value of the article is \$800 or less, referred to here as the *de minimis* administrative exemption (19 U.S.C. 1321(a)(2)(C)). The origin of the *de minimis* exemption was to codify the Government’s existing discretionary “practice of waiving duties when, in the opinion of local customs officials, collecting the duty would be an inefficient use of government resources.”⁹ Though Congress has several times amended Section 321, including to adjust the statute’s dollar

⁷ 90 FR 42418 (Sept. 2, 2025).

⁸ The Secretary of the Treasury has delegated this authority to the Secretary of Homeland Security pursuant to the Homeland Security Act of 2002 (see Pub. L. 107–296, 116 Stat. 2142) and Treasury Order 100–20 (Oct. 30, 2024), available at <https://home.treasury.gov/about/general-information/orders-and-directives/treasury-order-100-20>.

⁹ *Imports and the Section 321 (De Minimis) Exemption: Origins, Evolution, and Use*, Cong. Research Serv., R48380 at 5–6 (Jan. 31, 2025); see also, e.g., Customs Administrative Act of 1938, Public Law 75–721, 52 Stat. 1081 (June 25, 1938), ch. 679, § 7.

⁴ 91 FR 9433 (Feb. 25, 2026).

⁵ The products subject to this interim process are shipments of articles that formerly qualified for the *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C), and which are not identified in 50 U.S.C. 1702(b). A detailed description of this interim process prior to E.O. 14388 appears in the **Federal Register** notice implementing E.O. 14324. See 90 FR 42418 (Sept. 2, 2025).

⁶ Although CBP is issuing this interim final rule concurrently with a separate interim final rule addressing related issues under 19 U.S.C. 1321, CBP views each rule as a distinct regulatory action. CBP would have issued this interim final rule even if the other interim final rule had not been issued, and CBP intends that this interim final rule remain in effect even if the other interim final rule is later amended, delayed, or held invalid in whole or in part, unless CBP itself changes this rule through subsequent rulemaking.

amounts, the purpose of Section 321 has remained the same.¹⁰

In granting this discretion to admit articles free of duty and of any tax imposed by reason of importation, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, Section 321(a)(2)(C) sets a framework for any *de minimis* exemption that the Secretary of the Treasury (Secretary) (and now the Secretary of Homeland Security) chooses, in his or her discretion, to implement. In other words, the Secretary's authority to implement the administrative exemptions authorized under Section 321 is, and has always been, discretionary, not mandatory. Nothing in Section 321 requires the Secretary to create (or to maintain) a *de minimis* exemption. Instead, the creation (or the maintaining) of the *de minimis* exemption is in the Secretary's discretion.

Importantly, 19 U.S.C. 1321(b) also authorizes the Secretary to promulgate regulations that except certain merchandise from eligibility for the administrative exemptions in 19 U.S.C. 1321(a) when the Secretary finds that such an exception is consistent with the purpose of 19 U.S.C. 1321(a) or is necessary for any reason to protect the revenue or to prevent unlawful importations.

The *de minimis* exemption is implemented in part 10 of title 19 of the Code of Federal Regulations (19 CFR part 10) at 19 CFR 10.151 and 10.153, and is also referenced in 19 CFR parts 128, 143, and 145 (Mail Importations), the general subject of this rulemaking.

¹⁰ See, e.g., Simplification of Customs Administration: Hearings on H.R. 1535 Before the Comm. on Ways and Means House of Rep., 82nd Cong., at 19 (1951) ("the purpose" of this provision was "to avoid waste of customs manpower in determining and collecting trivial amounts of money," and "[t]he object of the [1953] amendment [was] the same as that of the original section[] . . . [as it was] necessary in order to minimize the cost of administering the customs service"); H.R. Rep. No. 83–760, at 123 (1953) (noting that Section 321 was "intended to avoid dissipating customs manpower in assessing and collecting duties in trivial amounts"); H.R. Rep. No. 103–361, pt. 1, at 144–45 (1993) (changing the statutory amount because "inflation and the substantial increases in passenger arrivals and low-value entries" meant that the statutory amounts that were then in place were "not sufficiently high for the statutorily stated goal of limiting expense to the Government disproportionate to the revenue that is collected"); S. Rep. No. 103–189, at 93 (1993); Customs Modernization Act, Title VI of the North American Free Trade Agreement Implementation Act, Public Law 103–182, 651, 107 Stat. 2057, 2209 (1993); Trade Facilitation and Trade Enforcement Act of 2015, Public Law 114–125, 901, 130 Stat. 122 (2016).

2. Entry Procedures

All merchandise imported into the customs territory of the United States is subject to entry and clearance procedures, unless specifically excepted. These procedures ensure the proper appraisal, valuation, and tariff classification of the merchandise for the purpose of collecting the lawful amount of duties owed, as well as compliance with all other laws and regulations administered and enforced by CBP. Different types of entry procedures are used for the entry and clearance of merchandise depending upon its value and other relevant criteria.

Formal entry procedures, established by 19 U.S.C. 1484 and 1485, are generally applicable to shipments of merchandise valued in excess of \$2,500.¹¹ Informal entry procedures are authorized by 19 U.S.C. 1498(a)(1)(A) for shipments of merchandise valued at \$2,500 or less, and may incorporate formal entry procedures appearing in 19 U.S.C. 1484 and 1485.¹² 19 U.S.C. 1498(b). Informal entry regulations are generally found in 19 CFR part 143, subpart C. Specific procedures for shipments imported by mail, including informal mail entries, are found in part 145, Mail Importations (19 CFR part 145). Generally, informal entry procedures are less burdensome and complex than formal entry procedures. But CBP may require formal entry for any merchandise if deemed necessary for purposes of admissibility, revenue

¹¹ Part 142 of title 19 of the CFR (19 CFR part 142) implements 19 U.S.C. 1484, as amended, and prescribes formal entry procedures.

¹² The Secretary of the Treasury is authorized to "prescribe rules and regulations for the declaration and entry of merchandise when the aggregate value of the shipment does not exceed an amount specified . . . by regulation, but not more than \$2,500." See 19 U.S.C. 1498(a)(1)(A). The Homeland Security Act of 2002 (HSA) generally transferred the functions of the U.S. Customs Service from the Treasury Department to the Secretary of Homeland Security. See Public Law 107–296, 116 Stat. 2142; 6 U.S.C. 203 ("there shall be transferred to the Secretary [of Homeland Security] the functions . . . of (1) the United States Customs Service of the Department of the Treasury, including the functions of the Secretary of the Treasury relating thereto"). Nevertheless, pursuant to Section 412 of the HSA, the Treasury Department retained authority related to various customs revenue functions, including those functions found in the Tariff Act of 1930, Public Law 71–361, 46 Stat. 590, as amended (codified at 19 U.S.C. 1202 *et seq.*) 6 U.S.C. 212(a)(1), (2). But the Secretary of the Treasury may delegate any such retained authority at the Secretary's discretion. 6 U.S.C. 212(a)(1). Consistent with this delegation authority, the Secretary of the Treasury issued Treasury Order 100–20 (available at <https://home.treasury.gov/about/general-information/orders-and-directives/treasury-order-100-20>), delegating the authorities contained in 6 U.S.C. 212 and 215 to the Secretary of Homeland Security.

protection, or the efficient conduct of customs business. 19 CFR 143.22.

Additionally, specific procedures for shipments arriving through the international postal network, including merchandise that could have previously qualified for the *de minimis* exemption prior to its suspension, are found in part 145, Mail Importations (19 CFR part 145). CBP is publishing a separate rulemaking concurrently with this rulemaking announcing the indefinite suspension of the *de minimis* administrative exemption for merchandise valued at \$800 or less arriving via all modes other than through the international postal network.

B. De Minimis and the Dangers of the Low-Value Shipment E-Commerce Environment

The Customs Administrative Act of 1938 amended the Tariff Act of 1930 by adding Section 321, which authorized the original *de minimis* exemption for articles imported by one person on one day which are valued at \$1 or less, in order to limit the "expense and inconvenience" of collecting duty when "disproportionate to the amount of such duty."¹³ At that time, the amount of duty to be collected for these low-value shipments was deemed to be so minimal (especially when compared to the costs associated with collecting the duties that would have been owed) that "the purpose of [Section 321 as added in 1938 was] to avoid waste of customs manpower in determining and collecting trivial amounts of money."¹⁴ Congress subsequently raised the value cap for articles eligible for the *de minimis* exemption authorized by Section 321(a)(2)(C), as amended, to \$5 in 1978, \$200 in 1993, and most recently, to \$800 in 2016.¹⁵

The current regulatory framework for the *de minimis* exemption was promulgated through two final rules in

¹³ Customs Administrative Act of 1938, Public Law 75–721, 52 Stat. 1077, 1081 (1938).

¹⁴ Hearings on H.R. 1535 before House Committee on Ways and Means, Aug. 6, 1951, at 19 (Analysis of Customs Simplification Act of 1951 at section 11, Administrative Exemptions) (analysis was prepared by the Department of the Treasury and included as part of the legislative record for the Customs Simplification Act of 1953 (Aug. 8, 1953)), Public Law 83–243, c. 397, § 13, 67 Stat. 515.

¹⁵ Customs Procedural Reform and Simplification Act of 1978, Public Law 95–410, 205(b)(3), 92 Stat. 888, 900 (1978) (raising the daily value cap to \$5); North American Free Trade Agreement Implementation Act, Public Law 103–182, 107 Stat. 2057, 2209 (1993) (raising the daily value cap to \$200 and also removing the specific authorization to the Secretary of the Treasury to diminish the dollar amount of the administrative exemption); Trade Facilitation and Trade Enforcement Act of 2015, Public Law 114–125, 130 Stat. 122 (2016) (raising the daily value cap to \$800).

1994 and 1995. The 1994 rule provided express consignment operators and carriers the right to enter goods into the United States without a registered customs broker.¹⁶ The 1995 rule amended the customs regulations to implement the legislative increase of the value cap to \$200, and to specify the special informal entry procedures applicable to qualifying low-value shipments.¹⁷ In 2016, Section 901(d) of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) amended 19 U.S.C. 1321(a)(2)(C) by increasing the value cap from \$200 to \$800.¹⁸ CBP published an interim final rule amending the regulations to implement the new statutory value cap and to identify certain goods excluded from eligibility for the *de minimis* exemption.¹⁹ Otherwise, CBP has not made any significant changes to the regulatory requirements since 1995. In those intervening three decades, however, as discussed in more detail below, there have been significant changes in the trade environment relating to the *de minimis* exemption.

As noted above, E.O. 14324 suspended duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) and established an interim process for mail shipments formerly eligible for *de minimis*. Given the risks of evasion of U.S. laws, fraud, and illicit-drug importations that create health and safety risks, as well as risks to the revenue described in the following sections, CBP is implementing a *de minimis* suspension for all merchandise arriving through the international postal network in its regulations pursuant to the authority provided for in 19 U.S.C. 1321.

Because these shipments are no longer eligible for the *de minimis* exemption, they are also unable to use the special informal entry procedures applicable to articles claiming the *de minimis* exemption. Therefore, as explained in more detail below, these shipments will need to use an appropriate method of entry, such as the new postal informal entry process announced in this rulemaking, which is limited to articles classifiable only in chapters 1–97 of the Harmonized Tariff Schedule of the United States (HTSUS). For merchandise arriving through the international postal network that is subject to any additional duties imposed

under chapter 99 of the HTSUS, quota, antidumping or countervailing duties (AD/CVD) orders, Partner Government Agency (PGA) data requirements,²⁰ or merchandise for which duty-free treatment is claimed under Chapter 98 of the HTSUS or pursuant to a Free Trade Agreement, formal entry is required, *see* 19 CFR 145.12(a).

Although this rule is consistent with and responsive to E.O. 14324 and related Presidential actions, CBP is herein independently exercising its statutory authorities to implement a *de minimis* suspension for merchandise arriving through the international postal network. After considering the relevant issues and factors and weighing the relevant considerations, CBP has determined that duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is no longer necessary for shipments through the international postal network to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected. *See* 19 U.S.C. 1321(a). Further, after considering the relevant issues and factors and weighing the relevant considerations, CBP has determined that the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is consistent with the purpose of 19 U.S.C. 1321(a). *See* 19 U.S.C. 1321(b). Moreover, after considering the relevant issues and factors and weighing the relevant considerations, CBP has independently determined that the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is necessary to protect the revenue. *See* 19 U.S.C. 1321(b). In addition, after considering the relevant issues and factors and weighing the relevant considerations, CBP has independently determined that the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) is necessary to prevent unlawful importations, including unlawful importations of illicit or dangerous goods. *See* 19 U.S.C. 1321(b). Finally, after considering the relevant issues and factors and weighing the relevant considerations, CBP has determined that

any of the above reasons—separately, cumulatively, or in any combination—justifies the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C).

In making these determinations, CBP considered the relevant issues and factors and weighed the relevant considerations. For example, CBP considered any potential reliance interests but determined that the reliance interests are either not actually present or are outweighed by the benefits of this rule. CBP also considered various alternatives but determined that this rule is more reasonable than and preferable to potential alternatives. In CBP's judgment, this rule is reasonable, consistent with the purpose of 19 U.S.C. 1321(a), necessary to protect the revenue, and necessary to prevent unlawful importations.

CBP is adopting these regulatory measures under its own statutory authority and would do so even in the absence of E.O. 14324 or any related Executive Orders. Moreover, this rulemaking aligns with U.S. Government positions in trade and security negotiations with countries regarding policy matters that are squarely within the foreign affairs domain. The timing of this rulemaking is linked intimately with the United States's overall foreign-affairs and national-security agenda and affects relations with foreign countries.

1. Exponential Increase in the Volume of De Minimis Packages

The continued rise of e-commerce, with the internet empowering individuals to easily make international purchases, the increase of the value cap for the *de minimis* exemption to \$800 in 2016, and the establishment of the Entry Type 86 Test²¹ in which CBP authorized a voluntary electronic entry process for qualifying low-value shipments in the Automated Commercial Environment (ACE), led to drastic increases in the volume of shipments using the \$800 *de minimis* exemption, including through the international postal environment. The dramatic increase in the volume of *de minimis* shipments accelerated overwhelmingly during the COVID–19 pandemic and never returned to pre-pandemic levels. During Fiscal Year 2024, over 1.36 billion *de minimis* shipments were processed by CBP, an almost ten-fold increase over the 139 million *de minimis* shipments

²⁰ As detailed below, CBP has provided a delayed compliance date for the requirement that certain merchandise arriving through the international postal network must file formal entry. During the delayed compliance period, CBP will permit merchandise subject to PGA requirements, merchandise subject to duties under Chapter 98 or Chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS), or for which duty-free treatment is claimed under Chapter 98 of the HTSUS or pursuant to a Free Trade Agreement (*see* new 19 CFR 145.12(a)(2)(v)–(vi)) to use the postal informal entry process established by this rule. For more information on the compliance date, please *see* Section III. Explanation of Amendments to the CBP Regulations.

¹⁶ T.D. 94–71 (59 FR 43283 (Aug. 23, 1994)).

¹⁷ T.D. 95–31 (60 FR 18983 (Apr. 14, 1995)).

¹⁸ Section 901 did not change the administrative exemptions for bona-fide gifts and personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(A) and (B), respectively.

¹⁹ CBP Dec. No. 16–13 (81 FR 58831 (Aug. 26, 2016)).

²¹ 84 FR 40079 (Aug. 13, 2019), suspended by 90 FR 42418 (Sept. 2, 2025).

processed by CBP in 2015.²² Today, the crushing volume of these *de minimis* shipments imposes a significant and costly burden on CBP related to identifying violative merchandise and processing the shipments.

Despite the staggering volume of trade involved, CBP's current regulations generally require minimal data for entry of shipments claiming the *de minimis* administrative exemption, and no entry is prepared for shipments claiming *de minimis* in the postal environment. The risks associated with merchandise that would have previously qualified for the *de minimis* exemption are even further exacerbated in the mail environment. Prior to its suspension, *de minimis* shipments sent via mail were processed initially at one of the U.S. Postal Service's (USPS) International Service Centers (ISCs) that sort international mail, before being transferred to a CBP facility for further examination. Under the current regulatory framework for informal entry of merchandise arriving by mail, there is a burdensome and manual process for CBP to verify the information necessary for the shipment to be deemed admissible and properly entered in accordance with all applicable requirements, such as verifying origin and value to ensure duties are accurately collected. Pursuant to 19 CFR 145.12(b)(1), subject to exceptions, a CBP officer must manually prepare a mail entry form for a shipment valued at \$2,500 or less, and the recipient will pay the duties, taxes, and fees owed. Payment is generally tendered at the local post office prior to the recipient taking possession of the shipment.

In addition to the time-intensive and costly manual process of preparing an entry and collecting duties for informally entered mail articles, the high volume and the lack of advance entry information to aid in risk assessment and targeting creates substantial problems for CBP. CBP also lacks advance information regarding the volume of shipments arriving, preventing CBP from effectively allocating resources to aid in the processing of mail shipments.

As noted above, E.O. 14324 resulted in the implementation of an interim entry process for low-value mail shipments valued at \$2,500 or less, including shipments formerly eligible for the *de minimis* exemption. This process did not require CBP to prepare a manual entry for those mail shipments, but did mandate duty collection that necessitates manual

auditing by CBP to ensure proper duty remittance. Pursuant to section 2(b) of E.O. 14324, as revised by E.O. 14388, the interim process is applicable to mail shipments until such time as CBP establishes a new entry process and implementing regulations published in the **Federal Register** take effect.

Under the Executive Order's interim process as specified by the CBP notice, qualified third parties transmit entry data and duties owed to CBP. The foreign post office would receive the package from the shipper, collect the required information and duties, and transmit relevant information and duties owed to the qualified third party. The qualified third party would then transmit the following information to CBP via email in the form of an Excel spreadsheet:

Carrier
Flight Number
Tracking Number (generated by the foreign post operator)
Arrival Port
Arrival Date
Duty Rate
Country of Origin
Value
Total Duty Owed

The spreadsheet is required to be transmitted to CBP on the 7th day of the month following the arrival of the postal shipment. At the same time, the qualified third party would transmit payment for duties owed for all shipments arriving the prior month, via *Pay.gov*. For example, for a package that arrived on April 15th, the spreadsheet and payment would be due no later than May 7th. Qualified third parties transmitting data to CBP are required to have a basic importation and entry bond, consistent with 19 CFR 113.62.

Although this interim process was critical to address the urgent issues leading to the emergency declarations detailed in E.O. 14324, concerns regarding minimal shipment data and the need for manual verification by CBP remain. As explained in more detail in the economic analysis section below, the volume of merchandise imported by mail has decreased²³ since the Executive Order's effective date, but the overall burden on CBP to assess admissibility of the merchandise and collect the relevant duties continues to present challenges.

2. Attempted Unlawful Importations

There is an apparent perception amongst transnational criminal organizations and other bad actors that

low-value shipments, including those through the international postal environment, are less likely to be interdicted due to the sheer volume of entries and because these shipments are generally not subject to the more extensive formal entry procedures. This has resulted in attempts to enter illicit and dangerous goods, such as firearms, counterfeit merchandise, illicit fentanyl, and other illicit drugs, by claiming the *de minimis* exemption.²⁴

As noted above, the overwhelming volume of low-value shipments, including in the postal environment, makes it more challenging for CBP to conduct targeting for purposes of identifying violations of U.S. customs and trade laws, health and safety requirements, intellectual property rights, and consumer protection rules, as well as preventing illicit drugs, such as fentanyl (including synthetic drug precursors and related chemicals and related manufacturing equipment) from entering the country. Moreover, the fact that many consumers ordering goods online that were shipped through the international postal network are not familiar with the customs and trade laws increases the danger that an item they are purchasing may not comply with U.S. health and safety standards or pose other risks. Taken together, if not addressed, the enforcement challenges in the current environment have the capacity to put American consumers' well-being and lives at risk.

3. Significant Uncollected Duties Endangering the Revenue

Because of the significant burdens that *de minimis* valued merchandise imposes on CBP relating to targeting and processing, allowing for the *de minimis* exemption to remain in place for merchandise arriving through the

²⁴ See, e.g., E.O. 14324, 90 FR at 37776–77 (“For example, many shippers go to great lengths to evade law enforcement and hide illicit substances in imports that go through international commerce. These shippers conceal the true contents of shipments sent to the United States through deceptive shipping practices. Some of the techniques employed by these shippers to conceal the true contents of the shipments, the identity of the distributors, and the country of origin of the imports include the use of re-shippers in the United States, false invoices, fraudulent postage, and deceptive packaging. The risks of evasion, deception, and illicit-drug importation are particularly high for low-value articles that have been eligible for duty-free *de minimis* treatment.”). For more information regarding the national emergency declarations, see 90 FR 42418 (Sept. 2, 2025) discussing, *inter alia*, E.O. 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), E.O. 14194 of February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), and E.O. 14195 of February 1, 2025 (Imposing Duties To Address the Synthetic Opioid Supply Chain in the People's Republic of China).

²² Source: CBP's Automated Targeting System (ATS) Data.

²³ There has been an estimated two-thirds reduction in mail shipments following the global suspension of the *de minimis* exemption in E.O. 14324.

international postal network is no longer consistent with the purpose of 19 U.S.C. 1321(a), which is to avoid a cost and inconvenience to the government that is outweighed by the duties that would be collected. To put it plainly, despite collecting no revenue, the burden of work imposed on CBP related to the *de minimis* exemption was growing with each passing year until the exemption was suspended.

Moreover, advances in technology have facilitated the electronic filing of an entry along with the automation of data verification and duty collection. As a result, where an electronic entry is filed for dutiable merchandise, the cost to and burden on CBP from collecting duties is negligible, particularly when compared to the burden and amount of duties that would otherwise be owed but for the *de minimis* exemption. Additionally, there have been significant improvements in CBP's automation regarding the targeting, verification, and processing of entry or related data, which removed a significant time burden that was part of the original justification for establishing the *de minimis* exemption.

Today, the outdated and burdensome tasks, involving CBP employees having to manually review documents and process money or paper checks to collect duties, stand ready to be replaced by fully electronic processes. These newer processes minimize the cost to CBP to assess and collect duty payments, enforce compliance with applicable PGA requirements, and determine admissibility. Technological advances, including expanded use of *Pay.gov*, have significantly reduced the burden on CBP personnel pertaining to general duty collection and enforcement.²⁵

Moreover, the revenue forgone due to the *de minimis* exemption has steadily increased, as even low-value merchandise would otherwise be subject to additional duties pursuant to trade actions addressing discriminatory trade practices and threats to national security and domestic industries.²⁶ In addition, given CBP's challenges in the *de minimis* enforcement environment, the volume of shipments that claimed the *de minimis* exemption but did not actually qualify resulted in significant

lost revenue. Therefore, the cost to and burden on CBP to collect the duties owed, given advances in technology, pale in comparison to the vast aggregate amount of duties uncollected due to the *de minimis* exemption, which endangers the revenue.

Accordingly, in addition to CBP implementing in the regulations the indefinite suspension of the *de minimis* exemption pursuant to its authority in 19 U.S.C. 1321 for merchandise arriving through the international postal network, as discussed in more detail below, CBP is implementing a new postal informal entry process to better address unlawful and potentially dangerous importations, and the risks to the revenue of the United States, arising from *de minimis* packages sent through the international postal network.²⁷

4. January 2025 Notices of Proposed Rulemaking and Other Potential Alternatives

In January 2025, CBP published two notices of proposed rulemaking that proposed changes to the entry process for low-value shipments. The first of these, the "Entry of Low-Value Shipments" (ELVS) proposed rule, proposed new "enhanced" and "basic" entry processes and associated data requirements for shipments qualifying for and seeking the benefit of the *de minimis* duty exemption authorized under 19 U.S.C. 1321(a)(2)(C) and 19 CFR 10.151 (90 FR 3048, Jan. 14, 2025). The second, the "Trade and National Security Actions and Low-Value Shipments" (TransSALS) proposed rule, proposed to make merchandise subject to specified Sections 232, 201, and 301 actions ineligible for the administrative exemption and to require 10-digit HTSUS classification for shipments entered under both the basic and enhanced processes (90 FR 6852, Jan. 21, 2025).

But CBP proposed these two rulemakings under very different circumstances. Since that time, additional legal and factual developments, including E.O. 14324, as revised, subsequent national emergency declarations, enactment of legislation terminating the *de minimis* exemption effective July 1, 2027,²⁸ and further experience with the interim mail process, have demonstrated that these proposed rulemakings are not the appropriate course of action at this time

and do not adequately address revenue and public safety risks associated with low-value shipments to the United States.

As further discussed below, although this rulemaking represents a different approach from those proposed in ELVS and TransSALS, ELVS and TransSALS demonstrate the path CBP has taken in its attempts to get control of the overwhelming volume of low-value shipments, as well as the associated risks discussed throughout this document. While the ELVS proposed rule was intended to assist CBP in acquiring additional data regarding low-value shipments, the TransSALS proposed rule was designed to limit the availability of the *de minimis* exemption in certain scenarios. Neither of the rules went far enough to address the current issues CBP faces in the *de minimis* and low-value shipment environment, particularly with respect to the postal environment. Unlawful importation concerns exist for all imports that could qualify for the *de minimis* exemption. Further, limited exceptions to the *de minimis* exemption would raise circumvention or evasion concerns. Lastly, the sheer volume of shipments claiming the *de minimis* exemption, including shipments sent through the international postal network, combined with the technological advances CBP has implemented in recent years, means that allowing the exemption is no longer consistent with the purpose stated in Section 321(a); that is, the administrative burden of collecting the duties no longer outweighs the revenue to be collected for low-value shipments.

Accordingly, considering its past efforts and the changed landscape, CBP has determined that it is necessary to move forward with the indefinite suspension of the *de minimis* exemption for merchandise arriving through the international postal network, under CBP's own authorities. As described throughout this preamble, the indefinite suspension of the *de minimis* exemption for goods valued at \$800 or less arriving through the international postal network will help CBP address the risks to the revenue and public safety consistent with long-standing and recent developments, including the policy objectives of this Administration.

CBP has considered other alternatives and determined that at this time, this rule is still more reasonable than and preferable to potential alternatives. For example, CBP has considered excepting from the *de minimis* exemption some low-value imports but not other low-value imports, as in the TransSALS

²⁵ For example, CBP recently announced *Pay.gov* as being available to pay bills at the importer's convenience. For more information, see <https://www.cbp.gov/trade/priority-issues/revenue/bill-payments>.

²⁶ For example, additional duties imposed pursuant to Section 232 of the Trade Expansion Act of 1962, Section 201 of the Trade Act of 1974, and Section 301 of the Trade Act of 1974. See 90 FR 6852 (Jan. 21, 2025).

²⁷ As noted elsewhere, CBP is also publishing a concurrent rulemaking regarding the suspension of the *de minimis* exemption for merchandise arriving via all modes other than through the international postal network.

²⁸ One Big Beautiful Bill Act, Public Law 119–21, Section 70531(b)(3), 139 Stat. 72, 283 (2025).

proposed rule discussed above.²⁹ But unlawful importation concerns exist for all low-value imports that could qualify for the *de minimis* exemption. And in general, the expense and inconvenience of imports under the *de minimis* exemption exist for all such imports; a limited suspension of the *de minimis* exemption would not resolve the imbalance of the expense and inconvenience of administering the exemption vis-à-vis the potential revenue collection. A limited exception to the suspension of the *de minimis* exemption also raises circumvention or evasion concerns that are obviated by applying the suspension to all shipments. So a limited suspension of only certain low-value imports is not as consistent with the purpose of 19 U.S.C. 1321(a) as this rule, and would not as effectively protect the revenue or prevent unlawful importations. In CBP's judgment, this rule is more reasonable than and preferable to this alternative approach.

CBP has considered the option of requiring additional information while not indefinitely suspending the *de minimis* exemption, as proposed in the ELVS proposed rule discussed above.³⁰

But merely requiring additional entry requirements without the suspension of *de minimis* does not adequately address the revenue and unlawful-importation concerns. Indeed, even if increased information could as effectively address unlawful importation, increased information does not protect the

revenue and, in fact, exacerbates the expense and inconvenience to the Government, making such expenses and inconvenience even more disproportionate to the amount of revenue that would otherwise be collected. So this alternative is not as consistent with the purpose of 19 U.S.C. 1321(a) as this rule and does not as effectively protect the revenue or prevent unlawful importations as this rule.

Finally, CBP has considered other alternatives, including a combination of the above alternatives, but CBP has determined that at this time, this rule's approach is more consistent with the applicable statutory provisions and more effectively protects the revenue and prevents unlawful importations than potential alternatives. In CBP's judgment and based on CBP's experience, this rule is better than alternative approaches and is the most reasonable approach for addressing the relevant issues.

C. Addressing the Dangers of the De Minimis Administrative Exemption in the Postal Environment

1. Suspension of the De Minimis Administrative Exemption for Merchandise Arriving Through the International Postal Network

As discussed above, the *de minimis* exemption is discretionary under Section 321. Moreover, 19 U.S.C. 1321(b) authorizes the Secretary to promulgate regulations that except merchandise from eligibility for the administrative exemptions otherwise authorized by 19 U.S.C. 1321(a) when such exceptions are consistent with the purpose of 19 U.S.C. 1321(a), or necessary to protect the revenue or to prevent unlawful importations. Pursuant to this statutory authority, and consistent with E.O. 14324, as revised by E.O. 14388, CBP is implementing a regulatory suspension of the exemption authorized in 19 U.S.C. 1321(a)(2)(C).³¹ Accordingly, this rule amends 19 CFR 145.31 to announce the indefinite suspension of the *de minimis* exemption at 19 U.S.C. 1321(a)(2)(C) for merchandise arriving through the international postal network. Any subsequent modification or revocation of this suspension will be announced in the **Federal Register**.

No other duty exemptions specified in 19 U.S.C. 1321(a)(2) are affected by this rulemaking. Specifically, the requirements for entering shipments exempt from duty under 19 U.S.C. 1321(a)(2)(A), bona-fide gifts valued at

\$100 or less (\$200, if the gift is from certain island possessions) sent from persons in foreign countries to persons in the United States, and under 19 U.S.C. 1321(a)(2)(B), certain personal or household articles valued at \$200 or less accompanying persons arriving in the United States, remain unchanged. As noted elsewhere in this document, CBP is also publishing a concurrent rulemaking regarding the suspension of the *de minimis* exemption for merchandise arriving via all modes other than through the international postal network.

2. New Informal Mail Procedures

Considering the issues discussed above and the shifting of mail volumes formerly eligible for the *de minimis* exemption to other informal entry processes, CBP has determined it is necessary to amend the regulations to include a new informal entry process for mail shipments valued at \$2,500 or less that will replace the interim process applied pursuant to Executive Order 14324, as amended. The modified entry process and requirements will allow CBP to collect all applicable duties, taxes, and other fees (rather than a subset); better ensure the accuracy of the collection of applicable duties, taxes, and other fees; better enable CBP to police undervaluation, evasion, and fraud; and better prevent unlawful importation through the international postal environment. Accordingly, CBP is amending 19 CFR 145.31(b), as well as making other conforming changes throughout part 145, to provide for this new postal informal entry process. Notably, the requirements for this new process are related to the entry and release of merchandise imported into the United States through the postal network and are distinct from, and in addition to, Universal Postal Union (UPU) requirements.

a. Eligible Shipments of Merchandise

Except during the delayed compliance period described below, the new postal informal entry process provided for in this rulemaking is available only to shipments of merchandise valued at \$2,500 or less, that are sent to the United States via mail, and are classifiable only in Harmonized Tariff Schedule of the United States (HTSUS) chapters 1–97. Merchandise subject to quota, antidumping or countervailing duties (AD/CVD) orders, any duties imposed under chapters 98 and 99 of the HTSUS, import and entry-related Partner Government Agency (PGA) requirements, or merchandise for which duty-free treatment is claimed under Chapter 98 of the HTSUS or pursuant to

²⁹ This rule does not suspend the exemptions for bona fide gifts under 19 U.S.C. 1321(a)(2)(A) or personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(B). The lower volume and lower value threshold of these exemptions raise different issues. Bona fide gifts and personal or household articles accompanying travelers do not raise the same unlawful-importation or revenue concerns or at least do not do so anywhere near the same extent. In CBP's judgment, it is not necessary at this time to suspend the exemptions for bona fide gifts under 19 U.S.C. 1321(a)(2)(A) or personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(B).

³⁰ In this interim final rule, CBP is also modifying entry requirements for shipments through the international postal environment to ensure the accurate collection of duties, taxes, and fees, and to better enable CBP to prevent unlawful importations. In CBP's judgment, these modifications, in tandem with the indefinite suspension of the *de minimis* exemption, are necessary to protect the revenue and to prevent unlawful importations. Still, as noted above, although CBP is issuing this interim final rule concurrently with a separate interim final rule addressing related issues under 19 U.S.C. 1321 for the non-postal environment, CBP views each rule as a distinct regulatory action. CBP would have issued this interim final rule even if the other interim final rule had not been issued, and CBP intends that this interim final rule remain in effect even if the other interim final rule is later amended, delayed, or held invalid in whole or in part, unless CBP itself changes this rule through subsequent rulemaking.

³¹ Again, CBP issues this rule independently of the Executive Orders.

a Free Trade Agreement, is ineligible to use the new informal postal entry process. Such merchandise must instead use formal entry procedures (see 19 CFR 145.12(a)).

b. Eligible Parties

The process for filing under this new postal informal entry process is limited to parties with the right to make entry under 19 CFR 143.26(a), that is, an owner or purchaser of the merchandise being mailed to the United States, or a licensed customs broker appropriately designated by the owner, purchaser, or consignee. See 19 CFR 143.26(a).

c. Bonding Requirements

The Secretary of Homeland Security and the Commissioner of CBP have broad legal authority to require bonds or other security “by regulation or specific instruction” when necessary to protect the revenue of the United States or to assure compliance with any law, regulation, or instruction that CBP is authorized to enforce. 19 U.S.C. 1623(a);³² 19 CFR 113.1. The Secretary and the Commissioner also have the authority to prescribe the conditions and form of the bond, the manner in which the bond may be filed, and the amount of the bond. 19 U.S.C. 1623(b); 19 CFR 113.2. In 19 CFR part 113, CBP has promulgated regulations exercising this authority, detailing requirements for the execution and filing of bonds required by Chapter I of title 19 of the Code of Federal Regulations. Subpart G of 19 CFR part 113 enumerates the terms and conditions for regulatory bonds required by CBP. The terms and conditions for the Basic Importation and Entry Bond are found in 19 CFR 113.62.

To protect the revenue, and ensure compliance with applicable laws and regulations, CBP is requiring that the party filing a postal informal entry have

a bond to secure the transaction. Accordingly, CBP is amending the regulations for informal mail entries by adding a new regulation at 19 CFR 145.15 to clarify that the party making entry must obtain a basic importation and entry bond (either a single transaction bond (STB) or a continuous bond), with the conditions found in 19 CFR 113.62, sufficient to secure the entries using the new mail process for informal entries provided for in this rulemaking.

This bonding requirement secures the revenue to be collected from such imported merchandise. A basic importation and entry bond also secures redelivery of merchandise, e.g., when additional information is necessary to determine admissibility, and obligates an importer of record to correct non-compliance with an applicable law or regulation pertaining to admissibility, thereby ensuring the safety and security of American consumers. Importantly, as noted above, qualified third parties participating in the current interim process for mail shipments are already required to have a bond.

d. New Regulatory Process and Data Requirements

CBP is establishing in the regulations a new process for informal mail shipments. This new regulatory process improves upon the interim process established pursuant to Executive Order 14324, as amended. Under the new regulatory process, the filer will be responsible for obtaining and transmitting the following required information to CBP via email in the form of an Excel spreadsheet:

Filer Code
Bond Number
Description of Merchandise
Country of Origin of Merchandise
All Applicable 10-digit HTSUS Classification(s)
Quantity/Weight (conditional and required ONLY if using a specific duty rate)
Duty Rate
Value
Total Duty Owed
Carrier
Flight/Conveyance Number
Tracking Number (generated by the foreign post operator)
Arrival Port
Arrival Date

The Excel spreadsheet must be transmitted to CBPDM@cbp.dhs.gov no later than the 7th day of the month following the package's arrival. Pursuant to 19 U.S.C. 1315(a)(1), the duty rate for a mail article is based on the “rate or rates in effect when the preparation of the entry is completed[.]” Because CBP is no longer preparing the entry, the regulations are being

amended to reflect that the preparation of the informal mail entry is completed upon the filing of the entry in proper form, meaning in accordance with 19 CFR 141.68(h) and all other applicable requirements, including the timely transmittal of the Excel spreadsheet. Payment must be transmitted via [Pay.gov](https://pay.gov) no later than the 7th day of the month following the arrival of the shipment. For example, for a package that arrived on April 15th, the spreadsheet and payment would be due no later than May 7th.

e. No CBP Officer Manual Preparation of Forms

As part of the transition to this new postal informal entry process for mail shipments, CBP officers will no longer manually prepare entry forms for such shipments, and duties will not be collected upon delivery of such shipments to addressees. Accordingly, CBP is amending 19 CFR 145.12(b)(1) to remove the relevant language providing for manual preparation of the entry forms.

3. Reliance Interests

It is well established that there is no protectable legal interest in importing merchandise, let alone doing so free of duty.³³ Indeed, importers lack any constitutional right to the maintenance of an existing rate of duty. But to the extent importers may have reliance interests tethered to the regulatory *status quo*, CBP has determined that they in no event outweigh the United States's interest in indefinitely suspending the *de minimis* exemption.

Whatever reliance interest related to the *de minimis* exemption importers may have, the interest is not weighty. The existence of the *de minimis* administrative exemption has always been at the discretion of the Secretary under Section 321 and in any event, has always been subject to an express statutory authorization for reduction or modification through regulatory action. Plus, the *de minimis* exemption has been suspended since at least August

³² The Homeland Security Act of 2002 (HSA) generally transferred the functions of the U.S. Customs Service from the Treasury Department to the Secretary of Homeland Security. See Public Law 107–296, 116 Stat. 2142; 6 U.S.C. 203 (“there shall be transferred to the Secretary [of Homeland Security] the functions . . . of (1) the United States Customs Service of the Department of the Treasury, including the functions of the Secretary of the Treasury relating thereto”). Nevertheless, pursuant to Section 412 of the HSA, the Treasury Department retained authority related to various customs revenue functions, including those functions found in the Tariff Act of 1930, Public Law 71–361, 46 Stat. 590, as amended (codified at 19 U.S.C. 1202 *et seq.*). 6 U.S.C. 212(a)(1), (2). But the Secretary of the Treasury may delegate any such retained authority at the Secretary's discretion. 6 U.S.C. 212(a)(1). Consistent with this delegation authority, the Secretary of the Treasury issued Treasury Order 100–20 (available at <https://home.treasury.gov/about/general-information/orders-and-directives/treasury-order-100-20>), delegating the authorities contained in 6 U.S.C. 212 and 215 to the Secretary of Homeland Security.

³³ See, e.g., *Int'l Custom Prods., Inc. v. United States*, 791 F.3d 1329, 1337 (Fed. Cir. 2015) (“As we noted, ‘the Constitution does not provide a right to import merchandise under a particular classification or rate of duty,’ . . . or even afford ‘a protectable interest to engage in international trade.’” (quoting, respectively, *A Classic Time v. United States*, 123 F.3d 1475, 1476 (Fed. Cir. 1997), and *Am. Ass'n of Exporters & Importers—Textile & Apparel Grp. v. United States*, 751 F.2d 1239, 1250 (Fed. Cir. 1985))); *The Abby Dodge v. United States*, 223 U.S. 166, 176–77 (1912) (“[N]o one can be said to have a vested right to carry on foreign commerce with the United States.”); *Norwegian Nitrogen Prods. Co. v. United States*, 288 U.S. 294, 318 (1933) (“No one has a legal right to the maintenance of an existing rate or duty.”).

29, 2025.³⁴ Moreover, the One Big Beautiful Bill Act, which was enacted on July 4, 2025, terminated the *de minimis* exemption effective July 1, 2027.³⁵ Thus, any reliance interests from prior regulatory policy are significantly minimized by the fact that the *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C) was always subject to change under Section 321, is currently suspended, has been suspended for months, and will in 2027 be permanently terminated pursuant to a recent statute. Though CBP is cognizant that importers may have some minimal residual reliance interests in the *de minimis* exemption, CBP has determined that such reliance interests are outweighed by the benefits of eliminating the *de minimis* exemption. Indeed, CBP has determined at this time that any of the above reasons—separately, cumulatively, or in any combination—outweighs any reliance interests created by a prior policy allowing the *de minimis* exemption for low-value imports through the international postal environment and any benefits from a prior policy allowing the *de minimis* exemption for low-value imports through the international postal environment.

III. Explanation of Amendments to the CBP Regulations

Amendments to Part 145

CBP is amending part 145, in accordance with the new requirements described above. Specifically, CBP is making the following changes:

CBP is amending 19 CFR 145.12 in multiple places. CBP is amending 19 CFR 145.12(a) by removing the requirement that formal entries be made at the customhouse, and further enumerating the circumstances where a formal mail entry is required. Additionally, as mentioned above, CBP is providing a narrow and short-term delayed compliance window regarding

the enforcement of 19 CFR 145.12(a)(2)(v)–(vi), during which CBP will permit merchandise subject to PGA requirements, merchandise subject to duties under Chapter 98 or Chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS), or for which duty-free treatment is claimed under Chapter 98 of the HTSUS or pursuant to a Free Trade Agreement to use the postal informal entry process established by this rule. Accordingly, until the date specified in the **DATES** section of this document for 19 CFR 145.12(a)(2)(v)–(vi), mail shipments valued at \$2,500 or less and subject to PGA data requirements, merchandise subject to duties under Chapter 98 or Chapter 99 of the HTSUS, or for which duty-free treatment is claimed under Chapter 98 of the HTSUS or pursuant to a Free Trade Agreement, may use the new postal informal entry procedures provided for in this rulemaking. CBP is providing this flexible and narrow delayed compliance window in order to provide the trade with sufficient time to adjust to the new requirements and in consideration of the business process changes that may be necessary to achieve full compliance. Concurrently with this rulemaking, CBP is also announcing a test of a new voluntary electronic mail process for shipments valued at \$2,500 or less, known as the Entry Type 13 test, which will provide an optional alternative to filing formal entry in those cases. The opening of the Entry Type 13 test will coincide with the end of the delayed compliance window. Accordingly, at the end of the delayed compliance window for those specified shipments, filers may choose to utilize formal entry procedures (in accordance with 19 CFR 145.12(a)(2)(v)–(vi)) or participate in the Entry Type 13 test.

CBP is amending 19 CFR 145.12(b) in multiple places to provide for the new postal process for informal mail entries discussed throughout this rulemaking, as well as removing the requirement that a CBP Officer prepare manual entries.

CBP is adding a new Section 145.15 (19 CFR 145.15) to state that an informally entered mail shipment entered using the new postal informal entry process provided for in 19 CFR 145.12(b) will not be released from CBP custody, and the entry will not be accepted, unless a single transaction or continuous bond, containing the bond conditions set forth in § 113.62 of this chapter, executed by an approved corporate surety, or secured by cash deposits as provided for in § 113.40 of this chapter, has been transmitted to CBP pursuant to part 113.

CBP is amending 19 CFR 145.31 to provide for the indefinite suspension of the *de minimis* exemption for merchandise arriving through the international postal network. CBP's determinations and amendments in this interim final rule are intended to operate independently of one another. Each provision, including the suspension of the *de minimis* administrative exemption for merchandise arriving through the international postal network, the new postal informal entry process and its associated data requirements, and the bonding requirements for informal mail entries, is supported by the record and authorities described in this preamble, and CBP would have adopted each provision even in the absence of any other provision in this interim final rule. Accordingly, if any provision, or the application of any provision to a particular person or circumstance, is held unlawful or unenforceable, CBP intends that the remaining provisions, and their application to other persons or circumstances, continue in effect to the maximum extent permitted by law. For example, if a particular data element or procedural requirement in the postal informal entry process were set aside by a court, CBP would continue to implement the suspension of the *de minimis* administrative exemption for postal shipments, as well as the remaining aspects of the postal informal entry process and the bonding requirements.

IV. Statutory and Regulatory Requirements

A. Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, generally requires agencies to publish a notice of proposed rulemaking in the **Federal Register** and provide interested persons the opportunity to submit comments prior to issuing a final rule. Notice and comment, however, is not required here because this rule involves a foreign affairs function of the United States and because CBP finds good cause, as notice and public comment here is impracticable and contrary to the public interest. 5 U.S.C. 553(a)(1), (b)(B).

First, the requirements of the APA do not apply to the extent that the rulemaking involves a foreign affairs function of the United States. 5 U.S.C. 553(a)(1). Because this rule involves a foreign affairs function of the United States, notice and comment is not required.

Proceeding before notice and comment will prevent definitely undesirable international

³⁴ See E.O. 14324, 90 FR 37775 (suspending duty-free *de minimis* treatment for low-value imports of all countries since August 29, 2025); E.O. 14256, 90 FR 14899 (suspending duty-free *de minimis* treatment for low-value imports from the People's Republic of China since May 2, 2025). To be sure, due to practical limitations, only certain duties were collected for low-value imports sent through the international postal environment under the current suspension of *de minimis* treatment under IEEPA. But importers were on notice that CBP would issue new processes to address these practical limitations, greatly reducing (if not eliminating) any reliance interest. See *Suspending Duty-Free De Minimis Treatment for All Countries*, 90 FR 37775, 37777 (allowing low-value postal shipments to pass without entry and only limited duties "until such time as CBP establishes a new entry process and publishes that process in the **Federal Register**.").

³⁵ One Big Beautiful Bill Act, Public Law 119–21, Section 70531(b), 139 Stat. 72, 283 (2025).

consequences.³⁶ It will allow the U.S. Government to more promptly address sensitive foreign-policy and national-security matters that affect relations with foreign governments. Proceeding before notice and comment will reduce the risk that a delay in acting would undermine the strength of U.S. Government positions in trade and security negotiations with foreign countries, which implicate this rulemaking. For example, the United States is currently in negotiations regarding imports of certain articles and derivative articles that the President has found under Section 232 are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security of the United States.³⁷ This rule directly implicates the collection of duties for such imports and how such imports enter the United States. In addition, the United States is negotiating trade and security agreements with foreign governments, as well as issuing joint statements on framework trade and security agreements.³⁸ Again, this rule could

implicate the collection of duties and the terms of entry for imports that are at issue in these negotiations and framework trade and security agreements.

Moreover, proceeding before notice and comment will reduce the risk of impairing relations with other countries through advance public discussion of whether certain imports from certain countries are a potential danger to the national security and revenue collection of the United States. It will also reduce the risk of the United States suffering retaliation from foreign countries for the action in this interim final rule before the rule takes effect.³⁹

In short, advance public notice and comment here would hamper the President and his Administration's ability to conduct foreign policy regarding matters that are squarely within the foreign-affairs domain. The timing and substance of this rulemaking are linked intimately with the United States's overall foreign-affairs and national-security agenda and relations with foreign countries.⁴⁰

In addition, proceeding before notice and comment may prevent the flooding of low-value merchandise into the United States, including the illegal importation or smuggling of illicit drugs and other harmful unlawful imports in these low-value shipments. Before completion of advance notice and comment, manufacturers and importers may have a significant incentive to flood as much low-value merchandise as possible into the United States before this rule takes effect, thereby frustrating the purpose of the rule.⁴¹ The flooding

joint-statement-on-a-united-states-european-union-framework-on-an-agreement-on-reciprocal-fair-and-balanced-trade/; United States-India Joint Statement, White House (Feb. 6, 2026), <https://www.whitehouse.gov/briefings-statements/2026/02/united-states-india-joint-statement/>.

³⁹ See, e.g., Executive Order 14259 of April 8, 2025, *Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-Value Imports From the People's Republic of China*, 90 FR 15509 (Apr. 14, 2025); Executive Order 14266 of April 9, 2025, *Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment*, 90 FR 15625 (Apr. 15, 2025).

⁴⁰ CBP has determined that the 30-day delayed effective date for the new postal informal entry process provided for in this rulemaking strikes the appropriate balance between sufficient preparation time without undue interruption in implementation. The 30-day delayed effective date is designed to provide adequate time to affected parties to prepare for the changes set forth in this rule while not unduly delaying the implementation of the critical measures needed to target illicit and dangerous goods, protect the national security of the United States, and protect the revenue of the United States.

⁴¹ See *Am. Ass'n of Exporters & Importers-Textile & Apparel Grp.*, 751 F.2d at 1249 (concluding that the foreign affairs function exception applied in part because "prior announcement of CITA's

concern is particularly acute here, where current implementation of the suspension of the *de minimis* exemption under IEEPA does not practically enable full collection of applicable duties for shipments through the international postal environment, while this rule would enable full collection of applicable duties for shipments through the international postal environment.

The President's actions under IEEPA confirm that this interim final rule falls under the foreign affairs function exception.⁴² In E.O. 14324, as modified by E.O. 14388, discussed in more detail above, the President took several actions "to deal with the unusual and extraordinary threats, which have their source in whole or substantial part outside the United States, to the national security, foreign policy, and economy of the United States." As noted in E.O. 14324 and related Executive Orders, these threats include the public health crisis caused by fentanyl and other illicit drugs, and the activities of chemical precursor suppliers, money launderers, and other transnational criminal organizations. To address these threats, E.O. 14324 suspended the *de minimis* exemption, mandated certain filing requirements for shipments that qualified for the *de minimis* exemption prior to the effective date of the order, and established an interim process and new duty rate for covered products sent to the United States through the international postal network. The President also recognized that to more efficiently and effectively implement the suspension of the *de minimis* exemption under IEEPA, CBP would need to supplement the interim process that the Executive Order, as amended, established for international mail shipments with a new entry process that enables collection of all

intention to impose stricter quotas pending consultations creates an incentive for foreign interests and American importers to increase artificially the amount of trade in textiles prior to a final administrative determination. American importers would want to increase inventories in the face of the prospect that foreign supplies could drop below current levels. Foreign manufacturers would have a great incentive to dump (in the literal and technical senses of the word) as much merchandise as possible into the United States, since the quotas CITA imposes are based on the levels of trade in the preceding months. The expansion in American imports between the date of notice and date of the final rule would exacerbate the market disruption which led CITA to act in the first place." (citation modified).

⁴² See, e.g., *United States v. Quinn*, 401 F. Supp. 2d 80, 94, n.12 (D.D.C. 2005) ("IEEPA-based regulations are likely to be exempt from the notice-and-comment requirements of the Administrative Procedure Act as relating to the 'foreign affairs function of the United States,' within the meaning of 5 U.S.C. 553(a)(1).").

³⁶ See, e.g., *Am. Ass'n of Exporters & Importers-Textile & Apparel Grp. v. United States*, 751 F.2d 1239, 1249 (Fed. Cir. 1985) ("The purpose of the exemption was to allow more cautious and sensitive consideration of those matters which 'so affect relations with other Governments that, for example, public rule-making provisions would provoke definitely undesirable international consequences.'").

³⁷ See, e.g., Proclamation 10976 of September 29, 2025, *Adjusting Imports of Timber, Lumber, and Their Derivative Products*, 90 FR 48127 (Oct. 6, 2025) (imposing tariffs under Section 232 on certain imports of wood products and directing senior officials to pursue negotiations of agreements regarding the national security threat posed by imports of wood products); Proclamation 11002 of January 14, 2026, *Adjusting Imports of Semiconductors, Semiconductor Manufacturing Equipment, and Their Derivative Products Into the United States*, 91 FR 2443 (Jan. 20, 2026) (imposing tariffs under Section 232 on certain semiconductors and directing senior officials to pursue negotiations of agreements regarding the national security threat posed by imports of semiconductors, semiconductor manufacturing equipment, and their derivative products); Proclamation 11020 of April 2, 2026, *Adjusting Imports of Pharmaceuticals and Pharmaceutical Ingredients Into the United States*, 91 FR 18183 (Apr. 9, 2026) (similar with respect to imports of pharmaceuticals and pharmaceutical ingredients).

³⁸ See, e.g., Executive Order 14346 of September 5, 2025, *Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements*, 90 FR 43737 (Sept. 10, 2025); *General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal*, White House (May 8, 2025), <https://www.whitehouse.gov/briefings-statements/2025/05/general-terms-for-the-united-states-of-america-and-the-united-kingdom-of-great-britain-and-northern-ireland-economic-prosperity-deal/>; *Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balance Trade*, White House (Aug. 21, 2025), <https://www.whitehouse.gov/briefings-statements/2025/08/>

applicable duties for the postal environment.⁴³

Though this interim final rule is under CBP's independent statutory authority, it is grounded in, and addresses, the same foreign unusual and extraordinary threats on which the President's suspension of the *de minimis* exemption under IEEPA was based. Specifically, as discussed above, this interim final rule implements the regulatory suspension of the *de minimis* exemption for merchandise arriving through the international postal network under CBP's own statutory authority, and expands upon the very measures taken in E.O. 14324, as amended, to address those foreign threats (e.g., establishing an additional postal process for informal entries for merchandise entering through the mail environment). Therefore, this interim final rule involves foreign affairs functions of the United States.

Second, the APA provides an exception to advance notice and comment requirements "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public comment thereon are impracticable, unnecessary, or contrary to the public interest." 5 U.S.C. 553(b)(B).

CBP finds that good cause exists to issue this rule as an interim final rule, with provisions for post-promulgation public comments, under the APA's good cause exception. Delaying the publication of this interim final rule for purposes of providing public notice and comment would be impracticable and contrary to the public interest. CBP finds that due and timely execution of its functions would be significantly impeded by advance notice and comment.⁴⁴ CBP finds that immediate implementation of this rule directly affects public safety and addresses imminent hazards to persons or property within the United States. CBP finds that delay for advance notice and comment would create a significant threat of serious damage to important

public interests, would harm the public welfare, and would tend to defeat the purpose of the action in this interim final rule.⁴⁵ In CBP's judgment and based on CBP's experience, the urgency here is one that does not always exist in the trade context.

As an initial matter, as explained above, further delaying the interim final rule's effectiveness for notice and comment will have significant foreign affairs implications and undesirable international consequences. Further, as explained above, it may also result in the flooding of low value shipments into the United States that undermines this rule and the foreign policy, national security, and economy of the United States. And as noted above, this interim final rule addresses the unusual and extraordinary foreign threats acknowledged in E.O. 14324 and other related Executive Orders, consistent with the Administration's direction and foreign policy priorities. As discussed above, and for the reasons cited above, as well as those cited in E.O. 14324 and E.O. 14388, to address the unusual and extraordinary threats to the national security, foreign policy, and economy of the United States, this rule establishes a new process for informal mail entries, to replace the temporary process set forth in E.O. 14324, as amended, including additional data elements to aid in targeting and processing, thereby protecting the revenue of the United States, and most importantly, protecting the health and safety of the public.

Moreover, given the critical public health and safety implications of continued shipments of illegal opioids into the United States in the *de minimis* mail environment, to delay the implementation of this rule would be impracticable and contrary to the public interest. With this rulemaking, CBP is addressing various issues threatening public safety and posing risks to the revenue in the *de minimis* informal mail environment, while facilitating lawful importers in complying with their statutory and regulatory responsibilities.⁴⁶

In the mail environment, under current regulations at 19 CFR 145.31, *de*

minimis shipments would (in the absence of the Executive Orders) pass free of duty and tax without preparing an entry, such that the processes applicable to mail shipments eligible for the *de minimis* exemption provide insufficient and untimely data for CBP to handle the extreme volume of low-value shipments while also addressing the influx of illicit shipments, including dangerous and harmful drugs, being shipped to the United States in the mail environment. Though the interim process for mail shipments implemented pursuant to Executive Order 14324, as amended, provides a pathway for the entry of low-value mail shipments, it was intended to be temporary until CBP establishes a new entry process, and did not fully address the information gaps in the mail environment required to fully collect duties on shipments formerly eligible for the *de minimis* exemption.⁴⁷ This interim final rule provides important additional entry processes to ensure the full collection of information and duties for postal shipments beyond those in E.O. 14324, as amended, which will reduce unlawful importation and protect the revenue. The new postal informal entry process provided for in this rulemaking is needed to ensure that CBP has more information about shipments arriving in the mail environment, to interdict dangerous and illegal shipments, including those with fentanyl and other illicit drugs, chemical precursors, and other dangerous goods. The new postal process will also allow lawful importers to enter merchandise in a safer and more secure mail environment. Moreover, this rule requires goods subject to the requirements of PGAs to be entered under formal entry procedures. This allows the Government to ensure compliance with the health and safety requirements of PGAs under the more robust formal entry process, to prevent dangerous and illegal merchandise from entering the country.

In short, delaying implementation of these requirements, for purposes of notice-and-comment proceedings, would delay action that immediately addresses risks to the public's health and safety. A delay would also result in multiple burdens for the Government.

⁴³ See E.O. 14324, 90 FR at 37778 ("until such time as CBP establishes a new entry process and publishes that process in the **Federal Register**"); E.O. 14388, 91 FR at 9434 ("until the effective date for the new entry process for postal shipments established by CBP and published in the **Federal Register**").

⁴⁴ See, e.g., Tom C. Clark, Attorney General's Manual on the Administrative Procedure Act, at 30 (1947) ("In general, it may be said that a situation is 'impracticable' when an agency finds that due and timely execution of its functions would be impeded by the notice otherwise required in section 4 (a)."); S. Doc. No. 248, 79th Cong., 2d Sess. 200 (1946); *Jifry v. FAA*, 370 F.3d 1174, 1179 (D.C. Cir. 2004); *NRDC v. Nat'l Highway Traffic Safety Admin.*, 894 F.3d 95, 114 (2d Cir. 2018).

⁴⁵ See, e.g., Tom C. Clark, Attorney General's Manual on the Administrative Procedure Act, at 30–31 (1947).

⁴⁶ See *Mack Trucks, Inc. v. EPA*, 682 F.3d 87, 93 (D.C. Cir. 2012) (citing as an example of a proper showing, "possible imminent hazard to aircraft, persons, and property" and rules of "life-saving importance" necessary to "stave off any imminent threat to the environment or safety or national security"); see also *Util. Solid Waste Activities Group v. EPA*, 236 F.3d 749 (D.C. Cir. 2001) (citing the Attorney General's Manual for the proposition that the contrary to the public interest prong is applicable where advance notice would defeat the purpose of the rule).

⁴⁷ Indeed, the applicable Executive Orders anticipated that CBP would need to continue to establish additional entry processes for postal environment, including to collect all applicable duties in the postal environment. See E.O. 14324, 90 FR at 37778 ("until such time as CBP establishes a new entry process and publishes that process in the **Federal Register**"); E.O. 14388, 91 FR at 9434 ("until the effective date for the new entry process for postal shipments established by CBP and published in the **Federal Register**").

As discussed above, the threat to the revenue posed by the sheer volume of shipments claiming the *de minimis* exemption has defeated the underlying purpose of the *de minimis* exemption. That is, there was no revenue being collected, yet the burden of processing the vast numbers of *de minimis* mail shipments continued to grow. The suspension of *de minimis* for mail, in conjunction with the establishment of a new postal process allowing for the full collection of duties, is essential to protect the revenue of the United States. Moreover, under this rule, goods subject to quota, AD/CVD, or additional duties imposed under Chapters 98 and 99 of the HTSUS, or for which a claim for duty-free treatment is made under Chapter 98 or pursuant to a Free Trade Agreement, are required to enter under formal entry procedures. This ensures that CBP has adequate data and processes to collect the revenue in these special circumstances. Accordingly, it would be impracticable and contrary to the public interest to further delay implementation of these requirements, which will provide CBP with more data to help protect the American public from dangerous and illegal goods entering from abroad, and to protect the revenue of the United States.

CBP is publishing this rulemaking with a request for comments to allow the public to weigh in on the regulatory changes. Additionally, CBP is publishing this rulemaking with a delayed effective date for the requirements regarding the new postal informal entry process in order to give the lawful importing community time to modify the relevant processes. However, the substantial additional delays in implementation that would result from

advance notice and comment or a more protracted delayed effective date would risk frustrating the Administration's chosen and appropriate means of addressing the very issues targeted by this rulemaking. Such delays would also create a degree of uncertainty that would undermine the credibility and effectiveness of the United States's emergency trade and counter-narcotics measures and could incentivize attempts to send more illicit shipments into the country before this rulemaking enters into effect. Nevertheless, CBP is voluntarily soliciting public comments on this interim final rule and will consider all timely submitted comments in determining whether and how to revise the rule in a subsequent final rulemaking.

In sum, for the reasons discussed, this rule is exempt from the prior public notice and comment requirements of the APA under both the foreign affairs exception and the good cause exception. For more information and statistics on the volume of attempted illicit shipments, including dangerous and harmful drugs, and informal entry shipments generally, please see the analysis below.

B. Executive Orders 12866, 13563, and 14192

Executive Orders 12866 (Regulatory Planning and Review) and 13563 (Improving Regulation and Regulatory Review) direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of

harmonizing rules, and of promoting flexibility. Executive Order 14192 (Unleashing Prosperity Through Deregulation) directs agencies to significantly reduce the private expenditures required to comply with Federal regulations and provides that "any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations."

This rule has been designated a "significant regulatory action" that is economically significant, under section 3(f)(1) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget. Pursuant to section 5(a) of Executive Order 14192, the requirements of that Executive Order do not apply to regulations issued with respect to foreign affairs-related functions of the United States. As discussed above, this interim final rule is issued with respect to foreign affairs-related functions of the United States Government. Accordingly, this rule is exempt from the requirements of Executive Order 14192. CBP discusses both quantified and qualitative effects of the rule in the analysis below. The estimated quantified net annualized costs of the rule equal \$169,794 at a 7% discount rate or \$172,980 at a 3% discount rate. The rule will also result in an increase in tariff revenue, discussed in the Transfers section. The estimated annualized tariff revenue that would result from the rule is \$166,130,323 at a 7% discount rate or \$163,007,696 at a 3% discount rate. Table 1 shows an accounting statement for the effects of the rule.

TABLE 1—A-4 ACCOUNTING STATEMENT FOR THE RULE

Category	Annualized estimate (in 2025 USD) over mid-2026 to mid-2036	
	3-percent discount rate	7-percent discount rate
Benefits		
Monetized benefits	None	None.
Quantified, non-monetized benefits	None	None.
Qualitative (unquantified) benefits	Stricter enforcement of trade enforcement actions through greater parity between postal informal entries and ET11 informal entries.	
Costs		
Monetized costs	\$172,980	\$169,794.
Quantified, non-monetized costs	None	None.
Qualitative (unquantified) costs	Costs resulting from possible short-term postal shipment hiatuses, the need for some importers to find a licensed customs broker, additional importer compliance burdens for shipments excluded from postal informal entry, and deadweight loss from reduced imports.	
Cost Savings		
Monetized cost savings	None	None.
Quantified, non-monetized cost savings	None	None.

TABLE 1—A—4 ACCOUNTING STATEMENT FOR THE RULE—Continued

Category	Annualized estimate (in 2025 USD) over mid-2026 to mid-2036	
	3-percent discount rate	7-percent discount rate
Qualitative (unquantified) cost savings	None	None.
Transfers		
Monetized budgetary transfers (Increased duties from duty payers to Federal government).	\$163,007,696	\$166,130,323.
Other monetized transfers	None.	
Distributional Effects		
Effects on State, local, and/or tribal governments	Not estimated	Not estimated.
Effects on small businesses	Because a general notice of proposed rulemaking was not necessary for this rule, CBP did not prepare a regulatory flexibility analysis to analyze the effects on small businesses.	
Effects on wages	Not estimated	Not estimated.
Effects on growth	Not estimated	Not estimated.

Source: Calculations using data sources described throughout the main text.

Background

The Customs Administrative Act of 1938 amended the Tariff Act of 1930 by adding Section 321, which authorized a general *de minimis* exemption for imported merchandise valued at \$1 or less in order to limit the “expense and inconvenience” of collecting duty when “disproportionate to the amount of such duty.”⁴⁸ The duties potentially owed for such shipments were considered *de minimis* because the revenue associated with collecting the duties that would have been owed would not have covered the cost of collecting the duties.

The current regulatory framework for the *de minimis* exemption was promulgated through a final rule in 1995, which, among other things, amended the customs regulations to implement the legislative increase of the exemption to \$200 and specify the special informal entry procedures applicable to qualifying low-value shipments.⁴⁹ Such shipments were not subject to the same formal customs entry procedures and data requirements as higher-value shipments entering the United States.⁵⁰

In 2016, TFTEA increased the administrative exemption from \$200 to \$800.⁵¹ CBP published an interim final rule amending the regulations to implement the new statutory amount

and to specify certain goods excluded from the administrative exemption.⁵² Otherwise, CBP has not made any significant changes to the regulatory requirements since 1995. In the intervening three decades, however, there have been significant changes in the trade environment relating to the *de minimis* exemption.

The continued rise of e-commerce, with the internet empowering individuals to easily make international purchases, the increase of the value cap for the *de minimis* exemption to \$800 in 2016, and the trade’s usage of the Entry Type 86 Test⁵³ in which CBP authorized a voluntary new electronic entry process for qualifying low-value shipments in ACE, have led to drastic increases in the volume of shipments using the \$800 *de minimis* exemption (and low-value informal entries more generally, *i.e.*, shipments valued at \$2,500 or less). The dramatic increase in the volume of *de minimis* shipments (and low-value shipments generally) accelerated overwhelmingly during the COVID–19 pandemic and has shown no signs of returning to pre-pandemic levels. During Fiscal Year 2024, over 1.36 billion *de minimis* shipments were processed by CBP, an almost ten-fold increase over the 139 million *de minimis* shipments processed by CBP in 2015.⁵⁴ Today, the crushing volume of these shipments imposes a significant and costly burden on CBP relating to targeting and processing the shipments.

On July 4, 2025, the President signed into law the “One Big Beautiful Bill” Act, which, among other things, enacted the termination of the *de minimis*

exemption effective July 1, 2027.⁵⁵ On July 30, 2025, the President signed E.O. 14324 (Suspending Duty-Free *De Minimis* Treatment For All Countries), which discussed multiple declared national emergencies and announced that the President determined that it was necessary and appropriate to suspend duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C) for most imports, to deal with the continuing unusual and extraordinary threats, which have their source in whole or substantial part outside the United States, to the national security, foreign policy, and economy of the United States.⁵⁶

Prior to E.O. 14324, mail shipments claiming the administrative exemption under 19 U.S.C. 1321(a)(2)(C) did not have an entry prepared and were not required to pay duties. E.O. 14324, which suspended *de minimis* treatment for most importations, established an interim mail duty process and mail shipments previously eligible for duty-free *de minimis* treatment were subject to duty payments for the first time. Unlike for other entry methods, the Executive Order permitted two duty calculation methodologies for shipments sent through the international postal network that were no longer eligible for *de minimis*

⁴⁸ Customs Administrative Act of 1938, Public Law 75–721, 52 Stat. 1077, 1081 (1938).

⁴⁹ 60 FR 18983 (Apr. 14, 1995). See 19 U.S.C. 1498(a)(1)(A) (authorizing regulations to prescribe special rules for the declaration and entry of merchandise when the aggregate value of the shipment does not exceed an amount specified by the Secretary by regulation, but not more than \$2,500).

⁵⁰ See 60 FR 18983.

⁵¹ Section 901 did not change the administrative exemptions for bona-fide gifts and personal or household articles accompanying travelers under 19 U.S.C. 1321(a)(2)(A) and (B), respectively.

⁵² 81 FR 58831 (Aug. 26, 2016).

⁵³ 84 FR 40079 (Aug. 13, 2019); suspended by 90 FR 42418 (Sept. 2, 2025).

⁵⁴ Source: CBP’s Automated Targeting System (ATS) Data.

⁵⁵ One Big Beautiful Bill Act, Public Law 119–21, Section 70531(b), 139 Stat. 72, 283 (2025).

⁵⁶ For more information regarding the multiple national emergency declarations, please see 90 FR 42418 (Sept. 2, 2025), which is CBP’s notice effectuating Executive Order 14324, discussing, *inter alia*, Executive Order 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), Executive Order 14194 of February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), and Executive Order 14195 of February 1, 2025 (Imposing Duties To Address the Synthetic Opioid Supply Chain in the People’s Republic of China).

treatment—an *ad valorem* duty methodology and a specific duty methodology assessed on each package. The duties were allowed to be paid by carriers or qualified parties. So far, only qualified parties have submitted the international mail duty worksheets needed to calculate duties, and all qualified parties have chosen to pay using the *ad valorem* method.

On February 20, 2026, the President signed E.O. 14388 (Continuing the Suspension of Duty-Free *De Minimis* Treatment For All Countries), which, among other things, continued the suspension of duty-free *de minimis* treatment under 19 U.S.C. 1321(a)(2)(C), including for shipments sent through the international postal network, and confirmed that CBP should continue to collect applicable duties, taxes, fees, exactions, and charges on such shipments. Section 3 of E.O. 14324, as revised by E.O. 14388, established an interim process and new duty rates for covered products sent to the United States through the international postal network and directed that the duty rate “shall be assessed until the expiration date of the temporary import surcharge established by Proclamation 11012 of February 20, 2026 (Imposing a Temporary Import Surcharge to Address Fundamental International Payment Problems), or until the effective date of the new entry process for postal shipments established by CBP, whichever date occurs first.”⁵⁷ In turn, Proclamation 11012 invoked Section 122 of the Trade Act of 1974, and pursuant to Section 122, imposed, for a period of up to 150 days, a 10 percent *ad valorem* surcharge on certain imports to address fundamental international payments problems and to deal with large and serious United States balance-of-payments deficits.

Although the *de minimis* exemption has been suspended for both postal and non-postal environments, there is a disparity between postal and non-postal modes in terms of the information submitted and duties applied. Low-value non-postal shipments that would have claimed the *de minimis* exemption are now generally entered through entry type 11 (ET11), and CBP applies all applicable duties, taxes, and fees to those shipments. Low-value postal shipments that would have claimed the *de minimis* exemption are now entered

through the interim postal process, and, unlike ET11, the postal process only applies the simple 10% *ad valorem* duty mentioned above. To declare the value of the imports and the duties owed to CBP, qualified parties must submit a monthly International Mail Duty Worksheet (IMDW) that details the value of each shipment and the corresponding duty owed.⁵⁸ Furthermore, even if CBP wanted to apply other duties to postal entries, the interim postal process does not currently collect enough data on entries to be able to apply all the duties to which ET11 entries are subject. Namely, postal shipments are not required to provide HTSUS classifications, which determine the appropriate duty rate in many cases. Accordingly, with this rule, CBP is requiring the relevant information needed to properly collect duties owed.

Purpose of Rule

CBP had been overwhelmed by the number of low-value shipments being brought into the country with little or no accurate and reliable data which CBP could use to properly assess admissibility, duty requirements, and PGA requirements. By 2025, the administrative exemption had become a substantial risk to the revenue and the health and welfare of U.S. residents, and, through E.O. 14324, the administrative exemption was suspended for most importations in 2025. This rule makes several changes to address various issues that remain unresolved by the current interim mail process.

Suspension of the *De Minimis* Exemption for Postal Shipments

Due to the high volume of *de minimis* shipments and the lack of reliable data for admissibility determinations, administering the *de minimis* exemption had become a significant time burden to CBP. CBP officers needed to manually review data submitted and, often, physically inspect the package to know what was in the shipment. At the same time, advances in technology that facilitate automation and electronic filing of entry and collection of duties reduced the burden of collecting duties on shipments. Combined, the increased burden of administering the *de minimis* exemption and the reduced burden of collecting duties made the current environment no longer consistent with the purposes of 19 U.S.C. 1321(a), which is to avoid a cost and

inconvenience to the government that is outweighed by the possible duties that would be collected. E.O. 14324 suspended use of the administrative exemption for most importations in 2025, and E.O. 14388 continued the suspension of the administrative exemption. For the reasons described in this rule and to establish new procedures for informal mail entry made necessary by the suspension of the administrative exemption, CBP is also amending the regulations under its own authorities to suspend the use of the Section 321(a)(2)(C) administrative exemption. As a result, the administrative exemption will no longer be available for formerly *de minimis* postal shipments pursuant to Section 321(a)(2)(C). Shipments must instead go through the new postal informal entry process or through a different entry type, such as formal entry. With the suspension of *de minimis*, importers of postal shipments will need to provide additional data for these shipments compared to the old *de minimis* processes.

While CBP is exercising its own authority to suspend *de minimis* for postal shipments, E.O. 14324 has been in effect since August 29, 2025, and the statutory repeal of the basis for *de minimis* will take effect starting on July 1, 2027. This rule does not, in practice, change the existing suspension of *de minimis* for postal shipments; rather it matches the existing suspension to a regulatory suspension implemented in this rule, providing better clarity. CBP considers the effects of the suspension of *de minimis* for postal shipments to belong to the Executive Orders (from August 29, 2025 until July 1, 2027) and the statutory repeal of the basis for the *de minimis* exemption (from July 1, 2027 on).

Should the Executive Order be amended or removed prior to the statutory repeal of *de minimis*, CBP's regulatory suspension would remain in effect and take on the effects of the suspension of *de minimis* for postal shipments that would have otherwise belonged to the Executive Orders between the effective date of the change in the Executive Orders and the statutory change. Once the statutory repeal of *de minimis* is effective, the effects of the *de minimis* suspension belong to the statutory change and not this rule.

New Postal Informal Entry Process

CBP has determined that it is necessary to update the temporary, interim postal process established by the Executive Order 14324, as amended by E.O. 14388 (with the new process to

⁵⁷ The covered products subject to this interim process are shipments of articles that formerly qualified for the *de minimis* exemption under 19 U.S.C. 1321(a)(2)(C), and which are not identified in 50 U.S.C. 1702(b). A detailed description of this interim process prior to E.O. 14388 appears in the **Federal Register** notice implementing E.O. 14324. See 90 FR 42418 (Sept. 2, 2025).

⁵⁸ Even if a qualified party has many clients, the party submits only one worksheet per month.

be called the new postal informal entry process) to reduce the disparity between postal and non-postal informal shipments. Filers will now need to submit on their international mail duty worksheets, the filer code, bond number, all applicable 10-digit HTSUS classifications for each shipment,⁵⁹ and a description of the merchandise. If the applicable duty is dependent on the quantity or weight of the merchandise, then that information must be submitted as well. These additional data elements will allow CBP to apply the duties to postal shipments that are already being collected from non-postal ET11 entries, improving parity between postal and non-postal shipments. Because the new postal informal entry process will require the filer to provide more detailed information, CBP is requiring that the filer be a party with the right to make entry, including a duly-authorized, licensed customs broker. The filer code is being added as a required data element so that CBP can validate that the broker is licensed. As with the baseline interim postal process, the filer will submit the information to CBP through a monthly IMDW, which will cover all the shipments handled by the filer that month. This method of data submission differs from the method of other entry types, for which a separate entry form is submitted for each shipment.

As discussed later in this analysis, CBP estimates that the new postal informal entry process will lead to an increase in duties of more than \$100 million per year. Therefore, CBP is protecting the revenue of the U.S. Government by requiring proper classification of merchandise and subjecting all informal mail entries to the appropriate duties, unless excepted pursuant to another exception.

Baseline and Regulatory Alternative Scenarios

This regulatory impact analysis estimates the net effects of the rule by comparing the baseline scenario with the regulatory alternative scenario. In the baseline, the President already suspended the use of the *de minimis* administrative exemption for most imports, including postal shipments, and postal shipments continue to be entered through the interim mail process that was put in place in 2025, pursuant to E.O. 14324, as amended by E.O. 14388. Additionally, the “One Big Beautiful Bill” Act, as enacted, eliminates the *de minimis* exemption

effective July 1, 2027. This rule considers the effects of deviations from the baseline. In the regulatory alternative scenario, the interim postal process is updated to require additional data elements so that CBP may apply non-Section 122 duties to informal postal shipments. The benefits and costs of the rule are the benefits and costs of changing from the baseline to the regulatory alternative scenario. Because the rule takes effect midway through 2026, this analysis considers the effects of the rule over a 10-year regulatory period from mid-2026 to mid-2036. CBP deals with the shortened first and last year of the analysis by cutting the estimates of most costs and benefits in 2026 and 2036 by half.

Projected Entry Counts

In this section, CBP presents its projections for postal *de minimis* entry counts from 2026–2036, which CBP uses for its calculations in the Transfers section. Although the rule could affect import volumes, CBP assumes, for the purposes of calculating the effect of the rule on government revenue, that annual entry counts would be the same in the regulatory scenario as in the baseline scenario.⁶⁰ This simplifying assumption allows CBP to calculate total tax revenue and other costs using the same projected entry counts used in the baseline. However, the rule will result in certain higher duties and shipping costs for postal shipments, and these changes will likely cause total imports to fall by some amount. As a result of this decrease in imports, the total increase in government revenue will likely be lower than in the analysis, which assumes the rule will have no effect on the quantity of imports. The fall in imports will also lead to a deadweight loss, increasing the total cost of the rule to society beyond CBP’s cost estimates in the analysis. CBP discusses these limitations of the analysis further below. Table 1 displays the annual entry counts for postal entries from FY 2021 to FY 2024. Over this time period, the compound annual growth rate (CAGR) for postal *de minimis* entries was –11.63%.

⁶⁰ The rule could lead to some entries shifting from postal to non-postal modes, but such a shift would not affect our quantified cost estimates. After all, the increase in duties would be the same whether a postal shipment uses the new postal informal entry process or switches to ET11 as a result of the rule.

TABLE 1—ANNUAL ENTRY COUNTS

Fiscal year	Postal <i>de minimis</i>
2021	108,400,000
2022	83,600,000
2023	81,200,000
2024	74,800,000

Source for postal *de minimis* shipments: CBP, *De Minimis Statistics*, last modified December 8, 2025. Available at <https://www.cbp.gov/trade/basic-import-export/e-commerce>. Accessed December 17, 2025.

In 2025, the imposition of new duties, the suspension of the *de minimis* exemption for most imports, and the creation of an interim mail process led to a large decrease in import volume. The *de minimis* exemption was suspended for most imported products of all countries effective August 29, 2025. Therefore, CBP uses entry counts from the following three months, September through November of 2025, to estimate the inflow of entries under the current status quo. From September 1 to November 30, 7,254,980 postal entries arrived in the United States. At that rate, 29,099,645 postal shipments would arrive annually. These numbers are shown in Table 2.

TABLE 2—ENTRY COUNTS FOR SEPTEMBER 1–NOVEMBER 30, 2025

	Postal
Sept.–Nov. 2025	7,254,980
Projected annual	29,099,645

Source: Obtained from Office of Trade (OT) on December 4, 2025. The projected annual counts equal the counts from September 1 to November 30, 2025, multiplied by 365/91.

Compared to the 2024 entry counts, the figures in Table 2 show that the suspension of *de minimis* led to a fall in postal shipments. As *de minimis* will remain suspended (in either scenario), CBP does not expect postal volumes to return to pre-2025 levels. Moreover, now that the interim mail process is being updated, postal shipments could face even higher duties and data requirements than they did under the baseline interim mail process, making it even less likely that postal entry counts will rebound. To project postal entry counts during the regulatory period, 2026–2036, CBP applies the CAGR from 2021–2024 to the projected annual count in Table 2. These projections are shown in Table 3.

⁵⁹ Some goods, like watches, may require multiple HTSUS classifications, corresponding to the different duties that all apply to that good.

While the increased tax revenue is not a benefit per se, the rule does have the benefit of stricter enforcement of trade enforcement actions. U.S. trade law explicitly permits the President to impose tariffs under certain acts of Congress: the Trade Expansion Act of 1962 and the Trade Act of 1974. Section 232 of the Trade Expansion Act of 1962

allows the President to adjust imports if there are threats that impair U.S. national security. Section 201 of the Trade Act of 1974 allows the President to impose temporary trade measures if there is “substantial cause or threat of serious injury” to U.S. industries. Lastly, Section 301 of the Trade Act of 1974 allows the U.S. Trade Representative to impose import restrictions if a trading partner is violating trade agreements or engaging in practices that harm U.S. commerce. In this analysis, CBP refers to duties imposed under the authority of Section 232, 201, or 301 as “trade enforcement actions.” In the baseline, importers and exporters can avoid these trade-enforcement actions by importing through the interim postal process, where these duties (and all non-Section 122 duties) do not apply. As a result, CBP is unable to strictly enforce measures and resultant duties that have been imposed for purposes other than revenue collection. Because the rule will require shipments subject to trade enforcement actions to use an entry type other than the new postal informal entry process, CBP will be able to pursue the goals of the trade enforcement actions more effectively.

Transfers

Shipments entered through the new postal informal entry process may be subject to higher duties under the rule than in the baseline, resulting in a transfer from duty payers to the U.S. government. As discussed earlier, the President suspended *de minimis* treatment for most importations by executive order, which is already factored into the baseline of this rule. Therefore, CBP does not include the effects of suspending *de minimis* treatment in this rule. However, duty payments on postal shipments could increase because in the baseline the only duties applied to postal shipments are based on the Section 122 duties established by Proclamation 11012. Under the new postal informal entry process, HTSUS classifications will be required for postal shipments, and CBP will use this information to assess all applicable duties, such as those depending on the product classification and country of origin. It is the filers who pay the duties in the postal informal entry process, but these duties can be passed on to other parties to the transaction such as the importer or the supplier.

Because CBP was not previously requiring the collection the HTSUS classifications for postal shipments, it is unable to say what the exact increase in duties on postal shipments would be

under the rule. Therefore, CBP estimates the increase by assuming that the same effective average duty rate that is applied to ET11 entries will also apply to postal entries. CBP took a sample of 392,312 ET11 entries from September to November of 2025 and calculated the total duties, taxes, and fees ⁶⁸ (referred to here collectively as duties), excluding the IEEPA duties because the IEEPA duties applied to both postal and ET11 entries (and others).⁶⁹ Dividing those non-IEEPA duties (\$13,847,415) by the total value of the goods in the sample (\$160,675,653) yields 8.62%, the effective average rate of those non-IEEPA duties. From September to November of 2025, \$914,623,378 of postal shipments arrived in the United States. At that rate, CBP calculates that \$3,668,544,318 of postal shipments would arrive in the United States over one year.⁷⁰ Applying the non-IEEPA duties rate of 8.62% to this total, CBP estimates that annual duties from postal shipments would increase by \$316,163,988 under the rule. CBP assumes that – 11.63%, the CAGR of postal entries over 2021–2024, is the rate at which annual postal duties would change over the regulatory period. Applying – 11.63% growth to the annual duties of \$316,163,988, CBP projects the additional postal duties under the rule during the regulatory period, shown in Table 5. CBP reduces the projected amount in the first and last year by half because the rule takes effect midway through the year and the period of analysis is 10 years, extending to mid-2036. To the extent that postal shipment volumes will be affected by the higher duties or that the composition of postal shipments differs from that of ET11 entries, the true increase in duties will differ from our estimate. CBP also notes that in this analysis it did not quantify any additional tariffs that might be imposed in the future, because CBP did not have enough specific information about the rates and applicability of future tariffs.

⁶⁸ The ET 11 entry fees included merchandise processing fees. However, postal entries are exempt from merchandise processing fees, pursuant to 19 CFR 24.23(c)(1)(v).

⁶⁹ Source: data obtained from CBP’s ACE database on December 15, 2025. Similarly, under E.O. 14324, as revised by E.O. 14388, the applicable duty rate for goods shipped via the international postal network is “equal to the rate provided in Proclamation 11012 of February 20, 2026,” which imposed additional duties under Section 122 of the Trade Act of 1974 (19 U.S.C. 2132) (Section 122). Hence, the Section 122 duties are applicable to postal and non-postal shipments in the same manner as the formerly applicable IEEPA duties.

⁷⁰ \$3,668,544,318 = \$914,623,378 × (365/91 days).

TABLE 5—PROJECTED INCREASE IN ANNUAL DUTIES FROM POSTAL SHIPMENTS UNDER RULE

Year	Revenue
2026	\$139,692,528
2027	246,884,568
2028	218,164,818
2029	192,785,998
2030	170,359,462
2031	150,541,775
2032	133,029,453
2033	117,554,315
2034	103,879,380
2035	91,795,231
2036	40,558,408

Besides the transfers to the U.S. government through increased duties, taxes, and fees, the rule may also result in transfers to brokers. The rule requires that parties submitting IMDWs to CBP be the owner, purchaser, or duly appointed licensed customs brokers. As a result, clients that have been using non-broker qualified parties to submit IMDWs will switch to using brokers, except for clients whose non-broker qualified party becomes a licensed customs broker so that it can continue submitting the IMDW under the rule.

Net Impact

The rule updates the postal informal entry process so that postal shipments are subject to all applicable duties. To make this change, CBP will require filers to include the product classification and relevant duty rate on the IMDW. Furthermore, goods subject to trade enforcement and trade remedy actions or PGA data requirements will need to make entry some other way than through the new postal informal entry process. The rule will therefore strengthen CBP’s trade enforcement actions and generate revenue from increased duties on postal shipments. The projected duty increase is shown in Table 6.

TABLE 6—PROJECTED INCREASE IN ANNUAL DUTIES FROM POSTAL SHIPMENTS UNDER RULE

Year	Revenue
2026	\$139,692,528
2027	246,884,568
2028	218,164,818
2029	192,785,998
2030	170,359,462
2031	150,541,775
2032	133,029,453
2033	117,554,315
2034	103,879,380
2035	91,795,231
2036	40,558,408

These changes to the entry process will also result in costs. Filers will face a larger time burden when submitting the IMDW. Some importers will have to switch to importing through an entry type other than the new postal informal entry process, and some importers and FPOs will need to find a broker if their previous qualified party was not a licensed customs broker. Difficulties during the transition to the new postal informal entry process may cause temporary hiatuses of postal shipments. Finally, the higher duties on postal shipments, along with the higher costs of complying with the entry process, will result in deadweight loss as some

importers decide to import less. Due to data limitations, CBP was only able to quantify the cost of the increased time burden of the IMDW. CBP does not anticipate any cost savings from the rule and has analyzed but not quantified the benefits of stricter enforcement of trade enforcement actions.

Table 7 shows the quantified estimates of the costs and net impact under the rule. Table 8 shows the discounted net impact during the regulatory period of mid-2026 to mid-2036. The increase in duties under the rule is not included in these calculations because the revenue is a transfer of value from one party (duty payers) to another (the U.S. government)

that will not have a direct net effect on society as a whole. The annualized net impact of the rule is estimated to be a net cost of \$172,980 per year under a discount rate of 3% or \$169,794 under a discount rate of 7%. Other potential impacts discussed in this analysis, including potential increases in broker fees, additional importer compliance burdens for shipments that must use other entry types, possible short-term postal shipment hiatuses, and deadweight loss from reduced imports, are qualitatively described but not quantified, and therefore are not reflected in the quantified net impact estimates of the rule.

TABLE 7—QUANTIFIED NET IMPACT OF RULE
[2025 USD]

Year	Costs	Net impact
2026	\$87,768	– \$87,768
2027	175,536	– 175,536
2028	175,536	– 175,536
2029	175,536	– 175,536
2030	175,536	– 175,536
2031	175,536	– 175,536
2032	175,536	– 175,536
2033	175,536	– 175,536
2034	175,536	– 175,536
2035	175,536	– 175,536
2036	87,768	– 87,768

TABLE 8—DISCOUNTED NET IMPACT OF RULE
[2025 USD]

	3 percent discount rate	7 percent discount rate
Present Value	– \$1,475,552	– \$1,192,563
Annualized Value	– 172,980	– 169,794

C. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, requires an agency to prepare and make available to the public a regulatory flexibility analysis that describes the effect of a proposed rule on small entities (*i.e.*, small businesses, small organizations, and small governmental jurisdictions) when the agency is required to publish a general notice of proposed rulemaking for a rule. Since a general notice of proposed rulemaking was not necessary for this rule, CBP is not required to prepare a regulatory flexibility analysis for this rule.

D. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995, Public Law 104–13, 109 Stat. 163 (44 U.S.C. 3501 *et seq.*) (PRA), CBP may not conduct, and a

person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget (OMB). The collection of information contained in this IFR was submitted to OMB for emergency review and authorization under Section 3507(j) of the PRA.

In accordance with § 3507(j)(1)(A) and (B), CBP determined that the collection of information described in this IFR is needed prior to the expiration of the time periods established under the PRA and is essential to the mission of CBP. Delaying the implementation of this IFR for purposes of providing public notice and comment in accordance with the PRA would be reasonably likely to cause public harm. As noted above in section IV.A, CBP also determined that delaying the publication of this IFR for the purposes of providing notice and

comment in general would be impracticable, and contrary to the public interest. It would create a significant threat of serious damage to important public interests. Additionally, in accordance with § 3507(j)(1)(B), CBP determined that it cannot reasonably comply with the provisions of the PRA because public harm is reasonably likely to result if normal clearance procedures are followed.

As discussed in Section IV.B of the preamble to this rule, in recent years there has been a dangerous increase in the volume of low-value packages. This has led to an unacceptable rate of attempted unlawful importations using the *de minimis* processes and has resulted in significant uncollected duties. As such, CBP is making numerous changes to the requirements for informal entries, including changes to a previously approved information collection. For the reasons stated above,

CBP has determined that it is necessary to request, under § 3507(j), an emergency authorization for the collection of information discussed in this IFR.

CBP is simultaneously inviting the general public and other Federal agencies to comment on the proposed and/or continuing information collections, pursuant to § 3506(c)(2)(A). This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (1) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record. Such comments can be submitted in the regulatory docket for this IFR or by email to CBP_PRA@cbp.dhs.gov.

Among other things, this IFR will require new data elements on the existing International Mail Duty Worksheet (OMB Control Number 1651–0147).

International Mail Duty Worksheet (1651–0147)

Estimated Number of Respondents: 100.

Estimated Number of Total Annual Responses: 1,200.

Estimated Time per Response: 6 hours.

Estimated Total Annual Burden Hours: 7,200.

E. Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–38, UMRA) requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed rule or final rule for which the agency published a proposed rule, which includes any Federal mandate

that may result in a \$100 million or more expenditure (adjusted annually for inflation) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector.

A written statement under UMRA is not required unless an agency has published a notice of proposed rulemaking. *See* 2 U.S.C. 1532(a). In addition, an action is exempt from UMRA if it is necessary for national security. *See* 2 U.S.C. 1503(5). As discussed elsewhere, this rule is exempt from notice and comment rulemaking procedures and is necessary for national security. Accordingly, CBP has not prepared a written statement in connection with this rule.

F. Congressional Review Act

Before a rule can take effect, 5 U.S.C. 801, the Congressional Review Act (CRA), requires agencies to submit the rule and a report indicating whether it is a major rule, to Congress and the Comptroller General. If a rule is deemed a “major rule” by OMB, the CRA generally provides that the rule may not take effect until at least 60 days following its publication. 5 U.S.C. 801(a)(3). However, the CRA provides that if an agency finds good cause that notice and public procedure are impracticable, unnecessary, or contrary to the public interest, the rule shall take effect at such time as the agency determines. 5 U.S.C. 808(2).

The Administrator of the Office of Information and Regulatory Affairs of OMB has determined that this IFR meets the criteria for a “major rule” in 5 U.S.C. 804(2). However, as discussed above, CBP finds good cause exists under 5 U.S.C. 808(2) to issue this rule notwithstanding the timing requirements for major rules under 5 U.S.C. 801(a)(3). As explained above, delaying the effectiveness of the new postal informal entry process provided for in this rule beyond 30 days is impracticable. As explained above, due to the unusual and extraordinary circumstances in the *de minimis* mail environment, delaying the implementation of the regulatory suspension of the *de minimis* administrative exception provided for in this rule beyond the date of publication could result in a gap during the pendency of the notice-and-comment proceedings, thereby allowing illicit drugs, violative intellectual property, and other violative goods to enter the United States. Requiring 60 days for the rule to take effect would pose a threat to the revenue due to the sheer volume of *de minimis* mail shipments that CBP processes on a daily basis without collecting revenue. Thus, this rule has

two effective dates: the regulatory suspension of the *de minimis* administrative exception is effective on the date of publication and all other changes, including the new postal informal entry process requirements will take effect 30 days after publication. Until the new postal informal entry process requirements take effect, importers may use the interim process provided for in Section 3 of E.O. 14324, as revised by E.O. 14388.

V. Signing Authority

In accordance with Treasury Order 100–20, the Secretary of the Treasury delegated to the Secretary of Homeland Security the authority related to the customs revenue functions vested in the Secretary of the Treasury as set forth in 6 U.S.C. 212 and 215, subject to certain exceptions. This regulation is being issued in accordance with DHS Delegation 07010.3, Revision 03.2, which delegates to the Commissioner of CBP the authority to prescribe and approve regulations related to customs revenue functions.

List of Subjects in 19 CFR Part 145

Exports, Lotteries, Postal Service, Reporting and recordkeeping requirements.

For the reasons stated above in the preamble, CBP amends 19 CFR part 145 as set forth below:

PART 145—MAIL IMPORTATIONS

■ 1. Effective July 24, 2026, the authority citation for part 145 is amended by adding a specific authority citation for § 145.15 in numerical order to read, in part, as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 3(i)), Harmonized Tariff Schedule of the United States, 1624.

* * * * *

Section 145.15 is also issued under 19 U.S.C. 1623;

* * * * *

■ 2. Effective July 24, 2026, amend § 145.12 by revising paragraphs (a) and (b) to read as follows:

§ 145.12 Entry of merchandise.

(a) *Formal entries*—(1) *Discretionary*. CBP may require formal entry of any mail shipment regardless of value if it is necessary to protect the revenue.

(2) *Required*. Formal entry will be required as follows:

(i) Formal entry is required for every mail importation which exceeds \$2,500 in value, except for special classes of merchandise which can be released without entry (see subpart D of this

part), and except as provided in subparts B and C of part 143 and § 10.1 of this chapter.

(ii) Formal entry is required for any merchandise of a class or kind provided for in any absolute or tariff-rate quota, whether the quota is open or closed. In the case of merchandise of a class or kind provided for in a tariff-rate quota, the merchandise is subject to the rate of duty in effect on the date of entry.

(iii) Formal entry is required for merchandise subject to any antidumping or countervailing duty determination, instruction, or order issued by the Department of Commerce; or any other merchandise otherwise precluded by law from eligibility for informal entry.

(iv) Formal entry is required for alcoholic beverages, cigars (including cheroots and cigarillos) and cigarettes containing tobacco, cigarette tubes, cigarette papers, smoking tobacco (including water pipe tobacco, pipe tobacco, and roll-your-own tobacco), snuff, or chewing tobacco.

(v) Formal entry is required for any mail shipment subject to the requirements of another government agency.

(vi) Formal entry is required for any merchandise subject to duties under Chapter 98 or Chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS), or for which duty-free treatment is claimed under Chapter 98 of the HTSUS or pursuant to a Free Trade Agreement.

(3) *Separate shipments.* Separate shipments not exceeding \$2,500 in value, if mailed abroad at different times (as shown by the declaration or other mailing indicia), cannot be combined for the purpose of requiring formal entry, even though they reach CBP at the same time and are covered by a single order or contract in excess of \$2,500, unless there was a splitting of shipments in order to avoid the payment of customs duty.

(4) *Notice of formal entry requirement.* When a formal entry is required, the addressee will be notified of the arrival of the shipment and of the method by which entry is to be made. If the shipment is addressed to a point which is not a CBP port or customs station, the port of entry specified in the notice will be the port nearest the destination of the shipment. When a formal entry is filed, it must contain all the statistical information as provided in § 141.61(e) of this chapter.

(b) *Mail and informal entries*—(1) *Preparation of entry form.* Except as provided in paragraphs (a), (c), (d), and (e) of this section, for each eligible shipment not exceeding \$2,500 in value

which is to be delivered by the Postal Service, a party with the right to make entry under § 143.26(a) of this chapter must transmit the informal mail entry, as provided in paragraph (b)(3) of this section, and pay the applicable rate of duty as provided for in paragraph (b)(2) of this section.

(2) *Rates of duty and payment.* Merchandise released under a mail informal entry will be dutiable at the rates of duty in effect when the preparation of the entry is completed. Preparation of the entry is completed when the entry is properly transmitted to CBP. Payment must be transmitted via *Pay.gov* no later than the 7th day of the month following the arrival of the shipment.

(3) *Postal informal entry process.* The following data elements are required to be transmitted to CBP via email no later than the 7th day of the month following the arrival of the shipment(s):

- (i) Filer Code;
- (ii) Bond Number;
- (iii) Description of Merchandise;
- (iv) Country of Origin of Merchandise;
- (v) All Applicable 10-digit HTSUS Classification(s);
- (vi) Quantity/Weight (conditional and required ONLY if using a specific duty rate);
- (vii) Duty Rate;
- (viii) Value;
- (ix) Total Duty Owed;
- (x) Carrier;
- (xi) Flight/Conveyance Number;
- (xii) Tracking Number (generated by the foreign post operator);
- (xiii) Arrival Port; and
- (xiv) Arrival Date.

* * * * *

■ 3. Effective July 24, 2026, add § 145.15 to read as follows:

§ 145.15 Bonding requirements for informal mail entries.

Each shipment valued at \$2,500 or less which is to be delivered by the United States Postal Service, pursuant to § 145.12(b), will not be released from CBP custody unless a single transaction or continuous bond containing or meeting the bond conditions set forth in § 113.62 of this chapter has been transmitted to CBP pursuant to part 113 of this chapter, and has been secured by an approved corporate surety, or cash deposits as provided for in § 113.40 of this chapter.

■ 4. Effective June 24, 2026, revise § 145.31 to read as follows:

§ 145.31 Importations not over \$800 in value.

(a) Except as provided in paragraph (b) of this section, the port director will pass free of duty and tax, without

preparing an entry as provided for in § 145.12, packages containing merchandise having an aggregate fair retail value in the country of shipment of not over \$800, subject to the requirements set forth in §§ 10.151 and 10.153 of this chapter.

(b) The exemption provided in paragraph (a) of this section is suspended for merchandise arriving through the international postal network until such time as CBP determines that the application of the exemption is no longer inconsistent with the purpose of 19 U.S.C. 1321(a), no longer jeopardizes the revenue, and no longer facilitates unlawful importations. Notice of a modification or revocation of this suspension will be announced by the Commissioner in the **Federal Register**.

Rodney S. Scott,

Commissioner, U.S. Customs and Border Protection.

[FR Doc. 2026–12669 Filed 6–23–26; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

21 CFR Part 1308

[Docket No. DEA–1420]

Schedules of Controlled Substances: Placement of Bromazepam in Schedule I; Correction

AGENCY: Drug Enforcement Administration, Department of Justice.

ACTION: Correcting amendment.

SUMMARY: On March 16, 2026, the Drug Enforcement Administration published a temporary order placing 8-bromo-1-methyl-6-phenyl-4H-benzo[f][1,2,4]triazolo[4,3-a][1,4]diazepine (commonly known as bromazepam), including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers are possible, in schedule I of the Controlled Substances Act. DEA published this temporary order that included an invalid chemical name for bromazepam. This document corrects that error, adding the valid chemical name for bromazepam.

DATES: This correcting amendment is effective June 24, 2026, and applicable beginning March 16, 2026.

FOR FURTHER INFORMATION CONTACT: Dr. Terrence L. Boos, Drug and Chemical Evaluation Section, Diversion Control Division, Drug Enforcement Administration; Telephone: (571) 362–3249.

SUPPLEMENTARY INFORMATION: The placement of bromazolam under schedule I was effective on March 16, 2026.¹ After publication of the temporary scheduling order, DEA included an invalid chemical name for bromazolam as 8-bromo-1-methyl-6-phenyl-4*H*-benzo[*f*][1,2,4]triazolo[4,3-*a*][1,4]diazepine. This document corrects the chemical name for bromazolam as 8-bromo-1-methyl-6-phenyl-4*H*-benzo[*f*][1,2,4]triazolo[4,3-*a*][1,4]diazepine.

List of Subjects in 21 CFR Part 1308

Administrative practice and procedure, Drug traffic control, Reporting and recordkeeping requirements.

For the reasons set out above, DEA corrects 21 CFR part 1308 with the following correcting amendment:

PART 1308—SCHEDULES OF CONTROLLED SUBSTANCES

■ 1. The authority citation for part 1308 continues to read as follows:

Authority: 21 U.S.C. 811, 812, 871(b), 956(b), unless otherwise noted.

■ 2. In § 1308.11 revise paragraph (h)(86) to read as follows:

§ 1308.11 Schedule I.

* * * * *

(h) * * *

*	*	*	*	*	*	*	*
(86) 8-bromo-1-methyl-6-phenyl-4 <i>H</i> -benzo[<i>f</i>][1,2,4]triazolo[4,3- <i>a</i>][1,4]diazepine, its salts, isomers, and salts of isomers (Other name: bromazolam)							2778
*	*	*	*	*	*	*	*

Signing Authority

This document of the Drug Enforcement Administration was signed on June 16, 2026, by DEA Administrator Terrance C. Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2026–12653 Filed 6–23–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

21 CFR Part 1308

[Docket No. DEA–1641]

Schedules of Controlled Substances: Temporary Placement of *O*-Desmethyltramadol in Schedule I

AGENCY: Drug Enforcement Administration, Department of Justice.

ACTION: Proposed amendment; notice of intent.

SUMMARY: The Administrator of the Drug Enforcement Administration is issuing this notice of intent to publish a temporary order to schedule *O*-desmethyltramadol (other names: *O*-DSMT; desmetramadol; 3-[(1*R*,2*R*)-2-[(dimethylamino)methyl]-1-hydroxycyclohexyl]phenol), including its isomers, esters, ethers, salts, and salts of isomers, esters and ethers, in schedule I of the Controlled Substances Act. When it is issued, the temporary scheduling order will impose the regulatory controls and administrative, civil, and criminal sanctions applicable to schedule I controlled substances on persons who handle (manufacture, distribute, reverse distribute, import, export, engage in research, conduct instructional activities or chemical analysis with, or possess) or propose to handle *O*-DSMT.

DATES: June 24, 2026.

ADDRESSES: 8701 Morrisette Drive, Springfield, Virginia 22152.

FOR FURTHER INFORMATION CONTACT: Dr. Terrence L. Boos, Drug and Chemical Evaluation Section, Diversion Control Division, Drug Enforcement Administration; Mailing Address: 8701 Morrisette Drive, Springfield, Virginia 22152; Telephone: (571) 362–3249.

SUPPLEMENTARY INFORMATION: The notice of intent contained in this document is issued pursuant to the temporary scheduling provisions of 21 U.S.C. 811(h). The Drug Enforcement Administration (DEA) intends to issue a temporary scheduling order¹ (in the form of a temporary amendment) to add

O-desmethyltramadol (other names: *O*-DSMT; desmetramadol), its isomers, esters, ethers, salts, and salts of isomers, esters and ethers, to schedule I under the Controlled Substances Act (CSA). The temporary scheduling order will be published in the **Federal Register** on or after July 24, 2026.

Legal Authority

The CSA provides the Attorney General with the authority to temporarily place a substance in schedule I of the CSA for two years without regard to the requirements of 21 U.S.C. 811(b), if he finds that such action is necessary to avoid an imminent hazard to the public safety.² In addition, if proceedings to control a substance are initiated under 21 U.S.C. 811(a)(1) while the substance is temporarily controlled under section 811(h), the Attorney General may extend the temporary scheduling for up to one year.³

Where the necessary findings are made, a substance may be temporarily scheduled if it is not listed in any other schedule under 21 U.S.C. 812, or if there is no exemption or approval in effect for the substance under section 505 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 355.⁴ The Attorney General has delegated scheduling authority under 21 U.S.C. 811 to the Administrator of DEA (Administrator).⁵

Background

The CSA requires the Administrator to notify the Secretary of Health and Human Services (HHS) of an intent to

¹ Schedules of Controlled Substances: Temporary Placement of Bromazolam in Schedule I, 91 FR 12504 (Mar. 16, 2026).

² Though DEA has used the term “final order” with respect to temporary scheduling orders in the

past, this notice of intent adheres to the statutory language of 21 U.S.C. 811(h), which refers to a “temporary scheduling order.” No substantive change is intended.

³ 21 U.S.C. 811(h)(1).

⁴ 21 U.S.C. 811(h)(2).

⁵ 21 U.S.C. 811(h)(1); 21 CFR part 1308.

⁵ 28 CFR 0.100.

temporarily place a substance in schedule I of the CSA (*i.e.*, to issue a temporary scheduling order).⁶ By letter dated May 27, 2025, the previous Acting Administrator transmitted the required notice to place *O*-DSMT in schedule I on a temporary basis to the then-Acting Assistant Secretary for HHS (Assistant Secretary).⁷ On June 11, 2025, the previous Acting Assistant Secretary responded to this notice and advised DEA that, based on a review by the Food and Drug Administration (FDA), there were currently no investigational new drug applications (INDs) or approved new drug applications (NDAs) for *O*-DSMT. The previous Assistant Secretary also stated that HHS had no objection to the temporary placement of *O*-DSMT in schedule I of the CSA. *O*-DSMT is not currently listed in any schedule under the CSA.

To find that temporarily placing a substance in schedule I of the CSA is necessary to avoid an imminent hazard to the public safety, the Administrator must consider three of the eight factors set forth in 21 U.S.C. 811(c): the substance's history and current pattern of abuse; the scope, duration, and significance of abuse; and what, if any, risk there is to the public health.⁸ This consideration includes any information indicating actual abuse, diversion from legitimate channels, and clandestine importation, manufacture, or distribution of *O*-DSMT.⁹

Substances meeting the statutory requirements for temporary scheduling may only be placed in schedule I.¹⁰ Substances in schedule I have high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accepted safety for use of the drug under medical supervision.¹¹

O-Desmethyltramadol (O-DSMT)

O-DSMT is a mu-opioid agonist that is being abused for its psychoactive effects. *O*-DSMT is one of two metabolites produced by liver enzymes following the ingestion of the parent compound tramadol. Tramadol, in and of itself, prior to being metabolized, is active as a norepinephrine and serotonergic reuptake inhibitor, in addition to being a weak mu-opioid

receptor agonist. While the second metabolite, *N*-DSMT, is inactive, *O*-DSMT is an active metabolite of tramadol with a strong affinity for the mu-opioid receptor. *O*-DSMT is responsible for the majority of the opioidergic effects following the ingestion of the parent compound tramadol.

In the United States, since tramadol is only approved as a pill formulation, a user must ingest tramadol orally, thus allowing the drug to be metabolized via the liver, to experience the analgesic effects. In the absence of any approved medical product or identified lawful commercial source of *O*-DSMT in the United States due to its lack of accepted medical use, understanding of the metabolism of tramadol and its opioidergic metabolite has resulted in the clandestine production of *O*-DSMT. Data has demonstrated that *O*-DSMT has a significantly higher affinity for opioid receptors (K_i –3.4 nM) than the parent drug tramadol (K_i –2400 nM) and is more potent in producing analgesia. In addition, overdoses and deaths, both internationally and within the United States, have been documented involving *O*-DSMT. With no approved medical use and limited safety or toxicological information, *O*-DSMT has emerged in the designer drug market, and the abuse of this substance is a significant public health concern in the United States.

Available data and information for *O*-DSMT, summarized below, indicate that this substance has a high potential for abuse, no currently accepted medical uses in treatment in the United States,¹²

and a lack of accepted safety for use under medical supervision. DEA's Three-Factor analysis is available in its entirety under "Supporting and Related Material" of the public docket for this action at www.regulations.gov under Docket Number DEA–1641.

Factor 4. Its History and Current Pattern of Abuse

As described previously, *O*-DSMT is a major metabolite of tramadol. *O*-Demethylation of the parent drug tramadol results in the formation of *O*-DSMT, which is primarily catalyzed by the liver enzyme CYP2D6. Individuals of various backgrounds have been identified as either ultrarapid metabolizers, normal metabolizers, intermediate metabolizers, or poor metabolizers of tramadol based upon genotyping of the cytochrome P450 enzyme CYP2D6. The current Clinical Pharmacogenetics Implementation Consortium guidelines recommend avoiding tramadol in CYP2D6 ultrarapid metabolizers (due to possible toxicity from increased formation of *O*-DSMT) and CYP2D6 poor metabolizers (due to possible lack of efficacy from decreased formation of *O*-DSMT). Ultrarapid metabolizers have approximately 40 percent greater serum concentration of *O*-DSMT and subsequently experience a stronger opioid response compared with poor metabolizers.

O-DSMT has been encountered in various forms, including as a solid powder, pressed into pills or tablets, in a capsule, as a semi-solid paste/slurry, and in liquid formulations. Direct ingestion of *O*-DSMT avoids the need for metabolic activation via liver enzymes, resulting in a compound that is pharmacologically active at the mu-opioid receptor. Injection or insufflation by drug abusers of tramadol would be devoid of most immediate opioid

¹² When finding schedule I placement on a temporary basis is necessary to avoid imminent hazard to the public, 21 U.S.C. 811(h) does not require DEA to consider whether the substance has a currently accepted medical use in treatment in the United States. Nonetheless, there is no evidence suggesting that *O*-DSMT has a currently accepted medical use in treatment in the United States. First, DEA looks to whether the drug or substance has FDA approval. When no FDA approval exists, DEA has traditionally applied a five-part test to determine whether a drug or substances has a currently accepted medical use: (1) The drug's chemistry must be known and reproducible; (2) there must be adequate safety studies; (3) there must be adequate and well-controlled studies proving efficacy; (4) the drug must be accepted by qualified experts; and (5) the scientific evidence must be widely available. See *Marijuana Scheduling Petition; Denial of Petition; Remand*, 57 FR 10499 (Mar. 26, 1992), *pet. for rev. denied*, *Alliance for Cannabis Therapeutics v. Drug Enforcement Admin.*, 15 F.3d 1131, 1135 (D.C. Cir. 1994). DEA applied the traditional five-part test and concluded the test was not satisfied. In a recent published letter in a different context, HHS applied an additional two-part test to determine currently accepted medical use for substances that do not satisfy the five-part test: (1) whether there exists widespread, current experience with medical use of the substance by licensed health care providers operating in accordance with implemented jurisdiction-authorized programs, where medical

use is recognized by entities that regulate the practice of medicine, and, if so, (2) whether there exists some credible scientific support for at least one of the medical conditions for which part (1) is satisfied. On April 11, 2024, the Department of Justice's Office of Legal Counsel (OLC) issued an opinion, which, among other things, concluded that HHS's two-part test would be sufficient to establish that a drug has a currently accepted medical use. Office of Legal Counsel, Memorandum for Merrick B. Garland Attorney General Re: Questions Related to the Potential Rescheduling of Marijuana at 3 (April 11, 2024). For purposes of this notice of intent, there is no evidence that health care providers have widespread experience with medical use of *O*-DSMT or that the use of *O*-DSMT is recognized by entities that regulate the practice of medicine, so the two-part test also is not satisfied. By letter dated June 11, 2025, DEA has been advised by HHS that there are currently no approved new drug applications or investigational new drug applications for *O*-DSMT. Additionally, HHS communicated no objections to the temporary placement of *O*-DSMT into Schedule I of the CSA.

⁶ 21 U.S.C. 811(h)(4).

⁷ The Secretary of HHS has delegated to the Assistant Secretary for Health of HHS the authority to make domestic drug scheduling recommendations. *Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91–513, As Amended; Delegation of Authority*, 58 FR 35460 (July 1, 1993).

⁸ 21 U.S.C. 811(c)(4)–(6), (h)(3).

⁹ 21 U.S.C. 811(h)(3).

¹⁰ 21 U.S.C. 811(h)(1).

¹¹ 21 U.S.C. 812(b)(1).

activity due to the parent compound having little affinity for the opioid receptors. As further described in Factor 5, drug seizures have demonstrated *O*-DSMT both alone and in combination with multiple other drugs. In a randomized, double-blind, placebo and active comparator-controlled trial, the pharmacokinetics and analgesic properties of *O*-DSMT, as compared to tramadol, in 103 healthy participants were investigated. The study also investigated CYP2D6 inhibition on the ability of both tramadol and *O*-DSMT to influence analgesia. The results showed that 20 mg of *O*-DSMT was equivalent in its analgesic potency as compared to 50 mg of tramadol following chronic dosing at steady state, whereby both were significantly greater than placebo (see Three-Factor analysis).

Factor 5. The Scope, Duration, and Significance of Abuse

With the first encounters appearing in 2011, law enforcement continues to report seizures of *O*-DSMT. The threat of serious injury to the individual and the imminent threat to public safety following the ingestion of *O*-DSMT persists. DEA's National Forensic Laboratory Information System (NFLIS) ¹³ has reported 148 encounters of *O*-DSMT across 30 states to date.¹⁴ Because not every forensic laboratory has the capacity to test for *O*-DSMT, it is likely that encounters of *O*-DSMT are underreported.

Among these various reports, *O*-DSMT has been found as the only drug in a majority of these encounters (n=118 of 148, 79.7 percent), or co-reported with various other substances to include mitragynine (kratom alkaloid), heroin, isopropyl-U-47700 (synthetic opioid), methamphetamine, fentanyl, acetyl fentanyl, 5F-AEB (synthetic cannabinoid), methoxyacetyl fentanyl, *N*-benzylfuranylefentanyl, 3-OH-PCE (synthetic hallucinogen), tramadol, bromazolam, *para*-fluorofentanyl,

dipentylone (synthetic cathinone), and/or cocaine, among others. *O*-DSMT has also been identified in conjunction with other substances, as evidenced by toxicology reports (see Factor 6). *O*-DSMT was found to be mixed with the kratom plant as determined by packaging material and the confirmation of both *O*-DSMT and mitragynine in toxicology results of individuals.

Factor 6. What, if Any, Risk There Is to the Public Health

Public health risks associated with *O*-DSMT abuse relates to its pharmacological similarities with known opioids such as morphine, oxycodone, and fentanyl. The ingestion of *O*-DSMT has resulted in serious adverse effects including lung congestion, brain edema, and death. The following four examples discussed briefly below can be found in their entirety in DEA's Three-Factor analysis at www.regulations.gov under Docket Number DEA-1641.

In 2009, reports in Sweden described nine deaths due to intoxication with *O*-DSMT combined with mitragynine and confirmed via forensic autopsies. Occurring between October 2009 and October 2010, ten forensic medical investigations found concomitant use of *O*-DSMT and mitragynine in the blood of these deceased individuals. It was noted that in nine of these cases, the death was explained by intoxication with *O*-DSMT. Other substances were identified, but it was stated that these substances were not at toxic levels. Ages of the individuals ranged between 22–35 years old, concentrations of *O*-DSMT ranged between 0.4 and 4.3 µg/g in blood, and all the individuals died before arriving at a hospital. Deaths for all individuals were noted to be accidental. Additional information in the reports detailed significant lung congestion and edema following use of “Krypton” (a mix of kratom and *O*-DSMT).

Around the same time as the deaths were reported in Sweden, a group in Germany were asked to analyze urine samples for “Krypton” in a former opiate-addicted woman. The woman's clinical picture included miosis, itchiness, agitation, and moderate euphoria following three months of use. Both immunoassays and liquid chromatography-tandem mass spectrometry (LC-MS/MS) were conducted on the samples. Results were negative for tramadol or its metabolites using the immunoassays. LC-MS/MS detected the kratom alkaloids mitragynine, speciociliatine, speciogynine, mitraciliatine, and paynantheine and approximately 9 mg/

L *O*-DSMT, but no tramadol nor *N*-desmethyltramadol. Once confronted with these results, the woman admitted to having drunk “3–4 infusions of Krypton” during the past week. The researchers ruled out the use of tramadol because both tramadol and *N*-desmethyltramadol were not detectable. It was concluded that the most likely source of the *O*-DSMT was the “Krypton” product, containing both kratom alkaloids and *O*-DSMT.

In 2021 in Portugal, a 25-year-old male was found dead in his room at a boarding house where he lived. He was a chemistry student who, according to relatives, was “trying to find a cure to his illness using chemical products bought by himself.” Drug paraphernalia found at the scene included a spoon, a syringe, and six different plastic bags found with powders inside. It was noted that all six bags were labeled with the supposed name of the compounds. Further testing confirmed that the labels were accurate for each substance, including *O*-DSMT. His past medical history included schizophrenia and bipolar disorder. In addition, needle puncture marks in the victim's arms, indicative of drug abuse, were noted during autopsy.

In 2021 in Kansas City, Kansas, a 19-year-old male with a history of anxiety and depression was last observed by a roommate lying on his bed and reported to be “snoring and sweaty.” The autopsy did not reveal any significant anatomical abnormalities. Drug evidence at the scene was noted to be labeled as clonazepam, flubromazolam, *O*-desmethyltramadol (*O*-DSMT), and 2-methyl-AP-237. Toxicological analysis of whole blood from autopsy identified the following: 2-methyl AP-237 (379 ng/mL), delta-9 THC (56.8 ng/mL), 11-nor-9-carboxy-delta-9-THC (141 ng/mL), 8-aminoclonazepam (4.6 ng/mL), *O*-DSMT (10.9 ng/mL), and mitragynine (2.7 ng/mL). 7-Amino clonazepam, diphenhydramine, fluoxetine, norfluoxetine, trazodone, and propranolol were also identified but not quantified.

As noted in Factor 5, counterfeit pills pressed to resemble tramadol may contain *O*-DSMT either alone or in combination with other substances. Clandestine manufacturers will commonly use legitimate markings when producing counterfeit pills. Should a user ingest a pill marked as tramadol that was surreptitiously produced with *O*-DSMT, the individual might experience serious adverse effects due to the stronger analgesic potential of *O*-DSMT as compared to tramadol.

As users obtain these drugs through unknown sources, the identity and

¹³ NFLIS-Drug is a national forensic laboratory reporting system that systematically collects results from drug chemistry analyses conducted by state, local, and federal forensic laboratories in the United States. NFLIS-Drug represents an important resource in monitoring illicit drug trafficking, including the diversion of legally manufactured pharmaceuticals into illegal markets. NFLIS-Drug is a comprehensive information system that includes data from forensic laboratories that handle more than 96 percent of an estimated 1.0 million distinct annual State and local drug analysis cases. NFLIS-Drug includes drug chemistry results from completed analyses only. While NFLIS data is not direct evidence of abuse, it can lead to an inference that a drug has been diverted and abused. See *Schedules of Controlled Substances: Placement of Carisoprodol Into Schedule IV*, 76 FR 77330, 77332 (Dec. 12, 2011).

¹⁴ NFLIS-Drug query date: May 22, 2026. Reports to NFLIS-Drug are still pending for 2025 and 2026.

purity of these substances is uncertain and inconsistent, thus posing significant adverse health risks to users. *O*-DSMT is being encountered on the illicit drug market in the United States, has no accepted medical use in the United States, and continues to be available and abused for its psychoactive properties. In summary, *O*-DSMT has been reported to cause serious adverse effects, including death, following its use.

Finding of Necessity of Schedule I Placement To Avoid Imminent Hazard to Public Safety

In accordance with 21 U.S.C. 811(h)(3), based on the available data and information summarized above, the uncontrolled manufacture, distribution, reverse distribution, importation, exportation, conduct of research and chemical analysis, possession, and abuse of *O*-DSMT poses an imminent hazard to public safety. *O*-DSMT has not been approved by the FDA and has not been marketed in the United States, and DEA is not aware of any currently accepted medical uses for *O*-DSMT in the United States. A substance meeting the statutory requirements for temporary scheduling, found in 21 U.S.C. 811(h)(1), may only be placed in schedule I. Substances in schedule I must have a high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accepted safety for use under medical supervision. Available data and information for *O*-DSMT indicate that this substance meets the three statutory criteria.

As required by 21 U.S.C. 811(h)(4), in a letter dated May 27, 2025, the previous Acting Administrator notified the previous Acting Assistant Secretary of DEA's intention to temporarily place *O*-DSMT in schedule I. In a letter dated June 11, 2025, the previous Acting Assistant Secretary did not object to the temporary placement of *O*-DSMT in schedule I.

Conclusion

This notice of intent provides the 30-day notice pursuant to 21 U.S.C. 811(h)(1) of DEA's intent to issue a temporary scheduling order. In accordance with 21 U.S.C. 811(h)(1) and (3), the Administrator considered available data and information, herein sets forth the grounds for his determination that it is necessary to temporarily schedule *O*-DSMT in schedule I of the CSA, and finds that placement of this substance in schedule I is necessary to avoid an imminent hazard to the public safety.

The temporary placement of *O*-DSMT in schedule I of the CSA will take effect

upon publication of a temporary scheduling order in the **Federal Register**, which will not be issued before July 24, 2026. Because the Administrator hereby finds this temporary scheduling order necessary to avoid an imminent hazard to the public safety, it will take effect on the date the order is published in the **Federal Register** and it will remain in effect for two years, with a possible extension of an additional year, pending completion of the regular (permanent) scheduling process.¹⁵ The Administrator intends to issue a temporary scheduling order as soon as possible after the expiration of 30 days from the date of publication of this document. Upon the temporary order's publication, *O*-DSMT will then be subject to the CSA's schedule I regulatory controls and to administrative, civil, and criminal sanctions applicable to the manufacture, distribution, reverse distribution, importation, exportation, research, conduct of instructional activities and chemical analysis, and possession.

The CSA sets forth specific criteria for scheduling drugs or other substances. Regular scheduling actions in accordance with 21 U.S.C. 811(a) are subject to formal rulemaking procedures "on the record after opportunity for a hearing" conducted pursuant to the provisions of 5 U.S.C. 556 and 557.¹⁶ The regular scheduling process of formal rulemaking affords interested parties appropriate process and the government any additional relevant information needed to make a determination. Final decisions that conclude the regular scheduling process of formal rulemaking are subject to judicial review.¹⁷ Temporary scheduling orders are not subject to judicial review.¹⁸

Regulatory Analyses

The CSA provides for expedited temporary scheduling actions where necessary to avoid an imminent hazard to public safety. Under 21 U.S.C. 811(h)(1), the Administrator (as delegated by the Attorney General) may, by order, temporarily schedule substances in schedule I. Such orders may not be issued before the expiration of 30 days from: (1) the publication of a notice in the **Federal Register** of the intent to issue such order and the grounds upon which such order is to be issued, and (2) the date that notice of the proposed temporary scheduling order is transmitted to the Assistant

Secretary, as delegated by the Secretary of HHS.¹⁹

Inasmuch as section 811(h) directs that temporary scheduling actions be issued by order and sets forth the procedures by which such orders are to be issued, including the requirement to publish in the **Federal Register** a notice of intent, the notice-and-comment requirements of the Administrative Procedure Act (APA), 5 U.S.C. 553, do not apply to this notice of intent. The APA expressly differentiates between an order and a rule, as it defines an "order" to mean a "final disposition, whether affirmative, negative, injunctive, or declaratory in form, of an agency *in a matter other than rule making*."²⁰ This contrasts with permanent scheduling actions, which are subject to formal rulemaking procedures done "on the record after opportunity for a hearing," and final decisions that conclude the scheduling process and are subject to judicial review.²¹ The specific language chosen by Congress indicates its intent that DEA issue *orders* instead of proceeding by rulemaking when temporarily scheduling substances. Given that Congress specifically requires the Administrator (as delegated by the Attorney General) to follow rulemaking procedures for *other* kinds of scheduling actions,²² it is noteworthy that, in section 811(h)(1), Congress authorized the issuance of temporary scheduling actions by order rather than by rule.

Even assuming that this notice of intent is subject to the notice-and-comment requirements of the APA, the Administrator finds that there is good cause to forgo the notice-and-comment requirements pursuant to 5 U.S.C. 553(b)(B), as any further delays in the process for issuing temporary scheduling orders would be impracticable and contrary to the public interest given the manifest urgency to avoid an imminent hazard to public safety.

Although DEA believes this notice of intent to issue a temporary scheduling order is not subject to the notice-and-comment requirements of the APA, DEA notes that in accordance with 21 U.S.C. 811(h)(4), the Administrator took into consideration comments submitted by the previous Acting Assistant Secretary in response to the notice that DEA transmitted to the previous Acting Assistant Secretary pursuant to such subsection.

¹⁵ 21 U.S.C. 811(h)(1) and (2).

¹⁶ 21 U.S.C. 811.

¹⁷ 21 U.S.C. 877.

¹⁸ 21 U.S.C. 811(h)(6).

¹⁹ 21 U.S.C. 811(h)(1).

²⁰ 5 U.S.C. 551(6) (emphasis added).

²¹ 21 U.S.C. 811(a) and 877.

²² See 21 U.S.C. 811(a).

I. Background

The Patent Law Treaties Implementation Act of 2012 (PLTIA) amended the provisions of title 35, United States Code (U.S.C.) to implement the Patent Law Treaty (PLT) and the Hague Agreement Concerning International Registration of Industrial Designs (Hague Agreement). See Public Law 112–211, 126 Stat. 1527, (2012). Section 101 of the PLTIA added a new chapter under title 35, including a new section, 35 U.S.C. 387, which provides that an applicant's failure to act within prescribed time limits in connection with requirements pertaining to an international design application may be excused as to the United States upon a showing of unintentional delay and under such conditions, including a requirement for payment of a fee, as may be prescribed by the Director. See Public Law 112–211, sec. 101, 126 Stat. at 1527. Furthermore, Section 201(b) of the PLTIA added 35 U.S.C. 27, which expressly provides that the Director of the USPTO may establish procedures to revive an unintentionally abandoned application for patent or accept an unintentionally delayed issue fee payment, upon petition by the applicant for patent. See Public Law 112–211, sec. 201(b)(1)(B), 126 Stat. at 1534. Section 202(b)(1)(B) of the PLTIA amended 35 U.S.C. 41(c)(1) to provide that the Director may accept the payment of any maintenance fee required by 35 U.S.C. 41(b) after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional. See Public Law 112–211, sec. 202(b)(1)(B), 126 Stat. at 1535–36. The 18-month publication provisions of the American Inventors Protection Act of 1999 (AIPA) amended 35 U.S.C. 119 and 120 to provide that a priority claim to a foreign or international application, a benefit claim of an earlier domestic provisional or nonprovisional application, and a benefit claim of an international application designating the United States must be filed within the period required by the USPTO, but that the USPTO may establish procedures to accept an unintentionally delayed priority or benefit claim. See Public Law 106–113, sec. 4503, 113 Stat. 1501, 1501A–563 through 1501A–564 (1999).

The USPTO revised the rules of practice to implement the 18-month publication provisions of section 4503 of the AIPA in September 2000. This included revising the rules of practice pertaining to foreign priority and domestic benefit claims at 37 CFR 1.55 and 1.78 to set a time period within which such priority and benefit claims

must be submitted and provide for the acceptance of unintentionally delayed priority or benefit claims. See *Changes to Implement Eighteen-Month Publication of Patent Applications*, 65 FR 57023, 57024–25, 57030–31, 57053–55 (September 20, 2000). The USPTO revised the rules of practice for consistency with the PLT and Title II of the PLTIA in October 2013. This included revising the rules of practice pertaining to the revival of abandoned applications at 37 CFR 1.137 and acceptance of delayed maintenance fee payments 37 CFR 1.378 to provide for the revival of abandoned applications and acceptance of delayed maintenance fee payments solely on the basis of unintentional delay, as well as revisions to the rules of practice pertaining to foreign priority and domestic benefit claims at 37 CFR 1.55 and 1.78. See *Changes to Implement the Patent Law Treaty*, 78 FR 62368, 62377–78, 62380–83, 62399–400, 62402–07 (October 21, 2013).

The provisions for the revival of an abandoned application in 37 CFR 1.137 require a petition including, *inter alia*, a statement that the entire delay in filing the required reply from the due date of the reply until the filing of a grantable petition was unintentional, but also provide that “[t]he Director may require additional information where there is a question whether the delay was unintentional.” 37 CFR 1.137(b)(4). The provisions for the acceptance of a delayed maintenance fee payment at 37 CFR 1.378 similarly require a petition including, *inter alia*, a statement that the delay in payment of the maintenance fee was unintentional, but also provide that “[t]he Director may require additional information where there is a question whether the delay was unintentional.” 37 CFR 1.378(b)(3). The provisions for the acceptance of a delayed priority or benefit claim at 37 CFR 1.55 and 1.78 likewise require a statement that the delay between the date the claim was due and the date the claim was filed was unintentional, but also provide that “[t]he Director may require additional information where there is a question whether the delay was unintentional.” 37 CFR 1.55(e)(4), 1.78(c)(3) and (e)(3). Furthermore, the provisions for excusing the failure to act within prescribed time limits under the Hague Agreement in connection with requirements pertaining to an international design application (37 CFR 1.1051) require a statement that the entire delay in filing the “required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional” and

that the “Director may require additional information where there is a question whether the delay was unintentional.” (37 CFR 1.1051(a)(5)).

On March 2, 2020, the USPTO clarified its practice as to situations that require additional information about whether a delay in seeking the revival of an abandoned application, acceptance of a delayed maintenance fee payment, or acceptance of a delayed priority or benefit claim was unintentional. See *Clarification of the Practice for Requiring Additional Information in Petitions Filed in Patent Applications and Patents Based on Unintentional Delay*, 85 FR 12222 (March 2, 2020). Specifically, the USPTO clarified that it required additional information in the following three cases. First, when a petition to revive an abandoned application was filed more than two years after the date the application became abandoned. Second, when a petition to accept a delayed maintenance fee payment was filed more than two years after the date the patent expired for nonpayment. Third, when a petition to accept a delayed priority or benefit claim was filed more than two years after the date the priority or benefit claim was due. See also *Changes to Patent Practice and Procedure*, 62 FR 53131, 53158–59, 53161 (October 10, 1997) (the length of the delay in filing a petition to revive may itself raise a question as to whether the delay was unintentional, and thus the USPTO may require additional information as to the cause of the delay when a petition to revive is not filed promptly). The reason for requiring additional information in cases where there had been an extended delay—a delay of more than two years from the date the application became abandoned, the patent expired, or a priority or benefit claim was due—until the filing of a petition, was to ensure that, in situations where there had been such an extended delay in filing the petition, the USPTO is provided with sufficient information of the facts and circumstances surrounding the entire delay to support a conclusion that the entire delay was “unintentional.” In addition, the USPTO emphasized that it may require additional information whenever there is a question as to whether the delay was unintentional, and that it may revisit the two-year period established in the notice and evaluate whether the two-year period is an appropriate threshold.

The USPTO has decided to shorten the two-year period for requiring additional information to one year. The USPTO will now require additional information when the petition is filed

more than one year after the date the application became abandoned, the patent expired, a priority or benefit claim was due, or the applicable prescribed time limit under the Hague Agreement expired. If the period of delay is more than one year, there is a sufficient concern that the entire delay may not be unintentional and thus warrant a requirement for an additional explanation of the circumstances surrounding the delay. The benefits of requiring such a showing or explanation for petitions filed more than one year after the date of abandonment, the date of patent expiration, the date a priority or benefit claim is due, or the date of expiration of the applicable time limit under the Hague Agreement outweigh the additional burden to patent applicants and patentees of providing this information. As noted in the *Clarification of the Practice for Requiring Additional Information in Petitions Filed in Patent Applications and Patents Based on Unintentional Delay*, 85 FR at 12223, the purpose of the original two-year practice was to reduce uncertainty and unpredictability relating to patent rights. The longer the delay in filing a petition to revive an application, accept a delayed maintenance fee, accept a delayed priority or benefit claim, or excuse an applicant's failure to act within prescribed time limits in international design applications, the greater the likelihood that the entire delay may not be unintentional.

Accordingly, this change from a two-year period to a one-year period will further increase certainty and predictability concerning patent rights, by requiring that applicants and patentees provide, on the record, an adequate explanation that the entire delay is unintentional. Such an explanation or showing both safeguards a patentee's rights by establishing on the record that the delay was unintentional, and protects the public by prohibiting revival, reinstatement, entry of a benefit or priority claim, or excuse of delay, when unintentional delay cannot be established. Further, this change from a two-year period to a one-year period aligns with USPTO efforts to reduce application pendency and promote efficient patent operations by encouraging applicants to regularly monitor patent files and promptly take corrective actions when needed, such as the timely filing of grantable petitions to revive applications, accept delayed maintenance fee payments, accept delayed priority or benefit claims, or to excuse an applicant's failure to act within prescribed time limits in

international design applications. Prompt, corrective actions are more likely to be associated with unintentional delay and assist in streamlining examination.

Section 711.03(c) of the Manual of Patent Examining Procedure (MPEP) (9th Edition, Rev. 01.2024, November 2024) discusses the unintentional delay standard with respect to petitions to revive an abandoned application, but its discussion of the unintentional delay is generally applicable to any petition under the unintentional delay standard. The USPTO usually relies upon the applicant's duty of candor and good faith and accepts the statement that the entire delay was unintentional without requiring further information because the applicant or patentee is obligated under 37 CFR 11.18 to inquire into the underlying facts and circumstances when providing this statement to the USPTO. See MPEP section 711.03(c), subsection II.C. An extended period of delay in filing a petition to revive an application, accept a delayed maintenance fee payment, accept a delayed priority or benefit claim, or excuse a failure to act within prescribed time limits under the Hague Agreement, however, raises a question as to whether the entire delay was unintentional. This may create uncertainty and unpredictability relating to patent rights in that there is a greater likelihood that the entire delay may not be unintentional within the meaning of 37 CFR 1.55, 1.78, 1.137, 1.378, and 1.1051, as compared to a petition that was filed within a shorter time period after the abandonment of the application, expiration of the patent, due date for a priority or benefit claim, or expiration of an applicable time limit under the Hague Agreement. An applicant or patentee cannot meet the "unintentional delay" standard in 37 CFR 1.55(e), 1.78(c) and (e), 1.137(a), 1.378(b), or 1.1051 if the entire delay is not unintentional. See MPEP section 711.03(c), subsections II.C. through F.

Providing an inaccurate statement that the entire delay was unintentional may have an adverse effect when attempting to enforce the patent. See *In re Rembrandt Technologies LP Patent Litigation*, 899 F.3d 1254, 1272–73, 127 USPQ2d 1826, 1837–38 (Fed. Cir. 2018) (patents held unenforceable due to a finding of inequitable conduct in submitting an inappropriate statement that the delay was unintentional).

Revival of an application, reinstatement of a patent, acceptance of a priority or benefit claim, or excusal of a failure to act within prescribed time limits after an extended delay can also create uncertainty and unpredictability

relating to patent rights because the abandoned status of an application, or the expired status of a patent, or an absence of the priority or benefit claim, or the consequences of failing to act within prescribed time limits under the Hague Agreement, may be relied upon by other parties. Requiring additional information when the delay is more than one year since the date of abandonment, expiration of the patent, the due date of the priority or benefit claim, or the expiration of an applicable prescribed time limit will improve the reliability and predictability of patent rights by ensuring that only applications and patents in which the entire delay was unintentional are revived or reinstated, and only priority or benefit claims for which the entire delay was unintentional are accepted.

Any applicant filing a petition to revive an abandoned application under 37 CFR 1.137 more than one year after the date of abandonment, any patentee filing a petition to accept a delayed maintenance fee under 37 CFR 1.378 more than one year after the date of expiration for nonpayment of a maintenance fee, any applicant or patent owner filing a petition to accept a delayed priority or benefit claim under 37 CFR 1.55(e) or 1.78(c) and (e), and any applicant filing a petition to excuse an applicant's failure to act within prescribed time limits under the Hague Agreement in connection with requirements pertaining to an international design application under 37 CFR 1.1051 more than one year after the date the action was required must provide an additional explanation of the circumstances surrounding the delay that establishes that the entire delay was unintentional. This requirement is in addition to the requirement to provide a statement that the entire delay was unintentional in 37 CFR 1.137(b)(4), or 1.378(b)(3), or 1.55(e)(4), 1.78(c)(3) and (e)(3), or 1.1051(a)(5). The MPEP will be updated in due course to incorporate these requirements.

Nothing in this notice should be construed as an indication that the USPTO will only require additional information in consideration of a petition to revive an abandoned application under 37 CFR 1.137 filed more than one year after the date the application became abandoned, a petition to accept a delayed maintenance fee payment in an expired patent under 37 CFR 1.378 filed more than one year after the date the patent expired, a petition under 37 CFR 1.55(e) or 1.78(c) or (e) to accept a delayed priority or benefit claim filed more than one year after the due date of the priority or benefit claim, or a petition

under 37 CFR 1.1051 to excuse the failure to act as to the United States within prescribed time limits under the Hague Agreement in connection with the requirements pertaining to an international design application under 37 CFR 1.1051 filed more than one year after the expiration of the time limit. Separate and apart from the one-year period in this notice, the USPTO may require additional information whenever there is a question as to whether the delay was unintentional.

Because the USPTO is revising the requirement for additional information in petitions filed in patent applications and patents based on unintentional delay where the petition is filed more than one year after the date when the required action was due, the evidentiary requirements in such petitions will increase, as well as the cost to review and treat these petitions. Therefore, the USPTO is changing the threshold for imposing the higher petition fee to recover the additional costs associated with the change in practice set forth in this notice. Additionally, changing the threshold for imposing the higher fee will further encourage applicants to file their petitions in a timely manner. Timely filing of petitions based on unintentional delay benefits applicants because it avoids delays in the examination process, and it also benefits the patent system as a whole by reducing uncertainty and unpredictability relating to patent rights, inasmuch as the abandoned status of an application, the expired status of a patent, or an absence of the priority or benefit claim could be relied upon by other parties.

Therefore, to reflect the changes in practice with respect to petitions to revive an abandoned application under 37 CFR 1.137, to accept a delayed maintenance fee payment in an expired patent under 37 CFR 1.378, to accept a delayed priority or benefit claim under 37 CFR 1.55(e) or 1.78(c) or (e), or a petition to excuse the failure to act as to the United States within prescribed time limits under the Hague Agreement in connection with the requirements pertaining to an international design application under 37 CFR 1.1051, the rules are revised to clarify that the fee under 37 CFR 1.17(m)(1) will apply when the petition is filed more than one year after the date when the required action was due. The fee rates in 37 CFR 1.17(m) will remain the same.

II. Discussion of Specific Rules

Section 1.17(m): Section 1.17(m)(1) is amended to state that the fee under (m)(1) for filing a petition under a section that refers to paragraph (m) will

apply when the petition is filed more than one year after the date when the required action was due. Previously, the rule stated that the fee under 37 CFR 1.17(m)(1) was due when the petition was filed more than two years after the date when the required action was due. However, additional information is now required in petitions filed in patent applications and patents based on unintentional delay whenever the delay in taking certain actions in patent applications and patents is more than one year. Therefore, to align with the changes to practice and encourage the timely filing of petitions based on unintentional delay, 37 CFR 1.17(m)(1) is amended accordingly. Section 1.17(m)(1) now applies when the petition is filed more than one year after the date when the required action was due.

III. Rulemaking Considerations

A. Administrative Procedure Act: This final rule amends the fee under 37 CFR 1.17(m)(1) such that it will apply when a relevant petition is filed more than one year after the date when the required action was due. The change in this final rule does not change the substantive criteria of patentability. Therefore, the change in this rulemaking involves a rule of agency practice and procedure and/or an interpretive rule and does not require notice-and-comment rulemaking, pursuant to 5 U.S.C. 553(b)(A)). See *Perez v. Mortg. Bankers Ass'n*, 575 U.S. 92, 97, 101 (2015) (explaining that interpretive rules “advise the public of the agency’s construction of the statutes and rules which it administers” and do not require notice-and-comment when issued or amended); *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1336–37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), do not require notice-and-comment rulemaking for “interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice”); *In re Chestek PLLC*, 92 F.4th 1105, 1110 (Fed. Cir. 2024) (noting that rule changes that “do[] not alter the substantive standards by which the USPTO evaluates trademark applications” are procedural in nature and thus “exempted from notice-and-comment rulemaking.”); and *JEM Broadcasting Co. v. F.C.C.*, 22 F.3d 320, 328 (D.C. Cir. 1994) (“[T]he ‘critical feature’ of the procedural exception [in 5 U.S.C. 553(b)(A)] ‘is that it covers agency actions that do not themselves alter the rights or interests of parties, although [they] may alter the manner in which the parties present themselves or their viewpoints to the agency.’”

(quoting *Batterton v. Marshall*, 648 F.2d 694, 707 (D.C. Cir. 1980)).

B. Regulatory Flexibility Act: As prior notice and an opportunity for public comment are not required pursuant to 5 U.S.C. 553 or any other law, neither a Regulatory Flexibility Act analysis nor a certification under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) is required. See 5 U.S.C. 603.

C. Executive Order 12866 (Regulatory Planning and Review): This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (September 30, 1993).

D. Executive Order 13563 (Improving Regulation and Regulatory Review): The USPTO has complied with Executive Order 13563 (January 18, 2011). Specifically, and as discussed above, the USPTO has, to the extent feasible and applicable: (1) reasonably determined that the benefits of the rule justify its costs; (2) tailored the rule to impose the least burden on society consistent with obtaining the agency’s regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided online access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens while maintaining flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 14192 (Deregulation): This regulation is not an Executive Order 14192 regulatory action because it has been determined to be not significant under Executive Order 12866.

F. Executive Order 13132 (Federalism): This rulemaking pertains strictly to federal agency procedures and does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (August 4, 1999).

G. Executive Order 13175 (Tribal Consultation): This rulemaking will not: (1) have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not

required under Executive Order 13175 (November 6, 2000).

H. Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

I. Executive Order 12988 (Civil Justice Reform): This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (February 5, 1996).

J. Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (April 21, 1997).

K. Executive Order 12630 (Taking of Private Property): This rulemaking will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (March 15, 1988).

L. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), the USPTO will submit a report containing the final rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this rulemaking are not expected to result in an annual effect on the economy of \$100 million or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this rulemaking is not expected to result in a “major rule” as defined in 5 U.S.C. 804(2).

M. Unfunded Mandates Reform Act of 1995: The changes set forth in this rulemaking do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of \$100 million (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of \$100 million (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary

under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 *et seq.*

N. National Environmental Policy Act of 1969: This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 *et seq.*

O. National Technology Transfer and Advancement Act of 1995: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions that involve the use of technical standards.

P. Paperwork Reduction Act of 1995: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires that the USPTO consider the impact of paperwork and other information collection burdens imposed on the public. The collections of information involved in this final rule have been reviewed and previously approved by OMB under control numbers 0651–0016, 0651–0021, 0651–0031, 0651–0032, and 0651–0075. In view of this final rule, the USPTO will submit updates to the 0651–0016, 0651–0021, 0651–0031, 0651–0032, and 0651–0075 information collections in the form of nonsubstantive change requests.

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

Q. E-Government Act Compliance: The USPTO is committed to compliance with the E-Government Act to promote the use of the internet and other information technologies, to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Biologics, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

For the reasons stated in the preamble, the USPTO amends 37 CFR part 1 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

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

Authority: 35 U.S.C. 2(b)(2), unless otherwise noted.

■ 2. Section 1.17 is amended by revising paragraph (m)(1) to read as follows:

§ 1.17 Patent application and reexamination processing fees.

* * * * *

(m)(1) For filing a petition under one of the following sections which refers to this paragraph (m), when the petition is filed more than one year after the date when the required action was due:

TABLE 18 TO PARAGRAPH (m)(1)

By a micro entity (§ 1.29)	\$600.00
By a small entity (§ 1.27(a))	1,200.00
By other than a small or micro entity	3,000.00

Note 6 to table 18 to paragraph (m)(1).

1.55(e)—for the delayed submission of a priority claim, when the petition is filed more than one year after the date when the priority claim was due.

§ 1.78(c) or (e)—for the delayed submission of a benefit claim, when the petition is filed more than one year after the date when the benefit claim was due.

§ 1.137—for filing a petition for the revival of an abandoned application for a patent, or for the delayed payment of the fee for issuing each patent, when the petition is filed more than one year after the abandonment of the application.

§ 1.137—for filing a petition for the revival of a reexamination proceeding that was terminated or limited due to a delayed response by the patent owner, when the petition is filed more than one year after the termination or limitation of the reexamination proceeding.

§ 1.378—for filing a petition to accept a delayed payment of the fee for maintaining a patent in force, when the petition is filed more than one year after the patent expiration date.

§ 1.1051—for filing a petition to excuse an applicant’s failure to act within prescribed time limits in an international design application, when the petition is filed more than one year after the abandonment of the application.

* * * * *

John A. Squires,
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

[FR Doc. 2026–12717 Filed 6–23–26; 8:45 am]

FEDERAL COMMUNICATIONS COMMISSION**47 CFR Part 1**

[WC Docket Nos. 19–195 and 11–10; GN Docket No. 25–133; FCC 26–33; FR ID 351664]

Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program; Delete, Delete, Delete

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) adopted an *Order* that takes steps to streamline the processes associated with the Broadband Data Collection (BDC) and the National Broadband Map and alleviates unnecessary regulatory burdens on service providers and challenge process participants. The *Order* aligns reporting requirements for broadband availability and subscription data, expressly declines to adopt a proposal to require satellite providers to submit additional certifications and supporting data, streamlines the Fabric challenge process, adopts a maximally-streamlined process by which the BDC system automatically removes areas or locations that fail a verification or audit without requiring the provider to update its availability data after receiving notice of the failed verification or audit, and makes certain ministerial changes.

DATES: Effective July 24, 2026.

FOR FURTHER INFORMATION CONTACT: Jamile Kadre, Broadband Data Task Force, at jamil.kadre@fcc.gov or (202) 418–2245.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Sixth Report and Order (*Order*), in WC Docket Nos. 19–195, 11–10; GN Docket No. 25–133, FCC 26–33, adopted on May 20, 2026, and released on May 21, 2026. The full text of this document is available for public inspection and can be downloaded at <https://docs.fcc.gov/public/attachments/FCC-26-33A1.pdf>. Alternative formats are available for people with disabilities (Braille, large print, electronic files, audio format) by sending an email to fcc504@fcc.gov or calling the Commission's Consumer and Government Affairs Bureau at (202) 418–0503.

Final Paperwork Reduction Act of 1995 Analysis. The rulemaking required under the Broadband DATA Act is exempt from review by Office of Management and Budget (OMB) and

from the requirements of the Paperwork Reduction Act of 1995 (PRA), Public Law 104–13. As a result, the Report and Order will not be submitted to OMB for review under Section 3507(d) of the PRA.

Congressional Review Act. The Commission will send a copy of this Report & Order and Further Notice of Proposed Rulemaking in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional Review Act, *see* 5 U.S.C. 801(a)(1)(A).

Synopsis**Biannual Data Collection Submissions**

Aligning Reporting Requirements for Broadband Availability and Subscription Data. We adopt the Commission's proposal from the *Fourth FNPRM* to modify our rules so that Form 477 uses the same definition of “broadband” as the BDC. We believe that this change clarifies reporting requirements and reduces confusion among providers without materially affecting the Form 477 data collection or the BDC. Our adoption of this proposal is also consistent with Congress' mandate from the Broadband DATA Act to “harmonize reporting requirements and procedures regarding the deployment of broadband internet access service.” Specifically, we update the definition of “broadband connection” in 47 CFR 1.7001(a)(1) so that it refers to connections of a “broadband internet access service” as defined in 47 CFR 8.1(b).

Facilities-based providers of broadband services—both fixed and mobile—are required to report in their Form 477 filings the number of *broadband connections* in service (*i.e.*, subscriptions) on the “as of” date of the filing. For Form 477 purposes, a broadband connection is currently defined as “[a] wired line, wireless channel, or satellite service that terminates at an end user location or mobile device and enables the end user to receive information from and/or send information to the internet at information transfer rates exceeding 200 kilobits per second (kbps) in at least one direction.” Meanwhile, the BDC collects information on the availability of *broadband internet access service*, which is defined in the Broadband DATA Act as “a mass-market retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all internet endpoints, including any capabilities that are incidental to and enable the operation of the

communications service, but excluding dial-up internet access service.”

As discussed in the *Fourth FNPRM*, we believe the definition in the Broadband DATA Act is, on net, narrower than that used in the collection of connections in service through Form 477. Form 477 currently collects information on both mass-market retail connections and those sold on a customized basis, the latter of which are outside the scope of the BDC. At the same time, the BDC currently collects information on the availability of very low bandwidth, mass-market broadband services that are outside the scope of Form 477. Imposing a common definition of broadband on both data collections thus simultaneously narrows the scope of Form 477 by removing customized broadband services and expands the scope of Form 477 by including very low bandwidth, mass-market broadband. Specifically, Form 477 will now collect data on connections that do not exceed the “200 kbps in at least one direction” floor established in the prior definition. We believe, however, that there are very few connections that deliver a broadband internet access service at speeds that do not exceed 200 kbps in at least one direction that are also not delivered via a dial-up service. When taken together, we do not believe this change will have a material effect on the Form 477 data collection.

Several commenters supported our adoption of this proposal. We agree with NTCA—The Rural Broadband Association (NTCA) that better alignment of the collections will improve our data validation processes and allow better comparisons of BDC and FCC Form 477 data. We decline, however, to adopt NTCA and Vantage Point Solutions' proposals to require providers of facilities-based fixed voice service to report locations where their services are available. Neither the Commission's existing rules nor the Broadband DATA Act require providers to report the availability of fixed voice services. Adopting such a requirement would impose new burdens on certain fixed voice service providers, and we find that the record does not offer sufficient justification for this additional reporting that falls beyond both the scope and the purpose of the BDC and the NBM.

No Additional Certifications and Supporting Data from Satellite Providers. We expressly decline to require the additional certifications and supporting data from satellite providers on which the Commission sought comment in the *Fourth FNPRM*. Next-generation satellite services continue to

deploy and evolve at a rapid pace, resulting in reported service available to over 99.7% of all locations included on the NBM. A variety of circumstances, often unique to the individual location in question, may affect the availability of an otherwise broadly available satellite service offering at a specific location. For example, natural terrain such as mountains or trees could impact service availability if such terrain obstructs the view of the relevant satellite or satellite system in orbit.

In the Third Report and Order, the Commission determined that it would rely upon verification measures to help ensure the accuracy of satellite broadband availability data. The Commission reminded satellite providers that “the standards for availability reporting that apply to *all fixed services* require that satellite providers include only locations that they are currently serving or meet the broadband installation standard.” The Commission also reminded satellite providers that they can only report an ability to serve an area upon a reasonable basis, “taking into account current and expected locations of spot beams, capacity constraints, and other relevant factors.” Updated verification specifications were issued in 2024 to better assist staff in verifying availability data. Staff notified all providers, including satellite providers, that they must maintain supporting data for each reporting period and that the Commission may collect such data in the context of the Commission’s statutory obligations to verify broadband service availability data.

The *Fourth FNPRM* sought comment on whether to require satellite providers to include in their biannual submissions the infrastructure data set forth in Sections 2.3.1, 2.3.2, and 2.3.4 of the BDC Provider Infrastructure Data Specifications issued in 2024 and whether, in the event that such infrastructure data are required, the Commission should make the data available to the public. The information included in the satellite provider infrastructure portion of the data specifications is largely based upon categories of data that each provider is already required to submit as part of its FCC Form 312 (Application for Satellite Space and Earth Station Authorizations) and accompanying Schedule S (Technical and Operational Appendix). The *Fourth FNPRM* also sought comment on the burden that requiring such increased data reporting on a biannual basis would place upon satellite providers. In addition, the Commission sought comment on any other data from satellite providers that

could be collected that would provide better insights into their broadband availability data.

The record developed in response is mixed, with some commenters opposing the proposal to require filing additional infrastructure data and supporting capacity information as part of providers’ biannual submissions and some commenters supporting the proposal and arguing the collection would benefit the public. On balance, we find that any potential benefit in routinely collecting such information in satellite providers’ biannual submissions is outweighed by the burden created in requiring a duplicative submission of the data in FCC Form 312 and Schedule S. We therefore decline to adopt the Commission’s proposals from the *Fourth FNPRM*.

Fabric Challenge Process Improvements

Eliminating Requirement that Fabric Challenges be Shared with Service Providers. We adopt the proposals set forth in the *Fourth FNPRM* to eliminate the requirement to notify service providers of Fabric challenges and the requirement that service providers be afforded an opportunity to respond to such challenges during the Fabric development cycle. Further, we clarify the Commission’s interpretation that the language from the Infrastructure Investment and Jobs Act (IIJA) permitting provider responses and setting a deadline for the Commission to resolve challenges only applies to availability challenges and not to Fabric challenges. Service providers will continue to be notified of accepted Fabric challenges before the next version of the map is published and will then have an opportunity to challenge any results with which they disagree.

As currently implemented, the BDC system publishes information about in-progress and resolved Fabric challenges on a monthly basis as publicly available data downloads on the NBM. The BDC system does not separately alert providers of accepted Fabric challenges. The Commission has deemed the existence of the monthly data downloads that include information on Fabric challenges to be sufficient to meet the existing notice requirement and determined that any subsequent challenges submitted by a provider to these locations would constitute an opportunity to respond. This approach allows providers to identify which Fabric challenges are relevant to their current or future BDC filings, including areas where they plan to expand their networks. To date, exceedingly few locations that were previously the

subject of a Fabric challenge have been subsequently challenged by another entity after resolution of the former challenge.

The *Fourth FNPRM* proposed to eliminate the requirement that the BDC system alert providers of accepted Fabric challenges, along with the related requirement that providers be afforded an opportunity to respond to Fabric challenges before the challenges are included for processing of the next version of the Fabric. WISPA—The Association for Broadband Without Boundaries (WISPA) states that it “does not oppose the Commission’s proposal to eliminate the requirement that the BDC system alert a provider of accepted Fabric challenges and that service providers be afforded an opportunity to directly respond to Fabric challenges in-cycle.” USTelecom—The Broadband Association (USTelecom) supports both the proposal to eliminate the requirement of notifying a provider of Fabric challenges and the Commission continuing to notify the provider when changes are made to each version of the Fabric. Pew Charitable Trusts encourages “the Commission to create a tailored notification system to inform state broadband offices and local jurisdictions of relevant changes within their jurisdiction.” Other commenters oppose eliminating the requirements that providers be notified of and allowed to respond to challenges before the challenges are included for processing of the next version of the Fabric. These commenters argue notice is necessary to provide clarity about the challenges and an opportunity to learn the outcomes of their Fabric challenges.

We conclude that the adoption of these proposals to eliminate notice requirements and responses to challenges will clarify any ambiguity in the Commission’s rules and streamline the process for resolving Fabric challenges and incorporating challenge results into the next version of the Fabric. Conversely, implementing a more robust notification system and permitting additional time for service providers to respond to in-progress Fabric challenges would inherently add more complexity to the existing process by which the Commission updates the Fabric on a biannual basis and would substantially increase the amount of time it takes to resolve Fabric challenges and may impact Fabric data generation timelines. The Commission will continue to make data on Fabric challenges available in the data downloads published on the NBM, including the ability to download state-specific files. The Commission will also continue to provide challengers with

responses to their Fabric challenges in advance of incorporation of these challenge data into the Fabric.

In the *Fourth FNPRM*, the Commission also proposed to interpret language in the IJA requiring it to resolve challenges within 90 days of a final response by the provider to be inapplicable as to Fabric challenges. In today's *Order*, we clarify that the Commission's interpretation that the IJA language permitting provider responses and setting a deadline for the Commission to resolve challenges is only applicable to availability challenges and not to Fabric challenges.

Adopting New Rule Subsection for Fabric Challenge Process. The *Fourth FNPRM* proposed to modify the Commission's rules to better distinguish between fixed availability and Fabric challenges by moving the rules pertinent to Fabric challenges into their own subsection. One commenter opined on this proposal and supported the change; none opposed the proposal. It is our view that the current language of § 1.7006 conflates availability and Fabric challenges and can be confusing to interpret given the differences between the two processes—for example, the functional difference between challenging availability data (*i.e.*, claims of service by providers) and Fabric challenges (challenging the dataset of all BSLs across the country), different reasons for filing a challenge (availability of broadband versus the existence of a BSL on the map), etc.—and that having separate sections explaining the distinct challenge processes would improve and clarify the Commission's rules. Thus, we adopt the *Fourth FNPRM*'s proposal to adopt a new rule subsection for the Fabric challenge process.

Streamlining Mobile and Fixed Verification and Audit Processes

Next, we adopt changes to § 1.7009(d) to remove the obligation of providers to update their BDC data based on adverse verification results and add § 1.7009(e) to require Commission staff to modify or remove the provider's BDC data from the NBM after the provider is notified of an adverse audit or verification finding. We adopt these changes in order to streamline the closeout process for a failed verification or audit, ensuring the NBM reflects corrected data in a timely fashion. This update to the rules will also clarify for providers the potential ramifications stemming specifically from an adverse finding in a verification or audit.

In the Fourth Report and Order, the Commission delegated authority to OEA, in coordination with WTB, the

Wireline Competition Bureau (WCB), and the Space Bureau (SB), to continue to perform verifications and audits of the biannual data filed by providers in the BDC using the tools currently available, including the authority to establish methodologies and procedures for selecting providers and locations or areas subject to verification or audit. Pursuant to § 1.7009(d) of the Commission's rules, “[p]roviders must file corrected data when they discover inaccuracy, omission, or significant reporting error in the original data that they submitted, whether through self-discovery, the crowdsourcing process, the challenge process, the Commission verification process, or otherwise.” Section 1.7009(d)(1) then states that “[p]roviders must file corrections within 30 days of their discovery of incorrect or incomplete data.” As the Commission noted in the *Fourth FNPRM*, “[i]n the case of mobile wireless coverage subject to a verification inquiry, we have also made clear that ‘we may treat any targeted [mobile wireless coverage] areas that . . . fail verification as a failure to file required data in a timely manner and that the Commission may make modifications to the data presented on the broadband map (*i.e.*, by removing some or all of the targeted area from the provider's coverage maps).” The Commission added that it had “not been as explicit in announcing that similar procedures and remedies would apply in response to determinations made as a result of verification of fixed availability data or in the case of audits (of both fixed and mobile data).”

To create clarity for providers, in the *Fourth FNPRM*, the Commission sought comment on its tentative conclusion “that it would be beneficial to clarify in our rule that, in the event a provider's response to a verification inquiry or an audit does not support its availability filing—whether due to an incomplete response or where the response demonstrates that service is not available” then the data must be updated accordingly after the provider is notified of the Commission's finding. In response, commenters cited the need for staff to ensure the accuracy of the NBM and supported “the Commission's proposed clarification of authority on the removal of locations from filings that are found to be inaccurate.” USTelecom stated “there is a need to remove locations without availability from the map” and that “it seems unnecessary for providers to be required to regenerate a new filing within 30 days of an audit if the [BDC] system has an automated way to perform the same

function.” We agree with commenters and add § 1.7009(e) specifically to clarify that the Commission will update the NBM, which may include amending or removing some or all of a provider's BDC data after an adverse verification or audit inquiry. We find that this clarification will streamline the outcome of verifications and audits, improve the accuracy for the NBM, align with how the BDC system is designed to process the amendment or removal of locations or areas after adverse verification or audit findings, and eliminate the burden on providers to meet a 30-day correction window, particularly small business providers who may have limited staffing and monetary resources. Adoption of this rule change does not foreclose other Commission remedies for misreporting data, including enforcement action and/or other penalties as set forth in the Communications Act and other applicable laws.

Ministerial Changes

We amend §§ 1.7001(d)(4), 1.7003, and 1.7010 to modernize the BDC rules to reflect organizational changes to the Commission since 2023. In 2023, the Commission created two separate entities from the former International Bureau (IB)—the Space Bureau (SB) and the Office of International Affairs (OIA). Because satellite broadband providers are required to file in the BDC, the Space Bureau remains actively involved in BDC matters since the Space Bureau has regulatory responsibilities relating to satellite technology and space-based services. Sections 1.7001(d)(4), 1.7003, and 1.7010 were amended to replace the references to IB with references to OIA and SB for authority to disclose provider-specific data contained in FCC Form 477, update FCC Form 477, and update the Digital Opportunity Data Collection.

SB has explicit delegated authority, along with WTB and WCB, to coordinate with OEA on BDC matters. OIA is not named as an Office with delegated authority to update rules for the BDC. Therefore, the references in §§ 1.7001(d)(4), 1.7003, and 1.7010 to “Office of International Affairs” are removed.

We also amend § 1.7005(e) to clarify the rule's purpose as requiring public release of all provider-specific broadband availability data without delineating the specific subcomponents of these data. This ministerial change increases clarity for providers by simplifying the rule language without substantively changing the scope of the current rule.

Final Regulatory Flexibility Analysis

As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Federal Communications Commission (Commission) incorporated an Initial Regulatory Flexibility Analysis (IRFA) in the Establishing the Digital Opportunity Data Collection, et al., Fourth Further Notice of Proposed Rulemaking (*Fourth FNPRM*), released in July 2024. The Commission sought written public comment on the proposals in the *Fourth FNPRM*, including comment on the IRFA. No comments were filed addressing the IRFA.

A. Need for, and Objectives of, the Rules

In the Sixth Report and Order (*Order*), the Commission takes steps to improve the accuracy of its Broadband Data Collection (BDC) by streamlining processes while alleviating regulatory burdens on service providers and challenge process participants. The *Order* also includes edits to restructure or update references in the BDC rules. These revisions will reduce burdens on providers by harmonizing key definitions across filings, removing unnecessary notification processes, and streamlining responses to audits, which should result in cost savings for service providers, including small entities.

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

No comments were filed addressing the impact of the proposed rules on small entities.

C. Response to Comments by the Chief Counsel for the Small Business Administration Office of Advocacy

Pursuant to the Small Business Jobs Act of 2010, which amended the RFA,^[1] the Commission is required to respond to any comments filed by the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy, and also provide a detailed statement of any change made to the proposed rules as a result of those comments.^[2] The Chief Counsel did not file any comments in response to the proposed rules in this proceeding.

D. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply

The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the adopted rules.^[3] The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”^[4] In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.^[5] A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.^[6] The SBA establishes small business size standards that agencies are required to use when promulgating regulations relating to small businesses; agencies may establish alternative size standards for use in such programs, but must

consult and obtain approval from SBA before doing so.

Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe three broad groups of small entities that could be directly affected by our actions.^[8] In general, a small business is an independent business having fewer than 500 employees.^[9] These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses.^[10] Next, “small organizations” are not-for-profit enterprises that are independently owned and operated and are not dominant in their field.^[11] While we do not have data regarding the number of non-profits that meet that criteria, over 99% of nonprofits have fewer than 500 employees.^[12] Finally, “small governmental jurisdictions” are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand.^[13] Based on the 2022 U.S. Census of Governments data, we estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.^[14]

The rules adopted in the *Order* will apply to small entities in the industries identified in the chart below by their six-digit North American Industry Classification System (NAICS)^[15] codes and corresponding SBA size standard.^[16] Where available, we also provide additional information regarding the number of potentially affected entities in the industries identified below.

TABLE 1—2022 U.S. CENSUS BUREAU DATA BY NAICS CODE

Regulated industry (footnotes specify potentially affected entities within a regulated industry where applicable)	NAICS code	SBA size standard	Total firms	Total small firms	% Small firms
Wired Telecommunications Carriers	517111	1,500 employees.	3,403	3,027	88.95
Wireless Telecommunications Carriers (except Satellite)	517112	1,500 employees.	1,184	1,081	91.30
Satellite Telecommunications	517410	\$44 million	332	195	58.73
All Other Telecommunications	517810	\$40 million	1,673	1,007	60.19
Electric Power Generators, Transmitters and Distributors	2211	250–1000	2,626	2,103	80.08

TABLE 2—TELECOMMUNICATIONS SERVICE PROVIDER DATA

2024 Universal service monitoring report telecommunications service provider data (data as of December 2023)	SBA size standard (1,500 employees)		
Affected entity	Total # FCC Form 499A filers	Small firms	% Small entities
Wired Telecommunications Carriers	4,682	4,276	91.33
Wireless Telecommunications Carriers (except Satellite)	585	498	85.13

E. Description of Economic Impact and Projected Reporting, Recordkeeping and Other Compliance Requirements for Small Entities

The RFA directs agencies to describe the economic impact of adopted rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

The rules adopted in the *Order* will reduce burdens on small and other service providers by harmonizing key definitions across filings, removing unnecessary notification processes, and streamlining responses to audits, which may result in cost savings for filers, including small entities. Specifically, we modify our rules so that Form 477 uses the definition of “broadband connection” found in § 1.7001(a)(1) of the Commission’s rules so that it refers to connections of a “broadband internet access service” as defined in § 8.1(b) of the Commission’s rules. We believe that this change clarifies reporting requirements and reduces confusion among small and other providers without materially affecting the Form 477 data collection or the BDC. Additionally, the *Order* declined to adopt a proposal to require providers to report the availability of fixed voice services, which would impose new burdens on certain fixed voice service providers without sufficient justification for this additional reporting. The *Order* also declined to require additional certifications and supporting data from satellite providers.

The *Order* also adopts changes to § 1.7009(d) of the Commission’s rules to remove the obligation of providers to update their BDC data based on adverse verification results, and adds § 1.7009(e) to require Commission staff to modify or remove the provider’s BDC data from the National Broadband Map (NBM) after the provider is notified of an adverse audit or verification finding. These changes will eliminate the burden on providers to meet a 30-day correction window, particularly small business providers who may have limited staff and resources comply with such an obligation. We do not anticipate additional costs associated with complying with the rules adopted in the *Order* because they do not create new or additional reporting, recordkeeping, or other compliance requirements for small service providers.

F. Discussion of Steps Taken To Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered

The RFA requires an agency to provide “a description of the steps the agency has taken to minimize the significant economic impact on small entities . . . including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.”

In the *Order*, we take steps to streamline processes that serve as important checks on the accuracy of BDC data and consider alternatives to alleviate unnecessary regulatory burdens on small and other service providers and challenge process participants. We also make certain ministerial edits to restructure or update references in the BDC rules. For example, we adopt the Commission’s proposal from the *Fourth FNPRM* to modify our rules so that Form 477 uses the same definition of “broadband” as the BDC. This alternative clarifies reporting requirements and reduces confusion among providers without materially affecting the Form 477 data collection or the BDC. Additionally, the *Order* declines to adopt a proposal to require providers to report the availability of fixed voice services because such a requirement would impose additional reporting obligations on certain fixed voice service providers that are not supported by the record.

We also decline to adopt a proposal to require the additional certifications and supporting data from satellite providers about which the Commission sought comment in the *Fourth FNPRM*. On balance, we find that any potential benefit in routinely collecting such information in satellite providers’ biannual submissions is outweighed by the burden created in requiring a duplicative submission of the data in FCC Form 312 and Schedule S.

In addition, we considered the proposals set forth in the *Fourth FNPRM* to eliminate the requirement to notify service providers of Fabric challenges and the requirement that service providers be afforded an opportunity to respond to such challenges during the Fabric development cycle. Further, we clarify that the Commission’s interpretation of the language from the Infrastructure Investment Jobs Act (IIJA) permitting provider responses and setting a deadline for the Commission to resolve challenges only applies to

availability challenges and not to Fabric challenges. While some commenters argue notice is necessary to provide clarity about the challenges and an opportunity to learn the outcomes of their Fabric challenges, we conclude that the adoption of these proposals to eliminate notice requirements and responses to challenges will clarify any ambiguity in the Commission’s rules and streamline the process for resolving Fabric challenges and incorporating challenge results into the next version of the Fabric. On the other hand, implementing a more robust notification system and permitting additional time for service providers to respond to in-progress Fabric challenges would inherently add more complexity to the existing process by which the Commission updates the Fabric on a biannual basis and would substantially increase the amount of time it takes to resolve Fabric challenges and may impact Fabric data generation timelines.

We also adopt the proposal from the *Fourth FNPRM* to modify the Commission’s rules to better distinguish between fixed and Fabric challenges by moving the rules pertinent to Fabric challenges into their own subsection. Having separate sections explaining the distinct challenge processes would improve and clarify the Commission’s rules.

G. Report to Congress

The Commission will send a copy of the *Sixth Report and Order*, including this Final Regulatory Flexibility Analysis, in a report to Congress pursuant to the Congressional Review Act. In addition, the Commission will send a copy of the *Sixth Report and Order*, including this Final Regulatory Flexibility Analysis, to the Chief Counsel for the SBA Office of Advocacy and will publish a copy of the *Sixth Report and Order*, and this Final Regulatory Flexibility Analysis (or summaries thereof) in the **Federal Register**.

List of Subjects in 47 CFR Part 1

Administrative practice and procedure, Internet, Reporting and recordkeeping requirements, Telecommunications.

Federal Communications Commission.

Aleta Bowers,

Federal Register Liaison Officer, Office of the Secretary.

Final Rules

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 1 as follows:

PART 1—PRACTICE AND PROCEDURE

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

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

- 2. Amend § 1.7001 by revising paragraph (d)(4) to read as follows:

§ 1.7001 Scope and content of filed reports.

* * * * *

(d) * * *

(4) The Commission shall make all decisions regarding non-disclosure of provider-specific information, except that the Chiefs of the Space Bureau, Wireless Telecommunications Bureau, Wireline Competition Bureau, or Office of Economics and Analytics may release provider-specific information to:

* * * * *

- 3. Revise § 1.7003 to read as follows:

§ 1.7003 Authority to update FCC Form 477.

The Space Bureau, Wireless Telecommunications Bureau, Wireline Competition Bureau, and Office of Economics and Analytics may update the specific content of data to be submitted on FCC Form 477 as necessary to reflect changes over time in transmission technologies, spectrum usage, Geographical Information Systems (GIS) and other data storage and processing functionalities, and other related matters; and may implement any technical improvements or other clarifications to the filing mechanism and forms.

- 4. Amend § 1.7005 by removing paragraphs (e)(1) through (3) and revising paragraph (e) to read as follows:

§ 1.7005 Scope and content of filed reports.

* * * * *

(e) The Commission shall release provider-specific broadband availability data in Broadband Data Collection filings to the public, and providers may not request confidential treatment of such information.

- 5. Amend § 1.7006 by removing and reserving paragraphs (d)(1)(vii) and (9) and adding paragraph (g) to read as follows:

§ 1.7006 Data verification.

* * * * *

(g) *Fabric challenge process.* State, local, and Tribal governmental entities, consumers, and other entities or individuals may submit data in an online portal to challenge the accuracy of the Fabric. Challengers must provide in their submissions:

- (1) Name and contact information (e.g., address, phone number, email);
- (2) The street address or geographic coordinates (latitude/longitude) of the location(s) at which the Fabric is being challenged;
- (3) Category of dispute, selected from pre-established options on the portal;
- (4) Details and evidence about the disputed Fabric location;
- (5) A certification from an individual or an authorized officer or signatory of a challenger that the person examined the information contained in the challenge and that, to the best of the person's actual knowledge, information, and belief, all statements of fact contained in the challenge are true and correct.

- 6. Amend § 1.7009 by revising paragraph (d) and adding paragraph (e) to read as follows:

§ 1.7009 Enforcement.

* * * * *

(d) Providers must file corrected data when they discover inaccuracy, omission, or significant reporting error in the original data that they submitted, whether through self-discovery, the crowdsource process, the challenge process, or otherwise (which does not include audits and verifications, which are specifically addressed in § 1.7009(e)).

(1) Providers must file corrections within 30 days of their discovery of incorrect or incomplete data;

(2) The corrected filings must be accompanied by the same types of certifications that accompany the original filings as set forth in § 1.7004(d);

(e) For adverse audit or verification findings, the Commission shall modify or remove some or all of the provider's location or area data from the National Broadband Map as needed to effectuate the adverse audit or verification findings after the provider is notified of an adverse audit or verification finding concerning such location or area data.

- 7. Revise § 1.7010 to read as follows:

§ 1.7010 Authority to update the Broadband Data Collection.

The Space Bureau, Wireless Telecommunications Bureau, Wireline Competition Bureau, and Office of Economics and Analytics may update the specific format of data to be submitted pursuant to the Broadband Data Collection to reflect changes over time in Geographical Information Systems (GIS) and other data storage and processing functionalities and may implement any technical improvements or other clarifications to the filing mechanism and forms.

[FR Doc. 2026-12766 Filed 6-23-26; 8:45 am]

BILLING CODE 6712-01-P

Proposed Rules

Federal Register

Vol. 91, No. 120

Wednesday, June 24, 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 AGRICULTURE

Food and Nutrition Administration

7 CFR Parts 272, 274, and 277

[FNS–2026–0595]

RIN 0584–AF22

Supplemental Nutrition Assistance Program: Changes in Federal-State Administrative Cost Sharing

AGENCY: Food and Nutrition Administration (FNA), USDA.

ACTION: Proposed rule.

SUMMARY: In response to Section 10106 of Public Law 119–21, the One Big Beautiful Bill Act of 2025, this proposed rule would amend the Supplemental Nutrition Assistance Program (SNAP) regulations to codify the reduction of the amount of the Federal government's share of annual SNAP State administrative costs from 50 percent to 25 percent, effective beginning in fiscal year 2027.

DATES: Written comments must be received on or before August 24, 2026, to be assured of consideration.

ADDRESSES: The Food and Nutrition Administration, USDA, invites interested persons to submit written comments on this proposed rule. Comments may be submitted in writing by one of the following methods:

* *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.

* *Mail:* Send comments to Maribelle Balbes, Food and Nutrition Administration, U.S. Department of Agriculture, 1320 Braddock Place, Alexandria VA 22314, SM.FN.SNAPSAB@usda.gov.

* *Website:* Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.

* *Email:* Send comments to SM.FN.SNAPSAB@usda.gov. Include Docket ID Number [insert number], “Supplemental Nutrition Assistance Program: Administrative Cost Sharing

Proposed Rule” in the subject line of the message.

All written comments submitted in response to this proposed rule will be included in the record and will be made available to the public. Please be advised that the substance of the comments and the identity of the individuals or entities submitting the comments will be subject to public disclosure. FNA will make the written comments publicly available on the internet via <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Maribelle Balbes, Chief, State Administration Branch, Program Administration and Nutrition Division, Food and Nutrition Administration, U.S. Department of Agriculture, 1320 Braddock Place, Alexandria VA 22314, SM.FN.SNAPSAB@usda.gov.

SUPPLEMENTARY INFORMATION:

Acronyms or Abbreviations

Code of Federal Regulations, CFR
Fiscal Year, FY
Food and Nutrition Act of 2008, the Act
Food and Nutrition Administration, FNA
One Big Beautiful Bill Act of 2025, OBBB
State agency, State agencies, or States
State Administrative Expenses, SAE
Supplemental Nutrition Assistance Program, SNAP or the Program
U.S. Department of Agriculture, the Department or USDA

I. Background

A. Statutory Authority

On July 4, 2025, President Donald J. Trump signed Public Law 119–21, the One Big Beautiful Bill Act of 2025 (OBBB). Section 10106 of OBBB amends section 16(a) of the Act by reducing the Federal share of administrative costs involved in the State administration of SNAP, from 50 percent to 25 percent, beginning in FY 2027.

B. Existing Requirements

Under existing Program rules, the Secretary is authorized to pay an amount equal to 50 percent of all administrative costs State agencies incur in the operation of SNAP. The enactment of OBBB reduces the Federal administrative cost share (also known as the Federal reimbursement rate) to 25 percent starting in FY 2027. However, OBBB did not amend the State administrative expense (SAE) categories included in Section 16(a) of the Act or current SNAP policies and procedures governing State agencies that participate

in the program. Therefore, the proposed rule would only codify the change in percentage—other requirements including expense categories and reimbursement procedures will remain the same. State agencies shall continue to refer to Section 16(a) of the Act and regulations at 7 CFR 272.2(c)(1)(i) and 277 for detailed information about administrative costs and expense categories.

II. Discussion of Proposed Rule Changes

FNA proposes revising the following regulations that mention the Federal administrative cost reimbursement rate to reflect the new 25 percent rate starting in FY 2027:

Part 272

* Part 272 sets forth policies and procedures governing State agencies which participate in the Program.

* 7 CFR 272.5(c) specifically addresses the reimbursement of Program informational activities for low-income households.

Part 274

* Part 274 provides requirements for the issuance of Program benefits to eligible households and establishes related issuance responsibilities.

* 7 CFR 274.1(k)(4) addresses Federal funding for the costs State agencies incur when switching and settling SNAP interstate transactions under SNAP's interoperability and portability of Electronic Benefits Transfer (EBT) standards. Under Section 7(j) of the Act, State agencies may receive 100 hundred percent Federal funding for these costs. The 100 percent Federal funding is available annually but limited to \$500,000 nationwide and once this limitation is exceeded the Federal reimbursement rate for costs reverts to the standard reimbursement rate of 50 percent. The proposed rule would amend the Federal reimbursement rate to 25 percent.

* 7 CFR 274.8(f) provides guidance to State agencies implementing the requirements for photo EBT. The proposed rule would amend language addressing allowable administrative costs for photo EBT (7 CFR 274.8(f)(13)) to the new Federal reimbursement rate, from 50 percent to 25 percent.

Part 277

* Part 277 outlines procedures for payment of administrative costs of State agencies.

* Regulations at 7 CFR 277.4(b), 7 CFR 277.4(g), 7 CFR 277.9(c)(1) and (2) and 277.18(f)(1) would be amended to reflect the new Federal reimbursement rate of 25 percent.

OBBB changes to Section 16(a) of the Act (7 U.S.C. 2025(a)) do not amend SNAP Employment and Training (E&T) 50 percent reimbursement rates for E&T administrative costs and E&T-related participant reimbursements (ex. transportation, child care) established in Section 16(h)(2) and Section 16(h)(3) of the Act. Therefore, reimbursement rates for SNAP E&T administrative costs and participant reimbursements remain unchanged. FNA is proposing to add language to regulations at 7 CFR 277.4(b)(3) to clarify that the reimbursement rate will remain at the 50 percent for these E&T costs as outlined in 7 CFR 273.7(d)(2).

Similarly, the new Federal reimbursement rate will not impact State agencies or Indian Tribal Organizations (ITOs), acting as State agencies, administering SNAP on a reservation.¹ FNA will continue to pay each State agencies administering SNAP on a reservation 75 percent of all approved administrative costs in accordance with Section 16(a) of the Act, 7 CFR 277.4(b)(2), and 7 CFR 281.9. Additionally, FNA is authorized to pay to each Indian Tribal Organization acting as a State agency and administering SNAP on a reservation 75 percent of all administrative costs approved by FNA as needed for operation of a SNAP on a reservation.

III. Procedural Matters

Executive Order 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs, benefits, and changes in transfers of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

This proposed rule has been determined to be economically significant under section 3(f)(1) of

Executive Order 12866 and was reviewed by the Office of Management and Budget (OMB) in conformance with Executive Order 12866.

Regulatory Impact Analysis

As required for all rules that have been designated as significant by OMB, a Regulatory Impact Analysis (RIA) was developed for this proposed rule. It is posted in the docket for this proposed rule on www.regulations.gov. The following summarizes the conclusions of the RIA:

This rulemaking is needed to amend SNAP regulations to reflect the OBBB's reduction of the amount of the Federal government's share of annual SNAP administrative costs from 50 percent to 25 percent, beginning in FY 2027.

The Department estimates the total decrease in Federal administrative spending associated with this proposed rule to be approximately \$16.9 billion over FYs 2027 to 2031, averaging \$3.4 billion per year. Concomitantly, State administrative spending to implement this proposed rule is estimated to increase by a total of \$16.9 billion over FY 2027 to FY 2031, or an annual average of \$3.4 billion. The total net change in spending of this proposed rule is \$0 as it shifts Federal costs to State agencies with no changes in administrative burden for the Federal government or State agencies. We assume this proposed rule will have a negligible impact on SNAP benefit spending or SNAP participation. We request comment on ways in which this shift in spending from the Federal Government to the States could change overall program spending or program operations.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires Agencies to analyze the impact of rulemaking on small entities and consider alternatives that would minimize any significant impacts on a substantial number of small entities. Pursuant to that review, it has been certified that this rule would not have a significant impact on a substantial number of small entities.

This proposed rule would not have an impact on small entities because it only impacts the State agencies that administer SNAP, which are large government entities.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104–4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments and the private

sector. Under section 202 of the UMRA, the Department generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with “Federal mandates” that may result in expenditures by State, local or tribal governments, in the aggregate, or the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, Section 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the most cost effective or least burdensome alternative that achieves the objectives of the rule. This proposed rule contains Federal mandates (under the regulatory provisions of Title II of UMRA) that are expected to result in aggregate expenditures by State governments of more than \$100 million or more in one year. Thus, this rule is subject to the requirements of Sections 202 and 205 of UMRA. The proposed change is required by statute and there are no alternatives.

The Regulatory Impact Analysis conducted by FNA in connection with this proposed rule includes a spending analysis and explains the requirement set forth in statute regarding the change in cost sharing between States and the Federal government for administrative costs for operating SNAP. Based on this analysis and the language in OBBB, the Department believes there are no alternatives to this proposal.

Executive Order 12372

This Supplemental Nutrition Assistance Program is listed in the Catalog of Federal Domestic Assistance under Number 10.551 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR chapter IV.)

Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. Where such actions have federalism implications, agencies are directed to provide a statement for inclusion in the preamble to the regulations describing the agency's considerations in terms of the three categories called for under Section (6)(b)(2)(B) of Executive Order 13132.

The Department has considered the impact of this rule on State and local governments and has determined that this rule does not have federalism implications. Therefore, under section 6(b) of the Executive Order, a federalism summary is not required.

¹ The proposed rule does not make any changes to the Food Distribution Program on Indian Reservations (FDPIR) reimbursement rate under Section 4(b)(4) of the Act.

Executive Order 12988, Civil Justice Reform

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full and timely implementation. This rule is not intended to have retroactive effect unless so specified in the Effective Dates section of the final rule. Prior to any judicial challenge to the provisions of the final rule, all applicable administrative procedures must be exhausted.

Civil Rights Impact Analysis

FNA has reviewed this proposed rule in accordance with USDA Regulation 4300-4, "Civil Rights Impact Analysis," to identify any major civil rights impacts the rule might have on program participants on the basis of age, race, color, national origin, sex or disability. After a careful review of the rule's intent and provisions, FNA has determined that this rule is not expected to affect the participation of protected individuals in the Supplemental Nutrition Assistance Program.

Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. FNA is unaware of any current Tribal laws that could be in conflict with this rule.

This proposed rule does not have issues that rise to the level of requiring Tribal consultation. FNA held a consultation on October 22, 2025, and received no comments that have a direct impact on the rule. If a tribe requests further consultation, FNA will work with OTR to ensure meaningful consultation is provided.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C.3501-352035; 5 CFR part 1320) requires the Office of Management and Budget (OMB) approve all

collections of information by a Federal agency before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number.

The proposed rule does not contain new or modified information collection requirements subject to approval by OMB under the Paperwork Reduction Act of 1995. This rule contains information collections that have been approved by OMB under OMB #0584-0594 and OMB #0584-0083. The reporting requirements relating to the use of the FNS-366A, Program and Budget Summary Statement, Part A—Budget projection, Standard Form (SF)-425, Federal Financial Report, and the FNS-778, Financial Status Report, are approved under OMB No. 0584-0594, Expiration Date: 9/30/2026. The recordkeeping requirements for the FNS-366A, SF-425/FNS-778, are approved under OMB No. 0584-0083, Expiration Date: 9/30/2026.

E-Government Act Compliance

The Department is committed to complying with the E-Government Act, 2002, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

7 CFR Part 272

Administrative practice and procedure, Supplemental Nutrition Assistance Program, Grant programs—social programs, Reporting and recordkeeping requirements.

7 CFR Part 274

Administrative practice and procedure, Supplemental Nutrition Assistance Program, Investigations, Grant programs—social programs, Reporting and recordkeeping requirements.

7 CFR Part 277

Supplemental Nutrition Assistance Program, Government procedure, Grant programs—social programs, Records, Reporting and recordkeeping requirements.

Accordingly, the Food and Nutrition Administration proposes to amend 7 CFR parts 272, 274, and 277 as follows:

■ 1. The authority citation for 7 CFR parts 272, 274, and 277 continues to read as follows:

Authority: 7 U.S.C. 2011-2036

PART 272—REQUIREMENTS FOR PARTICIPATING STATE AGENCIES

■ 2. In § 272.5, revise the fourth sentence of paragraph (c) to remove the word "fifty" and replace it with the number "25".

The revision reads as follows:

§ 272.5 Program informational activities.

* * * * *

(c) * * * Before FNA considers costs for allowable informational activities eligible for reimbursement at the 25 percent rate under part 277 of this chapter, State agencies shall obtain FNA approval for the attachment to their Plans of Operation as specified in § 272.2(d)(1)(ix). * * *

* * * * *

PART 274—ISSUANCE AND USE OF PROGRAM BENEFITS

■ 1. In § 274.1, revise the fourth sentence of paragraph (k)(4) to remove the number "50" and replace it with "25".

■ 2. In § 274.8, revise the second sentence of paragraph (f)(13) to remove the number "50" and replace it with "25".

The revision read as follows:

§ 274.1 Issuance system approval standards.

* * * * *

(k) *Federal financial participation.*

* * * * *

(4) * * * Once the \$500,000 limitation is exceeded, Federal financial participation reverts to the standard 25 percent program reimbursement rate and procedure. * * *

* * * * *

§ 274.8 Functional and technical EBT system requirements.

* * * * *

(f) *State agency requirements for photo EBT card implementation—*

* * * * *

(13) * * * Appropriate implementation and administration of the photo EBT card consistent with all applicable requirements is an allowable State administrative cost that FNA shall reimburse at 25 percent in accordance with 7 CFR part 277. * * *

* * * * *

PART 277—PAYMENTS OF CERTAIN ADMINISTRATIVE COSTS OF STATE AGENCIES

■ 1. In § 277.4, revise the second sentence of paragraph (b) to remove the number "50" and replace it with "25".

■ 2. In § 277.4, revise paragraph (b)(4) to add "(1)(i)" after the regulation citation

“§ 273.7(d)”, and add “and other Employment and Training administrative costs shall be funded at 50 percent as outlined in § 273.7(d)(2).” after the word “federally-funded”.

■ 3. In § 277.4, revise paragraph (g) to remove the number “50” and replace it with “25”.

■ 4. In § 277.9, revise the second sentence on paragraph (c)(1) to remove the number “50” and replace it with “25”.

■ 5. In § 277.9, revise the second sentence on paragraph (c)(2) to remove the number “50” and replace it with “25”.

■ 6. In § 277.18, revise paragraph (f)(1) to remove the number “50” and replace it with “25”.

The revision reads as follows:

§ 277.4 Funding

* * * * *

(b) * * * The base percentage for Federal payment shall be 25 percent of State agencies’ allowable SNAP administrative costs.

* * * * *

(4) Employment and training program grants, as outlined in § 273.7(d)(1)(i) shall be 100 percent federally-funded and other Employment and Training administrative costs shall be funded at 50 percent as outlined in § 273.7(d)(2).

* * * * *

(g) Investigations of authorized retail or wholesale food concerns when performed in coordination with the USDA Office of Inspector General and FNA shall be funded at the 25 percent Federal reimbursement rate.

* * * * *

§ 277.9 Administrative costs principles.

* * * * *

(c) * * *

(1) *Direct cost.* Allowable direct costs may be charged to SNAP at the 25 percent or higher funding level as specified in this part.

(2) *Indirect Cost* Allowable indirect costs may also be claimed at the 25 percent or higher reimbursement funding level as specified in 2 CFR part 200, subpart E, and USDA implementing regulations 2 CFR parts 400 and 415.

* * * * *

§ 277.18 State Systems Advance Planning Document (APD) process.

* * * * *

(f) * * *

(1) A State agency may receive FFP at the 25 percent reimbursement rate for the costs of planning, design, development or installation of IS and

information retrieval systems if the proposed system will:

* * * * *

Signed:

Stephen A. Vaden,

Deputy Secretary, U.S. Department of Agriculture.

[FR Doc. 2026–12696 Filed 6–23–26; 8:45 am]

BILLING CODE 3410–30–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Parts 4, 15, and 19

[Docket ID OCC–2026–0463]

RIN 1557–AF55

Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC), in coordination with the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control (OFAC), proposes to issue regulations to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act’s requirement to issue regulations implementing appropriate Bank Secrecy Act (BSA) and sanctions compliance standards for permitted payment stablecoin issuers subject to the OCC’s jurisdiction.

DATES: Comments must be received by July 24, 2026.

ADDRESSES: Commenters are encouraged to submit comments through the Federal eRulemaking Portal. Please use the title “Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management” to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

• *Federal eRulemaking Portal—Regulations.gov:*

Go to <https://regulations.gov/>. Enter Docket ID “OCC–2026–0463” in the Search Box and click “Search.” Public comments can be submitted via the “Comment” box below the displayed document information or by clicking on the document title and then clicking the “Comment” box on the top-left side of

the screen. For help with submitting effective comments please click on “Commenter’s Checklist.” For assistance with the *Regulations.gov* site, please call 1–866–498–2945 (toll free) Monday-Friday, 9 a.m.–5 p.m. ET, or email regulationshelpdesk@gsa.gov.

• *Mail:* Chief Counsel’s Office, Attention: Comment Processing, 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.

Instructions: You must include “OCC” as the agency name and Docket ID “OCC–2026–0463” in your comment. In general, the OCC will enter all comments received into the docket and publish the comments on the *Regulations.gov* website 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.

You may review comments and other related materials that pertain to this action by the following method:

• *Viewing Comments Electronically—Regulations.gov:* Go to <https://regulations.gov/>. Enter Docket ID “OCC–2026–0463” in the Search Box and click “Search.” Click on the “Documents” tab and then the document’s title. After clicking the document’s title, click the “Document Comments” tab. Comments can be viewed and filtered by clicking on the “Sort By” drop-down on the right side of the screen or the “Refine Results” options on the left side of the screen. Supporting materials can be viewed by clicking on the “Documents” tab. Click on the “Sort By” drop-down on the right side of the screen or the “Refine Documents Results” options on the left side of the screen checking the “Supporting & Related Material” checkbox. For assistance with the *Regulations.gov* site, please call 1–866–498–2945 (toll free) Monday-Friday, 9 a.m.–5 p.m. ET, or email regulationshelpdesk@gsa.gov.

The docket may be viewed after the close of the comment period in the same manner as during the comment period.

FOR FURTHER INFORMATION CONTACT: Melissa Lisenbee, Counsel, Henry Barkhausen, Counsel, or Jina Cheon, Assistant Director, Chief Counsel’s

Office, 202–649–5490, or Kenneth Kohrs, BSA/AML Lead Expert, 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:

I. Description of the Proposed Rule

On March 2, 2026, the OCC issued a proposed rule that would implement the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act (12 U.S.C. 5901 *et seq.*) regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction (March 2 proposed rule).¹ The Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control (OFAC) have issued a separate proposed rule (Treasury AML and Sanctions Compliance proposed rule) that would implement the GENIUS Act's directive to treat permitted payment stablecoin issuers as financial institutions under the Bank Secrecy Act, as well as imposing several unique anti-money laundering obligations required by the GENIUS Act. The Treasury AML and Sanctions Compliance proposed rule would also implement the GENIUS Act's directive to require permitted payment stablecoin issuers to maintain effective sanctions compliance programs.²

The OCC is now proposing to amend the March 2 proposed rule to add one paragraph to proposed part 15 which would cross-reference the obligations in the Treasury AML and Sanctions Compliance proposed rule and would implement the GENIUS Act's requirement for the OCC to issue regulations implementing appropriate Bank Secrecy Act and sanctions compliance standards. This proposed rule would also make corresponding changes to 12 CFR part 4 and 12 CFR part 19.

A. AML/CFT and Sanctions Compliance for Permitted Payment Stablecoin Issuers

Section 4(a)(4)(A) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)) requires that the OCC, among other primary Federal payment stablecoin regulators, shall issue regulations implementing “appropriate operational, compliance, and information technology risk management principles-based

requirements and standards, including Bank Secrecy Act and sanctions compliance standards, that—(I) are tailored to the business model and risk profile of permitted payment stablecoin issuers; and (II) are consistent with applicable law.” Section 15.13 of the March 2 proposed rule contains the other risk management requirements and standards required by section 4(a)(4)(A)(iv) of the GENIUS Act (12 U.S.C. 5903(a)(4)(A)(iv)). This proposed rule would add a new paragraph to proposed § 15.13 that would fulfill the OCC's specific obligation to implement “Bank Secrecy Act and sanctions compliance” standards.

Proposed paragraph § 15.13(c) would provide that, to ensure compliance with Bank Secrecy Act and sanctions requirements, each permitted payment stablecoin issuer must comply with applicable regulations at 31 CFR chapter V and 31 CFR chapter X, including any anti-money laundering and countering the financing of terrorism (AML/CFT) program, sanctions program, and reporting requirements. In the interest of reducing burden and promoting consistent requirements, the proposed rule would not contain additional requirements beyond those contained in FinCEN and OFAC's regulations. Instead, compliance with regulations at 31 CFR chapter V and 31 CFR chapter X, as promulgated by FinCEN and OFAC, would constitute compliance with proposed paragraph § 15.13(c).

B. Supervision and Enforcement

This proposed rule would amend 12 CFR part 19 by adding a new subpart R, which would create a supervision and enforcement framework for permitted payment stablecoin issuer AML/CFT programs. This proposed rule defines key terms, describes the OCC's enforcement and supervision policy with respect to AML/CFT program implementation failures, and establishes a consultation process between FinCEN and the OCC relating to AML/CFT enforcement actions or significant AML/CFT supervisory actions.

1. Definitions

Proposed section 19.260 would define several terms used throughout the section. The term “AML/CFT requirement” would mean a requirement of the Bank Secrecy Act, the GENIUS Act, or of the regulations in title 31, chapter X applicable to permitted payment stablecoin issuers.

The term “AML/CFT enforcement action” would mean any formal or informal action taken by the OCC under authority of 12 U.S.C. 5905 or other applicable law that seeks to penalize,

remedy, prevent, or respond to noncompliance with past or ongoing violations of, or past or ongoing deficiencies relating to, an AML/CFT requirement. The term includes a cease-and-desist order, written agreement, consent order, or memorandum of understanding, or the assessment of a civil money penalty. It does not include criminal enforcement.

The term “significant AML/CFT supervisory action” would mean any written communication or other formal supervisory determination issued by the OCC that identifies one or more alleged deficiencies, weaknesses, violations of law, or unsafe or unsound practices or conditions relating to an AML/CFT requirement; communicates supervisory expectations to a permitted payment stablecoin issuer regarding actions or remedial measures required to correct the deficiency, weakness, violation, or practice or condition; and contemplates significant or programmatic actions or remedial measures to be taken by the permitted payment stablecoin issuer. The term does not include examiner observations, suggestions, or other informal comments.

2. Enforcement and supervision policy

The proposed rule would articulate the OCC's enforcement and supervision policy as it relates to AML/CFT programs.³ Except with respect to a significant or systemic failure to implement an effective AML/CFT program in accordance with applicable regulations at 31 CFR chapter X, a permitted payment stablecoin issuer that has properly established an effective AML/CFT program would not be subject to an AML/CFT enforcement action or to a significant AML/CFT supervisory action based on the program requirements issued by FinCEN or proposed § 15.13(c). At the same time, the proposed rule would clarify that nothing in this policy would restrict an AML/CFT enforcement action or a significant AML/CFT supervisory action with respect to a failure to properly establish an effective AML/CFT program. The OCC's proposed enforcement and supervisory approach is not intended to affect criminal enforcement liability under the BSA.

3. Consultation

The proposed rule would establish a notice and consultation framework applicable when the OCC intends to initiate an AML/CFT enforcement action or a significant AML/CFT

³ The proposal would not be intended to affect or restrict criminal enforcement under the BSA or the authority of the Department of Justice to pursue such actions.

¹ 91 FR 10202 (Mar. 2, 2026).

² 91 FR 18582 (Apr. 10, 2026).

supervisory action, as those terms are defined in this proposed regulation. Under such a consultation framework, before initiating such an action, the OCC would provide the Director of FinCEN with an opportunity to review the action and would consider any input offered by the Director of FinCEN, which may include any view as to the effectiveness of the permitted payment stablecoin issuer's AML/CFT program. To facilitate that review, the OCC would be required to provide written notice to the Director of FinCEN of the OCC's intent to take the action at least 30 days in advance of the proposed action, unless a shorter period is necessary, at the sole discretion of the OCC, to remedy, prevent, or respond to an unsafe or unsound practice or condition.

Such a notice would be accompanied by the relevant AML/CFT information underlying the proposed action. Relevant AML/CFT information may include, but is not limited to, relevant portions of a draft report of examination; relevant portions of a draft enforcement action; examination workpapers supporting the proposed action; and the relevant AML/CFT information submitted by the permitted payment stablecoin issuer to the OCC. The OCC would not be obligated to provide information over which the permitted payment stablecoin issuer may claim privilege under Federal or State law. The OCC would also respond, to the extent reasonably practicable, to requests for additional AML/CFT information from the Director of FinCEN regarding the proposed action. The OCC seeks comments on such a consultation framework.

C. Disclosure of Supervisory Information

The disclosure of the OCC's non-public information is generally prohibited by 12 CFR part 4, except as provided under such regulations. This prohibition generally applies to disclosure of any portion of a report of examination, supervisory correspondence, and any representations concerning such reports or supervisory correspondence, or their findings, including conclusions regarding compliance with AML/CFT compliance program requirements.

This proposed rule would revise 12 CFR part 4 to: (1) add the same defined terms as in part 19 and (2) clarify that permitted payment stablecoin issuers may share any information with the FinCEN Director that relates to an existing or potential AML/CFT enforcement action or significant AML/CFT supervisory action.

This proposed rule specifically provides that this authorization to share

information includes information that would ordinarily be considered non-public information under the OCC's rules. To qualify for this information sharing, the information at issue must have an appropriate nexus to an existing or potential AML/CFT enforcement action or significant AML/CFT supervisory action. The OCC proposes this clarification to ensure that permitted payment stablecoin issuers can share appropriate information with the FinCEN Director, including in the context of actions subject to the newly established consultation requirement. Otherwise, permitted payment stablecoin issuers may be unable to provide thorough information to the FinCEN Director, whether proactively or in response to the Director's requests.

While the proposed rule intends to permit such sharing, the OCC is proposing two alternative methods for permitting such information sharing with the FinCEN Director. Under the first approach, referred to as Option 1 in the amendatory text below, the OCC would authorize the disclosure of covered information on the OCC's behalf to the FinCEN Director and separately permit the FinCEN Director to use such information. This phrasing is intended to mirror the permissible scope of information sharing by the OCC under 12 U.S.C. 1821(t), which provides that a "covered agency, in any capacity, shall not be deemed to have waived any privilege applicable to any information by transferring that information to or permitting that information to be used by" another Federal agency.

Under the alternative approach, referred to as Option 2 in the amendatory text below, the agency would similarly authorize the disclosure of covered information on the OCC's behalf, as well as similarly authorize the use of such information by the FinCEN Director. The OCC, however, would expressly require that any such information shared on the OCC's behalf be contemporaneously disclosed by the permitted payment stablecoin issuer to the OCC. While the OCC will necessarily already have access to its own non-public information, this additional requirement is potentially more consistent with the retention of privilege contemplated under 12 U.S.C. 1821(t) and, therefore, potentially provides a greater safeguard against the unintended destruction of privilege. The OCC also recognizes that permitted payment stablecoin issuers' willingness to share timely, thorough information with the FinCEN Director is essential to the success of the consultation framework. Requiring permitted payment stablecoin issuers to

contemporaneously disclose to the OCC the same non-public information they provide to FinCEN may discourage proactive reporting and thereby undermine the rule's objective of enhancing FinCEN's role.

Importantly, both of the options outlined above only permit the FinCEN Director to use the OCC's non-public information. This authorization to use the information does not include an authorization to further disclose the received non-public information. Any dissemination by a permitted payment stablecoin issuer to a party other than the FinCEN Director or by the FinCEN Director to any party would be subject to the OCC's rules governing disclosure of non-public information.

Regardless, the proposed rule would include additional clarifying text intended to preserve all applicable privileges. The destruction of privilege over non-public supervisory information could prove harmful both to the OCC and a permitted payment stablecoin issuer, so the additional language is intended to prevent such consequences.

The OCC invites comment on these options for permitting greater information sharing with the FinCEN Director regarding existing or potential AML/CFT enforcement actions or significant AML/CFT supervisory actions, including possible alternative methods of accomplishing the rule's objectives without unintentionally impeding applicable privileges.

II. Requests for Comment

The OCC requests feedback on all aspects of the proposed rule, including:

Revisions to Proposed Part 15

Question 1: How should the proposed part 15, including this proposed rule, accommodate permitted payment stablecoin issuers that are already subject to OCC regulations imposing Bank Secrecy Act, sanctions, and suspicious activity reporting requirements, including at 12 CFR part 21, such as, for example, uninsured national trust banks?⁴ Should proposed part 15 specify that any permitted payment stablecoin issuer regulated by the OCC is only subject to proposed part 15 and would not be subject to other OCC regulations imposing Bank Secrecy Act, sanctions, or suspicious activity reporting requirements? Are there circumstances under which the activities of a single entity may warrant

⁴ Similarly, subsidiaries of Federal savings associations may be permitted payment stablecoin issuers and may be subject to existing suspicious activity reporting requirements in 12 CFR 163.180(d).

it be subject to both proposed part 15 and existing OCC regulations imposing Bank Secrecy Act, sanctions, or suspicious activity reporting requirements? Would the requirements in this proposed rule conflict with existing obligations in any way that would make complying with both difficult or impossible?

Question 2: Generally, how should the OCC enable permitted payment stablecoin issuers to be subject to a uniform and consistent set of requirements, regardless of entity type? How should proposed part 15 address OCC-regulated entities that may already be subject to other requirements that are separately addressed in proposed part 15 besides Bank Secrecy Act, sanctions, and suspicious activity reporting requirements (for example, risk management)? Should proposed part 15 expressly provide that permitted payment stablecoin issuers must only comply with applicable requirements in proposed part 15, not overlapping requirements included in preexisting OCC regulations? Should other OCC regulations be amended to make clear that permitted payment stablecoin issuers are not within their scope? For example, should proposed part 15 and other regulations be updated to clarify how permitted payment stablecoin issuers must comply with applicable requirements of, for example, the privacy standards of the Gramm-Leach-Bliley Act (*i.e.*, through proposed part 15, preexisting regulations, or both)? Should compliance with the requirements in proposed part 15 be deemed to constitute compliance with preexisting regulatory requirements in the same subject area—or vice versa?

Question 3: Should proposed part 15 include additional risk management or other requirements beyond those included in the March 2 proposed rule related to protecting reserve assets against fraud or misuse? Proposed § 15.11(a)(3) provides that a permitted payment stablecoin issuer may only withdraw any surplus reserve assets in excess of outstanding issuance value once per month, upon the publication of the monthly composition report. Should proposed part 15 include additional guardrails to ensure that customer funds provided to a permitted payment stablecoin issuer for purposes of acquiring stablecoins are secure against fraud or other threats? For example, the proposed rule could clarify that customer funds become reserve assets as soon as they are provided to the permitted payment stablecoin issuer for purposes of acquiring payment stablecoins—and are therefore subject to the protections afforded reserve assets.

The March 2 proposed rule, consistent with the GENIUS Act, requires that reserve assets be “identifiable.”⁵ Should proposed part 15 also clarify that the requirement that reserve assets be “identifiable” includes the requirement that any income, interest, or other proceeds generated by reserve assets remain “identified” as reserve assets until a permitted payment stablecoin issuer claims any excess pursuant to the process required by proposed § 15.11(a)(3)? For example, if a permitted payment stablecoin issuer invests \$100 of reserve assets in a 90-day Treasury bill that yields \$101 upon maturity, should the entirety of the \$101 proceeds remain “identified” as a reserve asset? Or should the requirements in proposed § 15.11(a)(3) for claiming excess reserve assets only apply to principal, not income? In this example, the permitted payment stablecoin issuer would be required to identify \$100 of the proceeds as a reserve asset while it would not be required to identify the \$1 in interest as a reserve asset. Should proposed § 15.13 (risk management) include additional requirements around making sure reserve assets are “identifiable”? For example, proposed § 15.13 could include a requirement that permitted payment stablecoin issuers must maintain appropriate controls and systems necessary to ensure that reserve assets can be traced and identified at all times?

Question 4: Should this proposed rule or proposed part 15 include other requirements related to securing reserve assets? Proposed part 15 would only allow “eligible financial institutions” to hold reserve assets. Should proposed part 15 include additional requirements for “eligible financial institutions” holding or managing reserve assets, for example requiring that permitted payment stablecoin issuers verify that eligible financial institutions holding reserve assets have appropriate capabilities, safeguards, systems to secure reserve assets, including against fraud? Should proposed § 15.11 include other protections to secure reserve assets, for example, a limitation on permitted stablecoin issuers charging fees for the management or trading of its own reserve assets—or an outright prohibition against such fees? For example, proposed § 15.11 could include a cap on how much of a fee a permitted payment stablecoin issuer, or an asset manager used by a permitted payment stablecoin issuer, could collectively charge for managing or trading reserve assets (such, as, 1%,

.25%, or .5%). Should proposed § 15.11 include requirements around disclosure of fees, for example, that fees must be disclosed prominently to new and existing stablecoin holders, or prohibitions against fees that are excessive or out of line with prevailing market terms?

Question 5: Should proposed part 15 include other protections to ensure that permitted payment stablecoin holders are able to redeem, or otherwise receive cash, for their payment stablecoins? Proposed part 15 would allow the customers of a permitted payment stablecoin issuer to redeem stablecoins directly with a permitted payment stablecoin issuer, but not all holders of a payment stablecoin will necessarily be customers of a permitted payment stablecoin issuer. While the OCC expects that payment stablecoin holders will generally be able to monetize their payment stablecoins, either through sales in the secondary market or through sales to direct customers of a permitted payment stablecoin issuer, should proposed part 15 include additional protections in the event that payment stablecoin holders are unable to monetize their payment stablecoins through these channels? For example, should proposed part 15 include an option for the OCC to require direct redemptions under certain conditions, such as if the OCC determines that the customers of a permitted payment stablecoin issuer are not adequately facilitating the monetization of the permitted payment stablecoin issuer’s payment stablecoins?

Question 6: On April 8, 2026, the Federal Deposit Insurance Corporation (FDIC) published a proposed rule that, like the OCC’s March 2 proposed rule, would implement requirements and standards for permitted payment stablecoin issuers.⁶ The OCC invites comment on whether any elements of the FDIC’s proposed rule should be included in proposed part 15 or other proposed requirements for OCC-regulated permitted payment stablecoin issuers. In particular, the OCC invites comments on whether any risk management requirements in the FDIC’s proposed rule should be incorporated into the OCC requirements or whether any of the requirements in the OCC’s March 2 proposed rule should be amended to align more closely with the FDIC’s proposed rule (or vice versa).

⁶ See <https://www.fdic.gov/news/press-releases/2026/fdic-approves-proposal-implement-genius-act-requirements-and-standards>.

⁵ Proposed § 15.11(a)(1)(i).

Revisions to 12 CFR Part 4

Question 7: The OCC invites comment on the two options for permitting greater information sharing with the FinCEN Director regarding AML/CFT enforcement actions or significant AML/CFT supervisory actions. In particular, would the disclosure of confidential supervisory information to FinCEN compromise attorney-client privilege, other applicable privileges, or otherwise undermine the preservation of privilege in 12 U.S.C. 1821(t)?

Revisions to 12 CFR Part 19

Question 8: Should the OCC further refine or clarify any of the concepts or definitions outlined in this proposed supervision and enforcement framework? For example, should revocation of approval to issue a payment stablecoin, if based in whole or in part on AML/CFT deficiencies, be accounted for in, including in the definition of AML/CFT enforcement action?

Question 9: Should the proposed consultation process include an asset threshold—e.g., consultation is required for any significant AML/CFT supervisory actions involving permitted payment stablecoin issuers with \$10 billion or more in assets? In addition, or as an alternative, should the proposed rule not require but instead provide the option for permitted payment stablecoin issuers to request that the OCC consult with FinCEN prior to initiating a significant AML/CFT supervisory action?

Question 10: Notwithstanding the benefits of the proposed consultation described above, the proposal may result in additional review during an examination. How can the consultation process be streamlined and prevent logistical burdens for financial institutions or delays in exam report issuance?

III. Expected Effects

A. Scope of Impacted Entities

The OCC recognizes significant uncertainty regarding the estimates of the number of OCC-supervised permitted payment stablecoin issuers under the proposed rule. In the March 2 proposed rule, the OCC stated that approximately 12 OCC-regulated banks would have permitted payment stablecoin issuer affiliate subsidiaries. Additionally, OCC estimates that approximately 12 currently non-OCC regulated financial institutions would become permitted payment stablecoin issuers under the proposed rule. This would include potential non-bank financial companies, non-financial

companies, and already existing non-bank-financial-company payment stablecoin issuers that could apply to become payment stablecoin issuers. We also expect there will be additional permitted payment stablecoin issuers that issue stablecoins through partners in “white-label issuers” or issue stablecoins as part of a consortia of issuers. We estimate that there would be five white-label or consortium issuers that will become permitted payment stablecoin issuers, which could be OCC-bank affiliated permitted payment stablecoin issuer subsidiaries or non-bank affiliated permitted payment stablecoin issuers.

Therefore, we estimate that the proposal would affect approximately 12 OCC regulated bank affiliates, 12 non-OCC-regulated-bank affiliated issuers and 5 “white-label” issuers or consortiums of issuers subject to OCC supervision as permitted payment stablecoin issuers, for a total of 29 permitted payment stablecoin issuers.

B. Expected Impact and Costs

In the absence of the OCC’s proposed rule, OCC-regulated permitted payment stablecoin issuers would still be required to comply with applicable FinCEN and OFAC regulations governing AML/CFT and sanctions requirements. Therefore, in our analysis, we assume an existing regulatory baseline in which FinCEN’s and OFAC’s regulations have already been accounted for. This avoids duplicative accounting of costs and savings from overlapping requirements between FinCEN’s and OFAC’s rules and the OCC’s proposed rule, and, instead, we assess any incremental impacts from the OCC’s requirements relative to FinCEN’s and OFAC’s rules.

The proposed OCC permitted payment stablecoin issuer AML/CFT and sanctions compliance requirements would merely codify that OCC-regulated permitted payment stablecoin issuers need to comply with the regulations issued by FinCEN and OFAC. Because the OCC’s proposed permitted payment stablecoin issuer AML/CFT and sanctions compliance requirements only reference the requirements imposed by FinCEN and OFAC, we do not expect there to be a significant impact from the OCC’s proposed rule beyond the impacts already accounted for in assessments conducted by FinCEN and OFAC. However, as noted earlier, three provisions go beyond the regulations issued by FinCEN and OFAC and could impact the OCC or OCC-supervised permitted payment stablecoin issuers.

The provisions in the proposed rule that go beyond the regulatory

frameworks imposed by FinCEN and OFAC are sections that: (1) articulate the OCC’s AML/CFT enforcement and supervision policy; (2) authorize permitted payment stablecoin issuers to share certain OCC non-public information with FinCEN; and (3) establish a notice and consultation framework between the OCC and FinCEN. We believe that the first two provisions impact OCC-supervised permitted payment stablecoin issuers while the last provision would only impact the OCC as the supervisory agency.

As described below, overall, we do not expect there to be net incremental costs or savings incurred for affected OCC-supervised institutions as a result of the OCC’s concurrently issued proposed rule. Therefore, we expect that the incremental net impact associated with this proposed rule would be \$0 on OCC-supervised institutions. However, as noted below, there is one provision in the proposed rule that goes beyond FinCEN’s proposed rulemaking and would impact the OCC.

1. Clarification of AML/CFT Enforcement and Supervision Policy

As described earlier, the proposed new Subpart R of 12 CFR part 19 would define key terms and describe the OCC’s enforcement and supervision policy with respect to AML/CFT program implementation failures. As this language merely describes the OCC’s intended enforcement and supervision policy for permitted payment stablecoin issuers with respect to AML/CFT programs, we do not expect it to impose any additional burden.

2. Information Sharing

As described earlier, the proposed changes to 12 CFR part 4 would clarify that permitted payment stablecoin issuers may share information with the FinCEN Director that relates to existing or potential AML/CFT enforcement actions or significant AML/CFT supervisory actions. Since the provision is not a mandate to share information, we believe that the provision does not impose any costs to permitted payment stablecoin issuers. There would be some costs incurred by the permitted payment stablecoin issuers in sharing such information. However, the provision relies on a voluntary act by the permitted payment stablecoin issuers and is not mandated. Permitted payment stablecoin issuers would volunteer this information if they believed it was to their benefit to do so. As such, we do not believe that this provision would alter behaviors nor

yield any net incremental costs or savings.

3. Consultative Process

The proposed rule includes a provision that articulates a consultative process with FinCEN prior to the issuance of AML/CFT enforcement or supervisory actions. Requiring the OCC to provide FinCEN with an opportunity to review and provide input on an enforcement or significant AML/CFT supervisory action prior to its issuance would require ongoing interagency coordination until deliberations were completed. Based on internal discussions, we believe this may involve a designated AML/CFT liaison for coordination, as many as two lawyers, and numerous examination staff across OCC supervision that were involved in identifying the AML/CFT program deficiencies that warranted enforcement or supervisory action. We do not expect the proposed rule's coordination requirement to result in full-time efforts of these staff, but rather, part time. The extent of the annual labor hours by OCC staff also would likely vary from year to year, depending on the volume and complexity of AML/CFT program deficiencies warranting supervisory action that are discovered in a given year and depending on the size and complexity of the institutions involved. As such, we estimate an upper bound annual estimate in the hundreds of thousands of dollars for this proposed rule.

C. Benefits

In terms of societal impacts, money laundering and terrorist financing activities are often tied to other illicit activities, such as, but not limited to fraud, drug trafficking, weapons proliferation, human trafficking, and terrorism. Furthermore, the magnitude of illicit financial activities in the United States is massive, with recent estimates suggesting an annual financial impact of between billions and trillions of dollars and an impact reach of millions of Americans. Compliance with the GENIUS Act's illicit finance provisions, including its BSA and sanctions requirements, would reinforce core AML/CFT and sanctions compliance standards. This is particularly important as the financial system integrates innovative payment technologies, while also reducing risks from sanctioned entities and criminal activity enabled by the current fragmented digital asset regulatory environment. As such, any change in money laundering, sanctions evasion, or terrorist financing activities would impact society.

The proposed rule would also clarify the OCC's expectations for AML/CFT programs and how it would address compliance deficiencies. Overall, the rule supports the GENIUS Act's goal of ensuring payment stablecoins are issued under strong federal oversight and aligns with proposed Treasury regulations on BSA and sanctions compliance for permitted payment stablecoin issuers.

Because the OCC's proposed requirements significantly overlap with those in the regulations issued by FinCEN and OFAC, these benefits are already accounted for in FinCEN and OFAC's assessment and we do not assess a significant incremental benefit from the OCC's proposed rule.

IV. Regulatory Analysis

A. Paperwork Reduction Act

This notice of proposed rulemaking has been reviewed for compliance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501 *et seq.*). In accordance with the PRA, the OCC may not conduct or sponsor, and an organization is not required to respond to, an information collection unless the information collection displays a currently valid Office of Management and Budget (OMB) control number. The OCC has reviewed the notice of proposed rulemaking and determined that it would not create any collection of information under the PRA. Accordingly, no PRA submissions to OMB will be made with respect to this proposed rule.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA),⁷ requires an agency to consider the impact of its proposed rules on small entities (defined by the U.S. Small Business Administration (SBA) for purposes of the RFA to include commercial banks and savings institutions with total assets of \$850 million or less and trust companies with total assets of \$47 million or less). In connection with a proposed rule, the RFA generally requires an agency to prepare an Initial Regulatory Flexibility Analysis (IRFA) describing the impact of the rule on small entities, unless the head of the agency certifies that the proposed rule will not have a significant economic impact on a substantial number of small entities and publishes such certification along with a statement providing the factual basis for such certification in the **Federal Register**. An IRFA must contain: (1) a description of the reasons why action by the agency is

being considered; (2) a succinct statement of the objectives of, and legal basis for, the proposed rule; (3) a description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply; (4) a description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities that will be subject to the requirements and the type of professional skills necessary for preparation of the report or record; (5) an identification, to the extent practicable, of all relevant Federal rules that may duplicate, overlap with, or conflict with the proposed rule; and (6) a description of any significant alternatives to the proposed rule that accomplish its stated objectives.

The OCC currently supervises 997 institutions (national banks, Federal savings associations, and branches or agencies of foreign banks),⁸ of which approximately 609 are small entities under the RFA.⁹

In general, the OCC classifies the economic impact on an individual small entity as significant if the total estimated impact in one year is greater than 5 percent of the small entity's total annual salaries and benefits or greater than 2.5 percent of the small entity's total non-interest expense. Furthermore, the OCC considers 5 percent or more of OCC-supervised small entities to be a substantial number, and at present, 30 OCC-supervised small entities would constitute a substantial number.

Given the nature of the proposed rule and the proposed rule's reference to regulations imposed by FinCEN and OFAC, the OCC anticipates that this rule will result in a \$0 impact on OCC-supervised institutions. Therefore, at this time, the OCC does not expect that the proposed rule would have a significant impact on a substantial number of small entities under the RFA.

⁸ Based on data accessed using the OCC's Financial Institutions Data Retrieval System on February 20, 2026.

⁹ The OCC bases its estimate of the number of small entities on the Small Business Administration's size thresholds for commercial banks and savings institutions, and trust companies, which are \$850 million and \$47 million, respectively. Consistent with the General Principles of Affiliation, 13 CFR 121.103(a), the OCC counted the assets of affiliated financial institutions when determining if it should classify an OCC-supervised institution as a small entity. The OCC used average quarterly assets in 2024 to determine size because a "financial institution's assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year." See footnote 8 of the U.S. Small Business Administration's *Table of Size Standards*.

⁷ 5 U.S.C. 601 *et seq.*

C. OCC Unfunded Mandates Reform Act

The OCC has analyzed the proposed rule under the factors in the Unfunded Mandates Reform Act of 1995 (UMRA).¹⁰ Under this analysis, the OCC considered whether the proposed rule includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year (\$193 million as adjusted annually for inflation). Pursuant to section 202 of the UMRA,¹¹ if a proposed rule meets this UMRA threshold, the OCC would need to prepare a written statement that includes, among other things, a cost-benefit analysis of the proposal. The UMRA does not apply to regulations that incorporate requirements specifically set forth in law.

The OCC has determined that the proposed rule would not result in an expenditure of \$193 million or more annually by State, local, and tribal governments, or by the private sector. Therefore, the OCC finds that the proposed rule does not trigger the UMRA cost threshold. Accordingly, the OCC has not prepared the written statement described in section 202 of the UMRA.

D. Riegle Community Development and Regulatory Improvement Act of 1994

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act of 1994, 12 U.S.C. 4802(a), in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, the agencies will consider, consistent with principles of safety and soundness and the public interest: (1) any administrative burdens that the proposed rule would place on depository institutions, including small depository institutions and customers of depository institutions; and (2) the benefits of the proposed rule. The OCC requests comment on any administrative burdens that the proposed rule would place on depository institutions, including small depository institutions, and their customers, and the benefits of the proposed rule that the agencies should consider in determining the effective date and administrative compliance requirements for a final rule.

E. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023, 5 U.S.C. 553(b)(4), requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website www.regulations.gov.

The OCC, in coordination with FinCEN and OFAC, proposes to issue regulations to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act's requirement to issue regulations implementing appropriate BSA and sanctions compliance standards for permitted payment stablecoin issuers subject to the OCC's jurisdiction. The proposal and the required summary can be found at <https://www.regulations.gov> by searching for Docket ID OCC-2026-0463 and <https://occ.gov/topics/laws-and-regulations/occ-regulations/proposed-issuances/index-proposed-issuances.html>.

F. Executive Order 12866

Executive Order 12866, titled "Regulatory Planning and Review" requires the Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget to determine whether a proposed rule is a "significant regulatory action" prior to the disclosure of the proposed rule to the public. If OIRA finds the proposed rule to be a "significant regulatory action," Executive Order 12866 requires the OCC to conduct a cost-benefit analysis of the proposed rule and for OIRA to conduct a review of the proposed rule prior to publication in the **Federal Register**. Executive Order 12866 defines "significant regulatory action" to mean a regulatory action that is likely to (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, the President's priorities, or the principles set forth in Executive Order 12866.

OIRA has determined that this proposed rule is a significant regulatory

action under Section 3(f) of Executive Order 12866 and, therefore, is subject to review under Executive Order 12866.

G. Executive Order 14192

Executive Order 14192, titled "Unleashing Prosperity Through Deregulation," requires that an agency, unless prohibited by law, identify at least ten existing regulations to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation with total costs greater than zero. E.O. 14192 further requires that 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 ten prior regulations. This rule is not an E.O. 14192 regulatory action because it does not impose any more than de minimis regulatory costs.

List of Subjects

12 CFR Part 4

Administrative practice and procedure, Freedom of information, Individuals with disabilities, Minority businesses, Organization and functions (Government agencies), Reporting and recordkeeping requirements, Women.

12 CFR Part 15

Federal qualified payment stablecoin issuer, Federal savings association, Foreign payment stablecoin issuer, National bank, Non-bank entity, Permitted payment stablecoin issuer, State qualified payment stablecoin issuer.

12 CFR Part 19

Administrative practice and procedure, Crime, Equal access to justice, Federal savings associations, Investigations, National banks, Penalties, Securities.

Authority and Issuance

For the reasons set out in the preamble, the OCC proposes to amend 12 CFR chapter I as follows:

PART 4—ORGANIZATION AND FUNCTIONS, AVAILABILITY AND RELEASE OF INFORMATION, CONTRACTING OUTREACH PROGRAM, POST-EMPLOYMENT RESTRICTIONS FOR SENIOR EXAMINERS

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

Authority: 5 U.S.C. 301, 552; 12 U.S.C. 1, 93a, 161, 481, 482, 484(a), 1442, 1462a, 1463, 1464, 1817(a), 1818, 1820, 1821, 1831m, 1831p-1, 1831o, 1833e, 1867, 1951 *et seq.*, 2601 *et seq.*, 2801 *et seq.*, 2901 *et seq.*, 3101

¹⁰ 2 U.S.C. 1531 *et seq.*

¹¹ 2 U.S.C. 1532.

et seq., 3401 *et seq.*, 5321, 5412, 5414; 15 U.S.C. 77uu(b), 78q(c)(3); 18 U.S.C. 641, 1905, 1906; 29 U.S.C. 1204; 31 U.S.C. 5318(g)(2), 9701; 42 U.S.C. 3601; 44 U.S.C. 3506, 3510; E.O. 12600 (3 CFR, 1987 Comp., p. 235).

■ 2. Add § 4.19 to read as follows:

§ 4.19 Disclosure of supervisory information to FinCEN regarding permitted payment stablecoin issuers.

(a) *Definitions.* For purposes of this section:

(1) *AML/CFT enforcement action* means any formal or informal action taken under authority of the GENIUS Act (12 U.S.C. 5901 *et seq.*), or other applicable law, that seeks to penalize, remedy, prevent, or respond to noncompliance with past or ongoing violations of, or past or ongoing deficiencies relating to, an AML/CFT requirement applicable to a permitted payment stablecoin issuer. The term includes—

(i) A cease-and-desist order, written agreement, consent order, or memorandum of understanding; or

(ii) The assessment of a civil money penalty.

(2) *AML/CFT requirement* means:

(i) A requirement of the Bank Secrecy Act or the implementing regulations at 31 CFR chapter X applicable to a permitted payment stablecoin issuer; or

(ii) A requirement of 12 U.S.C. 5903(a)(5)(A)(i)–(v), 12 U.S.C. 5903(a)(6)(B), or 12 U.S.C. 5903(f)(1).

(3) *Bank Secrecy Act* means:

(i) Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(ii) Chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 *et seq.*); and

(iii) Subchapter II of chapter 35 of title 31, United States Code and notes thereto (31 U.S.C. 5311 *et seq.*).

(4) *Permitted payment stablecoin issuer* has the meaning given that term in 12 CFR part 15.

(5) *Significant AML/CFT supervisory action* means any written communication or other formal supervisory determination that—

(i) Identifies one or more alleged deficiencies, weaknesses, violations of law, or unsafe or unsound practices or conditions relating to an AML/CFT requirement;

(ii) Communicates supervisory expectations to a permitted payment stablecoin issuer regarding actions or remedial measures required to correct the deficiency, weakness, violation, or practice or condition; and

(iii) Contemplates significant or programmatic actions or remedial measures to be taken by the permitted payment stablecoin issuer.

The term does not include examiner observations, suggestions, or other informal comments.

(b) *Disclosure of supervisory information to FinCEN.*

[Option 1 for Paragraph (b)(1):]

(1) Notwithstanding the other requirements of this part, the OCC permits a permitted payment stablecoin issuer, on behalf of OCC, to disclose to the FinCEN Director, and permits the FinCEN Director to use, any information relating to an existing or potential AML/CFT enforcement action or significant AML/CFT supervisory action to which the permitted payment stablecoin issuer has access.

[Option 2 for Paragraph (b)(1):]

(1) Notwithstanding the other requirements of this part, the OCC permits a permitted payment stablecoin issuer, on behalf of the OCC, to disclose to the FinCEN Director, and permits the FinCEN Director to use, any information relating to an existing or potential AML/CFT enforcement action or significant AML/CFT supervisory action to which the permitted payment stablecoin issuer has access upon the contemporaneous disclosure of such information to the OCC.

(2) A permitted payment stablecoin issuer's disclosure of information to the FinCEN Director under paragraph (b)(1) of this section does not waive, invalidate, destroy, or otherwise affect any privilege or protection available under Federal or State law, including the attorney-client privilege, the work-product doctrine, the bank-examination privilege, or any other confidentiality or evidentiary privilege.

(3) Any disclosure made by a permitted payment stablecoin issuer under paragraph (b)(1) of this section is made on behalf of the OCC pursuant to the OCC's authorization under 12 U.S.C. 1821(t).

PART 15—PAYMENT STABLECOINS

■ 3. The authority citation for part 15, as proposed to be added at 91 FR 10202 (March 2, 2026), continues to read as follows:

Authority: 12 U.S.C. 1, 24, 27, 92a, 93a, 161, 1461, 1462a, 1463, 1464, 1467a, 1818, 3101 through 3109, 5412, 5901 through 5916.

■ 4. In § 15.13, as proposed to be added at 91 FR 10202 (March 2, 2026), add paragraph (c) to read as follows:

* * * * *

(c) *AML/CFT and sanctions compliance.* To ensure compliance with Bank Secrecy Act and sanctions requirements, each permitted payment stablecoin issuer must comply with the

Bank Secrecy Act, sections 4(a)(5) and 4(a)(6)(B) of the GENIUS Act (12 U.S.C. 5901 *et seq.*), and applicable regulations at 31 CFR chapters V and X, including any AML/CFT program, sanctions program, and reporting requirements.

PART 19—RULES OF PRACTICE AND PROCEDURE

■ 5. The authority citation for part 19 is revised to read as follows:

Authority: 5 U.S.C. 504, 554–557; 12 U.S.C. 93, 93a, 161, 164, 481, 504, 1462a, 1463(a), 1464, 1467(d), 1467a(r), 1817(j), 1818, 1820, 1831m, 1831o, 1832, 1884, 1972, 3102, 3108, 3110, 3349, 3909, 4717, 5412(b)(2)(B), and 5913; 15 U.S.C. 78l, 78o–4, 78o5, 78q–1, 78s, 78u, 78u–2, 78u–3, 78w, and 1639e; 28 U.S.C. 2461; 31 U.S.C. 330 and 5321; and 42 U.S.C. 4012a.

■ 6. Add subpart R, consisting of §§ 19.260 through 19.262, to part 19 to read as follows:

Subpart R—Certain Actions Involving Permitted Payment Stablecoin Issuers

Sec.

19.260 Definitions.

19.261 FinCEN consultation.

19.262 Enforcement and supervision policy.

§ 19.260 Definitions.

For purposes of this subpart:

(a) *AML/CFT enforcement action* means any formal or informal action taken under authority of, the GENIUS Act (12 U.S.C. 5901 *et seq.*), or other applicable law, that seeks to penalize, remedy, prevent, or respond to noncompliance with past or ongoing violations of, or past or ongoing deficiencies relating to, an AML/CFT requirement applicable to a permitted payment stablecoin issuer. The term includes—

(i) A cease-and-desist order, written agreement, consent order, or memorandum of understanding; or

(ii) The assessment of a civil money penalty.

(b) *AML/CFT requirement* means:

(i) A requirement of the Bank Secrecy Act or the implementing regulations at 31 CFR chapter X applicable to a permitted payment stablecoin issuer; or

(ii) A requirement of 12 U.S.C. 5903(a)(5)(A)(i)–(v), 12 U.S.C. 5903(a)(6)(B), or 12 U.S.C. 5903(f)(1).

(c) *Bank Secrecy Act* means:

(i) Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(ii) Chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 *et seq.*); and

(iii) Subchapter II of chapter 35 of title 31, United States Code and notes thereto (31 U.S.C. 5311 *et seq.*).

(d) *Permitted payment stablecoin issuer* has the meaning given that term in 12 CFR part 15.

(e) *Significant AML/CFT supervisory action* means any written communication or other formal supervisory determination that—

(i) Identifies one or more alleged deficiencies, weaknesses, violations of law, or unsafe or unsound practices or conditions relating to an AML/CFT requirement;

(ii) Communicates supervisory expectations to a permitted payment stablecoin issuer regarding actions or remedial measures required to correct the deficiency, weakness, violation, or practice or condition; and

(iii) Contemplates significant or programmatic actions or remedial measures to be taken by the permitted payment stablecoin issuer.

The term does not include examiner observations, suggestions, or other informal comments.

§ 19.261 FinCEN consultation.

(a) *Consultation and consideration requirement.* Before initiating an AML/CFT enforcement action or a significant AML/CFT supervisory action against a permitted payment stablecoin issuer, the OCC will provide the FinCEN Director an opportunity to review the action and consider any input offered by the FinCEN Director on the action, which may include any view as to the effectiveness of the permitted payment stablecoin issuer's AML/CFT program.

(b) *Notice requirement.* To provide the FinCEN Director an opportunity to provide a view under paragraph (a)(1) of this section, the OCC will:

(i) Send written notice to the FinCEN Director of its intent to take that action at least 30 days before taking the action (unless a shorter period of time is necessary, in the sole discretion of the Comptroller of the Currency, to remedy, prevent, or respond to an unsafe or unsound practice or condition), accompanied by the relevant AML/CFT information underlying the proposed action, including the relevant portions of the draft report or enforcement action, the relevant examination workpapers supporting the proposed action, and the relevant AML/CFT information submitted by the permitted payment stablecoin issuer to the OCC, other than information over which the permitted payment stablecoin issuer may claim privilege under Federal or State law; and

(ii) Respond to the extent reasonably practicable to requests for additional information from the FinCEN Director regarding the proposed action.

§ 19.262 Enforcement and supervision policy.

(a) *In general.* Except with respect to a significant or systemic failure to

implement an effective AML/CFT program in accordance with applicable regulations at 31 CFR chapter X, a permitted payment stablecoin issuer that has established an effective AML/CFT program in accordance with applicable regulations at 31 CFR Chapter X will not be subject to an AML/CFT enforcement action or to a significant AML/CFT supervisory action.

(b) *Program establishment violations.* Nothing in this section may be construed to restrict an AML/CFT enforcement action or a significant AML/CFT supervisory action with respect to any failure to establish an effective AML/CFT program.

(c) *Criminal Enforcement Unaffected.* Nothing in this subpart may be construed to affect criminal enforcement under applicable law.

Jonathan V. Gould,

Comptroller of the Currency.

[FR Doc. 2026-12692 Filed 6-23-26; 8:45 am]

BILLING CODE 4810-33-P

FEDERAL HOUSING FINANCE AGENCY

12 CFR Parts 1282 and 1283

RIN 2590-AB64

Enterprise Duty To Serve Underserved Markets

AGENCY: Federal Housing Finance Agency.

ACTION: Notice of proposed rulemaking; request for comments.

SUMMARY: The Federal Housing Finance Agency (FHFA or Agency) proposes to rescind its regulation on Duty to Serve Underserved Markets and replace it with a new rule. If adopted as proposed, the new rule would enable the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises) to better serve the needs of very low-, low-, and moderate-income families in the manufactured housing, affordable housing preservation, and rural housing markets through greater innovation and with less administrative burden.

DATES: FHFA will accept written comments on the proposed rule on or before July 24, 2026.

ADDRESSES: You may submit your comments on the proposed rule, identified by regulatory information number (RIN) 2590-AB64, by any one of the following methods:

- *Agency Website:* <https://www.fhfa.gov/regulation/federal-register>.

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by email to FHFA at RegComments@fhfa.gov to ensure timely receipt by FHFA. Include the following information in the subject line of your submission: Comments/RIN 2590-AB64.

- *Hand Delivered/Courier:* The hand delivery address is: Clinton Jones, General Counsel, Attention: Comments/RIN 2590-AB64, Federal Housing Finance Agency, 400 Seventh Street SW, Washington, DC 20219. Deliver the package at the Seventh Street entrance Guard Desk, First Floor, on business days between 9 a.m. and 5 p.m. EST.

- *U.S. Mail, United Parcel Service, Federal Express, or Other Mail Service:* The mailing address for comments is: Clinton Jones, General Counsel, Attention: Comments/RIN 2590-AB64, Federal Housing Finance Agency, 400 Seventh Street SW, Washington, DC 20219. Please note that all mail sent to FHFA via U.S. Mail is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks.

FOR FURTHER INFORMATION CONTACT: For general questions, please contact MediaInquiries@FHFA.gov. For technical questions, please contact Leda Bloomfield, Senior Associate Director, Office of Affordable Housing and Community Investment, Division of Housing Mission and Goals, 202-649-3415, Leda.Bloomfield@fhfa.gov; Marcea Barringer, Supervisory Policy Analyst, Office of Affordable Housing and Community Investment, Division of Housing Mission and Goals, 202-308-1089, Marcea.Barringer@fhfa.gov, or Dinah Knight, Assistant General Counsel, Office of General Counsel, (202) 748-7801, Dinah.Knight@fhfa.gov. These are not toll-free numbers. The mailing address is: Federal Housing Finance Agency, 400 Seventh Street SW, Washington, DC 20219. For TTY/TRS users with hearing and speech disabilities, dial 711 and ask to be connected to any of the contact numbers above.

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V. Regulatory Impact

I. Request for Comments

FHFA invites comments on all aspects of the proposed rule and will take all comments into consideration before issuing a final rule. Comments, including any personally identifiable information such as name and contact information, will be posted to the electronic rulemaking docket on the FHFA public website at <https://www.fhfa.gov>, except as described below. Commenters should submit only information that the commenter wishes to make available publicly. FHFA will not redact personally identifiable information once it is submitted. Commenters who do not wish to be identified by their comments may submit their comments anonymously. FHFA may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. FHFA may, in its discretion, redact or refrain from posting all or any portion of any comment that contains content that is obscene, vulgar, profane, or threatens harm. All comments, including those that are redacted or not posted, will be retained in their original form in FHFA's internal rulemaking file and will be considered as required by all applicable laws. Commenters who would like FHFA to consider any portion of their comment exempt from disclosure on the basis that it contains trade secrets, or financial, confidential or proprietary data or information, should follow the procedures in section IV.D. of FHFA's *Policy on Communications with Outside Parties in Connection with FHFA Rulemakings*, see https://www.fhfa.gov/sites/default/files/documents/Ex-Parte-Communications-Public-Policy_3-5-19.pdf. FHFA cannot guarantee that such data or information will remain confidential if disclosure is sought pursuant to an applicable statute or regulation. See 12 CFR 1202.8, 12 CFR 1214.2, and FHFA's *FOIA Reference*

Guide at <https://www.fhfa.gov/about/foia-reference-guide> for additional information.

II. Statutory and Regulatory Background

A. Statutory Background

When the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) was enacted, Congress found that the Enterprises “have an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families.”¹ Consistent with this obligation, the Housing and Economic Recovery Act of 2008 amended the Safety and Soundness Act to impose on the Enterprises a duty to serve certain borrowers in three markets deemed by statute to be underserved.² Specifically, to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for the manufactured housing, affordable housing preservation, and rural housing markets, the Enterprises are required to provide leadership in developing loan products and flexible underwriting guidelines that facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families in those markets (the Duty to Serve).³

The Safety and Soundness Act imposes requirements on both the Enterprises and FHFA with regard to the Duty to Serve. Each Enterprise must design programs and products that facilitate the use of assistance provided by federal, state, and local governments; develop relationships with nonprofit and for-profit organizations that develop and finance housing and with state and local governments; take affirmative steps to assist primary lenders to make housing credit available in areas with concentrations of low-income and minority families and assist insured depository institutions to meet their obligations under the Community Reinvestment Act (CRA) of 1977;⁴ and develop the institutional capacity to help finance low- and moderate-income housing, including for first-time homebuyers.

FHFA must establish by regulation a method for evaluating the Enterprises' compliance with the Duty to Serve and

rating the extent of such compliance.⁵ FHFA must evaluate each Enterprise's compliance with respect to each underserved market, taking into consideration the Enterprise's development of loan products, more flexible underwriting guidelines, and other innovative approaches to providing financing to the underserved market; the extent of the Enterprise's outreach to qualified loan sellers and other market participants in the underserved market; the volume of loans purchased by the Enterprise in the underserved market relative to the market opportunities available to the Enterprise; and the amount of investments and grants made by the Enterprise in projects that assist in meeting the needs of the underserved market.⁶

B. The Existing Duty To Serve Regulation

Rulemaking process. FHFA established the existing Duty to Serve Program through a series of rulemakings. In 2009, FHFA published an Advanced Notice of Proposed Rulemaking (ANPR) to request comments on the types of Enterprise transactions and activities that should be considered under the Program, and how such transactions and activities should be rated for the purpose of determining Enterprise performance in the underserved markets.⁷ In 2010, FHFA published a proposed rule that took into consideration the 100 comments received on the ANPR.⁸ FHFA received 4,019 comments on the 2010 proposed rule from a variety of stakeholders, including individuals, trade associations, advocacy groups, nonprofits, corporations, and government entities. FHFA then evaluated the comments and issued a new proposed rule in 2015.⁹ After considering the 1,567 comments received on the 2015 proposed rule, FHFA adopted a final rule in 2016.¹⁰ Since 2016, the regulation has been amended once to make minor changes to definitions applicable to the rural housing market.¹¹

Overview of the current regulation. The existing regulation requires each Enterprise to adopt a three-year Underserved Market Plan (Plan), subject to FHFA review and non-objection. FHFA thereafter monitors Enterprise

⁵ 12 U.S.C. 4565(d)(1).

⁶ 12 U.S.C. 4565(d)(2).

⁷ 74 FR 38572 (Aug. 4, 2009).

⁸ 75 FR 32099 (June 7, 2010).

⁹ 80 FR 79182 (Dec. 18, 2015).

¹⁰ 81 FR 96242 (Dec. 29, 2016); 12 CFR part 1282, subpart C.

¹¹ 88 FR 23559 (Apr. 18, 2023).

¹ 12 U.S.C. 4501(7).

² 12 U.S.C. 4565(a)(1).

³ 12 U.S.C. 4565(a). The terms “very low-income,” “low-income,” and “moderate-income” are statutorily defined in 12 U.S.C. 4502(24), (14), and (16), respectively.

⁴ 12 U.S.C. 2901 *et. seq.*

performance against their Plans, assigns annual performance ratings for each underserved market, and, based on those ratings, determines whether the Enterprise has complied with its Duty to Serve in each underserved market. The regulation's planning and evaluation process requirements are supplemented by Evaluation Guidance published periodically by FHFA. If an Enterprise fails to comply with its Duty to Serve any underserved market, FHFA may bring a statutorily prescribed enforcement action.

Plan development; selection of eligible activities. Each Plan must state the activities the Enterprise will undertake in each underserved market to fulfill its Duty to Serve, along with one or more objectives (*i.e.*, specific actions) the Enterprise will carry out to complete each activity.¹² Notably, the existing regulation specifies activities that are eligible to be included in Enterprise Plans for each underserved market. The activities are divided among three categories: Statutory Activities, Regulatory Activities, and Additional Activities (each an "Activity"). The category of Statutory Activities is applicable to the affordable housing preservation market only and covers activities related to eight federal affordable housing programs listed in the Safety and Soundness Act or a comparable state or local program.¹³ Regulatory Activities cover fifteen activities that FHFA determined by regulation are eligible for Duty to Serve credit in the designated market.¹⁴ Additional Activities are other activities proposed by an Enterprise in its Plan and determined by FHFA on a case-by-case basis to be eligible for Duty to Serve credit.¹⁵

For each Plan cycle, the existing regulation requires FHFA to publish Evaluation Guidance that, among other things, specifies the minimum number of Statutory or Regulatory Activities the Enterprises must consider for each underserved market.¹⁶ For this purpose, "consider" means that the Enterprise must explain in its Plan how it will undertake the Activity or why it will not undertake the Activity.

Each Activity that will be undertaken must be supported by at least one

objective that is described in the Plan.¹⁷ Objectives must be strategic, measurable, achievable considering market opportunities, realistic considering the effort required for achievement, and time bound.¹⁸ For each objective, the Enterprise must designate in its Plan one of four statutory evaluation areas—outreach, loan product, loan purchase, or investments and grants—under which the Enterprise is seeking Duty to Serve credit.¹⁹

FHFA review and non-objection. The existing regulation establishes a review and non-objection process that begins with each Enterprise submitting its proposed Plan to FHFA. Thereafter, FHFA must publish the proposed Plans for public comment.²⁰ The Enterprises may revise their proposed Plans based on public input and must address FHFA's comments before FHFA issues a non-objection.²¹ After FHFA is satisfied that all of its comments on an underserved market in a proposed Plan have been addressed, FHFA will provide a non-objection to the Plan for that market. Ultimately, FHFA issues three non-objections to each Enterprise, one for each underserved market in the Plan.

The existing regulation allows an Enterprise to request to modify its Plan at any time during the three-year term, subject to FHFA review and non-objection.²² FHFA may also require an Enterprise to modify its Plan during the three-year term.²³ Instances in which FHFA might require modification include significant changes in market or regulatory conditions, such as unexpected obstacles or opportunities, or safety and soundness concerns. In practice, FHFA has established an annual process where an Enterprise aggregates its requests to modify its Plan and submits all requests to FHFA on or before a date specified in the Evaluation Guidance.

FHFA evaluation and ratings.

Consistent with the statutory requirements, the existing regulation establishes a framework for FHFA to evaluate and rate each Enterprise's compliance with the Duty to Serve in each underserved market. Under that framework, FHFA annually evaluates each Enterprise's performance under its Plan, based on quantitative and qualitative assessments of the

Enterprise's accomplishment of the objectives for each underserved market, and considers any opportunities FHFA provided for the Enterprises to earn extra credit.²⁴

The existing regulation also requires FHFA to describe in the Evaluation Guidance how it will conduct quantitative and qualitative assessments, the role of extra credit, how final ratings will be determined, and other matters.²⁵ In practice, FHFA updates the Evaluation Guidance from time to time to describe its expectations for what should be included in the Plans and related procedures, in addition to describing the content required by regulation. Over three Plan cycles between 2017 and 2025, FHFA published eight versions of the Evaluation Guidance.

C. FHFA Review of the Current Program

Scope of review. Since the existing regulation was finalized in 2016, FHFA has taken steps to assess its impact as part of widescale regulatory reviews and targeted initiatives focused on the Duty to Serve Program. In accordance with Executive Order 13579 (Regulation and Independent Regulatory Agencies), every five years FHFA solicits public comment on the operation of its existing significant regulations to make the Agency's regulatory program more effective or less burdensome in achieving statutory and regulatory objectives.²⁶ More recently, Executive Order 14219 (Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative),²⁷ required each agency including FHFA to undertake a comprehensive review of its regulations considering, among other things, the statutory bases for the authority expressed and interpreted and significant regulatory costs imposed on private parties in light of the public benefits conferred.

Specifically with regard to the Duty to Serve Program, in the past ten years FHFA has hosted 24 public listening sessions and engaged with members of the public, industry participants, and other stakeholders on the successes and challenges of the Program. FHFA also routinely engages with the Enterprises to better understand impediments to the development and execution of their Plans and other barriers to the provision of mortgage liquidity in the underserved markets. While that work has been

¹² 12 CFR 1282.32.

¹³ 12 CFR 1282.34(c); *see also* 12 U.S.C. 4565(a)(1)(B)(i)–(ix).

¹⁴ 12 CFR 1282.33(c), 1282.34(d), and 1282.35(c).

¹⁵ 12 CFR 1282.33(d), 1282.34(e), and 1282.35(d).

¹⁶ 12 CFR 1282.32(d) and Appendix A in the Duty to Serve Evaluation Guidance 2025–8 (August 18, 2025), (*hereinafter* "Evaluation Guidance"), available at <https://www.fhfa.gov/document/dts-evaluation-guidance-2025-8.pdf>.

¹⁷ 12 CFR 1282.32(e).

¹⁸ 12 CFR 1282.32(e).

¹⁹ 12 CFR 1282.36(b).

²⁰ 12 CFR 1282.32(g).

²¹ 12 CFR 1282.32(g)(4), (5).

²² 12 CFR 1282.32(h).

²³ *Id.*

²⁴ 12 CFR 1282.36(c).

²⁵ 12 CFR 1282.36(d).

²⁶ *See* 77 FR 10351 (Feb. 22, 2012), setting forth FHFA's Regulatory Review Plan.

²⁷ 90 FR 10583 (Feb. 25, 2025).

ongoing, the fortuitous timing of the issuance of Executive Order 14394 (Removing Regulatory Barriers to Affordable Home Construction) (“E.O. 14394”) has enabled FHFA to also consider the policies and priorities of that E.O. in reviewing the existing regulation and developing the proposed rule.²⁸ Among other things, E.O. 14394 directs FHFA to take action to reform and eliminate unduly burdensome or costly energy efficiency improvement standards for Duty to Serve properties and to consider eliminating unduly burdensome rules and reforming programs that constrain residential development and impede housing affordability, including with respect to regulations like the Duty to Serve regulation that apply to personal property (chattel) loans for manufactured housing.

Market context. The current condition of the underserved markets provides useful context for FHFA’s review of the regulatory framework and engagements with stakeholders. Each market poses a unique set of opportunities and challenges. The manufactured housing market is inherently affordable, but significant financing hurdles prevent many buyers from entering the market.²⁹ Borrowers, particularly those seeking personal property (chattel) loans, face a 65.6% denial rate compared to just 8.8% for site-built homes. Even when approved, these borrowers are often subject to higher interest rates—averaging 9.24% for personal property

loans versus 6.63% for traditional mortgages—creating a “financing gap” that frequently offsets the lower purchase price of the home itself.³⁰

Communities in the rural housing market often lack a robust banking infrastructure, leaving residents with fewer mortgage products and services than their urban counterparts. Supply of quality housing is limited due to an aging housing stock that often exceeds its useful life.³¹ By some estimates home prices in rural areas increased by more than 35 percent between March 2020 and March 2023—double the rate of appreciation seen in the three years preceding the COVID–19 pandemic. While price appreciation has since moderated, the compounding effect of higher values and a significantly higher interest rate environment has been a worsening of affordability.³² The annual income required to afford a median-priced home in rural counties has more than doubled; as of late 2025, households may need to earn approximately \$75,000 to afford a home, compared to roughly \$36,000 in 2019.³³ This shift clearly places significant pressure on low-to-moderate-income families seeking to remain in or move to rural communities.³⁴

³⁰ FHFA analysis of 2024 Home Mortgage Disclosure Act (HMDA) data. See also The Urban Institute, “Challenges to Obtaining Manufactured Home Financing” (June 2018), available at https://www.urban.org/sites/default/files/publication/98687/challenges_to_obtaining_manufactured_home_financing_0.pdf.

³¹ Recent analysis of Home Mortgage Disclosure Act (HMDA) data indicates that mortgage denial rates and pricing in rural areas remain elevated compared to urban areas, largely due to credit history and appraisal challenges. See National Rural Housing Coalition, “Barriers to Affordable Rural Housing” (December 18, 2012), available at <https://ruralhousingcoalition.org/barriers-to-affordable-rural-housing/>; See Consumer Financial Protection Bureau, “2023 Mortgage Market Activity and Trends” (December 13, 2024), available at <https://www.consumerfinance.gov/data-research/research-reports/2023-mortgage-market-activity-and-trends/>.

³² See Consumer Financial Protection Bureau (CFPB), “Data Spotlight: The Impact of Changing Mortgage Interest Rates” (September 17, 2024), available at <https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-the-impact-of-changing-mortgage-interest-rates/#:~:text=Effects%20of%20elevated%20interest%20rates,%202C399>.

³³ See Redfin News, “The Housing Affordability Crisis Is Accelerating Fastest in Rural America” (November 20, 2025), available at <https://www.redfin.com/news/press-releases/the-housing-affordability-crisis-is-accelerating-fastest-in-rural-america/#:~:text=Rural%20homebuyers%20need%20to%20earn,than%20big%20cities%20and%20suburbs>.

³⁴ See Fannie Mae, “Moving to the Country: Unpacking the Persistent Increase in Rural Housing Demand Since the Pandemic” (November 8, 2024), available at <https://www.fanniemae.com/research-and-insights/publications/housing-insights/unpacking-persistent-increase-rural-housing-demand-pandemic>; See Redfin News, “The Housing Affordability Crisis Is Accelerating Fastest

Finally, the preservation of existing affordable housing stock is reaching a critical point. The supply of deeply affordable rental options has significantly contracted; between 2014 and 2024, the market saw a net loss of 2.5 million units with inflation-adjusted rents below \$600 (affordable to a household earning \$24,000 annually).³⁵ As the nation’s rental stock ages at an unprecedented rate, a growing number of low-income households are increasingly restricted to substandard housing options. This physical deterioration creates a secondary crisis: the capital required for necessary rehabilitation is often so high that it threatens the financial viability of maintaining the units’ long-term affordability.³⁶

Compounding the physical decline in affordable housing units is a looming “subsidy cliff,” with over half a million Low-Income Housing Tax Credit (LIHTC) properties set to exit their compliance periods between 2025 and 2038.³⁷ This expiration places hundreds of thousands of units at risk of converting to market-rate pricing, potentially displacing low-income tenants. To combat this, industry participants are diversifying their preservation strategies beyond traditional tax credits, increasingly utilizing private-activity bonds and specialized products, such as Freddie Mac’s Workforce Housing Preservation tool, to maintain long-term affordability.³⁸

Areas for improvement. FHFA regulatory and program reviews, interactions with stakeholders, and evaluation of market context reveal that, while the Enterprises have made

in Rural America” (November 20, 2025), available at <https://www.redfin.com/news/press-releases/the-housing-affordability-crisis-is-accelerating-fastest-in-rural-america/>.

³⁵ See Harvard University Joint Center for Housing Studies, “America’s Rental Housing 2026” (2026), available at https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2026.pdf.

³⁶ See Harvard University Joint Center for Housing Studies, “America’s Rental Housing 2024” (2024), available at https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf.

³⁷ See Yardi, “Yardi Matrix Focuses on Upcoming LIHTC Affordability Restriction Loss” (March 3, 2025), available at <https://www.yardi.com/news/press-releases/yardi-matrix-focuses-on-upcoming-lihtc-affordability-restriction-loss/#:~:text=Yardi%20Matrix's%20new%20affordable%20housing,also%20expire%20in%20that%20time>.

³⁸ See Affordable Housing Finance, “Saving the Stock” (September 29, 2025), available at <https://www.housingfinance.com/developments/saving-stock>; See Freddie Mac, “Workforce Housing Preservation,” available at <https://mf.freddie.com/docs/workforce-housing-preservation.pdf>.

²⁸ 91 FR 13207 (Mar. 18, 2026).

²⁹ The existing regulation focuses on manufactured homes as defined in section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 *et. seq.*), which are commonly referred to as “HUD Code homes” because they must meet standards set by the U.S. Department of Housing and Urban Development (HUD). The manufactured housing market serves over 20 million American families as a vital source of unsubsidized affordable housing. Cost-efficiency remains its primary driver; the average cost per square foot for a manufactured home ranges from \$79 for single-section to \$87 for multi-section units, significantly lower than the \$169 average for site-built housing. While production has grown steadily over the last decade, current volumes remain well below the peaks of the 1980s and 1990s, when these homes represented a full quarter of all single-family construction. See MH Insider, “Manufactured Housing Industry Trends and Statistics” (April 28, 2025), available at <https://mhinsider.com/manufactured-housing-industry-trends-statistics/>; See Texas Manufactured Housing Association, “Manufactured Home vs Site-Built Cost Comparison 2024—Price Per Square Foot Analysis” (July 29, 2025), available at <https://www.texasmha.com/manufactured-home-vs-site-built-cost-comparison-price-per-square-foot-analysis>; See Harvard University Joint Center for Housing Studies, “Five Barriers to Greater Use of Manufactured Housing for Entry-Level Homeownership” (January 23, 2024), available at <https://www.jchs.harvard.edu/blog/five-barriers-greater-use-manufactured-housing-entry-level-homeownership>.

meaningful progress in serving the underserved markets, the need for housing that is affordable to very low-, low-, and moderate-income families in those markets continues to be acute, structural barriers persist, and reforms to the Duty to Serve Program can help address these challenges. These indicia of the persistent need for affordable housing in the underserved markets support a renewed and heightened focus on regulatory efficiency, to ensure that Enterprise resources are used to benefit low- and moderate-income households and are not diverted unnecessarily to meet administrative requirements. They also support a reconsideration of regulatory effectiveness, to ensure that the Duty to Serve regulation encourages innovation with respect to the types of activities identified by statute as beneficial. Those principles—improving regulatory efficiency to maximize the benefit of Enterprise Duty to Serve resources to very low-, low-, and moderate-income families, and encouraging the Enterprises to innovate with regard to activities set forth by statute—informed FHFA’s development of the proposed rule.

FHFA believes there are several areas where the existing Duty to Serve regulation could be improved. In brief, the existing regulation may impose higher than necessary administrative costs with diminishing returns for the underserved markets and may impose regulatory compliance obligations that spread the Enterprises’ resources too thin or otherwise impeding their ability to deploy the scale of capital necessary to significantly improve the secondary market in any single underserved market.

By setting forth Statutory and Regulatory Activities in regulation, specifying the minimum number of Activities, by category, that each Enterprise must address in its Plan,³⁹ and awarding points based on the completion of objectives underlying those Activities, the current approach was designed to reduce uncertainty and ensure coverage of certain markets. However, it may have incentivized a “compliance-centric” mindset that prioritizes the fulfillment of granular regulatory benchmarks over meaningful

market impact. For example, the Enterprises’ current Plans collectively describe 44 Activities and 72 objectives supporting these Activities, each of which must be aligned with parameters established by the existing regulation and the Evaluation Guidance, and many of which may have limited market impact.

FHFA is also concerned that prescribing Activities, some of which focus on narrow geographies or specific populations, may have had the unintended consequence of limiting the Enterprises and their ability to support the holistic health of the broader secondary market for very low-, low-, and moderate-income families. Although the existing regulation permits the Enterprises to propose Additional Activities, and thus is not intended to stifle innovation, it is undeniable that its primary focus is on the listed, prescribed, Statutory and Regulatory Activities. And the sheer volume of disparate mandates—ranging from specific energy-efficiency targets to niche preservation silos—could create excessive administrative overhead that limits the Enterprises’ ability to pivot toward emerging market needs.

Additionally, FHFA has observed how certain regulatory provisions may present unintended impediments to providing mortgage liquidity to the underserved markets. One example is the calculation of median income under the existing regulation, which is used to determine whether a loan purchase supports a very low-, low-, or moderate-income family. This calculation has resulted in the exclusion of loans to families whose income, calculated in accordance with the existing regulation, is above the area median but lower than the national market. This occurs in rural communities and other underserved areas where concentrations of low-income families or persistent poverty depress the median income. For example, Freddie Mac developed its HeritageOne product to provide conventional financing in Indian areas, which have long been lacking in credit availability in part due to the lack of products. Even as lenders have adopted the product, many loans are ineligible for Duty to Serve credit because the widespread poverty in Indian areas lowers median income (as calculated under the existing regulation) such that a family that would be low-income in other parts of the country is above the required threshold in the Indian area. This occurs not only in Indian areas, but also other rural communities and underserved areas where there are concentrations of low-income families,

which is itself a statutory geographic focus that the Enterprises must serve.

Another unintended impediment is the complex calculation required to assess affordability of manufactured housing communities required by the existing regulation. While the calculation has not impeded either Enterprise from purchasing manufactured housing community blanket loans, it adds an unnecessary cost burden to the Enterprises and FHFA given that manufactured housing is a naturally occurring source of affordable housing.

III. Overview of the Proposed Rule

The proposed rule aims to encourage and enable the Enterprises to better serve the needs of very low-, low-, and moderate-income families in the underserved markets through greater innovation and with less administrative burden. To those ends, FHFA is proposing to remove prescribed Activities and instead would permit each Enterprise to take any “eligible action,” meaning any action that is consistent with carrying out the statutory Duty to Serve and that has not been determined to be ineligible by FHFA, by regulation or after review. As in the existing regulation, the proposed rule would identify some ineligible actions (which are discussed more fully below).

Other changes would also encourage innovation and reduce burden. FHFA is proposing to remove unnecessary conditions on eligible loan purchases, revise the method for calculating median income to more appropriately address families in areas of concentrations of low-income families, update the approach to determining affordability for manufactured housing communities, and reduce procedural requirements for developing and reviewing Plans. FHFA is also proposing revisions to its evaluation and rating process to better focus on whether the Enterprise met the needs of each underserved market, rather than whether it met its self-identified Plan goals; and to incorporate throughout the regulation a number of “best practices” identified in the Evaluation Guidance that have become current practice and could be expressed in regulation. Finally, for the convenience of practitioners, FHFA is proposing to remove regulatory provisions that are no longer relevant because they address submission of the Enterprises’ first Underserved Markets Plans, and to relocate all regulatory requirements related to the Enterprises’ Duty to Serve from subpart C of part 1282, Enterprise

³⁹ For example, for the Enterprises’ current Underserved Markets Plans, FHFA required each Enterprise to address all four Regulatory Activities related to manufactured housing; a total of five Statutory and Regulatory Activities related to the affordable housing preservation market (for which the existing regulation sets forth nine Statutory Activities and seven Regulatory Activities); and all four Regulatory Activities related to rural housing. See Evaluation Guidance, Appendix A and p. 6., available at <https://www.fhfa.gov/document/dts-evaluation-guidance-2025-8.pdf>.

Housing Goals and Mission, to a new part 1283, Enterprise Duty to Serve.

This section details several technical and administrative revisions intended to streamline the regulation, including the restriction on eligible activities, the introduction of interpretive definitions, and the relocation of the Duty to Serve rule from 12 CFR part 1282 to part 1283. While this section focuses on the rationale for these rescissions and structural changes, the Section-by-Section Analysis provides a detailed discussion of the proposed new regulatory text.

Removal of prescribed Activities. A significant proposed change is the removal of the Activities framework, which would include eliminating the lists of Statutory and Regulatory Activities, as well as the related concepts of Additional Activities, “extra credit,” and consideration of a “minimum number” of Activities. In their place, FHFA proposes to permit an Enterprise to undertake any action that (1) is consistent with its Duty to Serve and (2) has not been deemed ineligible by FHFA by regulation or after case-by-case review. For transparency, as in the existing regulation, FHFA intends to list ineligible actions and conditions or characteristics that would make an action ineligible in the regulation to the greatest extent practicable.⁴⁰

By eliminating a list of Activities prescribed in regulation and eliminating the requirement that each Enterprise address a certain number of Activities in its Plan, FHFA intends to encourage each Enterprise to focus on innovative, high-impact initiatives that target the liquidity needs of each underserved market as a whole, rather than pursuing a high volume of disparate, generally small-scale Activities that are encumbered by regulatory requirements. FHFA also notes that removing Regulatory Activities related to water and energy efficiency improvement is consistent with policies of E.O. 14394, which seeks to reform or eliminate unduly burdensome or costly energy-efficiency, water-use, or alternative energy requirements in the Duty to Serve Program.

If the Activities framework is removed, related definitions set forth in the existing regulation would also be removed. For example, if Regulatory Activities related to “small multifamily rental properties” are removed, there is no need for a definition of “small multifamily rental property” or for other

defined terms uniquely used in the description of that Activity (such as “community development financial institution”).⁴¹ Similarly, if Regulatory Activities related to housing for “high-needs rural populations” and financing by “small financial institutions” of housing in rural areas are removed, there is no need for a definition of “high-needs rural population” and its two components, members of a “Federally recognized Indian tribe” or “agricultural worker,”⁴² or for a definition of “small financial institution.” Likewise, removing the concept of “extra credit” would also lead to removal of the definitions “residential economic diversity activity,” “high opportunity area,” “mixed-income housing,” and “area of concentrated poverty.”⁴³

FHFA recognizes that the removal of some Regulatory Activities, such as the rural market Regulatory Activity for high-needs rural populations, which is directed to the housing needs of members of Federally recognized Indian tribes located in Indian areas and agricultural workers, could appear to negatively impact the populations addressed.⁴⁴ FHFA does not believe there would be any disadvantage to those populations if part 1283 were adopted as proposed. To the contrary, eliminating the Regulatory Activity would remove administrative hurdles to serving those populations and other residents in rural areas at the targeted income levels. For example, instead of directing resources to verify that borrowers are agricultural workers, an Enterprise would be able to direct resources to developing loan products that best serve all families at the targeted income levels who live in rural areas. Moreover, to ensure that residents of an “Indian area” are not overlooked, the definition for “high-needs rural region” would be expanded to include Indian areas, and, as described below, changes would be made to the “rural area” definition to emphasize that segment of the rural market. Unlike members of federally recognized Indian tribes living in Indian areas, agricultural workers are increasingly less tied to a specific geography. In the past twenty years there has been a marked shift to “off-farm” housing for agricultural workers; currently 83 percent of farmworkers live in private market housing, and only 14 percent of

farmworkers live in grower-owned units.⁴⁵ Nonetheless, agricultural workers continue to be among the poorest rural populations in the country, often living in overcrowded and unaffordable conditions.⁴⁶ FHFA encourages the Enterprises, who have made investments of \$132 million supporting 829 units for agricultural workers in rural areas,⁴⁷ to continue to work to increase housing opportunities for the lowest-income rural populations, including agricultural workers.

Removal of “extra credit-eligible activities.” Consistent with the removal of prescribed lists of Statutory and Regulatory Activities, FHFA is proposing to eliminate the concept of “extra credit-eligible activities” set forth in the existing regulation at § 1282.36(c)(3). Currently, FHFA may provide extra credit for residential economic diversity activities included in a Plan and may designate other Regulatory or Statutory Activities for extra credit in Evaluation Guidance. In contrast, under the proposed approach, if there is no bounded set of actions, there are no actions to which “extra” credit may be applied. Specific incentives for “residential economic diversity” activities would no longer be necessary: the Enterprises could pursue such activities where they advance statutory objectives, and FHFA would evaluate them based on the results achieved.

Removal of certain conditions on eligible loan purchases. FHFA is proposing to remove the restriction at § 1282.37(b)(3) on subordinate multifamily liens (which, for Duty to Serve purposes, were limited to subordinate liens originated for certain energy and water improvements) to instead provide the Enterprises with expanded flexibility to support financing multifamily properties. Although FHFA previously noted that the use of subordinate loans to preserve affordability was not standard practice and may not be an effective tool,⁴⁸ over the past decade subordinate liens have increasingly become an important tool to preserve affordability. Since the existing regulation was finalized in

⁴⁵ See Housing Assistance Council, “Creating a Better Understanding of Farmworker Communities and Their Housing Conditions” (April 2024), p. 16, available at https://ruralhome.org/wp-content/uploads/2024/05/HAC-FW-Rural-Research-Brief_Final_4.30.24.pdf.

⁴⁶ See Housing Assistance Council, “Creating A Better Understanding of Farmworker Communities and Their Housing Conditions” (April 2024), pp. 14–18, available at https://ruralhome.org/wp-content/uploads/2024/05/HAC-FW-Rural-Research-Brief_Final_4.30.24.pdf.

⁴⁷ FHFA data.

⁴⁸ 81 FR at 96288.

⁴⁰ In the existing regulation, see, e.g., 12 CFR 1282.37(b), listing activities that receive no credit; and (c)(1), listing conditions or characteristics of permanent construction take-out loans that must be met for an Enterprise to receive credit.

⁴¹ See 12 CFR 1282.34(d)(1) and 1282.35(c)(4); see also 12 CFR 1282.1.

⁴² See 12 CFR 1282.1, 1282.35(c)(2), and 1282.35(c)(3).

⁴³ 12 CFR 1282.32(d)(3), 1282.36(c), 1282.36(c)(3), 1282.38(e)(2), 1282.38(f), and 1282.38(f)(2).

⁴⁴ 12 CFR 1282.35(c)(2).

2016, multifamily construction and operating costs have increased substantially; in particular, during the COVID-19 pandemic, construction costs increased by 17.5 percent and operating costs increased by 10.4 percent.⁴⁹ The cost increases have further compounded the need for additional financing to fully fund development or preservation of multifamily properties; these subordinate funding sources often include affordability restrictions.⁵⁰

The Agency also proposes to remove the restriction at § 1282.37(b)(5) that permitted LIHTC equity investments only in rural areas, to expand eligibility for LIHTC equity investments to all underserved markets.⁵¹ The Agency believes the expanded eligibility will help drive liquidity and innovation in the underserved markets. Finally, FHFA is proposing to remove the statement at § 1282.39(f) that the purchase of a seasoned mortgage will be treated as a mortgage purchase because it was unnecessary, and those purchases continue to be eligible for credit.

Removal of outdated requirements. Some provisions in the existing regulation are outdated because they address the development and submission of the Enterprises' initial Duty to Serve Plans in 2018. These provisions would not be included in new part 1283 and would be effectively removed from the Duty to Serve regulation. This includes provisions in § 1282.32(g) concerning the submission process, public input period, and FHFA

review of the first proposed Plans, as well as provisions in § 1282.36(d) regarding timelines for issuing Evaluation Guidance for the initial Plans. As the Duty to Serve Program has been operational since 2018, references to these initial procedures are no longer applicable or relevant.

Relocation of regulatory requirements. Finally, FHFA is proposing to remove all regulatory requirements related to the Enterprises' Duty to Serve from part 1282, Enterprise Housing Goals and Mission, and locate them in new part 1283, Enterprise Duty to Serve. FHFA believes a new part dedicated to the Enterprises' Duty to Serve could make locating relevant regulatory requirements and associated definitions easier for practitioners. Distinct parts would acknowledge that regulations implementing Enterprise housing goals and Duty to Serve are established by different legal authorities and operate under different functional models. Specifically, Duty to Serve operates (and would continue to operate) through a strategic planning process involving multi-year plans and qualitative evaluations, while housing goals are primarily defined by annual numerical targets. If new part 1283 is adopted, part 1282 would be renamed Enterprise Housing Goals.

Part 1282 is structured so that all definitions appear at § 1282.1 (subpart A). In conjunction with relocating all Enterprise Duty to Serve regulatory requirements from part 1282 to new part 1283, FHFA proposes to remove from part 1282 definitions of terms used exclusively for Duty to Serve provisions. Those definitions would serve no purpose in part 1282 because the terms defined would no longer be used in that part. This is a housekeeping step and would not impact the operation of subpart B ([Enterprise] Housing Goals) or subpart D (Reporting requirements) of part 1282.

IV. Section-by-Section Analysis of Proposed Part 1283

A. Authority and Purpose—§ 1283.1

Section 1283.1 explains that the proposed rule would implement section 1335 of the Safety and Soundness Act, 12 U.S.C. 4565, which establishes the Enterprise's duty to serve and requires FHFA to establish, by regulation, a method for annually evaluating and rating each Enterprise's compliance with this duty.

B. Definitions—§ 1283.2

(1) Overview

Proposed § 1283.2 contains definitions of terms that would be used

in part 1283, including new terms and terms relocated from part 1282 that relate exclusively to the Duty to Serve Program. Definitions of other terms in part 1282 that are used for both Enterprise housing goals and Enterprise Duty to Serve, which would also be used in new part 1283, and which FHFA intends to be applied consistently across both parts, would be restated in new § 1283.2.

In developing this proposal, FHFA has also observed that some terms used in the existing regulation and defined in § 1282.1 are not necessary to define in proposed part 1283 because the term either is already defined by statute, by FHFA in part 1201, General Definitions Applying to All [FHFA] Regulations, or has a commonly understood meaning. FHFA is not proposing to relocate those terms and definitions to new part 1283; however, it is also not proposing to remove them from § 1282.1 at this time.

(2) Underserved Markets and Related Terms

Underserved markets. FHFA is proposing to define *underserved market* and each of the three statutory underserved markets for the convenience of the reader. These definitions are intended to fully implement, but not to limit or expand, statutory descriptions of the markets each Enterprise has a duty to serve. The existing regulation uses the term "underserved markets" but does not define it. In addition, the existing regulation incorporates statutory matter describing each underserved market in regulatory provisions addressing that market (*see* §§ 1282.33, on the manufactured housing market; 1282.34, on the affordable housing preservation market; and 1282.35, on the rural housing market).

Affordable housing preservation market. FHFA proposes to define the *affordable housing preservation market* as the market for preserving residential housing that is affordable to very low-, low-, and moderate-income families by preserving existing affordability restrictions and supporting sustainable affordability mechanisms. FHFA believes that definition is consistent with the statutory description at 12 U.S.C. 4565(a)(1).⁵²

(3) Manufactured Housing Market and Related Terms

FHFA proposes to define the *manufactured housing market* as the market for residential properties that provide housing for very low-, low-, and moderate-income families in

⁴⁹ Michael J. Novogradac, "Affordable Housing Developers Facing Increased Development Challenges," Novogradac Journal of Tax Credits 15(5) (2024), available at <https://www.novoco.com/periodicals/articles/affordable-housing-developers-facing-increased-development-challenges>.

⁵⁰ Jenna Davis and Sarah Karlinsky, "The Cost of Fragmentation: A Comparison of State Affordable Housing Finance Governance Systems," UC Berkeley Turner Center for Housing Innovation (2026), <https://turnercenter.berkeley.edu/blog/the-cost-of-fragmentation-a-comparison-of-state-affordable-housing-finance-governance-systems/>.

⁵¹ In this regard, FHFA notes that the preamble to the 2016 final rule states FHFA's interpretation that the affordable housing preservation statutory activity related LIHTC, 12 U.S.C. 4565(a)(1)(B)(viii), "appl[ies] to debt, as it requires the Enterprises to 'develop loan products and flexible underwriting guidelines to facilitate a secondary market' to preserve LIHTC-subsidized properties." 81 FR at 96264. In reasoning that the Enterprises' statutory obligation with regard to preserving LIHTC-subsidized properties addressed debt only (*i.e.*, did not impose any obligation with regard to LIHTC equity investments), FHFA's interpretation supported a separate policy decision to limit Enterprise DTS-eligible LIHTC equity investments to rural areas "to drive Enterprise innovation in rural markets" in particular. *Id.* at 96282. In sum, in 2016 FHFA did not interpret 12 U.S.C. 4565(a)(1)(B)(viii) to prevent the Enterprises from making equity investments in LIHTC-subsidized properties to preserve affordable housing, provided such investments are otherwise permitted by the Enterprises' charter acts and are safe and sound.

⁵² 12 U.S.C. 4565(a)(1)(B).

manufactured homes and manufactured housing communities.⁵³ The terms *manufactured home* and *manufactured housing community* would be relocated from the existing regulation to § 1283.2 without substantive change.

Under the existing regulation, the term *manufactured home* is defined to include only HUD Code homes. FHFA recognizes that other types of non-site-built homes, including modular homes, serve as a source of new affordable supply and are often constructed in the same factories as traditional HUD manufactured homes. The Agency requests comment on whether the definition of *manufactured home* should be expanded to include a broader array of non-site-built homes such as modular homes, panelized homes, and other types of factory-built homes that are subject to state or local building codes. FHFA does not believe that appropriate methodologies exist for assuring the structural integrity of pre-HUD Code homes and is not reconsidering including those homes in the *manufactured home* definition at this time.⁵⁴

(4) Rural Housing Market and Related Terms

FHFA proposes to define the *rural housing market* as the market for residential properties that provide housing for very low-, low-, and moderate-income families in rural areas. The term *rural area* is used and defined in the existing regulation; the definition of that term would be relocated to new part 1283 and, if amended as proposed, expanded in scope.

Specifically, FHFA is proposing to revise the *rural area* definition to include *high-needs rural regions* and thereby make clear that those regions are a segment of the rural housing market. The proposed rule would also amend the definition of *high-needs rural region* to include *Indian area*. Other terms defined in § 1282.1 and used in the definitions *rural area* and *high-needs rural region* would be relocated to § 1283.2. These proposed changes are discussed below.

High-needs rural region. The existing regulation identifies activities that support housing in *high-needs rural regions* (defined in the existing regulation as Middle Appalachia,⁵⁵ the

Lower Mississippi Delta, colonia census tracts, and persistent poverty counties)⁵⁶ and housing for *high-needs rural populations* (defined as members of a Federally recognized Indian tribe located in an Indian area and agricultural workers living in rural areas) as two of the four Regulatory Activities eligible for credit in the rural market.⁵⁷ Although the Safety and Soundness Act does not limit the rural market that the Enterprises have a duty to serve, historically these Regulatory Activities have been their focus. By eliminating those Regulatory Activities and revising the definition of *rural area*, FHFA aims to direct the Enterprises' efforts towards the rural market as a whole. This change, along with expanding the definition of *high-needs rural region* to include additional geographic areas associated with high-needs populations, is intended to balance the widespread need for liquidity in the rural market with the acute housing needs of households in the high-needs rural regions.

Households in *high-needs rural regions* as defined in the existing regulation face challenges such as a lack of affordable housing, lower wages, and limited access to credit.⁵⁸ Private capital is often scarce due to small deal sizes, limited CRA incentives, and limited lender participation due to perceived risk.⁵⁹

Members of federally recognized Indian tribes living in an *Indian area* face similar issues.⁶⁰ In addition, Indian

areas pose unique challenges with land titling and lack of housing supply, among other things.⁶¹ For those reasons, FHFA believes it is appropriate to include *Indian area* within the *high-needs rural regions* definition. During the 2016 rulemaking, both Enterprises proposed this approach in comments on the proposed rule.⁶² FHFA, at the time, rejected this proposal on the basis that it “would be over-inclusive and would direct support away from the [targeted] population.”⁶³ Given the Agency's experience with the Duty to Serve Program over the past decade and the continuing housing needs in Indian areas, including on fee simple property, FHFA now believes those concerns are unfounded. Because the term *Indian area* is already used and defined in the existing regulation, FHFA is proposing to relocate that definition from part 1282 to new part 1283.

FHFA also considered whether any other region should be identified as a *high-needs rural region*, generally understood as a rural area with a high concentration of poverty, substandard housing conditions, and particularly acute financing needs for affordable housing for low-income households.⁶⁴ FHFA observes that identifying additional regions could result in missing some areas and that maintaining a complete list in a regulation could prove infeasible. On the other hand, FHFA is not currently proposing to remove identified regions from the rule because by naming some areas FHFA better informs the public of those types of regions it considers to be *high-needs rural regions*. For those reasons, FHFA invites comments on whether the rule should identify additional areas as *high-needs rural regions*, and if so what those areas would be. FHFA also requests comment on whether the Enterprises should be permitted to treat regions as *high-needs rural areas* in their Plans, that are in

⁵⁶ When the existing regulation was finalized in 2016, FHFA committed to provide the Enterprises, and to post on FHFA's website, a data file that lists all of the census tracts that are covered by the definitions of Middle Appalachia, the Lower Mississippi Delta, or are “persistent poverty areas.” 81 FR at 96274, 96275, and 96277. In practice, FHFA publishes maps and data sets that depict all high-needs rural regions, also including colonia census tracts, on its website. FHFA plans to continue that practice if new part 1283 is finalized as proposed.

⁵⁷ The other Regulatory Activities eligible for credit in the rural market are financing by small financial institutions of rural housing and small multifamily rental properties in rural areas.

⁵⁸ See National Low Income Housing Center, “Rural America Cannot Address Housing Needs without Federal Investments” (2025), available at <https://nlihc.org/sites/default/files/UTF-8Rural%20Housing%20Needs%20Factsheet.pdf>.

⁵⁹ See “Duty to Serve: FHFA Presents Snapshots from Fannie Mae's and Freddie Mac's Duty to Serve Underserved Markets Plans for High-Needs Rural Regions and Populations” (2018), available at <https://www.fhfa.gov/sites/default/files/documents/DTS-High-Needs-Rural-Regions-and-Populations.pdf>; See The Federal Reserve Bank of Richmond, “Barriers to Rural Investment” (December 5, 2024), available at https://www.richmond.fed.org/region_communities/regional_data_analysis/regional_matters/2024/rm_12_05_24_barriers_rural_investment.

⁶⁰ See U.S. Department of Housing and Urban Development (HUD), “Housing Needs of American

Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs” (January 2017), available at <https://www.huduser.gov/portal/sites/default/files/pdf/HNAIHousingNeeds.pdf>.

⁶¹ See U.S. Department of Housing and Urban Development (HUD), “Mortgage Lending on Tribal Land: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs” (January 2017), available at <https://www.huduser.gov/portal/sites/default/files/pdf/nahsg-lending.pdf>.

⁶² 81 FR at 96277.

⁶³ *Id.*

⁶⁴ FHFA would also consider identifying such geographies as *high-needs rural regions* even if they are within metropolitan statistical areas, as part 1282 currently does with regard to *colonia census tracts*. See 12 CFR 1282.1.

⁵³ 12 U.S.C. 4565(a)(1)(A).

⁵⁴ 81 FR at 96250. FHFA has “acknowledge[d] the financing needs for owners of pre-HUD Code homes” and stated that it “may reconsider the matter in a future rulemaking if appropriate methodologies can be found for assuring the structural integrity of the homes.”

⁵⁵ Middle Appalachia includes the three regions identified as central (north central, central, and south central).

addition to the regions specifically identified in the rule.

Colonia census tract. FHFA is also proposing an amendment to the *colonia census tract* definition intended to simplify it, and to make a technical amendment to the definition of *high-needs rural region*. These amendments are not intended to change the meaning of either *colonia census tract* or the scope of the *high-needs rural regions*. In 2023, FHFA published a final rule that added *colonia census tract* as a defined term and amended the definition of *high-needs rural region* by substituting *colonia census tract* for *colonia*.⁶⁵ As a result of these amendments, the existing regulation defines *colonia census tract* by cross-reference to the separately defined term *colonia*. FHFA now believes that the definition of *colonia* can be presented as part of the *colonia census tract* definition and that doing so would make the *colonia census tract* definition easier to understand. As proposed, *colonia census tract* would be defined as “a census tract that contains an identifiable community that meets the definition of a colonia under a federal, state, tribal, or local program.” Additionally, prior to the 2023 amendments, the term *colonia* appeared twice in the *high-needs rural region* definition. However, the amended regulatory text inadvertently substituted *colonia census tract* for *colonia* only once. FHFA is proposing a technical amendment to correct that oversight.

(5) Proposed Disposition of Other Terms Used in the Existing Regulation

As previously noted, FHFA is proposing not to define terms in part 1283 that are used and defined in the existing regulation and that would be used in part 1283, which are defined in the Safety and Soundness Act or in FHFA’s General Definitions rule at 12 CFR part 1201. Moreover, some statutorily-defined terms that are used only once in part 1283, such as *HOEPA mortgage*, are not included in proposed § 1283.2 because reference to the statutory definition can be included where the term is used in the regulatory provision. Finally, FHFA does not propose to define in § 1283.2 terms that are used and defined in the existing regulation, which FHFA has determined have commonly understood meanings (such as “day”).

Terms proposed to be used in part 1283 and defined as currently set forth in part 1282 are *balloon note*⁶⁶ *dwelling*

unit; family; lender; low-income; manufactured home; median income; metropolitan area; moderate-income; mortgage; mortgage purchase; mortgage revenue bond; multifamily property; non-metropolitan area; owner-occupied; participation; proprietary information; refinancing mortgage; rent; rental unit; residence; secondary residence; single-family housing; and very low-income. FHFA considered not defining many of these terms because the Agency believes they are commonly understood, and requests comment on which of these terms, if any, do not need a regulatory definition.

C. Enterprise Duty To Serve Program—§ 1283.3

(1) Overview

Section 1283.3 of the proposed rule would set forth the Enterprises’ statutory duty to serve and the statutory requirements for carrying out that duty. This section would also establish the Enterprises’ authority to engage in any “eligible action” to meet their duty to serve obligation.

(2) Duty in General, § 1283.3(a); Program Requirements, § 1283.3(b)

Section 1335 of the Safety and Soundness Act establishes two statutory mandates for the Enterprises: section 1335(a) imposes the duty to serve, while section 1335(b) details requirements for carrying out that duty.⁶⁷ As proposed, § 1283.3(a) and (b) would set forth these statutory mandates. By including substantive statutory requirements in proposed § 1283.3(a) and (b), FHFA aims to provide all stakeholders with a singular reference point for Program expectations, fostering transparency, accountability, and ultimately better outcomes.

In § 1283.3(a), FHFA is proposing a slightly re-phrased version of language contained in section 1335(a) of the Safety and Soundness Act to expressly state the Duty to Serve in the regulatory text.⁶⁸ Section 1283.3(a) would require each Enterprise to provide leadership in

term *balloon mortgage* but uses the term *balloon note*; defines the term *multifamily housing* but uses the term *multifamily property*; and defines the term *owner-occupied housing* but uses the terms *owner-occupied unit* and *owner-occupied property*. Compare 12 CFR 1282.1 and 1282.37(d)(2), 1282.38(d)(2), and 1282(c) and (c)(2), respectively. FHFA proposes to correct the defined terms to *balloon note*, *multifamily property*, and *owner-occupied* in part 1283. At this time, the Agency is not proposing to update the term in part 1282, but may do so in a future rulemaking.

⁶⁷ 12 U.S.C. 4565(a) and (b).

⁶⁸ 12 U.S.C. 4565(a). The re-phrasing primarily involves relocating a clause; no substantive change to the meaning of the statutory language is intended.

developing loan products and flexible underwriting guidelines that facilitate a secondary market for mortgages for very low-, low-, and moderate-income families in those markets, in order to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing in the manufactured housing market, affordable housing preservation market, and rural housing market.

Section 1283.3(b) would incorporate the requirements for carrying out the duty to serve in section 1335(b) of the Safety and Soundness Act.⁶⁹ In brief, proposed § 1283.3(b) would require the Enterprises to: (i) design programs and products that facilitate the use of federal, state, and local governments assistance programs; (ii) develop relationships with nonprofit and for-profit organizations that develop and finance housing with state and local governments; (iii) assist primary lenders to make housing credit available in areas with concentrations of low-income and minority families, and assist insured depository institutions to meet their CRA obligations; and (iv) develop the institutional capacity to help finance low- and moderate-income housing, including for first-time homebuyers.

(3) Authority To Take Any “Eligible Action”

Section 1283.3(c)(1) of the proposed rule would establish the authority of each Enterprise to take any action that is consistent with the statutory duty to serve and that has not been determined to be ineligible by FHFA, by regulation or after review. Actions determined to be ineligible by regulation would be set forth in part 1283. For transparency, from time to time, FHFA may publish a list of any other actions that it has determined are ineligible with the Duty to Serve after review.

Although proposed § 1283.3(c) would not establish specific “eligible actions,” it reflect the statutory prohibition against considering contributions to the Housing Trust Fund (12 U.S.C. 4568) and the Capital Magnet Fund (12 U.S.C. 4569) and mortgage purchases funded from such grants.⁷⁰ Proposed § 1283.3(c) would also reference FHFA determinations of ineligible loan purchases set forth in § 1283.7 of the proposed rule.⁷¹

⁶⁹ 12 U.S.C. 4565(b).

⁷⁰ 12 U.S.C. 4565(d)(4); see also 12 CFR 1282.37(b)(1).

⁷¹ In proposed § 1283.7, which is discussed more fully below, FHFA proposes to consolidate and update provisions of §§ 1282.37, 1282.38, and 1282.39 of the existing regulation, on loan

⁶⁵ 88 FR 23559 (Apr. 18, 2023).

⁶⁶ In some cases, FHFA is making a technical change to a defined term to align the term with regulatory text. For example, part 1282 defines the

For eligible actions, the standards of “consistent with the Duty to Serve” and “eligible” or “ineligible” are not new; they are the standards FHFA would apply under the existing regulation when reviewing an Additional Activity.⁷² Thus the proposed rule does not assert additional authority or result in FHFA exercising its authority in a different manner.⁷³ Nonetheless, the concept of “any eligible action”—viewed in contrast to prescribed Activities—is intentionally broad and is intended to push the Enterprises to consider new ways they may effectively serve the underserved markets. Although the Enterprises could currently include in their Plans Activities other than the Statutory and Regulatory Activities set forth in the existing regulation, they have infrequently pursued activities outside that defined menu.

FHFA’s experience administering the Duty to Serve Program suggests that identifying Regulatory Activities by regulation may have had the unintended consequence of discouraging innovation, by undermining the need

purchases that are ineligible under the existing regulation.

⁷² See 12 CFR 1282.33(d) (manufactured housing market), 1282.34(e) (affordable housing preservation market), and 1282.35(d) (rural housing market), stating in each case that an Additional Activity is one that is “consistent with” the obligation to serve the particular underserved market, “subject to FHFA determination of whether the [Additional Activity] is eligible to receive duty to serve credit.”

⁷³ Similarly, the proposed approach would not change any statutory obligation an Enterprise has to consider or undertake certain actions to comply with its Duty to Serve in a particular market, such as the obligation to support statutorily-listed federal affordable housing programs as part of serving the affordable housing preservation market. In that regard, FHFA has previously opined that it does not expect the Enterprises to address each of the statutorily-listed programs in each three-year Plan. See 74 FR 38572, 38574 (Aug. 4, 2009) (“[C]ompliance with the duty to assist with affordable housing preservation is not dependent on whether the Enterprise assists each enumerated program each year, because the needs and opportunities in some programs might change.”); and 75 FR 32099, 32106 (June 7, 2010) (“The Enterprises would not be required to assist each program every year, but could take a step-by-step, concentrated approach. For example, an Enterprise might initially focus on the HUD Section 8, Section 236 and Section 202 programs.”). FHFA has also stated that it did not expect the Enterprises to address two statutory programs—the supportive housing program for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. 8013, and the permanent supportive housing projects subsidized under programs under Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11361 *et seq.*—because they either carried no debt or did not involve debt financing. 81 FR at 96262. FHFA continues to hold these views. If new part 1283 is finalized as proposed, the Enterprises would not be expected to address each of the statutorily-listed federal affordable programs in each Plan or to support a statutorily-listed program that does not involve debt.

for the Enterprises to identify and implement novel or more market-responsive solutions. Likewise, the requirement that each Enterprise explain why it did not select other actions from the Statutory and Regulatory Activities menu may have contributed to the Enterprises favoring actions that are already recognized in regulation over exploring alternatives that could have greater impact. And because the existing regulation requires a minimum number of Activities in each market, the Enterprises may have felt pressure to distribute their efforts across a broad array of lower-impact activities in order to satisfy the numeric threshold, rather than concentrating resources on fewer, higher-impact actions.

If identifying Regulatory Activities constrained innovation, other tools in the existing regulation that were intended to drive innovation have not always worked as desired. For example, FHFA has designated chattel lending as an “extra-credit” opportunity in its Evaluation Guidance every year since the inception of the Duty to Serve Program, yet the Enterprises have not purchased any chattel loans as part of their Duty to Serve Programs.⁷⁴ It would be particularly timely and appropriate for the Enterprises to focus more attention on chattel lending: today approximately 70 to 80 percent of new manufactured homes are titled as personal property, which makes chattel loans the predominant financing option for manufactured homes.⁷⁵ And because manufactured housing is among the most affordable forms of homeownership in the United States, for many households, particularly those in land-lease communities, chattel lending may be a critical means to homeownership.⁷⁶ Despite its

⁷⁴ Both Enterprises have previously undertaken chattel lending pilot initiatives but these initiatives were constrained by insufficient industry data and, as a result, did not achieve the intended outcomes. See Freddie Mac’s 2024 Annual Report on manufactured housing titled as personal property, available at https://www.fhfa.gov/document/mh-chattel_2_a_narrative_2024.pdf and Fannie Mae’s 2019 Annual Report on manufactured housing titled as personal property, available at https://www.fhfa.gov/sites/default/files/reports_11_23/Enterprise%20quarterly%20and%20annual%20reports/2019-DTS-Reports/Fannie%20Mae/MH_Chattel_2_NR_Q1_2019.pdf.

⁷⁵ According to the Manufactured Housing Survey administered by the U.S. Census Bureau, 78% of new homes constructed in 2024 were titled as personal property, with 18% titled as real estate.

⁷⁶ Allaire Conte, “Manufactured Home Loans Explained: Real Property vs. Chattel Financing,” *realtor.com* (October 27, 2025), available at <https://www.realtor.com/advice/finance/manufactured-home-loans-real-vs-personal-property> and ABT Associates “Expanding Resident and Nonprofit Ownership of Manufactured Home Parks,” available

at https://rocusa.org/wp-content/uploads/2024/07/ABT-Policy-Brief_Manufactured-Housing.pdf, importance, however, the chattel lending market remains underdeveloped, with limited liquidity, the absence of a securitization infrastructure, and a lack of robust performance data. These gaps have constrained borrower access to sustainable credit, perpetuated reliance on higher-cost financing, and restricted consumer choice. For these reasons, expanding responsible chattel financing is critical to the Enterprises fully meeting their Duty to Serve.

Relatedly, E.O. 14394 directs FHFA to reform programs that constrain residential development and impede housing affordability, including specifically “FHFA’s guidelines and regulations regarding chattel lending for manufactured housing.” The strategic shift reflected in the proposed rule, away from prescribed Regulatory Activities and toward innovative and market-driven “eligible actions,” is responsive to that direction. It would remove any perceived barriers to chattel lending in the existing regulation and present a new opportunity for the Enterprises to direct their attention to establishing appropriate underwriting standards, risk management protocols, and the securitization infrastructure necessary to expand their impact in the chattel lending market. Consistent with E.O. 14394, FHFA expects the Enterprises to develop and implement robust, responsible chattel financing initiatives and will assess them on their progress in expanding liquidity, supporting sustainable credit, and enhancing consumer choice in the manufactured housing market.

In sum, FHFA’s proposed focus on “any eligible action” is intended both to give the Enterprises greater flexibility to undertake actions that respond to market needs and to encourage innovation that supports meaningful outcomes. The transition to a more flexible approach does not signal a retreat from past, proven interventions that have stabilized or expanded liquidity in the underserved markets. Rather, the Agency anticipates that the Enterprises will leverage their accumulated institutional knowledge, proven strategies, and data-driven insights to iterate upon and scale high-impact activities from earlier Plan years. By grounding future innovation in the successes of the previous decade, the Enterprises can ensure that novel strategies are additive rather than duplicative. FHFA is committed to a regulatory environment that fosters the evolution of successful models while

at https://rocusa.org/wp-content/uploads/2024/07/ABT-Policy-Brief_Manufactured-Housing.pdf.

providing the Enterprises the autonomy to pivot as market dynamics shift and believes the proposed approach better supports those goals.

D. Duty To Serve Plan—§ 1283.4

(1) Overview

Section 1283.4 of the proposed rule would establish requirements for each Enterprise's Underserved Markets Plan (now called a Duty to Serve Plan to match current industry and Enterprise naming practices) and procedures for FHFA to review those Plans, reflecting FHFA's experience implementing the requirements and procedures set forth in § 1282.32 of the existing regulation. The proposed rule would continue to require each Enterprise to prepare a three-year plan, which would identify actions the Enterprise would undertake in each underserved market to meet its duty to serve. However, FHFA is proposing significant changes to the Plan content provisions.

(2) Plan Content

Section 1283.4(b) of the proposed rule would require each Enterprise to incorporate seven elements in its Duty to Serve Plan: (i) a needs and opportunities assessment; (ii) the actions an Enterprise will undertake to address the identified needs; (iii) measurable targets for each action; (iv) a description of how the Enterprise will fulfill the statutory program requirements reflected in proposed § 1283.3(b); (v) a description of public engagement activities; (vi) a list of Enterprise mortgage products that support housing for very low-, low- and moderate-income families in each underserved market; and (vii) summary reference tables.

If new part 1283 is finalized as proposed, FHFA expects that the needs and opportunities assessment would be based on rigorous, empirical research, and could produce data and insights beneficial to the public. FHFA expects that the actions identified in the Plans will explicitly and logically tie to the needs and opportunities assessment, reflecting a comprehensive and data-driven understanding of underserved market needs and the Enterprise's ability to meet those needs, given its prominence and role in the mortgage market. The proposed rule reflects that expectation by requiring each Enterprise, in its Plan, to set forth intended actions "to address the identified liquidity and investment capital needs, risks, and opportunities." In practice, under the existing regulation, FHFA has observed that both Enterprises routinely assess market

needs and opportunities when developing their Plans. The proposed rule codifies this practice by requiring such assessment, and would ensure that it serves as a basis for the development of Plan actions. This proposed change ensures that the Enterprises' actions are anchored in a transparent, evidence-based understanding of market conditions. FHFA believes that a systematic assessment enables the Enterprises to focus their efforts where they can achieve the greatest impact.

The Enterprises would also be required to describe how they expect to fulfill the statutory program requirements reflected in proposed § 1283.3(b). FHFA is proposing this addition to more closely align Enterprise planning efforts with statutory intent and to make that alignment more transparent. Since program inception, FHFA has not observed the Enterprises taking sustained action to address certain statutory requirements FHFA now proposes to set forth in § 1283.3(b). For example, although both Enterprises have discussed the challenges faced by insured depository institutions in meeting their CRA obligations and general affordability concerns in low-income areas, neither Enterprise has identified any specific Plan actions that address these statutory requirements directly. If the final rule is adopted as proposed, the Agency expects each Enterprise would describe the specific programs, products, initiatives, or other actions it is taking to meet each program requirement, together with a discussion of how those actions will carry out the duty to serve in the three-year Plan period.⁷⁷

The public engagement element would require the Enterprise to describe its public engagement activities, the significant input received from those activities, and how the Enterprise considered and addressed substantial points raised by the public. The existing regulation provides that each Enterprise "may, in its discretion, make revisions" based on public input, but does not require the Enterprise to respond to stakeholder concerns.⁷⁸ To enhance transparency and ensure a meaningful exchange of information, the proposed rule would replace this discretionary

standard with a requirement that the Enterprises provide a reasoned response to substantial points raised during the public comment period. This element is intended to promote accountability and provide the public with a clearer understanding of the technical, operational, or policy constraints informing the Enterprises' final determinations.

FHFA recognizes that public input may, at times, be conflicting. The Enterprises would retain the discretion to exercise their professional judgement and expertise in determining which suggestions to adopt. However, the proposed rule would require the Enterprises to conscientiously engage with public feedback by considering and responding to public recommendations and proposals.

The proposed inclusion of a list of mortgage products that support housing for the underserved markets and summary reference tables is intended to provide FHFA with information to facilitate its evaluation. Loan product development is one of the enumerated statutory activities; a list of the full suite of available products that have been developed to facilitate lending in the underserved markets would assist FHFA in determining whether the available products meet the identified needs. A list of products may also be useful to lenders and other market participants seeking to assist these markets.

Likewise, the summary reference tables assist the Agency during Plan review and non-objection and performance evaluation. These tables are currently recommended as a best practice in FHFA's Evaluation Guidance and Fannie Mae has provided these tables in its most recent Plan. FHFA is now proposing to make what has been an optional best practice a regulatory requirement. As described in the Evaluation Guidance, the first table provides the Enterprise's view of which actions correspond to the four statutory activity categories (loan product development, outreach, loan purchases, and investments and grants), which, as described in more detail below, are assessed separately. The second table provides a single view of all loan purchase targets over the three Plan years, which otherwise would be spread across multiple pages throughout the Plan.

(3) Plan Procedures

Establishment of Regulatory Deadlines. Proposed § 1283.4(c) seeks to replace existing "floating" compliance dates, previously determined at the discretion of FHFA or triggered by *ad hoc* events such as website postings,

⁷⁷ When finalizing the existing regulation in 2016, FHFA noted that "it is reasonable to make Enterprise research and development activities eligible for Duty to Serve credit under the loan product or outreach evaluation areas because of their importance in encouraging innovation and creative solutions to the challenges that exist in the underserved markets." 81 FR at 96247. This continues to be FHFA's position.

⁷⁸ 12 CFR 1282.32(g)(4).

with fixed dates to the extent feasible for Enterprise Plan submission, FHFA review and Objection or Non-objection, and Plan publication. When FHFA was developing the existing regulation, the lack of program experience necessitated a flexible approach to scheduling. However, after a decade of operational experience, FHFA now possesses sufficient data to propose a permanent schedule. Fixed dates would provide the Enterprises and market participants with greater operational certainty and facilitate long-term strategic planning.

Based on a retrospective review of the Plan process, FHFA has determined that the current review cycle routinely exceeds eight months and is unnecessarily protracted. The proposed rule would establish a streamlined six-month review period from Enterprise submission of the proposed Plans to final adoption. This expedited schedule reflects the increased proficiency of both FHFA and the Enterprises in navigating the Duty to Serve Program framework, and anticipates reductions in procedural steps if aspects of this proposed rule are ultimately adopted. For example, FHFA anticipates the elimination of Activities and supporting objectives may result in more focused Plans. At the same time, FHFA recognizes that circumstances may arise that indicate more time for review or submission is warranted. For that reason, the proposed rule would authorize FHFA to extend regulatory deadlines, as necessary.

The proposed rule would require each Enterprise to submit its Plan by June 30 of the year prior to the first year for which the Plan is applicable. Following submission, FHFA expects to conduct an initial assessment, including reviews necessitated by the current conservatorship status of the Enterprises, and launch public engagement efforts within 15 days of receipt of the Plans (*i.e.*, by July 15).

Generally, the Agency has held Listening Sessions and released Requests for Input and intends this practice to continue. Requests for Input would likely include a 45-day public comment period (*i.e.*, until roughly the end of August). Although the existing regulation provided a 60-day comment period for the Enterprises' initial Underserved Markets Plans, it also provided FHFA discretion to establish the deadline for public input on subsequent Plans.⁷⁹ FHFA believes that a 45-day period would be appropriate and effective because public stakeholders and FHFA have gained

familiarity with the Duty to Serve Program since 2016.

Throughout the input period, FHFA will provide ongoing feedback to the Enterprises based on the Agency's own review. The proposed rule would establish October 1 of the year prior to the first year for which the Plan is applicable as the date for each Enterprise to resubmit its proposed Plan to FHFA. This means that the Enterprises would have approximately 30 days (essentially, the month of September) to evaluate public input and Agency feedback, make necessary Plan adjustments, and resubmit the Plans to FHFA. FHFA is requesting public comment on whether the proposed timing provides sufficient time for commenters to review and provide feedback, and for the Enterprises to incorporate such feedback into their Plans.

FHFA would then have approximately 45 days following Plan resubmission to finalize its review and determine whether to issue an objection or non-objection to the Plans (*i.e.*, by November 15 prior to the first year the Plan is applicable). The Agency would conduct a review for objection or non-objection to an Enterprise's Plan based on standards relating to: (i) regulatory compliance, including eligibility of proposed actions, addressing public input, and other Plan content requirements; (ii) likelihood of achieving Duty to Serve compliance upon implementation; (iii) consistency with the Enterprises' charters; and (iv) safety and soundness. FHFA review would also include an evaluation of whether the Enterprise demonstrated a good faith effort to evaluate Agency feedback; however, an Enterprise's decision not to incorporate the feedback is not grounds for objection *per se*. If the rule is adopted as proposed, FHFA intends to communicate potential grounds for objection as early as possible to allow an Enterprise the maximum time to revise, resubmit, and obtain FHFA non-objection to its Plan so that it can become effective on the following January 1. However, the failure to receive a non-objection to a Plan prior to January 1 of the first year the Plan is applicable does not relieve the Enterprise of its obligation to comply with its Duty to Serve for that Plan year.

Deadlines fixed in regulation are intended to hold both the Agency and the Enterprises accountable for a timely, transparent, and predictable regulatory process. While the Agency intends to adhere strictly to those deadlines to ensure Plans are in place by January 1 of the first Plan year, the proposed rule

would include a "safety valve" to provide flexibility when necessary, permitting FHFA to extend any regulatory deadline or time period upon providing written notice to an Enterprise.

Finally, similar to the existing regulation, the proposed rule would require an Enterprise to publish its final Plan on its website as soon as practicable. Unlike the existing regulation, the proposed rule would further specify that each Plan be published no later than 10 days after the Enterprise receives FHFA's non-objection notification.

Plan Modifications. Under § 1282.32(h) of the existing regulation, an Enterprise may modify its Plan at any time subject to FHFA Non-Objection. The existing regulation does not provide a specific standard or threshold for such requests, which has led to a practice of frequent, routine modifications. The proposed rule would limit an Enterprise's ability to request a Plan modification to the occurrence of a "special circumstance."

In practice, FHFA established an annual process for the Enterprises to request Plan modifications that has become administratively burdensome for both FHFA and the Enterprises and that dilutes the stated objectives in the Plans. FHFA has observed that each Enterprise *annually* requests approximately 15 modifications to its Plan. These routinely include downward adjustments to loan purchase targets during the final quarter of the calendar year. In many instances, these modifications appear designed to align Plan targets with realized outcomes rather than to address fundamental shifts in market strategy. The Agency is concerned that the current modification practice creates a risk of inappropriately moving the performance goal posts rather than driving the Enterprises toward the ambitious objectives established at the Plan's inception.

The proposed rule would significantly narrow the circumstances under which an Enterprise may request a Plan modification. Under the proposal, modifications would be permitted only in response to extraordinary and significant market disruptions, such as a global pandemic or a systemic financial crisis (a "special circumstance"). The concept of a "special circumstance" is not intended to encompass ordinary market volatility, such as routine fluctuations in interest rates, seasonal shifts in housing supply, or foreseeable economic cycles, or circumstances that only affect one or two of the underserved markets.

⁷⁹ 12 CFR 1282.32(g)(3).

Procedurally, an Enterprise would submit a request to FHFA to modify its Plan, including both the modification(s) requested and the basis for the Enterprise's assessment that special circumstances exist. Similar to the existing regulation, the proposal would retain FHFA's discretion to seek public input on proposed modifications. Modifications would become effective after FHFA review and non-objection.

The proposed modification process would not preclude an Enterprise from addressing or explaining the impact of unforeseen market volatility of a more usual nature (*i.e.*, not a special circumstance). Under the proposed rule, if an Enterprise misses a target due to ordinary market volatility, it may address the shortfall in its Annual Performance Report, explaining the market conditions that caused the shortfall and any mitigating actions taken, including actions that were not originally contemplated in the Plan. FHFA will take those market conditions and the Enterprise's mitigating actions into consideration when evaluating how the Enterprise met the needs of the underserved market relative to actual conditions.

A primary rationale for this proposed change to the modification process is the evolution of FHFA's evaluation framework, as discussed further below. The proposed evaluation process focuses on whether an Enterprise successfully addressed the needs of the underserved market, rather than on a narrow technical determination of whether they met all the Plan targets. Under the proposed rule a high rating would be predicated on impactful performance relative to market conditions, such that late-year corrections to Plan targets (as are permitted under the existing regulation) would not be necessary for an Enterprise to demonstrate compliance or receive a favorable evaluation.

By restricting what has become a routine, resource-intensive modification process under the existing regulation, the proposed rule would redirect Enterprise capacity toward Plan execution. This proposed framework would better ensure that the Plans remain a stable roadmap for market support and are not treated as fluid documents to be adjusted to accommodate underperformance.

However, FHFA recognizes the difficulty in projecting loan purchase targets up to three years in the future, and requests comment on whether narrow updates to loan purchase targets for future years of the Plan should be allowed during the fourth quarter of the prior calendar year. Annual goal setting

related to loan purchase targets would potentially result in more challenging, but realistic targets that take into account the most recent market developments. Further, FHFA requests comment on whether these updates should be subject to the modification review procedure (without the need to show "special circumstances") and should require FHFA non-objection.

FHFA review and Objection or Non-objection. FHFA proposes to issue a single, consolidated determination of Non-Objection or Objection for each Enterprise's three-year Duty to Serve Plan. This approach is a change from the current regulation which requires that FHFA non-object or object separately to an Enterprise's Plan for each underserved market. The change is intended to reduce unnecessary process complexity, while preserving FHFA's ability to require revisions if any portion of the Plan does not meet regulatory standards.

FHFA also proposes to refine the bases for Objection to focus on whether a Plan meets statutory and regulatory requirements, includes feasible and well-supported activities, and presents reasonable and supportable targets. These changes clarify the threshold necessary for FHFA Non-Objection.

If FHFA does not issue a Non-Objection before January 1 of the first Plan year, FHFA proposes to permit the Enterprise to begin implementing those parts of the proposed Plan for which FHFA did not raise specific concerns on the Plan effective date, in coordination with FHFA staff. Concurrently, the Enterprise should promptly submit any revisions that FHFA may require to issue a Non-Objection to the pending Plan. FHFA expects an Enterprise to maintain continuity in its Duty to Serve activities during this period. This clarification is intended to reinforce that an Enterprise's statutory responsibility to carry out its duty to serve does not depend on the timing of FHFA's Non-Objection and to ensure there is no gap in statutory compliance or support for the underserved markets. Even if a Non-Objection is provided after January 1 of the first Plan year, FHFA evaluation will consider the Enterprise's Duty to Serve activities in the underserved markets over the entire calendar year.

E. Performance Monitoring and Reporting—§ 1283.5

(1) Ongoing Monitoring

Proposed § 1283.5(b) would codify FHFA's existing expectation that each Enterprise monitor Plan performance and report on such performance to its board of directors and senior

management, and the existing practice of Enterprise participation in ongoing monitoring discussions with FHFA. It would require each Enterprise to conduct ongoing monitoring and assessment of its completion of actions and achievement of targets under its Plan. FHFA expects each Enterprise's board of directors and senior management to provide oversight and support of the Enterprise's Duty to Serve obligations. This may be demonstrated by, among other things, incorporating Duty to Serve ratings into corporate objectives and scorecards, ensuring the Program is adequately resourced, and by acting promptly to address poor Duty to Serve performance.

Although the existing regulation does not expressly require the Enterprises to participate in FHFA ongoing monitoring activities, in practice, FHFA routinely meets with the Enterprises to hold them accountable throughout the year, rather than waiting until year-end evaluations when course corrections or adjustments may no longer be possible or meaningful. The proposed rule would require such participation.

(2) Annual Reports

Similar to the existing regulation, proposed § 1283.5(b)(1) would require each Enterprise to submit an annual report to FHFA. The proposed rule would accelerate the annual report submission date from 75 days after the end of the calendar year (*i.e.*, March 15) to March 1 of the year after the close of the applicable Plan year. FHFA believes shortening the time to develop and submit the annual report is appropriate and would not cause additional burden due to improvements in Enterprise data reporting automation.

(3) Quarterly Reports

Proposed § 1283.5(b)(2) would retain the requirement in the existing regulation that the Enterprises submit first, second, and third quarter reports on their progress. Specifically, as proposed, each Enterprise must submit to FHFA a report no later than May 15, August 15, and November 15 of the applicable Plan year. The proposed rule would accelerate the submission deadline for quarterly reporting from 60 to 45 days, again based on improvements in data automation. For simplicity, the proposed rule would change the submission date for each from "within 60 days" of the end of the respective quarter to specific dates.

In each report, the Enterprise would be required to describe the completion of actions and achievement of targets under its Plan for each underserved market for the applicable quarter and

include such other information and data as may be required by FHFA. To permit FHFA to modify reporting requirements from time to time so that it only collects information that is necessary and appropriate, the proposed rule does not set forth details on data required to be reported but anticipates FHFA establishing specific reporting requirements periodically, outside of a rulemaking.

(4) Publication of Information on Enterprise Performance

The proposed rule's provisions on publication of information about Enterprise Duty to Serve performance would be a significant change from the existing regulation and FHFA practice. The current regulation requires FHFA to publish "certain information" from quarterly reports "at a reasonable time after the end of the calendar year for which they apply" and to publish "certain information" from each annual report "at a reasonable time after receiving them."⁸⁰ In practice, FHFA publishes information from the quarterly reports at the same time as it publishes the annual reports, with each separate action having its own self-contained "mini-report" comprised of reports over the four quarters. While the quarterly reports demonstrate progress on Plan actions over the year, they do not introduce new information considering what is provided in the annual report. FHFA believes that the requirement to publish quarterly reports creates an unnecessary administrative burden associated with aggregating and compiling multiple "mini-reports," without providing a commensurate benefit to the public. Thus, FHFA now proposes that only Enterprise annual reports be published (which would continue to exclude confidential and proprietary information and data).

Additionally, FHFA proposes that each Enterprise publish the annual report on its website as soon as practicable but no later than March 30, and maintain it on the website thereafter. That proposal shifts responsibility for public disclosure from FHFA to the Enterprises. This reflects the Agency's position that the Plans and the resulting performance data are Enterprise products. Requiring the Enterprises to host and maintain their own reports on their respective websites reinforces the perception that the primary authors of Plan strategies are accountable to the public in their performance results. FHFA is also proposing to require that the Enterprises' published annual reports

comply with Section 508 of the Rehabilitation Act to ensure accessibility.

F. Evaluations and Ratings—§ 1283.6

(1) Overview

The proposed rule would set forth evaluation and ratings requirements, which FHFA is required by statute to establish by regulation.⁸¹ The proposed rule would substantially change the evaluation and rating procedures and standards in the existing rule, and would incorporate in regulation some evaluation procedures that are described in the separate Evaluation Guidance FHFA has previously provided to the Enterprises.

(2) The Current Process

The current evaluation framework is a two-step process, consisting of an assessment and the assignment of any extra credit.

In Step One, FHFA calculates an Enterprise's achievement of the objectives in its Plan to determine compliance. This step is a quantitative and qualitative evaluation to determine the impact of achievement for each objective to meet the needs of the particular underserved market. FHFA assigns an impact score of 0, 10, 20, 30, 40, or 50 to each action based on an evaluation of both direct impact and future, potential impact. After assigning an impact score for each objective, FHFA averages the impact scores for all objectives in that underserved market. The result of this calculation, the impact average, is a single numerical score for each underserved market which serves as the measure of impact that an Enterprise had on the underserved market.

Until August 2025, FHFA also assigned a concept score of 0, 10, 20, 30, 40, or 50 to each action based on future, potential impact during the initial review of its Plan. FHFA then averaged impact and concept scores for each objective in cases where the impact score exceeded the concept score. The resulting score was then used to calculate a simple average for objectives grouped by evaluation area (outreach, loan products, loan purchases, and investments and grants). Then, the averages were weighted by evaluation area and summed to form an overall performance score for each underserved market.

Revisions to the guidance in August 2025 eliminated the calculation to average the impact and concept scores, which could penalize an Enterprise for

outperforming targets. The revisions also removed the weighted average calculations, which could have unintended consequences, such as overemphasizing the importance of an objective when there was only one objective in an evaluation area. Instead, under the revised procedure, FHFA performs a simple average of the impact scores for the objectives in an underserved market, which it could then adjust upwards for extra credit.

In Step Two, FHFA determines whether, and if so how much, extra credit to award for the Enterprise's achievement of extra credit-eligible activities. FHFA then computes a final performance score for each underserved market, incorporating any extra credit awarded, which is converted into a rating of Fails (for final performance scores below 25), Minimally Passing (23–30), Low Satisfactory (30–35), High Satisfactory (35–40), or Exceeds (above 40).

FHFA has observed a number of challenges associated with the current process that suggest it could be improved. The Agency believes the current evaluation framework, by focusing on the impact of individual activities and requiring a minimum level of activity "points," may not fully capture an Enterprise's overall impact on an underserved market, and may incent the Enterprises to identify a high volume of low-impact activities to meet the outlined standards, instead of focusing on a smaller volume of ambitious goals that are designed to have a high impact.

FHFA has also observed that the mathematical averaging of scores may have unintentionally discouraged the expansion of Duty to Serve activities. In the current framework, an Enterprise has a disincentive to add new, potentially riskier, or smaller-scale activities to a market sector if there is a risk that these activities could mathematically "drag down" the average of high-scoring existing activities. Similarly, the use of weighted averages has tended to flatten the distinct impact of specific high-value actions, such as investments and grants, obscuring their significance. The rating procedures in place for the majority of the program also penalized the Enterprises for deviating from a Plan even if the ultimate market impact of the deviation was significantly more positive than the impact of executing on the original proposal would have been.

(3) The Proposed Process

The proposed rule moves from an inputs-based model to an outcome-based model that holistically assesses

⁸⁰ 12 CFR 1282.66(d).

⁸¹ 12 U.S.C. 4565(d).

all of the Enterprise's activities in each market. In contrast to the current regulation, in the proposed framework, Plans would serve as a facilitative instrument for achieving statutory objectives and a primary vehicle for communicating Enterprise strategies to stakeholders. In this context, FHFA's non-objection would provide a preliminary assessment of prospective alignment with statutory and regulatory requirements, signaling that the proposed activities are likely to result in compliance if executed as designed. However, FHFA's non-objection would not constitute a prospective determination of compliance nor create a "safe harbor;" rather, final determinations would be contingent upon the totality of an Enterprise's realized actions and their substantive impact on the underserved markets.

Consistent with its current approach, FHFA is proposing to continue to assign a rating to each Enterprise for each underserved market—manufactured housing, affordable housing preservation, and rural housing—based on an evaluation and rating of component factors. As one change from the current approach, however, the proposed rating system would be aligned with CAMELSO,⁸² the rating system used by FHFA examination divisions, which is similar to other federal financial and consumer compliance rating systems. Under that system, FHFA assigns a "1" rating for the lowest degree of supervisory concern, and a "5" rating to the highest level of supervisory concern. By adopting a rating framework, methodology and scale comparable to that used by FHFA's other divisions and by other federal financial regulatory evaluations, FHFA would help ensure that the Enterprises and other stakeholders share a uniform understanding of each rating's significance and the severity of any associated deficiencies.

(4) Component Ratings

Proposed § 1283.6(b) would retain the evaluation areas, or components, of the existing regulation, and add three additional components: program requirements, program management, and other factor(s) identified by the FHFA Director. FHFA will continue to assess specific components of each Enterprise's duty to serve performance in each underserved market.

Under the proposed rule, FHFA would assign a component rating to an Enterprise's loan product development,

outreach, loan purchases, investments and grants, program requirements, program management, and any other factor or factors identified by the FHFA Director, for each underserved market.

FHFA reviews of the loan product development, outreach, loan purchase, and investments and grants components would be similar to those reviews currently. For the loan product development component, FHFA reviews the Enterprise's actions to develop new and modify existing loan products, and to develop more flexible guidelines and other innovative approaches to providing financing in each underserved market. For the outreach component, FHFA reviews the Enterprise's actions to listen, collaborate, educate, and respond to market participants. For the loan purchase component, FHFA reviews the Enterprise's goal settings and volume of loan purchases in the context of past performance, market conditions, and market opportunities. For the investments and grants component, FHFA reviews the number of the Enterprise's investments and grants in projects which assist meeting the needs of such underserved markets, as well as the overall and efficient deployment of funds.

For the proposed program requirements component, FHFA would review the effort and execution by an Enterprise to meet the statutory and regulatory program requirements for Duty to Serve. Inclusion of the program requirements component ensures that the Enterprises focus on these specific, statutory program requirements (which, as noted above, would be set forth in regulation for transparency, completeness, and ease of reference).

For the program management component, FHFA would review the capability and willingness of the board of directors and management to ensure the Enterprise meets its Duty to Serve. The Agency believes inclusion of a program management component will reinforce the importance of Enterprise governing bodies integrating Duty to Serve obligations and compliance into the Enterprise's core business strategies. Sound program management serves as the structural foundation for the entire framework; without robust board oversight, senior management accountability, and the dedicated allocation of personnel and resources, even the most innovative loan products or purchase targets are unlikely to achieve sustained success. FHFA also believes that a program management component will incentivize a culture of transparency and Enterprise proactive engagement with FHFA, reducing

operational and compliance risk and ensuring that the Enterprises maintain the agility necessary to make mid-course strategic adjustments. Ultimately, prioritizing program management reinforces the principle that long-term, impactful service to very low-, low-, and moderate-income families requires a governance structure that is as sophisticated and well-resourced as any other primary business line within the Enterprise.

Finally, the Agency proposes to include as an assessment component any other factor identified by the Director in the year prior to the Plan year subject to evaluation. This component provides the Agency with the flexible opportunity to identify additional focus areas that reflect key or emerging policy priorities.

(5) Market-Level Ratings

Similar to the existing regulation, proposed § 1283.6(c) would use a five-scale rating system to assign a rating based on FHFA's assessment of Enterprise performance. Instead of a scale of qualitative descriptions, however, FHFA now proposes a numeric scale similar to that it uses for assigning a safety and soundness composite rating. Thus, under the proposed framework, FHFA would assign an overall composite rating for each underserved market, considering each component and the component rating assigned. A market-level rating of "1," "2," or "3" would constitute compliance by the Enterprise with its Duty to Serve the underserved market. A market-level rating of "4" or "5" would constitute noncompliance. Notably, the existing regulation established four "passing" ratings (Exceeds, High Satisfactory, Low Satisfactory, and Minimally Passing). FHFA believes that the Enterprises have now had ten years of experience with developing and implementing Plans, such that performance previously justifying a Minimally Passing should not, in the future, be deemed as complying with the Duty to Serve. FHFA does not intend the Enterprises to target "minimal" performance; it intends the Enterprises to provide meaningful support to the underserved markets.

FHFA does not propose to state a standard for assigning a particular component or market-level rating in regulation, but may publish guidance that describes how FHFA plans to conduct the evaluation and ratings process (and may publish guidance on other topics, as appropriate). As context for the proposed rule, however, and so that the public and the Enterprises may

⁸² See <https://www.fhfa.gov/supervision/examiner-resources/camelso>.

better understand how FHFA intends to implement the proposed numeric rating scale, FHFA is offering a description of performance justifying ratings of “1,” “3,” and “4” below.

To receive a market-level rating of “1,” FHFA expects the Enterprise’s demonstrated actions and impact in the particular market to be strong in every respect, typically shown by the Enterprise having received a rating of “1” for most components with no rating less than a “2.” A rating of “1” could be achieved if the Enterprise demonstrated exceptional leadership in the market in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families in the underserved market. The Agency further anticipates that an Enterprise’s actions would have a significant impact on the liquidity of mortgage investments and distribution of investment capital available for single-family and multifamily mortgage financing in the underserved market. Plan actions would also include creative and novel solutions that have the capacity for scale. Finally, FHFA would expect an Enterprise’s actions to be grounded in rigorous, proactive market analysis and research informed by robust stakeholder engagement across a wide variety of stakeholders.

A market-level rating of “3” would indicate that the Enterprise’s demonstrated actions and impact in the duty to serve market needs improvement. The Agency anticipates that an Enterprise receiving a composite “3” rating for an underserved market will typically demonstrate performance warranting a “3” or better in most components, with no individual component rated lower than a “4.” FHFA expects to assign a composite “3” to an Enterprise that has demonstrated moderate leadership in developing loan products and flexible underwriting guidelines. While the Enterprise’s actions contributed to market liquidity and the distribution of investment capital, the scope of this impact was moderate and may not fully address the breadth of underserved market needs. Enterprise actions, while supported by adequate market analysis and stakeholder engagement, would be generally inconsistent or reactive, with impacts that are uneven or not sustained.

In contrast, a market-level rating of “4” would be assigned when the Enterprise’s demonstrated actions and impact in the underserved markets is determined by FHFA to be weak and deficient. The Agency anticipates that

this rating would reflect minimal leadership in developing the loan products or flexible underwriting guidelines necessary to facilitate a secondary market for very low-, low-, and moderate-income families in the underserved market. Furthermore, FHFA expects that for an Enterprise receiving a “4,” actions intended to support the underserved market would have had minimal impact on the liquidity of mortgage investments or the distribution of investment capital, and were generally not designed to be scalable. The Agency anticipates observing a programmatic approach that is minimally grounded in market analysis or novel research, and with minimal stakeholder impact.

(6) Failure To Comply

There is a specific statutory process for enforcing the Enterprises’ Duty to Serve.⁸³ Similar to the existing regulation, FHFA proposes to state that the FHFA Director will follow the procedures in 12 U.S.C. 4566(b) if an Enterprise fails to comply with its duty to serve in proposed § 1283.6(d).⁸⁴ Because a market-level rating of “4” or “5” would indicate non-compliance with the Duty to Serve, FHFA could invoke those statutory remedies if an Enterprise achieved either such rating, or if FHFA deems there is a substantial probability that the Enterprise would achieve a rating of “4” or “5.”

(7) Publication of FHFA Evaluation and Ratings

Section 1283.6(e) of the proposed rule would codify FHFA’s current practice of publishing a market-level rating and compliance determination for each Enterprise, for each underserved market, in FHFA’s Annual Housing Report. Proposed § 1283.6(e) would also require FHFA to publish a narrative assessment of each Enterprises’ performance; this addition is designed to increase transparency.

G. Requirements for Eligible Loan Purchases—§ 1283.7

(1) Overview

Proposed § 1283.7 would address criteria a loan purchase must meet to qualify as an “eligible action” under proposed § 1283.3(c), set forth rules for determining affordability to very low-, low-, and moderate-income families, and address transactions that FHFA believes should be treated as loan purchases. Some proposed provisions are drawn from similar provisions in the existing regulation at § 1282.37, on

general requirements for credit, and §§ 1282.38 and 1282.39, on general and special requirements for loan purchases, including determining that the loan is affordable to the targeted income group. Proposed changes are intended to improve logical flow and clarity and to update the affordability requirements to facilitate serving underserved households.

(2) Eligible and Ineligible Loan Purchases

Proposed § 1283.7(a)(1) would set forth criteria a loan purchase must meet to be an “eligible action”: it must be secured by a dwelling unit; it must finance housing that is affordable (whether owner-occupied or rental); and it must not be a type of loan purchase determined ineligible by FHFA by regulation, as set forth at proposed § 1283.7(a)(2). In proposing specific types of ineligible loan purchases, FHFA has considered the general and special requirements for loan purchases in §§ 1282.38 and 1282.39, respectively, of the existing regulation as well as the general requirements for credit set forth at § 1282.37 of the existing regulation. Those provisions establish a credit-based framework in which FHFA determines whether an Enterprise receives credit or extra credit for its Activities. Activities are evaluated within multiple evaluation areas, and their structure relies heavily on how credit is assigned. This approach was appropriate for a Duty to Serve evaluation process centered on numerical credit but would not be aligned with FHFA’s proposed, updated evaluation framework.

Because the Duty to Serve framework FHFA is now proposing would no longer award “credit” or “extra credit,” expressing requirements in terms of “credit” would no longer be appropriate. However, FHFA has determined that some of the existing regulation’s requirements for credit generally, and some general and special requirements for loan purchases specifically, address types of actions or features of a loan purchase that would make it an ineligible action. In that light, FHFA has considered each of the requirements in §§ 1282.37, 1282.38, and 1282.39 to assess whether it describes a product or action that would be ineligible for consideration generally when FHFA evaluates an Enterprise’s Duty to Serve compliance, or describes a feature of a loan purchase that should make that purchase ineligible for consideration. FHFA has also considered the structure of those sections and observes that their content does not always align with the section

⁸³ 12 U.S.C. 4566.

⁸⁴ Compare 12 CFR 1282.40.

heading (*e.g.*, § 1282.37, on general requirements for credit generally, addresses in paragraph (d) of that section requirements for loan purchases, which are also addressed in § 1282.38, on general requirements for loan purchases). FHFA believes that the regulation could be structured in a more transparent manner.

To that end, in structuring the proposed rule, FHFA proposes to include in proposed § 1283.3(c) types of actions that are ineligible for consideration under *any* evaluation area and that were previously set forth in § 1282.37(b) of the existing regulation.

In contrast, various provisions in §§ 1282.37, 1282.38, and 1282.39 of the existing regulation state that Duty to Serve credit will not be awarded for *purchases of loans* due to certain loan features (such as, for example, purchases that finance secondary residences⁸⁵). In the proposed rule, FHFA intends to address ineligible loan purchases in one section (proposed § 1283.7(a)(2)). FHFA is seeking comment on whether any of the eligibility requirements for loan purchases should apply to any other evaluation area.

Many features that would make a loan purchase ineligible for Duty to Serve consideration in the proposed rule align with outcomes in the existing regulation. In § 1283.7(a)(2) FHFA proposes to deem “ineligible” purchases of mortgages loans that finance any dwelling units that are secondary residences;⁸⁶ refinancing mortgages that are not arms-length transactions or borrower driven;⁸⁷ single-family refinancing mortgages that result from conversion of balloon notes to fully amortizing notes, if the Enterprise already owns or has an interest in the balloon note at the time the conversion occurs;⁸⁸ purchases of single-family mortgage covered by section 103(bb) of the Home Ownership and Equity Protection Act, 15 U.S.C. 1602(bb) (HOEPA mortgages);⁸⁹ purchases of single-family mortgages for which the income of the mortgagor(s) is unavailable;⁹⁰ purchases of mortgages or interests in mortgages that received Duty to Serve “credit” under any underserved market within the five years immediately preceding the current performance year;⁹¹ purchases of mortgages where the property or any

units within the property have not been approved for occupancy,⁹² except for “single close” single-family construction to permanent loans in the construction phase; purchases of any interests in mortgages that FHFA determines will not be treated as interests in mortgages;⁹³ and purchases of state and local government housing bonds, except as provided in proposed § 1283.7(c)(5).⁹⁴ For the “single-close” exception, the proposed regulation would recognize that construction-to-permanent loans are an important product tool to finance new affordable supply.

Conversely, FHFA has determined that other types of actions, or some types of loan purchases, that were ineligible for credit under the existing regulation are too restrictive and in fact should not make an action or purchase ineligible. For example, as described above, FHFA has reconsidered the existing restriction on subordinate liens on multifamily properties and believes the Enterprises should have expanded flexibility to support financing multifamily properties. To that end, in contrast to the existing regulation, subordinate liens on such properties would not be “ineligible” *per se*,⁹⁵ but would be subject to specific affordability requirements that preserve lasting and sustainable homeownership opportunities. FHFA has also reconsidered and is not reproposing the existing restriction on permanent construction take-out loans in order to provide the Enterprises with flexibility to use this loan type in all evaluation areas (rather than just affordable housing preservation);⁹⁶ and has reconsidered and is not reproposing the existing restriction limiting LIHTC equity investments to rural areas, to expand eligibility for LIHTC equity investments to all underserved markets.⁹⁷ FHFA has observed the continued need for investment in older LIHTC properties in non-rural areas, especially outside of the largest cities that are in the CRA footprints of multiple bank investors.

(3) Affordability Requirements

As noted above, in the proposed rule as in the existing regulation, a loan purchase must meet regulatory affordability requirements to be considered for Duty to Serve. To determine affordability in the proposed

rule, FHFA proposes to retain many core elements of the existing regulation. These include affordability requirements for owner-occupied and rental properties, such as using borrower and renter income relative to median income, and using market-rent determinations for unoccupied units.

For mortgage purchases financing owner-occupied single-family properties, in the proposed rule (as in the existing regulation) affordability would be determined for each income group based on the income of the mortgagor(s) compared to the applicable median income at the time the mortgage was originated. For mortgage purchases financing rental units, affordability would be determined by comparing the unit rent to the applicable median income, adjusted for unit size. These proposed provisions are similar to those set forth in the existing regulation.⁹⁸ In each case, a mortgage would be affordable if it did not exceed the percentage of applicable median income provided in a table currently set forth in subpart B of part 1282, developed for Enterprise housing goals and currently adopted by reference into subpart C of that part, for Enterprise Duty to Serve. As in the existing regulation, FHFA proposes to adopt those tables by reference. FHFA is also proposing a change to calculating median income intended to ensure that persistent poverty in many geographies does not unfairly disqualify individual borrowers; and would add assumptions for determining affordability with regard to properties with federal affordability requirements and for blanket loans on manufactured housing communities.

The proposed rule’s requirements for the timeliness of borrower income and area median income information are also carried over from the existing regulation. After the existing regulation was finalized, however, data collection has advanced; for that reason, the Agency is proposing to make ineligible any loan for which there is missing data and information to determine loan affordability.

(4) Affordability Assumptions

The first assumption that FHFA is proposing would recognize that all units with federal housing program affordability restrictions must be occupied by families earning no more than 100 percent of area median income (as calculated by the federal affordability program). FHFA is proposing to recognize these restrictions and would not require the Enterprises to

⁸⁵ 12 CFR 1282.37(d)(1).

⁸⁶ Compare 12 CFR 1282.37(d)(1).

⁸⁷ Compare 12 CFR 1282.39(g).

⁸⁸ Compare 12 CFR 1282.37(d)(2).

⁸⁹ Compare 12 CFR 1282.37(b)(2).

⁹⁰ Compare 12 CFR 1282.38(c)(2).

⁹¹ Compare 12 CFR 1282.37(d)(3).

⁹² Compare 12 CFR 1282.37(d)(4).

⁹³ Compare 12 CFR 1282.37(d)(5).

⁹⁴ Compare 12 CFR 1282.36(d)(6).

⁹⁵ Compare 12 CFR 1282.37(b)(3).

⁹⁶ Compare 12 CFR 1282.37(b)(6).

⁹⁷ Compare 12 CFR 1282.37(b)(5).

⁹⁸ Compare 12 CFR 1282.38(c)(1) and (d)(1).

reconfirm affordability for Duty to Serve purposes.

Separately, the proposed rule would change the affordability requirements for the purchase of blanket loans on manufactured housing communities. Under the existing regulation, the manufactured housing community must meet specific affordability tests. The tests use a census tract-based income analysis as a proxy for affordability. Under this framework, all homes in the community are treated as affordable if the median income of the census tract where the community is located is at or below the area median income. If the median income of the census tract exceeds the area median income, the number of homes treated as affordable is reduced. Alternatively, manufactured housing communities owned by government instrumentalities, non-profits, or residents may qualify based upon the existence of specific underlying documentation requiring affordability.

In the proposed rule, FHFA would replace these bifurcated and administratively intensive tests with a presumption of affordability. Under this revised standard, manufactured housing community is presumed to meet the affordability standard unless FHFA determines otherwise.

This shift is supported by research from HUD showing that manufactured housing is the nation's primary source of unsubsidized affordable housing.⁹⁹ Research from the Consumer Financial Protection Bureau (CFPB) using HMDA data showed that the median household income for manufactured housing borrowers was \$52,000 for chattel loans and \$53,000 for mortgage loans, compared to \$83,000 for site-built housing.¹⁰⁰ More recent 2021 HMDA data cited by the Urban Institute showed that the median income for manufactured housing borrowers was \$57,000, compared to \$93,000 for site-built borrowers.¹⁰¹ This data

demonstrates that the manufactured housing market inherently serves the lowest deciles of the housing market, making tract-by-tract income analysis a redundant verification of a self-evident economic reality.

The primary objective of FHFA's proposed revision is to alleviate the "compliance friction" that has historically disincentivized the financing of high-impact properties. The previous requirement for specific affordability documentation placed a burden on entities that may lack the administrative capacity to maintain such rigorous evidentiary standards. Streamlining the process will remove barriers to secondary market liquidity by allowing the Enterprises to focus their resources on market outreach and mission-driven lending rather than technical verification of demographic data that is already well-established.

Consistent with the existing regulation, FHFA retains the authority to disqualify loan purchases that fail to serve the very low-, low-, and moderate-income population. The proposed rule continues the "unless otherwise determined by FHFA" clause as a safeguard against "luxury" or "lifestyle" manufactured housing communities. FHFA will continue to rely on robust Enterprise reporting, market monitoring, and public input to identify properties that may not align with the Duty to Serve mission. For example, if market data or stakeholder feedback indicates that a specific manufactured housing community is being positioned as a luxury-tier community—characterized by market-leading rents or amenities far exceeding standard affordable housing—FHFA may exercise its authority to exclude that loan purchase. This approach maintains the integrity of the Duty to Serve Program while significantly reducing the front-end burden for the vast majority of affordable communities.

(5) Application of Median Income

The proposed rule would also amend the calculation of borrower median income to determine eligibility for very low-, low-, and moderate-income thresholds. FHFA believes that the current calculation unnecessarily restricts families targeted for assistance by the Enterprises' duty to serve actions in areas of concentrated poverty, particularly in rural areas.

In the existing regulation, for mortgages in metropolitan statistical areas (MSAs), borrower median income is compared to the relevant MSA median income to determine whether the loan will receive duty to serve credit. For mortgages in rural areas,

borrower median income is compared to the higher of the relevant county median income or the state non-MSA median income. This comparison has contributed to challenges in awarding Duty to Serve credit to areas with incomes below the national average. For example, in 2024, a potential borrower in a non-MSA in Puerto Rico, one of the lowest-income U.S. territories, could earn 284 percent less than a borrower in a non-MSA in Massachusetts, one of the highest-income States, and still not qualify as low-income under the existing Duty to Serve regulation.¹⁰²

Thus, FHFA is concerned that the current methodology may disadvantage low-income communities which already face barriers to investment due to underlying structural economic conditions. To address that concern, FHFA now proposes to compare rural borrower incomes to the highest applicable median among county, state, and national rural medians, and to compare urban borrower incomes to the highest applicable median among county, state, and national urban medians.

The proposed modification is expected to expand Duty to Serve-eligible rural lending, aligning with the statutory intent to support low-income borrowers in both rural and urban areas while respecting income differences across geographies, and to assist lenders in making housing credit available in areas with concentrations of low-income families. For example, from 2022 to 2024, relative to the status quo, the proposed change increased loans qualifying for High-Needs Rural Region activities by 352 percent in Puerto Rico, 16 percent in Mississippi, 8 percent in West Virginia, and 21 percent in Louisiana. These regions represent some of the lowest income areas during that period.¹⁰³ Under the proposed change, median incomes of very low-, low-, and moderate-income borrowers qualifying for Duty to Serve credit from 2022–2024 increased by a relatively small amount—less than \$4,500—demonstrating that borrowers assisted

⁹⁹ U.S. Department of Housing and Urban Development, "Manufactured Housing and the PRICE Competition" (May 2024), available at <https://www.hudexchange.info/programs/manufactured-housing-and-price>.

¹⁰⁰ Consumer Financial Protection Bureau, "Manufactured Housing Finance: New Insights from the Home Mortgage Disclosure Act Data" (May 2021), p. 33, available at https://files.consumerfinance.gov/f/documents/cfpb-manufactured-housing-finance-new-insights-hmda-report_2021-05.pdf.

¹⁰¹ Urban Institute, "The Role of Manufactured Housing in Increasing the Supply of Affordable Housing" (July 2022), p. 9, available at <https://www.urban.org/sites/default/files/2022-07/The%20Role%20of%20Manufactured%20Housing%20in%20Increasing%20the%20Supply%20of%20Affordable%20Housing.pdf>.

¹⁰² Assumes a borrower with the state's median income average of \$27,313, living in Vieques Municipio, Puerto Rico with a state non-MSA value of \$26,400 and a county average of \$26,400. Assumes a borrower with the state's median income average of \$104,828 living in Kent County, Massachusetts with a state non-MSA value of \$85,000 and county value of \$109,700. See U.S. Census Bureau, "American Community Survey 2024 1-Year Estimates" (September 2025), available at <https://www2.census.gov/library/publications/2025/demo/acsbr-025.pdf>.

¹⁰³ See U.S. Census Bureau, "American Community Survey 2024 1-Year Estimates" (September 2025), available at <https://www2.census.gov/library/publications/2025/demo/acsbr-025.pdf>.

under the proposal remain low-income. The recommendation is also operationally efficient, requiring only three additional data points in the FHFA-established file used by the Enterprises to determine Duty to Serve income eligibility, with no other operational changes for FHFA. The proposed change also makes it easier for the Enterprises to achieve mission objectives.

FHFA considered other policy alternatives, including adopting the median income methodology in the CRA implementing regulations,¹⁰⁴ modifying the calculated ratio at various geographic levels for only urban or only rural borrowers, and comparing rural and urban borrowers to the same medians for combined urban and rural areas. The CRA alternative is not recommended, as it is expected to reduce mission credit by offering less flexibility than the current regulation for comparing rural borrowers to relevant areas. The other options explored are also not recommended because they either make unfair comparisons between rural and urban borrower medians, failed to significantly increase mission credit compared to the proposed option or status quo, or increased the administrative burden for FHFA and the Enterprises. Overall, FHFA believes that the proposed change to the median income definition would effectively expand mission credit for low-income borrowers in low-income regions while supporting administrative priorities of reducing regulatory burden and appropriately balancing statutory intentions.

(6) Treatment of Other Transactions as Mortgage Purchases

The existing regulation identifies a number of transactions that FHFA determined should be treated as mortgage purchases. FHFA now proposes to carry the substance of those determinations into proposed § 1283.7(c), with some reorganization to enhance clarity. As in the existing regulation, credit enhancements, risk-sharing arrangements, participations, cooperative and condominium loans, refinancing transactions, mortgage revenue bonds, and seller dissolution options would continue to be treated as mortgage purchases, under the same defined conditions as are set forth in the existing regulation.¹⁰⁵

FHFA is not proposing to include a provision on seasoned mortgages,

currently in the existing regulation,¹⁰⁶ in proposed § 1283.7(c), because it is unnecessary. To avoid confusion, however, FHFA is affirming that purchases of seasoned mortgages would be eligible actions (provided they otherwise meet the requirements of proposed § 1283.3(c) and are not ineligible for another reason).

H. Reservation of Authority—§ 1283.8

FHFA exercises general regulatory, examination, and enforcement authorities over the Enterprises to ensure that they are operated in a safe and sound manner, comply with applicable law, and fulfill their public purposes. Consistent with these authorities, the proposed rule would expressly state that it does not permit or require an Enterprise to engage in any activity that would otherwise be inconsistent with its Charter Act or the Safety and Soundness Act.

Proposed § 1283.8 would also state that FHFA's review and Non-Objection to a proposed Plan does not constitute approval of any action described in the Plan. This provision acknowledges that a three-year Plan could include innovative actions that may be subject to other FHFA approval considerations or processes and that proposed actions may not be ripe for such approval when a Plan is reviewed.

I. Effective Date

(1) Transition to New Plans

FHFA intends regulatory changes to be in effect by January 1, 2028, which is the beginning of the 2028–2030 Duty to Serve Plan period. The Agency intends to finalize this regulation well in advance of June 30, 2027 to ensure the Enterprises have adequate time to prepare their 2028–2030 Plans, allow for public feedback, and enable FHFA to thoroughly review and grant Non-Objection to the Plans, consistent with the evaluation standards specified in the proposed rule.

If FHFA is unable to finalize the regulation within the timeframe described, the Agency could permit the Enterprises to extend their existing 2025–2027 Underserve Markets Plans for a period after which they would develop a Duty to Serve Plan in compliance with the new evaluation standards, which would extend through the end of 2030 (or through 2031, if the 2025–2027 Plans were extended significantly into or through 2028). FHFA requests comment on the possible extension of the 2025–2027 Plans into 2028.

(2) Implementation of New Evaluation Process

If the proposed rule is finalized before the end of 2027, FHFA believes that it could be beneficial to the Enterprises and the public if the proposed evaluation framework were implemented for Duty to Serve assessments in 2027. FHFA requests comment on whether it would be confusing for the Enterprises or the public to evaluate under the new evaluation framework Plans developed under the existing regulation, anticipating application of the existing regulation's evaluation methodology. FHFA would also consider evaluating the Enterprises' 2027 Duty to Serve performance under both evaluation methodologies; this approach may provide useful information to the Enterprises and the public in understanding how an evaluation under the new (proposed) methodology compares to an evaluation under the existing regulation's methodology. FHFA requests comment on its use of the new (proposed) evaluation methodology for assessing Enterprise 2027 Duty to Serve performance.

J. Comments Specifically Requested

As stated above, FHFA invites comments on all aspects of the proposed rule and will take all comments into consideration before issuing a final rule. In addition to general comments on the proposal, FHFA also requests comment on the questions set forth below. The most helpful comments reference the specific questions listed, explain the reason for any changes, and include supporting data.

(a) Definitions

1. Should FHFA consider changing the scope of the definitions for *affordable housing market*, *manufactured housing market*, or *rural housing market*?

2. Should FHFA consider adding other US territories or areas to the proposed *high-needs rural regions* definition? If so, what areas should FHFA add, and how do those areas qualify as *high-needs rural regions*?

3. Are there terms proposed to be defined in the existing regulation that are commonly understood such that no definition of the term is necessary?

4. Should FHFA change the definition of *manufactured home* to acknowledge the increasing importance to the manufactured housing market of other types of factory-built homes beyond HUD-code manufactured homes (such as modular homes)?

¹⁰⁴ See e.g., 12 CFR 25.12 (OCC) and 345.12 (FDIC).

¹⁰⁵ See 12 CFR 1282.39(b) through (e) and (g) through (i).

¹⁰⁶ See 12 CFR 1282.39(f).

(b) Duty To Serve Plans

5. Are there additional summary reference tables that the Enterprises should include in their Plans to enhance transparency, comparability, and accountability?

6. Should an Enterprise be allowed to request that FHFA permit it to modify its Plan based on a change in market conditions or other events or circumstances? Should FHFA be allowed to initiate a request that an Enterprise modify its Plan based on a change in market conditions or other events or circumstances? Under what circumstances?

7. Does the proposed timing for public feedback provide sufficient opportunity for the public to review the proposed Plans and submit comments, and for the Enterprises to incorporate such feedback into their Plans? If not, what should be the proposed timing for public feedback?

8. Should the Enterprises be allowed to annually update loan purchase targets for future Plan years prior to that Plan year commencing? If yes, should these objects be subject to the modification review procedures and/or require FHFA non-objection?

9. FHFA proposes to remove the restriction that permitted LIHTC equity investments only in rural areas, to expand eligibility for LIHTC equity investments to all underserved markets. Should the Enterprises also be permitted to invest in New Markets Tax Credits, to provide additional liquidity to increase housing supply?

(c) Requirements for Eligible Loan Purchases

10. Should any of the eligibility requirements for loan purchases (proposed § 1283.7(a)(2)) apply to any other evaluation area?

11. Should FHFA classify metropolitan statistical areas and micropolitan statistical areas as urban for the calculation of median incomes? What would be the costs or benefits of the change?

12. Are there impacts FHFA should consider if, in the future, the Agency aligns the median income calculation of the Enterprises housing goals and other income eligibility qualifying programs to match the DTS methodology?

(d) Effective Date

13. Should FHFA adopt the proposed effective date of January 1, 2028, aligned with the commencement of the 2028 to 2030 Duty to Serve Plan cycle. If not, what alternative approaches, including a potential extension of the 2025 to 2027 Plans through 2028 or other options, should the Agency consider?

14. Should FHFA use the new (proposed) evaluation methodology for assessing Enterprise 2027 Duty to Serve performance? Should FHFA evaluate Enterprise 2027 Duty to Serve performance using both the methodology of the existing regulation and the new (proposed) methodology?

V. Regulatory Impact**A. Paperwork Reduction Act**

The proposed rule would not contain any information collection requirement that would require the approval of the OMB under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Therefore, FHFA has not submitted the proposed rule to OMB for review for purposes of the Paperwork Reduction Act.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires that a regulation that has a significant economic impact on a substantial number of small entities, small businesses, or small organizations must include an initial regulatory flexibility analysis describing the regulation's impact on small entities. Such an analysis need not be undertaken if the agency has certified that the regulation will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605(b). FHFA has considered the impact of the proposed rule under the Regulatory Flexibility Act. FHFA certifies that the proposed rule, if adopted as a final rule, will not have a significant economic impact on a substantial number of small entities because the rule applies to Fannie Mae and Freddie Mac which are not small entities for purposes of the Regulatory Flexibility Act.

C. Executive Orders 12866 and 14215: Regulatory Planning and Review

Executive Order 14215¹⁰⁷ (Independent Agency Accountability) amends Executive Order 12866¹⁰⁸ (Regulatory Planning and Review) to include in its definition of "agency," those agencies under 44 U.S.C. 3502(1) including any "independent regulatory agency." Accordingly, Executive Order 12866 as amended requires FHFA to submit "significant regulatory actions" to the Office of Management and Budget, Office of Information and Regulatory Affairs (OIRA) for review. Executive Order 12866 defines a "significant regulatory action" as one 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, the President's priorities, or the principles set forth in the Executive Order.

OIRA has determined the proposed rule is not a significant regulatory action under section 3(f) of Executive Order 12866 and is not an economically significant regulatory action under section 3(f)(1) of Executive Order 12866.

D. Executive Order 13563: Improving Regulation and Regulatory Review

Executive Order 13563 directs 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.

FHFA has developed this proposed rule in a manner consistent with these requirements. If implemented, the proposed rule would reduce regulatory burden on the Enterprises by streamlining Plan requirements, including by eliminating mandates for the Enterprises to consider and address in their Plans a specified number of activities from a prescribed list. Additionally, the proposed rule would allow greater flexibility for the Enterprises to identify actions that best meet the needs of the underserved markets. Further, the proposed rule would reduce administrative burden for FHFA by simplifying the monitoring and evaluation process, reducing the time and resources needed for FHFA to fulfill its statutory duties. Overall, FHFA believes that the proposed rule is consistent with Executive Order 13563.

E. Executive Order 14192: Unleashing Prosperity Through Deregulation

Executive Order 14192 requires that an agency, unless prohibited by law, identify at least at least 10 existing regulations be repealed when the agency publicly proposes for notice and

¹⁰⁷ 90 FR 10447 (Feb. 24, 2025).

¹⁰⁸ 58 FR 51735 (Oct. 4, 1993).

comment or otherwise promulgates a new regulation with total costs greater than zero. Executive Order 14192 further 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. HFA's implementation of these requirements will be informed by M-25-20, Guidance Implementing Section 3 of Executive Order 14192, Titled "Unleashing Prosperity Through Deregulation" (March 26, 2025). This proposed rule is expected to be an Executive Order 14192 deregulatory action given the associated cost savings.

F. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002 (44 U.S.C. 3501 note) (commonly known as Regulations.gov). FHFA's proposed rule and the required summary can be found at <https://www.regulations.gov>.

List of Subjects in 12 CFR Parts 1282 and 1283

Mortgages, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons stated in the preamble, under the authority of 12 U.S.C. 4501, 4502, 4511, 4513, 4526, and 4561-4566, FHFA proposes to amend subchapter E of chapter XII, of title 12 of the Code of Federal Regulations, as follows:

SUBCHAPTER E—HOUSING GOALS AND MISSION

PART 1282—ENTERPRISE HOUSING GOALS AND MISSION

■ 1. The authority citation for part 1282 continues to read as follows:

Authority: 12 U.S.C. 4501, 4502, 4511, 4513, 4526, 4561-4566.

■ 2. Revise the title of part 1282 to read as "Enterprise Housing Goals".

■ 3. In § 1282.1(b), remove the definitions of "Additional Activity", "Agricultural worker", "Area of concentrated poverty", "Colonia", "Colonia census tract", "Community development financial institution", "Evaluation Guidance", "Federally

insured credit union", "Federally recognized Indian tribe", "High-needs rural population", "High-needs rural region", "High opportunity area", "Indian area", "Insured depository institution", "Lower Mississippi Delta", "Manufactured home", "Manufactured housing community", "Middle Appalachia", "Mixed-income housing", "Persistent poverty county", "Regulatory Activity", "Resident-owned manufactured housing community", "Residential economic diversity activity", "Rural area", "Small financial institution", "Small multifamily rental property", "Statutory Activity", and "Underserved Markets Plan."

■ 4. Remove Subpart C consisting of §§ 1282.31 through 1282.41 and redesignate Subpart D as Subpart C.
■ 5. Remove § 1282.66(d).

PART 1283—ENTERPRISE DUTY TO SERVE UNDERSERVED MARKETS

■ 6. Add part 1283 to read as follows:

Sec.

1283.1 Authority and purpose.

1283.2 Definitions.

1283.3 Enterprise duty to serve program.

1283.4 Duty to serve plan.

1283.5 Performance monitoring and reporting.

1283.6 Evaluations and ratings.

1283.7 Requirements for eligible loan purchases.

1283.8 Reservation of authority.

Authority: 12 U.S.C. 4501, 4502, 4511, 4513, 4514, 4526, 4565-4566.

§ 1283.1 Authority and purpose.

This part implements section 1335 of the Safety and Soundness Act (12 U.S.C. 4565) which establishes a duty for each Enterprise to serve three underserved markets: the affordable housing preservation market, the manufactured housing market, and the rural housing market. This part also establishes a process for FHFA annually to evaluate and rate whether, and the extent to which, each Enterprise has complied with that duty to serve, as required by the Safety and Soundness Act.

§ 1283.2 Definitions.

(a) *Statutory terms.* All terms defined in the Safety and Soundness Act are used in accordance with their statutory meaning.

(b) *Other terms.* For purposes of this part:

Affordable housing preservation market means the market for residential properties that provide housing to very low-, low-, and moderate-income families by preserving existing affordability restrictions or supporting sustainable affordability mechanisms.

Balloon note means a mortgage providing for payments at regular

intervals, with a final payment ("balloon payment") that is at least 5 percent more than the periodic payments. The periodic payments may cover some or all of the periodic principal or interest. Typically, the periodic payments are level monthly payments that would fully amortize the mortgage over a stated term and the balloon payment is a single payment due after a specified period (but before the mortgage would fully amortize) and pays off or satisfies the outstanding balance of the mortgage.

Colonia census tract means a census tract that contains an identifiable community that meets the definition of a colonia under a federal, state, tribal, or local program.

Dwelling unit means a room or unified combination of rooms with plumbing and kitchen facilities intended for use, in whole or in part, as a dwelling by one or more persons, and includes a dwelling unit in a single-family property, multifamily property, or other residential or mixed-use property.

Family means one or more individuals who occupy the same dwelling unit.

High-needs rural region means any of the following regions, provided the region is located in a rural area:

(i) Middle Appalachia;

(ii) The Lower Mississippi Delta;

(iii) A colonia census tract;

(iv) An Indian area; or

(v) A tract located in a persistent poverty county and not included in Middle Appalachia, the Lower Mississippi Delta, a colonia census tract, or an Indian area.

Indian area has the meaning in 24 CFR 1000.10.

Lender means any entity that makes, originates, sells, or services mortgages, and includes the secured creditors named in the debt obligation and document creating the mortgage.

Low-income means:

(i) In the case of owner-occupied units, income not in excess of 80 percent of area median income; and
(ii) In the case of rental units, income not in excess of 80 percent of area median income, with adjustments for smaller and larger families in accordance with this part.

Lower Mississippi Delta means the Lower Mississippi Delta counties designated by Public Laws 100-460, 106-554, and 107-171, along with any future updates made by Congress.

Manufactured home means a manufactured home as defined in section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, 42 U.S.C. 5401 *et seq.*, and implementing regulations.

Manufactured housing community means a tract of land under unified ownership and developed for the purposes of providing individual rental spaces for the placement of manufactured homes for residential purposes within its boundaries.

Manufactured housing market means the market for residential properties that provide housing for very low-, low-, and moderate-income families in manufactured homes and manufactured housing communities.

Median income means, with respect to an area, the unadjusted median family income for the area as determined by FHFA. FHFA will provide the Enterprises annually with information specifying how the median family income estimates for metropolitan and non-metropolitan areas are to be applied for purposes of determining median income.

Metropolitan area means a metropolitan statistical area (MSA), or a portion of such an area, including Metropolitan Divisions, for which median incomes are determined by FHFA.

Middle Appalachia means the “central” Appalachian subregions under the Appalachian Regional Commission’s subregional classification of Appalachia.

Moderate-income means:

(i) In the case of owner-occupied units, income not in excess of area median income; and

(ii) In the case of rental units, income not in excess of area median income, with adjustments for smaller and larger families in accordance with this part.

Mortgage means a member of such classes of liens, including subordinate liens, as are commonly given or are legally effective to secure advances on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby, and includes interests in mortgages. *Mortgage* includes a mortgage, lien, including a subordinate lien, or other security interest on the stock or membership certificate issued to a tenant-stockholder or resident-member by a cooperative housing corporation, as defined in section 216 of the Internal Revenue Code of 1986, and on the proprietary lease, occupancy agreement, or right of tenancy in the dwelling unit of the tenant-stockholder or resident-member in such cooperative housing corporation.

Mortgage purchase means a transaction in which an Enterprise bought or otherwise acquired a mortgage or an interest in a mortgage for portfolio, resale, or securitization.

Mortgage revenue bond means a tax-exempt bond or taxable bond issued by a state or local government or agency where the proceeds from the bond issue are used to finance residential housing.

Multifamily property means a residence consisting of more than four dwelling units. The term includes cooperative buildings and condominium projects.

Non-metropolitan area means a county, or a portion of a county, including those counties that comprise Micropolitan Statistical Areas, located outside any metropolitan area, for which median incomes are determined by FHFA.

Owner-occupied means single-family housing in which a mortgagor resides, including two- to four-unit owner-occupied properties where one or more units are used for rental purposes.

Participation means a fractional interest in the principal amount of a mortgage.

Persistent poverty county means a county in a rural area that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the most recent successive decennial censuses.

Proprietary information means all mortgage data and all data or information that the Enterprises submit to the Director in the Annual Housing Activities Report under section 309(n) of the Fannie Mae authorizing statute or section 307(f) of the Freddie Mac authorizing statute.

Refinancing mortgage means a mortgage undertaken by a borrower that satisfies or replaces an existing mortgage of such borrower. The term does not include:

(i) A renewal of a single payment obligation with no change in the original terms;

(ii) A reduction in the annual percentage rate of the mortgage as computed under the Truth in Lending Act (15 U.S.C. 1601 *et seq.*), with a corresponding change in the payment schedule;

(iii) An agreement involving a court proceeding;

(iv) A workout agreement, in which a change in the payment schedule or collateral requirements is agreed to as a result of the mortgagor’s default or delinquency, unless the rate is increased or the new amount financed exceeds the unpaid balance plus earned finance charges and premiums for the continuation of insurance;

(v) The renewal of optional insurance purchased by the mortgagor and added to an existing mortgage;

(vi) A renegotiated balloon mortgage note on a multifamily property where

the balloon payment was due within 1 year after the date of the closing of the renegotiated mortgage; and

(vii) A conversion of a balloon mortgage note on a single-family property to a fully amortizing mortgage note where the Enterprise already owns or has an interest in the balloon note at the time of the conversion.

Rent means the actual rent or average rent by unit size for a dwelling unit.

(i) Rent is determined based on the total combined rent for all bedrooms in the dwelling unit, including fees or charges for management and maintenance services and any utility charges that are included.

(A) Rent concessions shall not be considered, *i.e.*, the rent is not decreased by any rent concessions.

(B) Rent is net of rental subsidies, *i.e.*, the rent is decreased by any rental subsidy.

(ii) When the rent does not include all utilities, the rent shall also include:

(A) The actual cost of utilities not included in the rent;

(B) The nationwide average utility allowance, as issued periodically by FHFA;

(C) The utility allowance established under the HUD Section 8 Program (42 U.S.C. 1437f) for the area where the property is located; or

(D) The utility allowance for the area in which the property is located, as established by the state or local housing finance agency for determining the affordability of low-income housing tax credit properties under section 42 of the Internal Revenue Code (26 U.S.C. 42).

Rental unit means a dwelling unit that is not owner-occupied and is rented or available to rent.

Residence means a property where one or more families reside.

Rural area means:

(i) A census tract outside of a metropolitan statistical area as designated by the Office of Management and Budget; or

(ii) A census tract in a metropolitan statistical area as designated by the Office of Management and Budget that is outside of the metropolitan statistical area’s Urbanized Areas as designated by the U.S. Department of Agriculture’s (USDA) Rural-Urban Commuting Area (RUCA) Code #1, and outside of tracts with a housing density of over 64 housing units per square mile for USDA’s RUCA Code #2; or

(iii) Any high-needs rural region that meets the criteria of paragraphs (i) or (ii); or

(iv) A colonia census tract that does not meet the criteria of paragraphs (i), (ii), or (iii) of this definition.

Rural housing market means the market for residential properties that

provide housing for very low-, low-, and moderate-income families in rural areas.

Secondary residence means a dwelling where the mortgagor maintains (or will maintain) a part-time place of abode and typically spends (or will spend) less than the majority of the calendar year. A person may have more than one secondary residence at a time.

Single-family housing means a residence consisting of one to four dwelling units. Single-family housing includes condominium dwelling units and dwelling units in cooperative housing projects.

Underserved market means each of the manufactured housing market, the affordable housing preservation market, and the rural housing market.

Utilities means charges for electricity, piped or bottled gas, water, sewage disposal, fuel (oil, coal, kerosene, wood, solar energy, or other), and garbage and trash collection. Utilities do not include charges for subscription-based television, telephone, or internet service.

Very low-income means:

- (i) In the case of owner-occupied units, income not in excess of 50 percent of area median income; and
- (ii) In the case of rental units, income not in excess of 50 percent of area median income, with adjustments for smaller and larger families in accordance with this part.

§ 1283.3 Enterprise duty to serve program.

(a) *Duty in general.* To increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing in the manufactured housing market, affordable housing preservation market, and rural housing market, each Enterprise must provide leadership in developing loan products and flexible underwriting guidelines that facilitate a secondary market for mortgages for very low-, low-, and moderate-income families in those markets.

(b) *Program requirements.* To carry out the duty set forth under paragraph (a) of this section each Enterprise must:

- (1) Design programs and products that facilitate the use of assistance provided by the federal, state, and local governments;
- (2) Develop relationships with nonprofit and for-profit organizations that develop and finance housing and with state and local governments;
- (3) Take affirmative steps, including developing appropriate and prudent underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, to:
 - (i) Assist primary lenders to make housing credit available in areas with

concentrations of low-income and minority families;

(ii) Assist insured depository institutions to meet their obligations under the Community Reinvestment Act of 1977, 12 U.S.C. 2901 *et seq.*; and

(4) Develop the institutional capacity to help finance low- and moderate-income housing, including for first-time homebuyers.

(c) *Eligible actions.* (1) An Enterprise may take any action that would be consistent with carrying out the Enterprise's duty to serve and has not been deemed ineligible by FHFA, by regulation or after review.

(2) In accordance with paragraph (c)(1) of this section, the following actions are ineligible:

- (i) Contributions to the Housing Trust Fund (12 U.S.C. 4568) and the Capital Magnet Fund (12 U.S.C. 4569), and mortgage purchases funded with such grant amounts; and
- (ii) Purchases of mortgage loans that do not satisfy the requirements set forth in § 1283.7(a)(1) or that are ineligible in accordance with § 1283.7(a)(2).

§ 1283.4 Duty to serve plan.

(a) *General.* To demonstrate how the Enterprise intends to meet its duty to serve and to provide a basis for FHFA evaluation and rating, each Enterprise must adopt a three-year Duty to Serve Plan ("Plan") that commences on January 1 of the first year for which the Plan is applicable. The Plan must describe the actions the Enterprise will take to meet its duty to serve in each underserved market and satisfy other requirements as set forth in this part.

(b) *Plan content.* The Plan must include for each underserved market:

- (1) An assessment of liquidity and investment capital needs, risks, and market opportunities based on market research, stakeholder consultations, and public engagement.
- (2) The specific actions that the Enterprise intends to take in each Plan year to address the identified liquidity and investment capital needs, risks, and opportunities.
- (3) One or more measurable targets for each action, with loan purchases and investments including, at a minimum, a number of units target for multifamily and number of loans target for single-family.
- (4) A description of how the Enterprise will fulfill the program requirements set forth in § 1283.3(b).
- (5) A description of public engagement activities undertaken during the development of the Plan, including any significant input received, and how the Enterprise considered and addressed the input in its Plan.

(6) A list of the Enterprise's mortgage products that support housing for very low-, low- and moderate-income families in the underserved markets.

(7) Reference tables summarizing the planned actions in each Plan year, including:

- (i) A table listing for each underserved market, all actions by the following component categories: loan product development, outreach, loan purchases, and investments and grants; and
- (ii) For loan purchases, and investments and grants actions, a table listing each action and associated target by year.

(c) *Submission to FHFA; review and non-objection—*(1) *Submission of proposed Plans.* Each Enterprise must submit its proposed Plan to FHFA for review and feedback on or before June 30 of the year prior to the first year for which the Plan is applicable.

(2) *Public input.* (i) Prior to making a decision on a proposed Plan, FHFA will seek public input on the proposed Plan.

(ii) Each Enterprise must revise its proposed Plan based on public input and resubmit the proposed Plan to FHFA for review by October 1 of the year prior to the first year for which the Plan is applicable.

(3) *FHFA review; non-objection.* (i) FHFA will review each proposed Plan and provide feedback to each Enterprise for consideration.

(ii) FHFA will object or non-object to the Plan no later than November 15 of the year prior to the first year for which the Plan is applicable, provided that FHFA may extend the date upon notice to the Enterprises. FHFA will object to any Plan that:

- (A) Does not include the content required by § 1283.4(b);
- (B) When fully implemented is not likely to result in a market-level rating that demonstrates compliance by the Enterprise with the duty to serve;
- (C) Does not demonstrate a good faith effort to consider FHFA feedback; or
- (D) Contains any action that FHFA has determined is not consistent with the Enterprise's authorizing statute or the safe and sound operation of the Enterprise, or is not an eligible action for purposes of § 1283.3(c).

(iii) FHFA will notify each Enterprise in writing of its decision to object or non-object to a proposed Plan. If FHFA objects to a proposed Plan, the Enterprise must revise and resubmit the Plan for FHFA review within 10 days. The failure to receive a non-objection to a Plan prior to January 1 of the first year the Plan is applicable does not relieve the Enterprise of its obligation to comply with its duty to serve for that Plan year.

(4) *Plan publication.* Each Enterprise must publish its Plan on its website as soon as practicable, but no later than 10 days after FHFA provides non-objection to the Plan and must maintain it thereafter. If the Plan is subsequently modified, each Enterprise must publish its modified Plan as soon as practicable, but no later than 10 days after FHFA approves the modified Plan.

(5) *Public accessibility.* Each Enterprise shall ensure that each Plan published on its website complies with Section 508 of the Rehabilitation Act of 1973.

(d) *Modification of a Plan—(1) Enterprise-initiated modifications.* An Enterprise may request to modify its Plan during the three-year term only upon the occurrence of special circumstances. An Enterprise request to FHFA must include the basis for its determination of special circumstances and its proposed Plan modifications.

(2) *Special circumstances.* For purposes of this section, “special circumstances” means extraordinary and significant changes in market conditions that were unforeseeable at the time of Plan inception and that fundamentally alter the feasibility or utility of the Plan, as a whole. Ordinary market volatility, routine economic fluctuations, underserved market-specific disruptions, or an Enterprise’s failure to execute planned actions do not constitute special circumstances.

(3) *FHFA response to Enterprise modification request.* FHFA will respond to an Enterprise’s modification request within a reasonable time and may approve or deny the request in its sole discretion.

(4) *Public input.* FHFA may seek public input on proposed modifications to a Plan if FHFA determines that public input would assist its consideration of the proposed modifications.

(5) *Non-Objection required.* All modified Plans are subject to a determination of non-objection by FHFA under the same standards set forth in paragraph (c)(3)(ii) of this section.

(e) *Extension of deadlines by FHFA.* FHFA may extend any of the foregoing deadlines or periods in its discretion, upon written notice to the Enterprise. Any such notice shall set forth the date to which, or the number of days by which, the deadline or period is being extended.

§ 1283.5 Performance monitoring and reporting.

(a) *Ongoing monitoring.* On an ongoing basis, each Enterprise must monitor and assess the completion of actions and achievement of targets

under its Plan and report on its performance to its board of directors and senior management. Each Enterprise must participate in ongoing monitoring discussions with FHFA regarding Plan performance.

(b) *Annual and quarterly reports—(1) Annual report.* No later than March 1 of the year after the close of the applicable Plan year, each Enterprise must submit an annual report to FHFA. In its report, the Enterprise must describe the completion of actions and achievement of targets under its Plan for each underserved market for the applicable Plan year and include such other information and data as may be required by FHFA. Each Enterprise must publish its annual report, with confidential and proprietary information omitted, on its website as soon as practicable, but no later than March 30 and maintain it thereafter. Each Enterprise shall ensure that the annual report complies with Section 508 of the Rehabilitation Act of 1973, 29 U.S.C. 701 *et seq.*

(2) *Quarterly reports.* Each Enterprise must submit quarterly reports to FHFA on or before May 15, August 15, and November 15 of the applicable Plan year. In each report, the Enterprise must describe the completion of actions and achievement of targets under its Plan for each underserved market for the applicable quarter and include such other information and data as may be required by FHFA.

§ 1283.6 Evaluations and ratings.

(a) *General.* FHFA will evaluate and rate each Enterprise’s compliance with its duty to serve each underserved market on an annual basis in accordance with framework established in this section. In determining whether, and the extent to which, an Enterprise has complied with the duty to serve each underserved market, FHFA will evaluate and rate the impact of the Enterprise’s actions to address the needs of each underserved market during the applicable Plan year.

(b) *Component ratings.* At the end of each Plan year, FHFA will assess how well each Enterprise met the needs of each underserved market and assign a rating from “1” (highest performance) to “5” (lowest performance) for each of the following components:

(1) *Loan product development.* The Enterprise’s development of loan products, more flexible underwriting guidelines, and other innovative approaches to providing financing for very low-, low-, and moderate-income families in the underserved market;

(2) *Outreach.* The extent of the Enterprise’s outreach to qualified loan

sellers and other market participants in the underserved market;

(3) *Loan purchases.* The volume of loans purchased by the Enterprise in the underserved market relative to the market opportunities available to the Enterprise;

(4) *Investments and grants.* The amount of the Enterprise’s investments and grants in projects that assist in meeting the needs of the underserved market;

(5) *Program requirements.* The extent to which the actions completed under the Plan satisfy the requirements set forth in § 1283.3(b);

(6) *Program management.* The capability and willingness of the board of directors and management, in their respective roles, to meet the Enterprise’s duty to serve; and

(7) *Other factors.* Any other factor identified by the Director in writing prior to the Plan year subject to evaluation.

(c) *Market-level ratings; compliance or noncompliance.* Based on its assessment of each component and component rating for an underserved market, FHFA will assign a market-level, composite rating from “1” (highest performance) to “5” (lowest performance) for each Enterprise’s duty to serve performance in each underserved market. A market-level rating of “1,” “2,” or “3” will constitute compliance by the Enterprise with the duty to serve that underserved market. A market-level rating of “4” or “5” will constitute noncompliance by the Enterprise with the duty to serve that underserved market.

(d) *Failure to comply.* If the Director determines that an Enterprise did not comply with, or there is a substantial probability that an Enterprise will not comply with, the duty to serve a particular underserved market in a given year and the Director determines that such compliance is or was feasible, the Director will follow the procedures in 12 U.S.C. 4566(b).

(e) *FHFA evaluation and ratings.* FHFA will annually publish a narrative assessment, market-level rating, and compliance determination for each underserved market for each Enterprise in FHFA’s Annual Housing Report.

§ 1283.7 Requirements for eligible loan purchases.

(a) *Eligible loan purchases.* (1) Eligible loan purchases must:

- (i) Be secured by dwelling units;
- (ii) Be affordable in accordance with paragraph (b) of this section; and
- (iii) Not be of a type that FHFA has determined to be ineligible in paragraph (a)(2) of this section or after review.

(2) The following loan purchases are ineligible:

(i) Mortgages loans that finance any dwelling units that are secondary residences;

(ii) Refinancing mortgages that are not arms-length transactions or borrower driven;

(iii) Single-family refinancing mortgages that result from conversion of balloon notes to fully amortizing notes, if the Enterprise already owns or has an interest in the balloon note at the time conversion occurs;

(iv) Single-family mortgage covered by section 103(bb) of the Home Ownership and Equity Protection Act, 15 U.S.C. 1602(bb) (HOEPA mortgages);

(v) Single-family mortgages for which the income of the mortgagor(s) is unavailable;

(vi) Mortgages or interests in mortgages that previously received duty to serve credit under any underserved market within the five years immediately preceding the current performance year;

(vii) Mortgages where the property or any units within the property have not been approved for occupancy, except for “single close” single-family construction to permanent loans in the construction phase;

(viii) Any interests in mortgages that FHFA determines will not be treated as interests in mortgages; and

(ix) State and local government housing bonds, except as provided in § 1283.7(c)(5).

(b) *Affordability requirements.* FHFA will determine whether a loan purchase serves very low-, low-, and moderate-income families based on factors relevant to specific housing types as set forth in paragraphs (b)(1) through (b)(3) of this section.

(1) *Owner-occupied units.* For mortgage purchases financing owner-occupied single-family properties, affordability for each income group is determined based on the income of the mortgagor(s) compared to the applicable median income at the time the mortgage was originated. A mortgage is affordable if it does not exceed the percentage of the applicable median income provided in § 1282.17 for the income group.

(2) *Rental units—(i) General.* For mortgage purchases financing rental units, affordability is determined by comparing the unit rent to the applicable median income, adjusted by unit size. A rent is affordable if it does not exceed the percentage of the applicable median income provided in § 1282.19 for the income group, as adjusted by unit size.

(ii) *Unoccupied units.* Anticipated rent for unoccupied units may be the

market rent for similar units in the property or neighborhood as determined by the lender or appraiser for underwriting purposes. This includes any unit in a multifamily property that is unoccupied because it is being used as a model unit or rental office, if the Enterprise determines that the number of such units is reasonable and minimal considering the size of the multifamily property.

(iii) *Timeliness of information.* In evaluating affordability, an Enterprise must use tenant income and the applicable median income available at the time the mortgage was originated or acquired, whichever is later.

(iv) *Use of rent and affordability of rents based on housing program affordability requirements.* For an Enterprise purchase of a loan subject to federal affordability restrictions (including but not limited to properties receiving Low-Income Housing Tax Credits (26 U.S.C. 42), Section 8 Housing Assistance Payment contracts (42 U.S.C. 1437f), or HOME funding (15 U.S.C. 1602(bb)) restricted units shall be presumed as affordable for very low-, low-, or moderate-income families, unless otherwise determined by FHFA. For an Enterprise purchases of loans subject to any other affordability restriction, for purposes of determining affordability based on income (such as in the case of a housing program that establishes the maximum permitted income level for a tenant) the maximum income level must be no greater than the maximum income level for each income group targeted by the duty to serve, adjusted for family or unit size as provided in § 1282.17 or § 1282.18, as appropriate.

(3) *Manufactured housing communities.* For an Enterprise purchase of a blanket loan on a manufactured housing community, unless otherwise determined by FHFA, homes in the community shall be presumed as affordable for very low-, low-, or moderate-income families.

(4) *Application of median income.* (i) If the property that is the subject of the mortgage is in a metropolitan area, for purposes of determining affordability, the applicable median income is the highest of the metropolitan area median income, State median income including metropolitan areas, or national median income including metropolitan areas.

(ii) If the property that is the subject of the mortgage is not in a metropolitan area, the applicable median income that is highest of the county median income, State non-metropolitan median income, or national non-metropolitan median income.

(iii) When an Enterprise cannot determine whether a mortgage is on dwelling unit(s) located in one area, the Enterprise must determine the median income for the split area in the manner prescribed by the Federal Financial Institutions Examination Council for reporting under the Home Mortgage Disclosure Act (12 U.S.C. 2801 *et seq.*), if the Enterprise can determine that the mortgage is on dwelling unit(s) located in a census tract, or a census place code.

(c) *Treatment of other transactions as mortgage purchases.* A transaction described by any of paragraphs (c)(1) through (c)(7) of this section constitutes the purchase of a mortgage on a dwelling unit for purposes of paragraph (a) of this section.

(1) *Credit enhancements.* (i) Dwelling units financed under a credit enhancement entered into by an Enterprise will be treated as mortgage purchases only when:

(A) The Enterprise provides a specific contractual obligation to ensure timely payment of amounts due under a mortgage or mortgages financed by the issuance of housing bonds (such bonds may be issued by any entity, including a state or local housing finance agency); and

(B) The Enterprise assumes a credit risk in the transaction substantially equivalent to the risk that would have been assumed by the Enterprise if it had securitized the mortgages financed by such bonds.

(ii) When an Enterprise provides a specific contractual obligation to ensure timely payment of amounts due under any mortgage originally insured by a public purpose mortgage insurance entity or fund, the Enterprise may, on a case-by-case basis, seek approval for such transactions to receive credit for a particular underserved market.

(2) *Risk-sharing.* Mortgages purchased under risk-sharing arrangements between an Enterprise and any federal agency under which the Enterprise is responsible for a substantial amount of the risk will be treated as mortgage purchases.

(3) *Participations.* Participations purchased by an Enterprise will be treated as mortgage purchases only when the Enterprise's participation in the mortgage is 50 percent or more.

(4) *Cooperative housing and condominiums.* (i) The purchase of a mortgage on a cooperative housing unit (“a share loan”) or a mortgage on a condominium unit will be treated as a mortgage purchase. Such a purchase will receive duty to serve credit in the same manner as a mortgage purchase of single-family owner-occupied units, *i.e.*,

affordability is based on the income of the mortgagor(s).

(ii) The purchase of a blanket mortgage on a cooperative building or a mortgage on a condominium project will be treated as a mortgage purchase. The purchase of a blanket mortgage on a cooperative building will receive duty to serve credit in the same manner as a mortgage purchase of a multifamily rental property, except that affordability must be determined based solely on the comparable market rents used in underwriting the blanket loan. The purchase of a mortgage on a condominium project will be evaluated in the same manner as a mortgage purchase of a multifamily rental property.

(iii) Where an Enterprise purchases both a blanket mortgage on a cooperative building and share loans for units in the same building, both the mortgage on the cooperative building and the share loans will be treated as mortgage purchases. Where an Enterprise purchases both a mortgage on a condominium project and mortgages on individual dwelling units in the same project, both the mortgage on the condominium project and the mortgages on individual dwelling units will be treated as mortgage purchases.

(5) *Mortgage revenue bonds.* The purchase or guarantee by an Enterprise of a mortgage revenue bond issued by a state or local housing finance agency will be treated as a purchase of the underlying mortgages only to the extent the Enterprise has sufficient information to determine whether the underlying mortgages or mortgage-backed securities serve the income groups targeted by the duty to serve.

(6) *Seller dissolution option.* (i) Mortgages acquired through transactions involving seller dissolution options will be treated as mortgage purchases only when:

(A) The terms of the transaction provide for a lockout period that prohibits the exercise of the dissolution option for at least one year from the date on which the transaction was entered into by the Enterprise and the seller of the mortgages; and

(B) The transaction is not dissolved during the one-year minimum lockout period.

(ii) FHFA may grant an exception to the one-year minimum lockout period described in paragraphs (c)(6)(i)(A) and (c)(6)(i)(B) of this section, in response to a written request from an Enterprise, if FHFA determines that the transaction furthers the purposes of the Enterprise's Charter Act and the Safety and Soundness Act.

(iii) For purposes of paragraph (c)(6) of this section, "seller dissolution option" means an option for a seller of mortgages to the Enterprises to dissolve or otherwise cancel a mortgage purchase agreement or loan sale.

(7) *Subordinate liens on single-family properties.* (i) The purchase of subordinate liens on single-family properties will be treated as mortgage purchases only when they are used for affordable homeownership preservation through one of the following shared equity homeownership programs:

(A) Resale restriction programs administered by community land trusts, other nonprofit organizations, or state or local governments or instrumentalities; or

(B) Shared appreciation loan programs administered by community land trusts, other nonprofit organizations, or state or local governments or instrumentalities that may or may not partner with a for-profit institution to invest in, originate, sell, or service shared appreciation loans.

(ii) A program in paragraph (c)(7)(i) must:

(A) Provide homeownership opportunities to very low-, low-, or moderate-income families;

(B) Utilize a ground lease, deed restriction, subordinate loan, or similar legal mechanism that includes provisions stating that the program will keep the home affordable for subsequent very low-, low-, or moderate-income families; the affordability term is at least 30 years after recordation; a resale formula applies that limits the homeowner's proceeds upon resale; and the program administrator or its assignee has a preemptive option to purchase the homeownership unit from the homeowner at resale; and

(C) Support homebuyers and homeowners to promote sustainable homeownership.

(d) *Newly available data.* When an Enterprise uses data to determine whether a loan purchase is an eligible action under § 1283.3(c) and new data is released after the start of a calendar quarter, the Enterprise need not use the new data until the start of the following quarter.

§ 1283.8 Reservation of authority.

Actions described in a Plan are subject to all applicable laws and regulations. Nothing in this part permits or requires an Enterprise to take any action that would otherwise be inconsistent with its authorizing statute or the Safety and Soundness Act. FHFA's review and Non-Objection to a proposed Plan does not constitute approval of any action described in the

Plan, and does not restrict FHFA's exercise of authorities under 12 U.S.C. 4541 (prior approval authority for products) or any other provision of the Safety and Soundness Act.

Clinton Jones,

General Counsel, Federal Housing Finance Agency.

[FR Doc. 2026-12750 Filed 6-23-26; 8:45 am]

BILLING CODE 8070-01-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

RIN 3038-AF71

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 230, 240, and 241

[Release No. 33-11424; 34-105735; File No. S7-2026-21]

RIN 3235-AN79

Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance

AGENCY: Commodity Futures Trading Commission; Securities and Exchange Commission.

ACTION: Joint request for comment.

SUMMARY: The Commodity Futures Trading Commission ("CFTC") and the Securities and Exchange Commission ("SEC") (together, the "Commissions") request public comment on potential ways to draw clearer regulatory lines with respect to innovative products that may implicate both SEC and CFTC regulatory interests. The Commissions also request public comment on potential approaches to enable alternative compliance.

DATES: Comments must be received on or before August 24, 2026.

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

CFTC Comment Submission

You may submit comments, specifically referencing "Joint Request for Comment on Further Definition of 'Swap' and 'Security-Based Swap' and on Alternative Compliance" and RIN 3038-AF71, 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 Notice 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 and other applicable laws, and may be accessible under the FOIA.

SEC Comment Submission

Electronic Comments

- Use the SEC’s internet comment form (<https://www.sec.gov/comments/s7-2026-21/joint-request-comment-further-definition-swap-security-based-swap-alternative-compliance#no-back>); or
- Send an email to rule-comments@sec.gov. Please include File Number S7–2026–21 on the subject line.

Paper Comments

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

All submissions should refer to File Number S7–2026–21. This file number should be included on the subject line if email is used. To help the SEC process and review your comments more efficiently, please use only one method of submission. The SEC will post all comments on the SEC’s website (<https://www.sec.gov/rules-regulations/public-comments/s7-2026-21>). Do not include personally 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.

FOR FURTHER INFORMATION CONTACT:

CFTC: Stephen Andrews, Office of the General Counsel, at 202–418–5000, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st St. NW, Washington, DC 20581.

SEC: Office of Derivatives Policy, Division of Trading and Markets, at (202) 551–5870, or Office of Chief Counsel, Division of Corporation Finance, at (202) 551–3500, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Introduction

Financial market participants are operating in an increasingly convergent financial ecosystem.¹ Financial markets are evolving rapidly and becoming more interconnected through global technologies.² New trading models, digital infrastructure, and onchain, automated systems are increasingly blurring traditional jurisdictional lines.³

Against this backdrop, the SEC and CFTC have committed to coordinate, as appropriate, in areas of common regulatory interest where collaboration can enhance regulatory effectiveness and market integrity.⁴ In matters involving common jurisdiction, the SEC and CFTC seek to coordinate to reduce regulatory gaps and provide greater certainty regarding regulatory responsibility in support of efficient markets and lawful innovation.⁵

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Title VII”)⁶ established a comprehensive regulatory framework for swaps and security-based swaps (“SBS”). Title VII allocated regulatory authority between the CFTC and the SEC and provided the Commissions with joint authority to further define terms.⁷

Title VII added section 1a(47)(A) to the Commodity Exchange Act (“CEA”),⁸ which defines “swap” to include any agreement, contract, or transaction that satisfies one or more of six prongs: (i) it “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”; (ii) it “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

¹ See SEC & CFTC, Memorandum of Understanding between the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission regarding Harmonization in Areas of Common Regulatory Interest (Mar. 11, 2026), available at: <https://www.sec.gov/files/mou-sec-cftc-2026.pdf>.

² See *id.*

³ See *id.*

⁴ See *id.* at 1.

⁵ See *id.*

⁶ Public Law 111–203, 124 Stat. 1376 (2010), available at <https://www.govinfo.gov/content/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>.

⁷ See Further Definition of “Swap,” “Security-Based Swap,” and “Security-Based Swap Agreement”; Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 FR 48208 (Aug. 12, 2012) (“Product Definitions Adopting Release”) (describing the various authorities).

⁸ 7 U.S.C. 1a(47)(A).

occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence”; (iii) it “provides on an executory basis for the exchange . . . of 1 or more payments based on the value or level of one 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, or any interest therein or based on the value thereof, and that transfers, as between the parties to the transaction, in whole or in part, the financial risk associated with a future change in any such value or level without also conveying a current or future direct or indirect ownership interest in an asset . . . or liability that incorporates the financial risk so transferred;” or it satisfies one or more of the three other prongs in that definition.⁹

CEA section 1a(47)(B) excludes certain instruments that otherwise may satisfy one or more of these six prongs. Specifically, CEA section 1a(47)(B) contains, among others, exclusions for: any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities, including any interest therein or based on the value thereof, that is subject to the Securities Act of 1933 (“Securities Act”) and the Securities Exchange Act of 1934 (“Exchange Act”);¹⁰ any note, bond, or evidence of indebtedness that is a security;¹¹ security forwards intended to be physically settled;¹² futures;¹³ security futures products;¹⁴ and SBS.¹⁵ Thus, by statute, these instruments are not subject to the same regulatory treatment as swaps.

In addition, Title VII added Section 3(a)(68)¹⁶ of the Exchange Act, which defines “security-based swap” as any agreement, contract, or transaction that is a swap (without regard to the “swap” definition’s exclusion for SBS) and is based on: (i) “an index that is a narrow-based security index¹⁷ [(“NBSI”)], including any interest therein or on the value thereof” (“SBS NBSI Prong”); (ii) “a single security or loan, including any interest therein or on the value thereof”

(“SBS Single Security Prong”); or (iii) “the occurrence, nonoccurrence, or extent of the occurrence of an event relating to a single issuer of a security or the issuers of securities in [an NBSI], provided that such event directly affects the financial statements, financial condition, or financial obligations of the issuer” (“SBS Event Contract Prong”). A “mixed swap” contains elements of both a “swap” and a “security-based swap.”¹⁸

In 2012, the Commissions jointly adopted rules and interpretations to, among other things, further define the terms “swap,” “security-based swap,” and “security-based swap agreement.”¹⁹

In recent years, market participants have sought to develop a range of innovative products and structures of products that may raise interpretive questions under the Title VII framework. Market participants have sought clarity from the Commissions regarding the regulatory lines for agency oversight of innovative products and structures. Market participants have also sought clarity about compliance where products or structures may touch on the regulatory interests of both Commissions. For example, market participants are raising questions about whether certain event contracts are swaps, SBS, or mixed swaps, or types of instruments that fall within statutory exclusions from the “swap” definition. Beyond that, market participants also have raised interpretive questions about other innovative products and product structures within the Title VII framework.

In light of this background, the SEC and CFTC solicit comment on ways to provide clarity, as necessary, to unlock access to innovative products in U.S. financial markets.

¹⁸ See Product Definitions Adopting Release, 77 FR 48208, 48210 n.10 (stating, “A mixed swap is defined as a subset of security-based swaps that also are based on the value of 1 or more interest or other rates, currencies, commodities, instruments of indebtedness, indices, quantitative measures, other financial or economic interest or property of any kind (other than a single security or a narrow-based security index), or the occurrence, non-occurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence (other than the occurrence, non-occurrence, or extent of the occurrence of an event relating to a single issuer of a security or the issuers of securities in a narrow-based security index, provided that such event directly affects the financial statements, financial condition, or financial obligations of the issuer)”). The Commissions have stated that the scope of mixed swaps is, and is intended to be, narrow. Product Definitions Adopting Release, 77 FR 48208, 48291.

¹⁹ See Product Definitions Adopting Release, 77 FR 48208.

II. Request for Comment on Definitional Clarity

The Commissions jointly request public comment on potential ways to draw clearer regulatory lines for agency oversight of innovative products that may implicate the regulatory interests of both Commissions. The Commissions request comment on principled, objective criteria that could be used to provide additional clarity for these products within the Title VII framework. Public input will help the Commissions evaluate potential steps in light of technological developments, accumulated experience, and evolving market practices.

1. What types of event contracts or other innovative products or product structures that may touch on the regulatory interests of both Commissions have raised interpretive questions for market participants, and how should those questions be resolved? In the context of these innovations, is additional clarification necessary to provide principled, objective criteria for distinguishing between swaps, mixed swaps, SBS, or other securities or instruments that are excluded from the definition of “swap”? What characteristics do event contracts share or not share with other products that may be classified as swaps, mixed swaps, SBS, or other securities or products excluded from the “swap” definition? Taking into account the rules and interpretations the Commissions adopted in the Product Definitions Adopting Release, should the Commissions issue new or revised rules or interpretations to address these innovations?

2. As discussed above, several exclusions from the definition of “swap” are set forth in CEA section 1a(47)(B). Is additional regulatory clarity necessary with respect to application of these exclusions? For example, are there areas where principled, objective criteria could further clarify the definitional lines?

3. Similarly, is there a need for greater clarity regarding the definitional lines between swaps, SBS, and mixed swaps? Is there a need for greater clarity regarding the scope and application of the SBS NBSI Prong, the SBS Single Security Prong, and/or the SBS Event Contract Prong?

4. Is there a need for greater clarity regarding when a swap, option (including any put, call, straddle, option, or privilege), or future is based on “any interest” in a security or group or index of securities, particularly when the swap, option, or future is not based

⁹ 7 U.S.C. 1a(47)(A)(i)–(vi).

¹⁰ 7 U.S.C. 1a(47)(B)(iii).

¹¹ 7 U.S.C. 1a(47)(B)(vii).

¹² 7 U.S.C. 1a(47)(B)(ii).

¹³ 7 U.S.C. 1a(47)(B)(i).

¹⁴ *Id.*

¹⁵ 7 U.S.C. 1a(47)(B)(x).

¹⁶ 15 U.S.C. 78c(a)(68).

¹⁷ A narrow-based security index is defined in 7 U.S.C. 1a(35) and 15 U.S.C. 78c(a)(55). 15 U.S.C. 78c(a)(68)(E) includes a rule of construction stating that, for purposes of the “security-based swap” definition, an index means an index or group of securities, including any interest therein or based on the value thereof.

on the value of that security or group or index of securities?

5. Regarding the SBS NBSI Prong, is there a need for additional clarity regarding when a swap is based on “an index that is [an NBSI] including any interest therein or on the value thereof”? Should the Commissions further address the circumstances when a swap does or does not satisfy the SBS NBSI Prong? For example, what additional clarity, consistent with CEA section 1a(35) and Exchange Act section 3(a)(55), might the Commissions provide with respect to the characterization of contracts referring to potential changes to the composition of an NBSI, as opposed to changes in the price or value of an NBSI? The Commissions have adopted rules addressing tolerance periods and grace periods for products referencing securities indexes traded on designated contract markets, swap execution facilities (“SEFs”), foreign boards of trade, security-based SEFs, or national securities exchanges, where the securities index temporarily moves from broad-based to narrow-based or from narrow-based to broad-based.²⁰ Should the Commissions revise or clarify those rules or provide additional clarity, transition rules, or safe harbors for products that are based on a securities index that transitions between narrow-based and broad-based, or vice versa?

6. Regarding the SBS Single Security Prong, is additional clarity necessary regarding when a swap is based on “a single security or loan, including any interest therein or on the value thereof”? Should the Commissions further address the circumstances when a swap does or does not satisfy the SBS Single Security Prong?

7. Regarding the SBS Event Contract Prong, is additional clarity necessary regarding when an event “directly affects” the financial statements, financial condition, or financial obligations of an issuer? Should the Commissions further address the circumstances when a swap does or does not satisfy the SBS Event Contract Prong? How should any further clarifications relate to the Commissions’ rules and guidance on credit default swaps in the Product Definitions Adopting Release,²¹ and should such rules and guidance be revised or clarified?

8. Some event contracts settle by reference to a security or group or index of securities (whether narrow-based or

broad-based). While certain of these event contracts may generally fall within the prongs of the “swap” and “security-based swap” definitions described above, there is a statutory exclusion from the definitions of “swap” and “security-based swap” for “any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities, including any interest therein or based on the value thereof, that is subject to [the Securities Act and the Exchange Act]”. Are there circumstances in which an event contract that references one or more securities should or should not be considered a “put, call, straddle, option, or privilege on” a security or group or index of securities for purposes of the exclusion from the definitions of “swap” and “security-based swap”? Is there a need for greater clarity regarding when an event contract is a “put, call, straddle, option, or privilege” on an “interest” in, or “based on the value” of, “any security . . . or group or index of securities” (whether narrow-based or broad-based), that is subject to the Securities Act and the Exchange Act and therefore not a swap or SBS? What are the characteristics of event contracts based on a security or index that are swaps or SBS, that distinguish them from options on securities, including in particular binary options that already trade as standardized options on securities on national securities exchanges?

9. Any note, bond, or evidence of indebtedness that is a security as defined in section 2(a)(1) of the Securities Act is excluded from the “swap” definition.²² In light of innovative products and product structures, but mindful of the existing structured notes market, is there a need to further clarify whether a particular instrument is a note, bond, or evidence of indebtedness that is a security, and thus excluded from the definition of “swap” pursuant to CEA section 1a(47)(B)(vii), as compared to a swap or SBS? For example, what consideration should be given to whether the financial instrument is issued pursuant to an indenture qualified under the Trust Indenture Act of 1939?²³ What consideration should be given to whether the terms of the instrument reflect a lender-borrower relationship? Are there different or additional criteria relevant to distinguishing notes, bonds, and other evidence of indebtedness that are securities from swaps or SBS?

10. Security forwards, if intended to be physically settled at the time the

contract is entered into, are excluded from the definitions of “swap” and “security-based swap.”²⁴ In the Product Definitions Adopting Release, the Commissions declined to provide a bright-line test for determining whether a security forward is intended to be physically settled. In light of innovative products and product structures, should the Commissions provide additional clarity as to the meaning of the phrase “for deferred shipment or delivery, so long as the transaction is intended to be physically settled” in the exclusion from the definition of “swap” set forth in CEA section 1a(47)(B)(ii)? What approach should be taken?

11. Any contract of sale of a commodity for future delivery (or option on such a contract), as well as any security futures product, is excluded from the “swap” definition.²⁵ Is there a need for greater clarity from the Commissions regarding the treatment of futures, including security futures, in the context of innovative markets? For example, is there a need for greater clarity regarding whether a cash-settled “perpetual” contract referencing an equity security could be treated as a security future? What effects could the introduction of such products have on liquidity formation, price discovery, and hedging activity, particularly with regards to the derivatives and underlying cash equity markets?

III. Request for Comment on Alternative Compliance

12. Where trading in economically related or functionally similar product classes implicates both SEC and CFTC regulatory interests, are there circumstances in which compliance with one Commission’s regulatory framework could appropriately satisfy substantially similar requirements of the other Commission (alternative compliance)? In this case, how should “substantially similar” be viewed? Should it contemplate scope, objectives and/or outcomes of requirements? Supervisory compliance programs? Enforcement authority? Other considerations/standards?

13. Title VII provides that the Commissions may adopt rules to further define terms included in Title VII, but it also limits the exemptive authority of each Commission over certain provisions related to swaps and SBS. In light of these provisions, under what circumstances should the Commissions consider/pursue joint or coordinated notice registration, tailored rules, rules

²⁰ See 17 CFR 240.3a55–2; 17 CFR 240.3a55–3; 17 CFR part 41.

²¹ See Product Definitions Adopting Release, 77 FR at 48267.

²² 7 U.S.C. 1a(47)(B)(vii).

²³ 15 U.S.C. 77aaa–77bbbb.

²⁴ 7 U.S.C. 1a(47)(B)(ii).

²⁵ 7 U.S.C. 1a(47)(B)(i).

of procedure, tailored trade reporting rules, deemed filing, or other joint or coordinated approaches to facilitate alternative compliance?

14. What considerations should guide surveillance, examination, and enforcement under an alternative compliance approach? How could enhanced sharing of information and data ²⁶ help fulfil the Commissions' regulatory mandates under an alternative compliance approach? How could the Commissions more effectively coordinate to examine and enforce their regulatory requirements?

15. Under an alternative compliance regime, how could the Commissions best deter market manipulation and trading on material non-public information? What steps should the agencies take to ensure robust surveillance and oversight of cross-market activities?

IV. General Request for Comment and Data

The Commissions are requesting comments from the public on all aspects of these questions. The Commissions encourage commenters to provide data-driven input.

V. Regulatory Planning and Review

This request for comment is a significant regulatory action under Executive Order 12866, as amended, and has been reviewed by the Office of Management and Budget.

Issued in Washington, DC, on June 22, 2026, by the Commodity Futures Trading Commission.

Robert Sidman,

Deputy Secretary of the Commission.

By the Securities and Exchange Commission.

Dated: June 18, 2026.

Vanessa A. Countryman,
Secretary.

Note: The following appendix will not appear in the Code of Federal Regulations.

Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance—CFTC Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.

[FR Doc. 2026-12743 Filed 6-23-26; 8:45 am]

BILLING CODE 6351-01-P; 8011-01-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 43, 45, and 49

RIN 3038-AF70

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 240 and 242

[Release No. 34-105734; File No. S7-2026-22]

RIN 3235-AN78

Joint Request for Comment on Swap and Security-Based Swap Data Reporting

AGENCY: Commodity Futures Trading Commission; Securities and Exchange Commission.

ACTION: Joint request for comment.

SUMMARY: The Commodity Futures Trading Commission ("CFTC") and the Securities and Exchange Commission ("SEC") (together, the "Commissions") request public comment on potential changes to the design, scope, and structure of swap and security-based swap data reporting requirements.

DATES: Comments must be received on or before August 24, 2026.

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

CFTC Comment Submission

You may submit comments, specifically referencing "Joint Request for Comment on Swap and Security-Based Swap Data Reporting" and RIN 3038-AF70, 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 <https://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 CFTC's consideration, please contact the CFTC personnel listed below under **FOR FURTHER INFORMATION CONTACT** before making any submission. Please also carefully review the CFTC's procedures in 17 CFR 145.9 for requesting confidential treatment under the Freedom of Information Act ("FOIA") of information submitted to the CFTC.

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 and other applicable laws, and may be accessible under the FOIA.

²⁶ See *supra* note 1.

SEC Comment Submission

Electronic Comments

- Use the SEC's internet comment form (<https://www.sec.gov/comments/s7-2026-22/joint-request-comment-swap-security-based-swap-data-reporting>); or
- Send an email to rule-comments@sec.gov. Please include File Number S7–2026–22 on the subject line.

Paper Comments

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

All submissions should refer to File Number S7–2026–22. This file number should be included on the subject line if email is used. To help the SEC process and review your comments more efficiently, please use only one method of submission. The SEC will post all comments on the SEC's website (<https://www.sec.gov/rules-regulations/public-comments/s7-2026-22>). Do not include personally 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.

FOR FURTHER INFORMATION CONTACT:

CFTC: Stephen Andrews, Office of the General Counsel, at 202–418–5000, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st St. NW, Washington, DC 20581.

SEC: Office of Market Supervision, Division of Trading and Markets, at (202) 551–5777; Office of Derivatives Policy, Division of Trading and Markets, at (202) 551–5870, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) ¹ amended the Commodity Exchange Act (“CEA”) ² and Securities Exchange Act of 1934 (“Exchange Act”) ³ to require that swap and security-based swap (“SBS”) transactions be reported to swap data repositories (“SDRs”) and security-based swap data repositories (“SBSDRs”), respectively, and to require the Commissions to make swap and SBS transaction and pricing data available to

the public.⁴ Since the adoption of the swap and SBS data reporting frameworks under Title VII of the Dodd-Frank Act,⁵ market participants have accumulated over a decade of experience reporting data. Given that level of experience, market participants are well positioned to identify areas where reporting requirements could be clarified, simplified, harmonized, or otherwise made more effective.

The Commissions recognize that the effectiveness of a reporting framework depends not only on the timeliness and completeness of data collected, but also on the usability and reliability of that data. Reporting frameworks that generate large quantities of low-utility or duplicative information may reduce the ability to draw insights from the data and potentially complicate market oversight.

The Commissions also recognize that the complexity of the reporting frameworks may have contributed unintentionally, yet significantly, to a potential lack of integrity in the accuracy, completeness, and timeliness of data reported to SDRs and SBSDRs. For example, the CFTC requires reporting of up to 128 data elements.⁶ As discussed below in section I, while the SEC's reporting requirements are generally harmonized with the CFTC's, the SEC's reporting requirements are narrower in scope and therefore utilize fewer data elements than the CFTC requirements. The collection, verification, and collation of pertinent information from disparate systems across reporting counterparties has led to large amounts of potentially inconsistent swap and SBS data reports. The goal of the Commissions is to rationalize and simplify reporting so that it will serve its intended purpose while maximizing the accuracy,

completeness, and timeliness, and thus integrity, of reported swap and SBS data.

Public input will help the Commissions evaluate whether the current swap and SBS data reporting frameworks are effectively serving statutory objectives and their intended purposes in light of technological developments, accumulated experience, and evolving market practices.

I. Regulatory Considerations

Under the CFTC regulatory framework, 17 CFR part 43 (real-time public reporting requirements), 17 CFR part 45 (swap data recordkeeping and reporting requirements), and 17 CFR part 46 (swap data recordkeeping requirements: pre-enactment and transition swaps) govern the regulatory reporting and public dissemination of swap transactions and require market participants to report swap data and swap transaction and pricing information to a registered SDR. In addition, 17 CFR part 49 sets out certain swap data and SDR requirements.

Under the SEC regulatory framework, 17 CFR 242.900 through 909 (“Regulation SBSR”) govern the regulatory reporting and public dissemination of SBS transactions and require market participants to report SBS transaction information to a registered SBSDR. In addition, 17 CFR 240.13n–1 through 13n–12 (the “SBSDR Rules”), govern: (1) the procedures and application for registration as an SBSDR; and (2) the duties and core principles applicable to an SBSDR.⁷ (Regulation SBSR and the SBSDR Rules are hereinafter referred to collectively as the “SBS Reporting Rules”).

In 2019, the SEC issued a statement regarding compliance with the SBS Reporting Rules (“2019 Compliance Statement”).⁸ In the 2019 Compliance Statement, the SEC stated that it was mindful of the time and costs that may be incurred by SBSDRs and market participants to implement aspects of the SBS Reporting Rules that have no analog in, or are not wholly consistent with, the CFTC's swap reporting rules.⁹ The SEC further stated that the “implementation of the [SBS Reporting Rules] can and should be done in a manner that carries out the fundamental policy goals of the [SBS Reporting

⁴ See Dodd-Frank Act section 727 (adding CEA section 2(a)(13), 7 U.S.C. 2(a)(13), which discusses the public availability of swap transaction data and requires that swaps be reported to an SDR); Dodd-Frank Act section 763(i) (adding Exchange Act section 13(m), 15 U.S.C. 78m(m), which discusses the public availability of SBS transaction data and requires that SBS be reported to an SBSDR).

⁵ See Swap Data Repositories: Registration Standards, Duties and Core Principles, 76 FR 54538 (Sept. 1, 2011); Real-Time Public Reporting of Swap Transaction Data, 77 FR 1182 (Jan. 9, 2012); Swap Data Recordkeeping and Reporting Requirements, 77 FR 2136 (Jan. 13, 2012); Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information, Release No. 34–78321 (July 14, 2016), 80 FR 14564 (Aug. 12, 2016); Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information, Release No. 34–74244 (Feb. 11, 2015), 80 FR 14564 (Mar. 19, 2015).

⁶ See CFTC, Parts 43 and 45 Technical Specification (Mar. 2023) (“2023 CFTC Technical Specification”), available at https://www.cftc.gov/media/8261/Part43_45TechnicalSpecification03012023CLEAN/download.

⁷ See Security-Based Swap Data Repository Registration, Duties, and Core Principles, Release No. 34–74246 (Feb. 11, 2015), 80 FR 14438 (Mar. 19, 2015).

⁸ See Cross-Border Application of Certain Security-Based Swap Requirements, Release No. 34–87780 (Dec. 18, 2019), 85 FR 6270, 6346–49 (Feb. 4, 2020).

⁹ *Id.* at 6347.

¹ Public Law 111–203, 124 Stat. 1376 (2010).

² 7 U.S.C. 1 *et seq.*

³ 15 U.S.C. 78a *et seq.*

Rules] while minimizing burdens as much as practicable.”¹⁰ In light of the SEC’s efforts to promote harmonization with the CFTC’s swap reporting and SDR rules, at a time when the CFTC had announced plans to reconsider its swap reporting rules to, among other things, ensure that the CFTC receives data that is accurate, complete, and of high quality, and to “right-size the number of data elements that are reported to meet the [CFTC’s] priority use-cases for swaps data,”¹¹ the 2019 Compliance Statement provided that certain actions with respect to the SBS Reporting Rules temporarily would not provide a basis for an SEC enforcement action.¹² The SEC understands that SBS market participants have universally relied on the 2019 Compliance Statement, resulting in reporting of SBS transactions in a manner that is broadly harmonized with CFTC reporting requirements for swaps. The 2019 Compliance Statement is scheduled to expire on November 5, 2029.¹³

In 2020, the CFTC amended its swap reporting rules.¹⁴ The 2020 Final Rules sought, among other things, to streamline certain reporting requirements including reducing the number of data elements.¹⁵ The 2020 Final Rules were implemented by May 25, 2022. The technical specification associated with that rulemaking has provided the basis for CFTC and, in most circumstances, SEC reporting since its implementation in 2022.¹⁶ In addition, further standardization in

swaps and SBS reporting took place in 2024 when, among other things, the unique product identifier (“UPI”) was implemented for the interest rate, foreign exchange, credit, and equity asset classes.¹⁷

II. Request for Comment on Swap and SBS Data Reporting

A. Harmonization Across Frameworks

Because the swap and SBS markets are subject to oversight by two separate regulatory frameworks, differences in reporting requirements may create operational complexity for market participants active in both markets. Identifying areas where further alignment could reduce redundancies or inefficiencies may reduce compliance burdens associated with market participants’ reporting obligations, which could also improve the overall effectiveness of the swap and SBS data reporting frameworks.

1. Which reporting requirements or data elements would benefit from harmonization to minimize or eliminate unnecessary inconsistencies in compliance obligations? Please identify and explain.

2. Regulation SBSR Rule 901(a)(1)¹⁸ states that if an SBS is executed on a platform and will be submitted to clearing, the platform would have the obligation to report the original transaction (the “alpha”) to an SBSDR and the clearing agency has the obligation to report the cleared transactions (the “beta” and “gamma”), but to the extent those transactions are not submitted for clearing, Rule 901(a)(2) provides that one of the counterparties is responsible for reporting the transaction.¹⁹ Should the SEC amend Regulation SBSR to require the platform to report platform-executed, non-cleared trades to the SBSDR, consistent with the CFTC’s requirements,²⁰ which are different than the SEC’s requirements?

¹⁷ See Order Designating the Unique Product Identifier and Product Classification System to be Used in Recordkeeping and Swap Data Reporting, 88 FR 11790, 11793 (Feb. 24, 2023) (stating that the product identifiers issued by the Derivatives Service Bureau Limited (“DSB”) as UPIs for swaps in the credit, equity, foreign exchange, and interest rate asset classes are designated as the UPI and product classification system to be used in recordkeeping and swap data reporting pursuant to the CFTC’s regulations); 2023 CFTC Technical Specification, *supra* note 6 (stating that changes must be implemented no later than Jan. 29, 2024). SBS transaction reporting has broadly harmonized with CFTC reporting requirements for swaps as a result of SBS market participants’ reliance on the 2019 Compliance Statement, as discussed earlier in section I.

¹⁸ 17 CFR 242.901(a)(1).

¹⁹ 17 CFR 242.901(a)(2).

²⁰ See 17 CFR 45.3(a).

a. Section 6(I) of the Exchange Act provides that “[i]t shall be unlawful for any person to effect a transaction in an SBS with or for a person that is not an eligible contract participant,²¹ unless such transaction is effected on a national securities exchange registered pursuant to subsection (b).”²² Who should be the reporting party for a transaction effected on a national securities exchange in an SBS issued by a clearing agency: the national securities exchange or the clearing agency? Who should be the reporting party if an uncleared transaction is effected on a platform: the platform or one of the counterparties?

3. To the extent swap and SBS transactions may occur on a blockchain, are amendments to or guidance on the regulations requiring reporting to, and public dissemination by, SDRs and SBSDRs necessary or appropriate? Should the reporting requirements applicable to any swap and SBS transactions that may occur on a blockchain differ from the requirements applicable to swaps and SBS transactions generally? Please explain.

4. Given the scheduled expiration of the 2019 Compliance Statement in 2029, should the SEC consider amendments to its SBS Reporting Rules to more fully harmonize those rules with the CFTC’s swap reporting rules? Please explain.

a. If so, what should be the scope of such amendments? Should the SEC’s and CFTC’s rules be identical? Are there areas where the SEC’s rules should differ? Should the SEC amend its rules to follow the 2019 Compliance Statement? Are there parts of the 2019 Compliance Statement, if codified, that the SEC should not follow? Should the SEC adopt a technical specification for reporting that is identical to the CFTC’s technical specification?

Are there areas (e.g., asset classes, product types, underlier reporting requirements) where any technical specifications that the SEC may adopt should differ from the CFTC’s technical specifications? If the SEC makes changes to more fully harmonize the SEC’s SBS Reporting Rules with the

²¹ The term “eligible contract participant” is defined in section 1a(18) of the CEA (7 U.S.C. 1a(18)). The definition of the term “eligible contract participant” in the Securities Act of 1933 (“Securities Act”) refers to the definition of “eligible contract participant” in the CEA. See section 5(e) of the Securities Act, 15 U.S.C. 77e(e). The CFTC and SEC have adopted final rules further defining the term “eligible contract participant.” See Further Definition of “Swap Dealer,” “Security-Based Swap Dealer,” “Major Swap Participant,” “Major Security-Based Swap Participant” and “Eligible Contract Participant,” Release No. 34–66868 (Apr. 27, 2012), 77 FR 30596 (May 23, 2012).

²² 15 U.S.C. 78f(I).

¹⁰ *Id.*

¹¹ See *id.* at 6346–47.

¹² *Id.* at 6347–49.

¹³ *Id.* at 6349 (stating that the 2019 Compliance Statement is in effect until the earlier of (1) four years following Regulation SBSR’s Compliance Date 1 in a particular SBS asset class (which was November 8, 2021), or (2) 12 months after the SEC provides notice that the position will expire); Regulation SBSR (Reporting and Dissemination of Security-Based Swap Information) and Security-Based Swap Data Repository Rules; Extension, Release No. 34–102886 (Apr. 17, 2025), 90 FR 17225 (Apr. 24, 2025) (extending the 2019 Compliance Statement expiration date to Nov. 5, 2029).

¹⁴ See Real-Time Public Reporting Requirements, 85 FR 75422 (Nov. 25, 2020); Swap Data Recordkeeping and Reporting Requirements, 85 FR 75503, 75596 (Nov. 25, 2020) (“Swap Data Reporting Final Rule”); Certain Swap Data Repository and Data Reporting Requirements, 85 FR 75601 (Nov. 25, 2020) (collectively, the “2020 Final Rules”).

¹⁵ See Swap Data Reporting Final Rule, 85 FR at 75539 (highlighting that prior to the implementation of the 2020 Final Rules, SDRs had some discretion over what swap data was reported, which led to a lack of standardization across SDRs).

¹⁶ See CFTC, Parts 43 and 45 Technical Specification (Sept. 2020), available at https://www.cftc.gov/media/4891/DMO_Part43_45TechnicalSpecification091720/download. See also 2023 CFTC Technical Specification, *supra* note 6.

CFTC's swap reporting rules, what measures should the Commissions undertake to ensure that reporting rules remain harmonized over time? Please explain.

b. If not, what amendments, if any, should the SEC consider making to its SBS Reporting Rules, and why?

B. Transparency and Data Quality

The swap and SBS data reporting frameworks are designed to fulfill the dual purposes of providing transparency to the public and ensuring that regulators have access to data to help carry out oversight responsibilities. Reporting frameworks are developed with data elements intended to serve a variety of regulatory or transparency purposes and to accommodate market developments. Experience with the data may reveal that some data elements are particularly valuable while others provide limited practical utility relative to the cost or complexity of reporting them. The Commissions believe it is time to reassess which data elements are critical for regulatory oversight, market transparency, or other public purposes.

5. Are there data elements that are included in the CFTC technical specification that provide limited practical utility relative to the cost or complexity of reporting them? Which ones and why?

6. Are there categories of reported data elements (e.g., prices, payments, transaction related, etc.) where the data elements included in the CFTC technical specification could be combined or eliminated while maintaining the practical utility of the reported information?

7. Does the SBS public dissemination framework appropriately address large notional transactions? Pursuant to the 2019 Compliance Statement, SBS public dissemination size caps for transactions in large notional amounts follow CFTC protocols, with the exception of transactions in a single credit instrument or a narrow-based index of credit instruments, which are capped at a size of \$5 million (e.g., "\$5MM+"). Is this the appropriate approach? If not, what would be the appropriate approach?

8. Do the public dissemination frameworks affect market liquidity, or raise concerns about the public disclosure of the identity of participants in transactions or the trading strategies employed, and if so, how?²³ What steps could be taken to alleviate these market

liquidity or disclosure of identity concerns?

9. Which publicly disseminated data elements are most useful to market participants for market transparency or other public purposes? Are there any changes to data elements—including those that are already collected but not publicly disseminated and those that could potentially be collected in the future—that would improve the usefulness of the data for price transparency?

10. Which reported data elements (whether disseminated or not), while conceptually useful, are never or rarely populated in practice, and why? Do they differ for swaps versus SBS? Do data elements that are included in the CFTC technical specification, but are rarely populated, create operational complexities or compliance costs for market participants?

11. Are there data elements currently required to be reported pursuant to the swap and SBS data reporting rules that contain information that is duplicative of information obtained through other data elements also required to be reported pursuant to those rules? If so, which data elements and how do they provide the same information?

12. Are there data elements that, while conceptually useful, are persistently difficult to report consistently across registrants, asset classes, products, or market structures? If so, please identify and explain. What factors most commonly contribute to, and what transaction types (e.g., allocated trades) are most susceptible to, inaccuracies or inconsistencies in swap or SBS data reporting (whether or not related to specific data elements)? Could guidance on or amendments to the swap and SBS data reporting rules resolve such difficulties, inaccuracies, or inconsistencies? Does inaccurate or inconsistent reporting by reporting parties, with respect to publicly disseminated data, affect the utility or value of the information sought by the data element? Are these data elements static, and therefore could potentially be collected in a reference table, or do these elements change over time? With respect to the difficulties, inaccuracies, or inconsistencies described in response to this question, are there practical steps the Commissions could take to improve data quality and transparency without significantly increasing reporting burdens?

13. Are there changes to reporting deadlines or methods of public dissemination that would improve the usefulness of the data?

14. Currently, each SDR and SBSDR, separately, publicly disseminates

information about the transactions reported to it. Does this approach present challenges for price discovery or raise other concerns, or does it present advantages? Please explain.

15. Should SDRs and SBSDRs take additional steps to validate reported transaction data to ensure accurate and high-quality public dissemination and regulatory reporting, and if so, for what specific data elements? Would such additional validations reduce the costs of addressing data quality issues? What specific additional validations should SDRs and SBSDRs add to ensure higher data quality?

C. Operational Complexity

Reporting frameworks can sometimes become operationally complex, particularly where multiple systems, lifecycle events, or validation rules must be managed simultaneously. Feedback from market participants may help identify aspects of the frameworks that are especially difficult to implement and maintain in practice.

16. Which aspects of the current swap and SBS data reporting frameworks are most operationally complex or difficult to implement, particularly when considering the value of the information reported and the requirements of multiple reporting frameworks?

17. Are there particular validation rules or reporting obligations related to lifecycle events that could be simplified? Are there particular validation rules or reporting obligations related to lifecycle events where the current requirements are appropriate or inappropriate given the value of the information reported? Please explain.

18. Should the Commissions consider implementing a materiality or de minimis threshold for the requirement that reporting firms correct errors in data for swaps and SBS, such as for those that have terminated, matured, or are otherwise no longer open? If so, what materiality or de minimis threshold is appropriate?

19. Should the Commissions integrate machine-readable rule structures or standardized reporting logic, and if so, how? What processes should the Commissions employ to maintain, update, and interpret such rule structures or logic over time? What are the benefits and risks associated with such approaches? What would the costs be, and would those costs be more or less than the costs under the current reporting frameworks?

20. Do commenters have suggestions regarding the reporting hierarchies that

²³ The identity of counterparties is not publicly disseminated. See 2023 CFTC Technical Specification, *supra* note 6. See also *infra* note 26.

determine the reporting counterparty?²⁴ Do commenters have any concerns regarding operational issues related to the reporting hierarchies?

D. Standardized Identifiers and Reference Data

The Dodd-Frank Act requires reporting and public dissemination of swap and SBS transaction data, including price and volume, on a trade-by-trade basis. The swap and SBS data reporting frameworks rely on a range of standardized and static reference data elements, such as counterparty identifiers, product classifications, and other descriptive information intended to support data aggregation and regulatory analysis. Currently, UPIs issued by DSB²⁵ are used to identify products and Legal Entity Identifiers (“LEIs”) managed by the Global Legal Entity Identifier Foundation are used to identify counterparties.²⁶ The Commissions seek comment on the use of standardized and static reference data elements.

21. What limitations with respect to the information and supervisory or operational utility of the transaction data, if any, arise when the UPI or other standardized product identifiers or classification systems are used?

22. Are there instances where a data standard other than the UPI should be used to identify products? Please explain.

23. Are there additional opportunities to use standardized and static reference data elements to capture relevant attributes of swaps and SBS? Please explain.

24. Are there instances where a data standard other than the LEI should be used to identify counterparties? Please explain.

25. Is there information that is currently reported on a trade-by-trade basis that could more efficiently be captured through reference data? If so, please explain the benefits and drawbacks of using such reference data, including: (1) benefits or impacts to public transparency, usability, and accessibility of swap and SBS transaction and pricing data; (2) impediments to accessing reference data; (3) management of changes to the

reference data that may occur over time; and (4) costs of maintaining and validating the reference data. In addition to these items, please describe any other risks, benefits, and costs associated with using standardized and static reference data.

E. Implementation Considerations

The Commissions seek comment on appropriate implementation timelines and sequencing for any potential reforms.

26. What factors should inform the appropriate timelines for any such changes, including the sequencing of changes affecting data standards, validation logic, and reference data frameworks of both the CFTC and SEC to minimize implementation risk?

27. How can the Commissions structure implementation to minimize compliance costs and burdens?

III. Request for Data

The Commissions encourage commenters to provide data-driven input, including information regarding compliance and operational costs, data quality challenges, error rates or rejection/acceptance rates, and correction frequency and latency.

IV. Regulatory Planning and Review

This request for comment is a significant regulatory action under section 3(f) of Executive Order 12866 and has been reviewed by the Office of Management and Budget, consistent with Executive Order 14215.

V. Conclusion

The Commissions view this request for comment as part of the natural evolution of swap and SBS oversight. Effective regulation depends not only on the existence of reporting requirements, but on the quality, clarity, and usability of the data produced in advancing clearly defined statutory and supervisory objectives. By examining how the swap and SBS data reporting frameworks can be modernized and right-sized, while accepting that merely increasing the volume and granularity of data does not, by itself, enhance regulatory effectiveness, the Commissions aim to strengthen effectiveness of regulatory oversight while promoting efficiency and clarity in reporting obligations.

Issued in Washington, DC, on June 22, 2026, by the Commodity Futures Trading Commission.

Robert Sidman,

Deputy Secretary of the Commission.

By the Securities and Exchange Commission.

Dated: June 18, 2026.

Vanessa A. Countryman,
Secretary.

Note: The following appendix will not appear in the Code of Federal Regulations.

Joint Request for Comment on Swap and Security-Based Swap Data Reporting—CFTC Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.

[FR Doc. 2026–12742 Filed 6–23–26; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 141, 260, 357, and 369

[Docket No. RM26–12–000]

Revisions to Financial Forms Reporting and Filing Requirements

AGENCY: Federal Energy Regulatory Commission, Department of Energy.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Energy Regulatory Commission (Commission) invites comments on its proposal to amend certain annual and quarterly financial forms, which the Commission requires jurisdictional public utilities, licensees, centralized service companies, and natural gas and oil pipeline companies to file. Additionally, the Commission proposes to amend its current regulations governing certain FERC financial forms.

The Commission proposes to update FERC Annual Report Form Nos. 1, 1–F, 2, 2–A, 6, and 60 and FERC Quarterly Report Form Nos. 3–Q and 6–Q. Specifically, the Commission proposes to update the general filing instructions and certain schedule instructions to reflect current reporting requirements and correct discrepancies. Additionally, the Commission proposes to eliminate certain schedules from FERC Form Nos. 3–Q and 6–Q. The Commission also proposes to revise the regulation for FERC Form No. 6–Q to clarify that oil pipelines with annual jurisdictional operating revenues below \$500,000 are exempt from filing the quarterly form. These changes to the quarterly forms would reduce the reporting burden for jurisdictional entities.

DATES: Initial Comments are due August 24, 2026, and Reply Comments are due July 24, 2026.

ADDRESSES: Comments, identified by docket number, may be filed in the

²⁴ See generally 17 CFR 45.8; 17 CFR 43.3; 17 CFR 242.901(a).

²⁵ See *supra* note 17.

²⁶ For natural persons who are acting as private individuals, in lieu of the LEI, the reporting counterparty submits its LEI followed by a unique identifier that is assigned and maintained consistently by the reporting counterparty for that natural person. See 2023 CFTC Technical Specification, *supra* note 6. Neither the LEIs nor the unique identifiers for natural persons are publicly disseminated. See *id.*

following ways. Electronic filing through <http://www.ferc.gov>, is preferred.

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

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

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

○ **Hand (including courier) Delivery:** Deliver to: Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

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

FOR FURTHER INFORMATION CONTACT:

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I. Background

1. The relevant FERC forms are used to collect financial and operational information from entities subject to the Commission's jurisdiction. The forms implicated in this proposal include FERC Form Nos. 1 (Annual Report of Major Electric Utilities, Licensees, and Others), 1-F (Annual Report for Nonmajor Public Utilities and Licensees),¹ 2 (Annual Report for Major Natural Gas Companies), 2-A (Annual Report for Non-Major Natural Gas Companies),² 3-Q (electric) (Quarterly Financial Report of Electric Utilities and Licensees),³ 3-Q (gas) (Quarterly Financial Report of Natural Gas

Companies),⁴ 6 (Annual Report of Oil Pipeline Companies),⁵ 6-Q (Quarterly Report of Oil Pipeline Companies),⁶ and 60 (Annual Report of Centralized Service Companies)⁷ (collectively, Financial Forms). The information collected in the Financial Forms assists the Commission in the administration of its jurisdictional responsibilities and is used by Commission staff, state regulatory agencies, customers, investors, financial analysts, and others

⁴ FERC Form No. 3-Q (gas) is a quarterly financial and operating report as set forth in 18 CFR 260.300, for the natural gas industry, which supplements FERC Form Nos. 2 and 2-A.

⁵ FERC Form No. 6 is an annual reporting requirement for oil pipeline companies as set forth in 18 CFR 357.2.

⁶ FERC Form No. 6-Q is a quarterly financial and operating report as set forth in 18 CFR 357.4, which supplements FERC Form No. 6 for the oil pipeline industry.

⁷ FERC Form No. 60 is an annual reporting requirement for centralized service companies as set forth in 18 CFR 366.23. Unless the Commission provides an exemption or grants a waiver pursuant to 18 CFR 366.3 and 366.4 to the holding company system, every centralized service company in a holding company system must prepare and file electronically with the Commission FERC Form No. 60.

in the review of the financial condition of regulated companies. The information filed in the Financial Forms represents, in most cases, the only source of financial data presented in a format and detail suitable for the Commission to exercise its duties and responsibilities under the Federal Power Act (FPA), Natural Gas Act (NGA), Interstate Commerce Act (ICA), and Public Utility Holding Company Act of 2005.⁸

2. As a result of the launch of eXtensible Business Reporting Language (XBRL) as the filing system for the Commission's Financial Forms and the implementation of stricter filing validations, it has come to the Commission's attention that there are certain instructions in the Financial Forms that do not comport with the way regulated entities actually file the Financial Forms, nor do they align with the intent of the filing requirements.

⁸ *Q. Fin. Reporting & Revisions to the Ann. Reps.*, 69 FR 9030 (Feb. 26, 2004), Order No. 646, 106 FERC ¶ 61,113, at P 16, *order on reh'g*, 69 FR 32440 (June 10, 2004), Order No. 646-A, 107 FERC ¶ 61,231 (2004).

¹ FERC Form Nos. 1 and 1-F are annual reporting requirements for electric utilities, licensees, and others as set forth in 18 CFR 141.1 and 141.2, respectively.

² FERC Form Nos. 2 and 2-A are annual reporting requirements for natural gas companies as set forth in 18 CFR 260.1 and 260.2, respectively.

³ FERC Form No. 3-Q (electric) is a quarterly financial and operating report as set forth in 18 CFR 141.400, for the electric industry, which supplements FERC Form Nos. 1 and 1-F.

Therefore, the Commission proposes to revise the instructions to address these discrepancies and to modernize any outdated instructions. Additionally, the Commission proposes to eliminate certain schedules from FERC Form Nos. 3–Q and 6–Q. The Commission also proposes to revise the regulation for FERC Form No. 6–Q to clarify that oil pipelines with annual jurisdictional operating revenues below \$500,000 are exempt from filing the quarterly form. These changes to the quarterly forms would reduce the reporting burden for jurisdictional entities.

II. Overview of Proposed Revisions

A. Outdated Provisions

3. The Commission proposes to remove from the Commission's regulations the following outdated regulatory provisions that contain obsolete deadlines: sections 141.1(b)(2)(i), 141.2(b)(2)(i), 141.400(b)(2)(i)–(vi), 141.400(b)(3)(i)–(vi), 260.1(b)(1), 260.2(b)(1), 260.300(b)(2)(i)–(vi), 260.300(b)(3)(i)–(vi), 357.2(b)(1), and 357.4(b)(2)(i)–(iv), (vi), and (viii), and the mention of the “2008 report” and its due date from section 369.1(b)(2)(i). Additionally, the Commission proposes revisions to sections 141, 260, 357, and 369 for consistency and to correct minor punctuation errors.

B. Clarify Quarterly Reporting Requirement for Oil Pipelines

4. The Commission proposes to clarify that only oil pipeline companies with annual jurisdictional operating revenues of \$500,000 or more that file an annual FERC Form No. 6 pursuant to section 357.2(a)(1) are required to file the quarterly FERC Form No. 6–Q. This proposed revision excludes small oil pipeline companies with annual jurisdictional operating revenues of less than \$500,000 and that do not file an annual FERC Form No. 6 from the quarterly reporting requirement.

5. Accordingly, the Commission proposes to revise section 357.4(b)(1) to state: Each oil pipeline company, subject to the provisions of section 20 of the ICA and the annual reporting requirements set forth in section 357.2(a)(1), must prepare and file with the Commission FERC Form No. 6–Q.

C. Financial Forms General Filing Instructions

6. The Commission proposes to revise outdated instructions appearing at the beginning of the Financial Forms and, where practicable, clarify and standardize the instructions across the Financial Forms. The proposed

revisions seek to standardize titles, provide citations to relevant regulations, remove outdated language, and clarify and modernize the instructions, as appropriate. The proposed revisions are included in Appendix A.

7. The Commission also proposes to remove from the general instructions of FERC Form Nos. 1 and 1–F the requirement to include standardized pro forma language in the filers' Certified Public Accountant (CPA) attestations (CPA Certification Statement). CPA Certification Statements are filed with the Commission to ensure that specified financial schedules conform, in all material aspects, with the Commission's Uniform System of Accounts (USoFA). Removing the requirement to include the prescriptive pro forma language from the instructions will not eliminate the underlying independent CPA certification requirement; rather, it shifts the focus from a specified attestation template to a principle-based standard that allows CPAs to apply professional judgment in drafting their own opinion language attesting that the relevant schedules are fairly presented in accordance with USoFA and FERC reporting requirements.

8. This proposed change to the requirements for the FERC Form Nos. 1 and 1–F CPA Certification Statements aligns with the current instructions for the FERC Form Nos. 2 and 2–A CPA Certification Statements and with generally accepted auditing standards and standard attestation report formats, while maintaining the regulatory requirements in the Commission's regulations under sections 41.10 through 41.12 (electric utilities),⁹ and sections 158.10 through 158.12 (natural gas companies).¹⁰

9. In addition, the Commission proposes to remove the requirement for jurisdictional entities to file their Annual Report to Stockholders from the general instructions of the applicable Annual Financial Forms. Eliminating this requirement will reduce unnecessary reporting burden as these Annual Reports to Stockholders are publicly available. Moreover, current instructions in the Annual Financial Forms already provide that relevant information included in the Annual Report to Stockholders may be included in the Annual Financial Forms.

D. Financial Forms Schedule Instructions

10. The Commission proposes to revise the Financial Forms to address discrepancies found in certain schedule

instructions. These proposed revisions aim to ensure consistency and clarity by updating the instructions to better reflect the intent of the reporting requirements. A detailed list of the changes is provided below. The proposed amendments are included in Appendix B.¹¹ Additionally, the Commission proposes to correct minor typos in schedule titles and other headers, as well as ensure that the titles and headers reference the correct “year” or “quarter,” as applicable.

1. Revisions to FERC Form No. 1 and Identical Pages in FERC Form No. 3–Q (Electric)

11. FERC Form No. 1, List of Schedules—Page 2—The Commission proposes to remove line 71, “Footnote Data, page 450,” because it references a page that no longer exists in the current form. Footnote data is now reported within the respective schedule to which each footnote applies. Accordingly, page 450 is no longer part of the current form. Additionally, the Commission proposes to remove the lines for Annual Reports to Stockholders.¹²

12. FERC Form No. 1, Directors—Page 105—The Commission proposes to revise Instruction 2 to clarify that the address provided should be the director's principal place of business.

13. FERC Form Nos. 1 and 3–Q (electric), Statement of Cash Flows—Pages 120–121—The Commission proposes to revise Instruction 1 by removing the words “Codes to be used” and adding, in its place, the words “Codes designated below.” This revision eliminates uncertainty regarding whether the filer is required to add additional codes when completing this schedule.

14. FERC Form Nos. 1 and 3–Q (electric), Notes to Financial Statements—Page 122—The Commission proposes to delete Instruction 9 as it is repetitive of Instruction 6.

15. FERC Form Nos. 1 and 3–Q (electric), Transmission Service and Generation Interconnection Study Costs—Page 231—The Commission proposes to revise Instructions 4 and 6 to clarify that the schedule should be presented on a year-to-date basis per Order No. 715.¹³

¹¹ See *infra* section II.E. Certain proposed changes to the quarterly forms may not be applicable if the quarterly schedule filing requirements are reduced or eliminated.

¹² See *supra* section II.C for further details about eliminating the requirement to file a copy of the Annual Report to Stockholders.

¹³ *Revisions to Forms, Statements, & Reporting Requirements for Elec. Utils. & Licensees*, 73 FR

⁹ 18 CFR 41.

¹⁰ 18 CFR 158.

16. FERC Form No. 1, Taxes Accrued, Prepaid and Charges During Year—Page 262—The Commission proposes to correct Instruction 8 to reference the proper columns.

17. FERC Form Nos. 1 and 3—Q (electric), Other Regulatory Assets (Account 182.3)—Page 232—The Commission proposes to remove the words “written off” from the column (d) and (e) headers, as these columns report all credits to the account, not just amounts written off. This revision will eliminate confusion regarding where to report credits that are not write-offs.

18. FERC Form No. 1, Substations—Page 426—The Commission proposes to revise Instruction 4 to state that substations may be classified as transmission and/or distribution, based on function.

2. Revisions to FERC Form No. 1—F

19. FERC Form No. 1—F, Part VI: Statement of Cash Flows—Pages 10–11—The Commission proposes to revise Instruction 5 by removing the words “Codes used” and adding, in its place, the words “Codes designated below.” This revision eliminates uncertainty regarding whether the filer is required to add additional codes when completing this schedule.

20. FERC Form No. 1—F, Part XXIV: Transmission Service and Generation Interconnection Study Costs—Page 29—The Commission proposes to revise Instructions 4 and 6 to clarify that the schedule should be presented on a year-to-date basis per Order No. 715.¹⁴

3. Revisions to FERC Form No. 2 and Identical Pages in FERC Form Nos. 2—A and 3—Q (Gas)

21. FERC Form Nos. 2 and 3—Q (gas), List of Schedules—Page 2—The Commission proposes to remove lines 74, “Footnote Reference,” and 75, “Footnote Text.” Footnote data is now reported on the respective schedule to which each footnote applies. The Commission also proposes to remove line 76, Stockholders’ Reports.¹⁵ Additionally, for FERC Form No. 3—Q (gas) List of Schedules, Page 2, the Commission proposes to revise the List of Schedule instructions to clarify that non-major filers must enter the word “NonMajor” in column (d) on lines 8 and 12 to indicate that these pages are not required for the filing. Entering “NonMajor” in column (d) on lines 8 and 12 will remove pages 200 and 299,

respectively, from the rendered FERC Form No. 3—Q and from the data set transmitted to the Commission as part of the filing. Currently, if “NonMajor” is not entered, the non-major filer is required to complete these pages for its filing to pass XBRL validation.

22. FERC Form Nos. 2, 2—A, and 3—Q (gas), Statement of Cash Flows—Pages 120—The Commission proposes to revise Instruction 1 by removing the words “Codes to be used” and adding, in its place, the words “Codes designated below.” This revision eliminates uncertainty regarding whether the filer is required to add additional codes when completing this schedule.

23. FERC Form No. 2, Investments (Accounts 123, 124, and 136)—Page 222—The Commission proposes to change the column (a) header from “Description of Investment” to “Account Number and Description of Investment” to align with Instruction 1 of this page that requires the appropriate account number to be included in column (a).

24. FERC Form Nos. 2, 2—A, and 3—Q (gas), Other Regulatory Assets (Account 182.3)—Page 232—The Commission proposes to remove the words “written off” from columns (f), (g), and (h) as these columns report all credits to the account, not just amounts written off. This revision will eliminate confusion regarding where to report credits that are not write-offs.

25. FERC Form Nos. 2 and 2—A, Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged—Page 262—The Commission proposes to delete the phrase “(Show utility dept where applicable and acct charged)” from the schedule title, as these instructions are unnecessary and already included in Instruction 8. To address uncertainty regarding how to calculate the state or local income tax rate in column (t), the Commission proposes to clarify Instruction 11 to provide that the state and local income tax rate is calculated by multiplying each jurisdiction’s enacted statutory income tax rate by its respective apportionment percentage¹⁶ used for the year-end tax calculation. In addition, the Commission proposes to revise Instruction 11 to state that the total state and local income tax rate is reported on the last line of the page.

26. FERC Form No. 2, Transmission System Peak Deliveries—Page 518—The Commission proposes to revise

Instruction 1 by deleting “April 30,” as that is no longer the due date of the report.

27. FERC Form Nos. 2 and 2—A, System Maps—Page 522.1—The Commission proposes to update Instruction 1 and delete Instruction 4 to remove references to physical copies of system maps as they are now furnished in an electronic format.

4. Revisions to FERC Form No. 6 and Identical Pages in FERC Form No. 6—Q (Oil)

28. FERC Form No. 6, List of Schedules—Page 2—The Commission proposes to remove the line for Annual Reports to Stockholders.¹⁷

29. FERC Form No. 6, Directors—Page 105—The Commission proposes to revise Instruction 1 to clarify that the address provided in column (b) should be the director’s principal place of business.

30. FERC Form Nos. 6 and 6—Q, Income Statement—Page 114—The Commission proposes to clarify Instruction 2 to state that columns (e) and (f) are not required for annual reporting.

31. FERC Form Nos. 6 and 6—Q, Statement of Cash Flows—Page 120—The Commission proposes to revise Instruction 1 by removing the words “Codes to be used” and adding, in its place, the words “Codes designated below.” This revision eliminates uncertainty regarding whether the filer is required to add additional codes when completing this schedule.

32. FERC Form No. 6, Investments in Common Stocks of Affiliated Companies/Companies Controlled Directly by Respondent other than through Title to Securities—Page 204—The Commission proposes to revise Instruction 3 to clarify that the undistributed earnings (losses) during the year should be calculated by taking net income and subtracting dividends.

33. FERC Form Nos. 6 and 6—Q, Statistics of Operations and Statistics of Operations—Operated by Others—Pages 600 and 600a, respectively—The Commission proposes to revise Instruction 1 to clarify that column (a) is used to identify the state of origin. In addition, the Commission proposes to revise Instruction 1 to change the code for products of petroleum refining, n.e.c., from “29112” to “29119” to align with the commodity classification numbers set forth in 49 CFR 1248.101.

58720 (Oct. 7, 2008), Order No. 715, 124 FERC ¶ 61,273, at PP 98–100 (2008).

¹⁴ *Id.*

¹⁵ See *supra* section II.C for further details about eliminating the requirement to file a copy of the Annual Report to Stockholders.

¹⁶ Apportionment percentage is the fraction used to determine what portion of a multistate business’s total income is taxable in a specific state or local jurisdiction.

¹⁷ See *supra* section II.C for further details about eliminating the requirement to file a copy of the Annual Report to Stockholders.

E. Quarterly Financial Forms

34. In Order No. 646, the Commission established quarterly financial reporting requirements for respondents that file the Annual Financial Forms.¹⁸ These forms include FERC Form Nos. 3–Q (electric) (Quarterly Financial Report of Electric Companies), 3–Q (gas) (Quarterly Financial Report of Natural Gas Companies), and 6–Q (Quarterly Financial Report of Oil Pipeline Companies) (collectively, Quarterly Financial Forms). These Quarterly Financial Forms supplement the Annual Financial Forms by collecting basic financial information and additional information on significant transactions and events from jurisdictional entities.

35. The increased reporting frequency was intended to improve the transparency and usefulness of financial information, and enable the Commission to better identify emerging trends, business conditions, and financial issues affecting jurisdictional entities. The Quarterly Financial Forms were also intended to identify the economic effects of significant transactions and events, allow staff to timely evaluate the adequacy of existing cost-based rates, and aid in the development of needed changes to existing regulatory initiatives.¹⁹

36. In Order No. 634–A,²⁰ the Commission required entities participating in cash management programs to determine on a quarterly basis the percentage of their capital structure that constitutes proprietary capital. The Commission determined that, if the percentage of proprietary capital drops below 30%, the entity must notify the Commission within 45 days after the end of each calendar quarter, and present a plan to regain at least 30% proprietary capital.²¹ In Order No. 646, the Commission found that the establishment of the Quarterly Financial

Forms provide the Commission with the financial information necessary to determine the extent to which an entity's proprietary capital is less than 30% at the end of each quarter.²² As a result, the Commission was able to begin monitoring regulated entities' capital structures and cash management programs while eliminating the Cash Management Notification Reports.

37. In Order Nos. 710 and 710–A,²³ the Commission updated reporting requirements for natural gas pipelines to support a more comprehensive NGA section 5 analysis.²⁴ These amendments consolidated the then-existing FERC Form No. 11, Natural Gas Pipeline Company Quarterly Statement of Monthly Data,²⁵ with FERC Form Nos. 2, 2–A, and 3–Q (gas), and incorporated a new schedule for monthly shipper-supplied gas data. This integration eliminated the requirement to file separate monthly data reports.²⁶

38. The creation of the Quarterly Financial Forms served to improve transparency and usefulness of financial information and enabled the elimination of certain other forms. As markets and industries have continued to evolve during the two decades since the Quarterly Financial Forms were first created, the Commission seeks to ensure that the information collected from filers is useful and useable. In that vein, the Commission conducted a comprehensive review of the information collected in the Quarterly Financial Forms and proposes to delete the schedules discussed below. The Commission seeks comment on whether the data reported on the indicated schedules is helpful to the public and, if so, how this data is used. The Commission also seeks comment on whether there may be a better way for the public to access the data rather than through the Quarterly Financial Forms.

39. The Commission proposes to delete the following pages from FERC Form No. 3–Q (electric):

- 200, Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion
 - 208, Electric Plant In Service and Accumulated Provision for Depreciation by Function
 - 231, Transmission Service and Generation Interconnection Study Costs
 - 232, Other Regulatory Assets
 - 278, Other Regulatory Liabilities
 - 300, Electric Operating Revenues
 - 302, Regional Transmission Service Revenues
 - 324, Electric Production, Other Power Supply Expenses, Transmission and Distribution Expenses
 - 325, Electric Customer Accounts, Service, Sales, Administrative and General Expenses
 - 328, Transmission of Electricity for Others
 - 331, Transmission of Electricity by ISO/RTOs
 - 332, Transmission of Electricity by Others
 - 338, Depreciation, Depletion and Amortization of Electric Plant
 - 397, Amounts Included in ISO/RTO Settlement Statements
 - 399, Monthly Peak Loads and Energy Output
 - 400, Monthly Transmission System Peak Load
 - 400a, Monthly ISO/RTO Transmission System Peak Load
40. The Commission proposes to delete the following pages from FERC Form No. 3–Q (gas):
- 200, Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion
 - 210, Gas Plant in Service and Accumulated Provision for Depreciation by Function
 - 339, Depreciation, Depletion and Amortization of Gas Plant
41. The Commission proposes to delete the following pages from FERC Form No. 6–Q (oil):
- 300, Operating Revenue
 - 302, Operating Expense Accounts
 - 600a, Statistics of Operations—Operated by Others
42. See Appendix C for a complete list of the Quarterly Financial Forms' List of Schedules that illustrates the schedules the Commission proposes to delete.

¹⁸ Order No. 646, 106 FERC ¶ 61,113 at P 16.

¹⁹ *Id.* PP 2, 17.

²⁰ *Regul. of Cash Mgmt. Pracs.*, 68 FR 61993 (Oct. 31, 2003), Order No. 634–A, FERC Stats. & Regs. ¶ 31,152 (2003) (cross-referenced at 105 FERC ¶ 61,098).

²¹ *Id.* at 30,777, 30,782 (finding that the provisions in the FPA, NGA, and ICA authorize the Commission to require reports and documentation to administer the statutes; also finding that "the Commission is entrusted with the responsibility to ensure that rates are just and reasonable and that FERC-regulated entities provide the services to which they have committed. The transparency-enhancing reporting requirements adopted in the Final Rule for cash management programs—in which over \$25 billion of regulated entities' funds are deposited (and accessible to others in their corporate family)—will help ensure that both goals are achieved.").

²² Order No. 646, 106 FERC ¶ 61,113 at PP 106–108.

²³ *See Revisions to Forms, Statements & Reporting Requirements for Nat. Gas Pipelines*, 73 FR 19389 (Apr. 10, 2008), Order No. 710, 122 FERC ¶ 61,262, *order on reh'g & clarification*, 73 FR 36414 (June 27, 2008), Order No. 710–A, 123 FERC ¶ 61,278 (2008).

²⁴ *See, e.g., Pub. Serv. Comm'n v. Nat'l Fuel Gas Supply Corp.*, 115 FERC ¶ 61,299 (2006); *Panhandle Complainants v. Sw. Gas Storage Co.*, 117 FERC ¶ 61,318 (2006).

²⁵ FERC Form No. 11 was discontinued February 28, 2009, with similar data incorporated into FERC Form Nos. 2 and 3–Q (gas). *See* Order No. 710, 122 FERC ¶ 61,262.

²⁶ *Id.* PP 16, 51.

F. CPA Certification Statement Filing

43. The Commission proposes to revise the filing methodology for CPA Certification Statements by requiring submission through the eForms portal (<https://eCollection.ferc.gov>). Currently, filers of the FERC Form Nos. 1, 1-F,²⁷ 2, and 2-A²⁸ must either eFile their CPA Certification Statement or mail a copy to the Secretary of the Commission.²⁹ Filers may append the CPA Certification Statement to their financial form submission in the eForms portal but are not required to do so. Under the proposed change, filers would no longer be required to file their CPA Certification Statement via eFiling or mail and would instead be required to append their CPA Certification Statement to their financial form in the eForms portal. This change is intended to reduce the filing burden on respondents and to provide the Commission with a more efficient method of monitoring compliance with the CPA Certification Statement filing requirements. The proposed change would also place both a company's certification and its financial form in the eForms portal, which would allow the Commission, filers, and the public to easily move back-and-forth between a company's CPA Certification Statement and the associated annual financial form.

III. Information Collection Statement

44. The Paperwork Reduction Act³⁰ requires each federal agency to seek and obtain the Office of Management and Budget's (OMB) approval before undertaking a collection of information (i.e., reporting, recordkeeping, or public disclosure requirements) directed to ten or more persons or contained in a rule of general applicability. OMB regulations require approval of certain information collection requirements contained in proposed rules published in the **Federal Register**.

45. The Commission does not propose to impose new information collection requirements on any person or entity, and the proposed changes would either

have non-material impacts or would reduce the burden associated with these financial reports. The Commission is proposing to revise the regulation for FERC Form No. 6-Q to specify that oil pipelines with annual jurisdictional operating revenues below \$500,000 and that do not file an annual FERC Form No. 6 are exempt from filing the quarterly form. Additionally, the revisions proposed in this proposed rule would update FERC Annual Report Form Nos. 1, 1-F, 2, 2-A, 6, and 60 and FERC Quarterly Report Form Nos. 3-Q and 6-Q to update the general filing instructions and certain schedule instructions to reflect current reporting requirements and correct discrepancies. The Commission also proposes to eliminate certain schedules from both FERC Form Nos. 3-Q and 6-Q. These proposed changes to the Quarterly Financial Forms would reduce the reporting burden for jurisdictional entities.

46. The Commission estimates that this proposed rule will have non-material impacts on the following existing information collections:

- ☐ FERC Form No. 1 (1902-0021)
- ☐ FERC Form No. 1-F (1902-0029)
- ☐ FERC Form No. 2 (1902-0028)
- ☐ FERC Form No. 2-A (1902-0030)
- ☐ FERC Form No. 6 (1902-0022)
- ☐ FERC Form No. 60 (1902-0215)
- ☐ FERC Form No. 3-Q (1902-0205)
- ☐ FERC Form No. 6-Q (1902-0206)

47. The Commission estimates that this proposed rule will have burden reducing impacts on:

- ☐ FERC Form No. 3-Q (1902-0205)
- ☐ FERC Form No. 6-Q (1902-0206)

48. As part of the rulemaking process, the Commission submits these proposed changes below to OMB for review:

Title: Quarterly Financial Report of Electric Utilities, Licensees, and Natural Gas Companies.

Action: Revision to an existing information collection.

OMB Control No: 1902-0205.

Respondents: Major and nonmajor electric utilities, licensees, and major and non-major natural gas companies.

Frequency of Responses: Three times per year—(quarterly, except for the quarter when the annual report is submitted).

Necessity of Information: Information contained in the Quarterly Financial Forms provides transparency and increases usefulness of financial information. The information enables the Commission to better identify emerging trends, business conditions, and financial issues affecting jurisdictional entities. The Quarterly Financial Forms also help identify the economic effects of significant transactions and events, allow staff to timely evaluate the adequacy of existing cost-based rates, and aid in the development of needed changes to existing regulatory initiatives. FERC Form No. 3-Q is a quarterly financial and operating report for rate regulation, market oversight analysis, and financial audits which supplements: (a) FERC Form Nos. 1 and 1-F for the electric industry, or (b) FERC Form Nos. 2 and 2-A for the natural gas industry. FERC Form No. 3-Q is submitted for electric utilities and licensees reporting FERC Form Nos. 1 or 1-F and natural gas companies reporting FERC Form Nos. 2 or 2-A. Financial accounting and reporting provides necessary information concerning a company's past performance and its future prospects. Without reliable financial statements prepared in accordance with the Commission's USofA and related regulations, it would be difficult for the Commission to accurately determine the costs that relate to a particular time period, service, or line of business.

49. This proposed rule would reduce the number of required schedules that need to be completed by the electric industry (removing 17 of 24 schedules with an estimated 70% reduction in burden) and the gas industry (removing 3 of 19 schedules with an estimated 15% reduction in burden).

Public Reporting Burden: The Commission estimates burden³¹ and cost³² as follows:

	Number of respondents	Annual number of responses per respondent	Total number of responses	Average burden hour per response	Total annual burden hours & total annual cost	Annual costs per respondent (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)	(5)/(1) = (6)
Form 3-Q (Electric)	218	3	654	49; \$4,998	32,046; \$3,268,692	\$14,994

²⁷ 18 CFR 41.

²⁸ 18 CFR 158.

²⁹ See FERC Form Nos. 1, 1-F, 2, and 2-A general filing instructions.

³⁰ 44 U.S.C. 3501–3521.

³¹ Burden is defined as the total time, effort, or financial resources expended by persons to generate, maintain, retain, disclose, or provide information to or for a federal agency. For further explanation of what is included in the information collection burden, refer to 5 CFR 1320.3.

³² The cost is based on FERC's 2026 Commission-wide average salary cost (salary plus benefits) of \$102/hour. Commission staff believes the FERC full-time equivalent (FTE) average cost for wages plus benefits is representative of the corresponding cost for the industry respondents.

	Number of respondents	Annual number of responses per respondent	Total number of responses	Average burden hour per response	Total annual burden hours & total annual cost	Annual costs per respondent (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)	(5)/(1) = (6)
Form 3–Q (Gas)	148	3	444	140; \$14,280	62,160; \$6,340,320	42,840
Total .....	.....	.....	1,098	.....	94,206; \$9,609,012 .....	.....

Title: Quarterly Report of Oil Pipeline Companies.

Action: Revision to an existing information collection.

OMB Control No: 1902–0206.

Respondents: Oil Pipeline Companies.

Frequency of Responses: Three times per year—(quarterly, except for the quarter when the annual report is submitted).

Necessity of Information: Information contained in the Quarterly Financial Forms provides transparency and increases usefulness of financial information. The information enables the Commission to better identify emerging trends, business conditions, and financial issues affecting jurisdictional entities. The Quarterly Financial Forms also help identify the economic effects of significant

transactions and events, allow staff to timely evaluate the adequacy of existing cost-based rates, and aid in the development of needed changes to existing regulatory initiatives. The Commission uses the information collected in FERC Form No. 6–Q to carry out its responsibilities in implementing the statutory provisions of the ICA,³³ including its authority to prescribe rules and regulations concerning accounts, records, and memoranda, as necessary or appropriate. Financial accounting and reporting provides necessary information concerning a company's past performance and its future prospects. Without reliable financial statements prepared in accordance with the Commission's USofA and related regulations, it would be difficult for the

Commission to accurately determine the costs that relate to a particular time period, service, or line of business.

50. This proposed rule would reduce the number of required schedules that need to be completed by oil pipeline companies by removing 3 of 11 schedules with an estimated 27% reduction in burden per respondent. It would also exempt oil pipeline companies with annual jurisdictional operating revenues below \$500,000 and that do not file the annual FERC Form No. 6 from filing the quarterly form, which the Commission estimates would decrease the number of respondents by 7.

Public Reporting Burden: The Commission estimates burden and cost³⁴ as follows:

	Number of respondents	Annual number of responses per respondent	Total number of responses	Average burden hour per response	Total annual burden hours & total annual cost	Annual costs per respondent (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)	(5)/(1) = (6)
Form 6–Q.	240	3	720	109 hrs., \$11,118	78,480 hrs., \$8,004,960	\$33,354
Total .....	.....	.....	720	.....	78,480 hrs., 8,004,960 .....	.....

51. The Commission requests comments on:

- the need for this information,
- whether the information will have practical utility,
- the accuracy of the provided burden estimates,
- ways to enhance the quality, utility, and clarity of the information to be collected, and
- any suggested methods for minimizing respondents' burden, including the use of automated information techniques.

52. Send written comments concerning the collection of information(s) and the associated burden estimate(s) to the Commission

according to the instructions in this NOPR. You must include the Docket Number and the related OMB Control Number in your response.

IV. Environmental Analysis

53. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.³⁵ The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. Included in the exclusion are rules that are clarifying, corrective, or procedural or that do not

substantially change the effect of the regulations being amended.³⁶ The actions proposed herein fall within this categorical exclusion in the Commission's regulations.

V. Regulatory Flexibility Act

54. The Regulatory Flexibility Act of 1980 (RFA)³⁷ generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities.

55. The RFA mandates consideration of regulatory alternatives that accomplish the stated objectives of a proposed rule and minimize any significant economic impact on a

³³ 49 U.S.C. 20.

³⁴ The cost is based on FERC's 2026 Commission-wide average salary cost (salary plus benefits) of \$102/hour. Commission staff believes the FERC FTE average cost for wages plus benefits is

representative of the corresponding cost for the industry respondents.

³⁵ *Reguls. Implementing the Nat'l Env't Policy Act*, Order No. 486, 52 FR 47897 (Dec. 17, 1987),

FERC Stats. & Regs. ¶ 30,783 (1987) (cross-referenced at 41 FERC ¶ 61,284).

³⁶ 18 CFR 380.4(a)(2)(ii).

³⁷ 5 U.S.C. 601–612.

substantial number of small entities.³⁸ The Small Business Administration (SBA) sets the threshold for what constitutes a small business. Under SBA's size standards,³⁹ firms are considered "small" in the pipeline transportation for natural gas industry based on revenues which total less than

\$41.5 million (NAICS Code: 486210).⁴⁰ For service companies, the Commission treats them as holding companies within a holding company system,⁴¹ which best fall under "Offices of Other Holding Companies" (NAICS Code: 551112).⁴² For service companies, "small" is defined as revenues totaling

less than \$45.5 million.⁴³ For electric utilities, firms are considered "small" by the SBA if they have fewer than 950 employees (NAICS Code: 221121).⁴⁴ For oil pipeline companies, SBA defines "small" entities as those having less than \$46 million in revenue (NAICS Code: 486990).⁴⁵

Relevant SBA industry	NAICS code	Small business standard	Form	Estimated small businesses (%)
Electric Bulk Power Transmission and Control	221121	950 employees	1/1-F 3-Q	23
Pipeline Transportation of Natural Gas	486210	\$41.5 million revenue	2/2-A 3-Q	46
All Other Pipeline Transportation	486990	\$46 million revenue	6/6-Q	50
Offices of Other Holding Companies	551112	\$45.5 million revenue	60	14

56. The Commission analyzed previous submissions of FERC Form Nos. 1,⁴⁶ 1-F,⁴⁷ 2,⁴⁸ 2-A,⁴⁹ 3-Q (gas and electric),⁵⁰ 6,⁵¹ 6-Q,⁵² and 60⁵³ filers to create populations of companies to determine the number of small entities using the definition provided by SBA. The Commission estimates that approximately 23% of companies filing FERC Form Nos. 1, 1-F, or 3-Q (electric) would be considered small. The Commission estimates that approximately 46% of companies filing FERC Form Nos. 2, 2-A, or 3-Q (gas) would be considered small. The Commission estimates that approximately 50% of companies filing FERC Form Nos. 6 or 6-Q would be considered small. For FERC Form No. 60, the Commission estimates that approximately 14% of the filers would be considered small.

57. The Commission's regulations at 18 CFR 141.1 and 141.2 define major and non-major electric utilities. These regulations determine whether a filer is required to submit FERC Form Nos. 1 or 1-F. FERC Form No. 1-F has been designed to account for smaller companies that fit the definition provided in section 141.2, and it requires significantly less information and thus has a correspondingly lower burden.

58. The Commission's regulations at 18 CFR 260.1 and 260.2 define major and non-major natural gas companies, which determine whether a filer is required to submit FERC Form Nos. 2 or 2-A. FERC Form No. 2-A has been

designed to account for smaller companies that fit the definition provided in section 260.2, and it requires significantly less information and thus has a correspondingly lower burden.

59. The Commission's regulations at 18 CFR 357 define which oil pipeline companies need to submit FERC Form Nos. 6 or 6-Q, and entities with less than \$500,000 in annual jurisdictional operating revenues file a more limited set of information.

60. According to SBA guidance, the determination of significance of impact "should be seen as relative to the size of the business, the size of the competitor's business, and the impact the regulation has on larger competitors."⁵⁴ The Commission does not consider the estimated cost listed above to be a significant economic impact for any of the required filers. Further, the Commission's estimates of the number of small entities that file the forms are less than a majority. As a result, the Commission certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities.

VI. Comment Procedures

61. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Initial Comments are due August 24, 2026, and Reply Comments are due July

24, 2026. Comments must refer to Docket No. RM26-12-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

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

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

³⁸ *Id.* 603(c).

³⁹ 13 CFR 121.201.

⁴⁰ *Id.*

⁴¹ 18 CFR 367.2.

⁴² 13 CFR 121.201.

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ The estimated number of FERC Form No. 1 filers is 216 entities.

⁴⁷ The estimated number of FERC Form No. 1-F filers is 2 entities.

⁴⁸ The estimated number of FERC Form No. 2 filers is 107 entities.

⁴⁹ The estimated number of FERC Form No. 2-A filers is 76 entities.

⁵⁰ FERC Form No. 3-Q is a quarterly filing, typically a subset of the annual filings. The Commission assumes that the FERC Form No. 3-Q filers are generally consistent with FERC Form Nos. 2 and 2-A filers.

⁵¹ The estimated number of FERC Form No. 6 filers is 269 entities.

⁵² The estimated number of FERC Form No. 6-Q filers is 247 entities.

⁵³ The estimated number of FERC Form No. 60 filers is 36 entities.

⁵⁴ U.S. Small Business Administration, *A Guide for Gov't Agencies How to Comply with the Regulatory Flexibility Act* 18 (May 2012), https://www.sba.gov/sites/default/files/advocacy/rfaguide_0512_0.pdf.

VII. Document Availability

64. 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>).

65. 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.

66. 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.

67. In accordance with 5 U.S.C. 553(b)(4), a summary of this proposed rule may be found at www.ferc.gov/major-orders-regulations under the NOPR tab.

VIII. Regulatory Planning and Review

68. Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. The Office of Information and Regulatory Affairs (OIRA) has determined this regulatory action is not a "significant regulatory action" under section 3(f) of Executive Order 12866, as amended. Accordingly, OIRA has not reviewed this regulatory action for compliance with the analytical requirements of Executive Order 12866.

List of Subjects

18 CFR Part 141

Electric power, Reporting requirements.

18 CFR Part 260

Natural gas, Reporting requirements.

18 CFR Part 357

Oil Pipelines, Reporting requirements.

18 CFR Part 369

Service Companies, Reporting Requirements.

By direction of the Commission.

Issued June 18, 2026.

Debbie-Anne A. Reese,
Secretary.

In consideration of the foregoing, the Commission proposes to amend parts 141, 260, 357, and 369, chapter I, title 18, Code of Federal Regulations, as follows:

PART 141—STATEMENTS AND REPORTS (SCHEDULES)

■ 1. The authority citation for part 141 continues to read as follows:

Authority: 15 U.S.C. 79; 15 U.S.C. 717–717z; 16 U.S.C. 791a–828c, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

■ 2. Revise sections 141.1, 141.2, and 141.400 to read as follows:

§ 141.1 FERC Form No. 1, Annual report of Major electric utilities, licensees, and others.

(a) *Prescription.* The Form of Annual Report for Major electric utilities, licensees and others, designated herein as FERC Form No. 1, is prescribed.

(b) *Filing requirements—*

(1) *Who must file—*

(i) *Generally.* Each Major and each Nonoperating (formerly designated as Major) electric utility (as defined in part 101 of Subchapter C of this chapter) and each licensee as defined in section 3 of the Federal Power Act (16 U.S.C. 796), including any agency, authority or other legal entity or instrumentality engaged in generation, transmission, distribution, or sale of electric energy, however produced, throughout the United States and its possessions, having sales or transmission service equal to Major as defined above, must prepare and file electronically with the Commission the FERC Form No. 1 pursuant to the General Instructions as provided in that form.

(ii) *Exceptions.* This report form is not prescribed for any agency, authority or instrumentality of the United States, nor is it prescribed for municipalities as defined in section 3 of the Federal Power Act, (*i.e.*, a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power).

(2) *When to file and what to file.*

(i) The annual report must be filed by April 18 of the year following the reporting period.

(ii) This report must be filed with the Federal Energy Regulatory Commission as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in this form, and must be properly completed and verified. Filing on electronic media pursuant to § 385.2011 of this chapter is required.

* * * * *

§ 141.2 FERC Form No. 1–F, Annual report for Nonmajor public utilities and licensees.

(a) *Prescription.* The form of Annual Report for Nonmajor Public Utilities and Licensees, designated herein as FERC Form No. 1–F, is prescribed.

(b) *Filing Requirements—*

(1) *Who Must File—*

(i) *Generally.* Each Nonmajor and each Nonoperating (formerly designated as Nonmajor) public utility and licensee as defined in Part 101 of this chapter, shall prepare and file with the Commission FERC Form No. 1–F as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in this form, and must be properly completed and verified. Filing on electronic media pursuant to § 385.2011 of this chapter is required.

(ii) *Exceptions.* FERC Form No. 1–F is not prescribed for any municipality as defined in Section 3 of the Federal Power Act, *i.e.*, a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power.

(2) *When to file.* The annual report must be filed by April 18 of the year following the reporting period.

* * * * *

§ 141.400 FERC Form No. 3–Q, Quarterly financial report of electric utilities, licensees, and natural gas companies.

(a) *Prescription.* The quarterly report of electric utilities, licensees, and natural gas companies, designated as FERC Form No. 3–Q, is prescribed.

(b) *Filing requirements—*

(1) *Who must file—*

(i) *Generally.* Each electric utility and each Nonoperating (formerly designated as Major or Nonmajor) electric utility (as defined in part 101 of subchapter C of this chapter) and other entity, *i.e.*, each corporation, person, or licensee as defined in section 3 of the Federal Power Act (16 U.S.C. 792 *et seq.*), including any agency or instrumentality engaged in generation, transmission,

distribution, or sale of electric energy, however produced, throughout the United States and its possessions, having sales or transmission service must prepare and file with the Commission FERC Form No. 3–Q pursuant to the General Instructions set out in that form.

(ii) *Exceptions.* This report form is not prescribed for any agency, authority or instrumentality of the United States, nor is it prescribed for municipalities as defined in section 3 of the Federal Power Act, (*i.e.* a city, county, irrigation district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power).

(2) Each Major and Nonoperating (formerly designated as Major) (as defined in part 101 of subchapter C of this chapter) public utility and licensee must file the quarterly financial report form within 60 days from the end of the reporting quarter.

(3) Nonmajor and Nonoperating (formerly designated as Nonmajor) public utilities and licensees must file the quarterly financial report form within 70 days from the end of the reporting quarter.

(4) This report must be filed as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in the quarterly financial report form, and must be properly completed and verified. Filing on electronic media pursuant to § 385.2011 of this chapter is required.

* * * * *

PART 260—STATEMENTS AND REPORTS (SCHEDULES)

■ 3. The authority citation for part 260 continues to read as follows:

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

■ 4. Revise sections 260.1, 260.2, and 260.300 to read as follows:

§ 260.1 FERC Form No. 2, Annual report for Major natural gas companies.

(a) *Prescription.* The form of Annual Report of Natural Gas Companies (Class A and Class B), designated herein as FERC Form No. 2, is prescribed.

(b) *Filing requirements.* Each natural gas company, as defined by the Natural Gas Act (15 U.S.C. 717, *et seq.*) which is a major company (a natural gas company whose combined gas transported or stored for a fee exceed 50 million Dth in each of the three previous calendar years) must prepare and file with the Commission, as follows:

(1) The annual report must be filed by April 18 of the year following the reporting period.

(2) Newly established entities must use projected data to determine whether FERC Form No. 2 must be filed.

(3) The form must be filed in electronic format only, as indicated in the general instructions set out in that form. The format for the electronic filing is available through the Commission's website, <https://www.ferc.gov>. One copy of the report must be retained by the respondent in its files.

* * * * *

§ 260.2 FERC Form No. 2–A, Annual report for Nonmajor natural gas companies.

(a) *Prescription.* The form of Annual Report for Nonmajor Natural Gas Companies, designated herein as FERC Form No. 2–A, is prescribed.

(b) *Filing requirements.* Each natural gas company, as defined by the Natural Gas Act, not meeting the filing threshold for FERC Form No. 2, but having total gas sales or volume transactions exceeding 200,000 Dth in each of the three previous calendar years, must prepare and file with the Commission, as follows:

(1) The annual report must be filed by April 18 of the year following the reporting period.

(2) Newly established entities must use projected data to determine whether FERC Form No. 2–A must be filed.

(3) The form must be filed in electronic format only, as indicated in the General Instructions set out in that form. The format for the electronic filing is available through the Commission's website, <https://www.ferc.gov>. One copy of the report must be retained by the respondent in its files.

* * * * *

§ 260.300 FERC Form No. 3–Q, Quarterly financial report of electric utilities, licensees, and natural gas companies.

(a) *Prescription.* The quarterly report for electric utilities, licensees, and natural gas companies, designated herein as FERC Form No. 3–Q, is prescribed.

(b) *Filing requirements—*

(1) *Who must file.* Each natural gas company, (as defined in the Natural Gas Act (15 U.S.C. 717, *et seq.*) must prepare and file with the Commission a FERC Form No. 3–Q pursuant to the General Instructions set out in that form.

(2) Each Major natural gas company must file this quarterly financial report form within 60 days from the end of the reporting quarter.

(3) Each Nonmajor natural gas company must file a quarterly financial report within 70 days from the end of the reporting quarter.

(4) This report must be filed as prescribed in § 385.2011 of this chapter as indicated in the General Instructions set out in the quarterly financial report form, and must be properly completed and verified. Filing on electronic media pursuant to § 385.2011 of this chapter is required. One copy of the report must be retained by the respondent in its files.

* * * * *

PART 357—ANNUAL SPECIAL OR PERIODIC REPORTS: CARRIERS SUBJECT TO PART I OF THE INTERSTATE COMMERCE ACT

■ 5. The authority citation for part 357 continues to read as follows:

Authority: 42 U.S.C. 7101–7352; 49 U.S.C. 60502; 49 App. U.S.C. 1–85 (1988).

■ 6. Revise sections 357.2 and 357.4 to read as follows:

* * * * *

§ 357.2 FERC Form No. 6, Annual Report of Oil Pipeline Companies.

(a) *Who must file.*

(1) Each pipeline carrier subject to the provisions of section 20 of the Interstate Commerce Act whose annual jurisdictional operating revenues has been \$500,000 or more for each of the three previous calendar years must prepare and file with the Commission copies of FERC Form No. 6, “Annual Report of Oil Pipeline Companies,” pursuant to the General Instructions set out in that form. Newly established entities must use projected data to determine whether FERC Form No. 6 must be filed.

(2) Oil pipeline carriers exempt from filing Form No. 6 whose annual jurisdictional operating revenues have been more than \$350,000 but less than \$500,000 for each of the three previous calendar years must prepare and file pages 301, “Operating Revenue Accounts (Account 600),” and 700, “Annual Cost of Service Based Analysis Schedule,” of FERC Form No. 6. When submitting pages 301 and 700, each exempt oil pipeline carrier must include page 1 of Form No. 6, the Identification and Attestation schedules.

(3) Oil pipeline carriers exempt from filing Form No. 6 and pages 301 and whose annual jurisdictional operating revenues were \$350,000 or less for each of the three previous calendar years must prepare and file page 700, “Annual Cost of Service Based Analysis Schedule,” of FERC Form No. 6. When submitting page 700, each exempt oil pipeline carrier must include page 1 of Form No. 6, the Identification and Attestation schedules.

(b) *When to file.* The annual report must be filed by April 18 of the year following the reporting period.

(c) *What to submit.*

(1) This report form must be filed as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in the report form, and must be properly completed and verified.

(2) A copy of the report must be retained by the pipeline carrier in its files. The conformed copies may be produced by any legible means of reproduction.

(3) The form must be filed in electronic format only pursuant to § 385.2011 of this chapter.

* * * * *

§ 357.4 FERC Form No. 6–Q, Quarterly report of oil pipeline companies.

(a) *Prescription.* The quarterly financial report form of oil pipeline companies, designated as FERC Form No. 6–Q, is prescribed.

(b) *Filing requirements—*

(1) *Who must file.* Each oil pipeline company, subject to the provisions of section 20 of the Interstate Commerce Act and the annual reporting requirements set forth in § 357.2 (a)(1), must prepare and file with the Commission FERC Form No. 6–Q.

(2) *When to file and what to file.* This quarterly financial report form must be filed within 70 days from the end of the reporting quarter. This report must be filed as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in the quarterly report form, and must be properly completed and verified. Filing on electronic media pursuant to § 385.2011 of this chapter is required.

* * * * *

PART 369—STATEMENTS AND REPORTS (SCHEDULES)

■ 7. The authority citation for part 369 continues to read as follows:

Authority: 42 U.S.C. 16451–16463.

Source: Order 684, 71 FR 65267, Nov. 7, 2006, unless otherwise noted.

■ 8. Revise section 369.1 to read as follows:

§ 369.1 FERC Form No. 60, Annual report of centralized service company.

(a) *Prescription.* The form of annual report for centralized service companies, designated as FERC Form No. 60, is prescribed.

(b) *Filing requirements—*

(1) *Who must file.* Unless the holding company system is exempted or granted a waiver by Commission rule or order

pursuant to §§ 366.3 and 366.4, every centralized service company (See § 367.2 of this chapter) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in the form.

(2) *When to file and what to file.*

(i) The annual report must be filed by May 1 of the year following the reporting period.

(ii) The annual report in effect must be filed with the Commission as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in the form, and must be properly completed and verified. Filing on electronic media pursuant to § 385.2011 of this chapter is required.

Appendix A—Proposed Changes to FERC Financial Forms' General Filing Instructions

Note: The text of the FERC Financial Forms' General Filing Instructions does not, and these amendments will not, appear in the Code of Federal Regulations.

Instructions for Filing FERC Form Nos. 1 and 3–Q

General Information

I. Purpose

FERC Form No. 1 is an annual regulatory requirement for Major electric utilities, licensees and others (18 CFR 141.1). FERC Form No. 3–Q is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 CFR 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities, Licensees, and Others Subject To the Provisions of The Federal Power Act (18 CFR 101), must submit FERC Form No. 1 (18 CFR 141.1), and FERC Form No. 3–Q (18 CFR 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- one million megawatt hours of total annual sales,
- 100 megawatt hours of annual sales for resale,
- 500 megawatt hours of annual power exchanges delivered, or
- 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where To Submit

a. Submit FERC Form Nos. 1 and 3–Q electronically through the eForms portal at <https://eCollection.ferc.gov>, and according to the specifications in the FERC Form Nos. 1 and 3–Q taxonomies.

b. The Corporate Officer Certification must be submitted electronically as part of the FERC Form Nos. 1 and 3–Q filings.

c. Submit the CPA Certification Statement for the FERC Form No. 1 in accordance with the deadlines set forth in 18 CFR 41.11. Include a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current reporting standards, which will:

i. Contain a paragraph attesting to the conformity, in all material aspects, of the below listed schedules and pages with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 41.10–41.12 for specific qualifications).

Schedules	Pages
Comparative Balance Sheet	110–113
Statement of Income	114–117
Statement of Retained Earnings	118–119
Statement of Cash Flows	120–121
Notes to Financial Statements	122–123

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

d. CPA Certification Statements should be filed using the eForms portal.

IV. When To Submit

FERC Form Nos. 1 and 3–Q must be filed by the following schedule:

a. FERC Form No. 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR 141.1), and

b. FERC Form No. 3–Q for each calendar quarter must be filed within 60 days (Major Public Utilities and Licensees) or 70 days (Non-Major Public Utilities and Licensees) after the end of the reporting quarter (18 CFR 141.400).

V. Where To Send Comments on Public Reporting Burden

The estimated public reporting burden for the FERC Form Nos. 1 and 3–Q collection of information is calculated to include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. These estimates are publicly available and reviewed by the Office of Management and Budget every three years.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, at *DataClearance@FERC.gov*, or to 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and include the OMB Control No. 1902–0021 (FERC Form No. 1) or 1902–0205 (FERC Form No. 3–Q) in the subject.

Comments to OMB should be submitted by email to: *oira_submission@omb.eop.gov*.

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

General Instructions

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (USoFA). Interpret all accounting words and phrases in accordance with the USoFA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, for balance sheet accounts use the balances at the end of the current reporting period, and for statement of income accounts use the current year's year-to-date amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed for original filings and resubmissions (*see* section VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII. For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

X. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Definitions

I. *Commission Authorization*—The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. *Respondent*—The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

I. *FNS—Firm Network Transmission Service for Self*. "Firm" means service that cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

II. *FNO—Firm Network Service for Others*. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

III. *LFP—for Long-Term Firm Point-to-Point Transmission Reservations*. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

IV. *OLF—Other Long-Term Firm Transmission Service*. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

V. *SFP—Short-Term Firm Point-to-Point Transmission Reservations*. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

VI. *NF—Non-Firm Transmission Service*. Where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

VII. *OS—Other Transmission Service*. Use this classification only for those services which cannot be placed in the above-mentioned classifications, such as all other services, regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

VIII. *AD—Out-of-Period Adjustments*. Use this code for any accounting adjustments or

"true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

Excerpts From the Law

Federal Power Act, 16 U.S.C. 791a–825r

Sec. 3. "The words defined in this section shall have the following meanings for purposes of this Act:

"Corporation" means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include "municipalities," as hereinafter defined;

"Person" means an individual or a corporation;

"State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States;

"Licensee" means any person, State, or municipality licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

"Municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power;

"Project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit"

Sec. 4. "The Commission is hereby authorized and empowered—

(a) To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development cost, and relation to markets of power sites . . . to the extent the Commission may deem necessary or useful for the purposes of this Act."

Sec. 304. "Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full

information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.”

Sec. 309. “The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed.”

General Penalties

Pursuant to the Federal Power Act, the Commission may assess monetary penalties for violations of its rules and regulations. *See* 16 U.S.C. 791a *et seq.* as adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 Public Law 114–74, Sec. 701, 129 Stat. 584, 599, 28 U.S.C. 2461 note [4], further amended by the Federal Civil Penalties Inflation Adjustment Act of 1990, Public Law 101–410, 104 Stat. 890 (codified as amended at 28 U.S.C. 2461 note).

Instructions for Filing FERC Form No. 1–F

General Information

I. Purpose

FERC Form Nos. 1–F and 3–Q are designed to collect financial and operational information from nonmajor public utilities and licensees subject to the jurisdiction of the Federal Energy Regulatory Commission.

II. Who Must Submit

Each Nonmajor Public Utility or Licensee, as classified in the Commission’s Uniform System of Accounts Prescribed for Public Utilities, Licensees, and Others Subject to the Provisions of the Federal Power Act (18 CFR 101 (USofA)) must submit FERC Form No. 1–F (18 CFR 141.2). Filers required to submit FERC Form No. 1–F must also submit FERC Form No. 3–Q (18 CFR 141.400).

Each Nonmajor public utility or licensee classified as Class C or Class D prior to January 1, 1984, may continue to file only the basic financial statements: Parts III, IV and V.

Note: Nonmajor means having total annual sales of 10,000 megawatt-hours or more in each of the last three consecutive previous calendar years and not classified as “Major.”

III. What and Where to Submit

a. Submit FERC Form Nos. 1–F and 3–Q electronically through the eForms portal at

<https://eCollection.ferc.gov>, and according to the specifications in the FERC Form No. 1–F taxonomy.

b. The Corporate Officer Certification must be submitted electronically as part of FERC Form No. 1–F filing.

c. Submit the CPA certification statement for the FERC Form No. 1–F in accordance with the deadlines set forth in 18 CFR 41.11. Include a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current reporting standards, which will:

i. Contain a paragraph attesting to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission’s applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant’s published accounting releases), and be signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority of a State or other political subdivision of the U.S. (*See* 18 CFR 41.10, 41.12 for specific qualifications).

Schedules
Comparative Balance Sheet
Statement of Income
Statement of Retained Earnings
Statement of Cash Flows
Notes to Financial Statements

The letter or report must state which, if any, of the pages above do not conform to the Commission’s requirements. Describe the discrepancies that exist.

d. CPA Certification Statements should be filed using the eForms portal.

IV. When To Submit

Submit FERC Form No. 1–F on or before April 18th of the year following the calendar year covered by this report (18 CFR 141.2). Submit FERC Form No. 3–Q within 70 days from the end of the reporting quarter (18 CFR 141.400).

V. Where To Send Comments on Public Reporting Burden

The estimated public reporting burden for this collection of information is calculated to include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. These estimates are publicly available and reviewed by the Office of Management and Budget every three years.

Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, at DataClearance@FERC.gov, or to 888 First Street, NE, Washington, DC 20426 (Attention: Information Clearance Officer); and include the OMB Control No. 1902–0029 (FERC Form No. 1–F) or 1902–0205 (FERC Form No. 3–Q) in the subject.

Comments to OMB should be submitted by email to: oira_submission@omb.eop.gov.

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

General Instructions

Report data as outlined in the USofA (18 CFR 101) as designed for “Nonmajor” electric utilities. If the “Major” designated accounts are maintained, then the following schedules may be substituted:

Nonmajor accounts part number	Major accounts schedule page (FERC form No. 1)
III	110–113
IV	114–117
V	118–119
XII	219
XVI	300–301
XVII	320–323
XVIII	310–311
XIX	326–327
XX	200–201, 204–207

Enter in whole dollars only.

Indicate negative amounts by enclosing the figures in parentheses (), except where otherwise noted (debit or credit).

For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

Enter “NA,” “NONE,” or “Not Applicable” whenever a particular part is not applicable.

Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Instructions for Filing FERC Form Nos. 2, 2–A and 3–Q

General Information

I. Purpose

FERC Form No. 2 is an annual regulatory requirement for Major natural gas companies (18 CFR 260.1). FERC Form No. 2–A is filed by Non-Major natural gas companies (18 CFR 260.2). FERC Form No. 3–Q is quarterly regulatory requirement which supplements the annual financial reporting requirement (18 CFR 260.300). These reports are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

a. Each natural gas company whose combined gas transported or stored for a fee exceeds 50 million dekatherms in each of the previous three calendar years must submit FERC Form Nos. 2 and 3–Q.

b. Each natural gas company not meeting the filing threshold for FERC Form No. 2 but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form Nos. 2–A and 3–Q (18 CFR 260.1 and 260.2).

c. Newly established entities must use projected data to determine whether they must file the FERC Form No. 3–Q and FERC Form Nos. 2 or 2–A.

III. What and Where To Submit

a. Submit FERC Form Nos. 2, 2–A, and 3–Q electronically through the eForms portal at

<https://eCollection.ferc.gov>, and according to the specifications in the FERC Form Nos. 2, 2–A, and 3–Q taxonomies.

b. The Corporate Officer Certification must be submitted electronically as part of the FERC Form Nos. 2 and 3–Q filings.

c. For the CPA certification statement, submit by May 18 of the following calendar year, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with current reporting standards, which will:

i. Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission’s applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant’s published accounting releases), and be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 158.10–158.12 for specific qualifications).

Schedules	Schedules page
Comparative Balance Sheet	110–112
Statement of Income	114
Statement of Retained Earnings	118
Statement of Cash Flows	120
Notes to Financial Statements	122.1

The letter or report must state, which, if any, of the pages above do not conform to the Commission’s requirements. Describe the discrepancies that exist.

d. CPA Certification Statements should be filed using the eForms portal.

IV. When to Submit

FERC Form Nos. 2, 2–A, and 3–Q must be filed by the following dates:

a. FERC Form Nos. 2 and 2–A—by April 18th of the following year (18 CFR 260.1 and 260.2).

b. FERC Form No. 3–Q—Natural gas companies that file a FERC Form No. 2 must file the FERC Form No. 3–Q within 60 days after the reporting quarter (18 CFR 260.300), and natural gas companies that file a FERC Form No. 2–A must file the FERC Form No. 3–Q within 70 days after the reporting quarter (18 CFR 260.300).

V. Where To Send Comments on Public Reporting Burden

The estimated public reporting burden for the FERC Form Nos. 2, 2–A, and 3–Q collection of information calculated to include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. These estimates are publicly available and reviewed by the Office of Management and Budget every three years.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, at DataClearance@

DataClearance@FERC.gov, or to 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and include the OMB Control No. 1902–0028 (FERC Form No. 2), 1902–0030 (FERC Form No. 2–A), or 1902–0205 (FERC Form No. 3–Q) in the subject.

Comments to OMB should be submitted by email to: oira_submission@omb.eop.gov.

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

General Instructions

I. Prepare all reports in conformity with the Uniform System of Accounts (USoFA) (18 CFR 201). Interpret all accounting words and phrases in accordance with the USoFA.

II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, for balance sheet accounts use the balances at the end of the current reporting period, and for statement of income accounts use the current year’s year-to-date amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word “None” where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, enter “NA,” “NONE,” or “Not Applicable” in column (d) on the List of Schedules, page 2.

V. FERC Form No. 3–Q nonmajor filers should enter the term “NonMajor” in column (d) lines 8 and 12 to indicate these pages are not required.

VI. Enter the month, day, and year for all dates. Use customary abbreviations. The “Date of Report” included in the header of each page is to be completed for original filings and resubmissions.

VII. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VIII. For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

IX. Footnote and further explain accounts or pages as necessary.

X. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

XI. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

XII. Report all gas volumes in Dth unless the schedule specifically requires the reporting in another unit of measurement.

XIII. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Definitions

I. Respondent—The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

II. Commission Authorization—The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

III. Btu per cubic foot—The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60 °F if saturated with water vapor and under a pressure equivalent to that of 30 °F, and under standard gravitational force (980.665 cm. per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).

IV. Dekatherm—A unit of heating value equivalent to 10 therms or 1,000,000 Btu.

Excerpts From the Law

Natural Gas Act, 15 U.S.C. 717–717w

Sec. 10(a). “Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, costs of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas.”

Section 16. “The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within which they shall be filed.”

General Penalties

Pursuant to the Natural Gas Act, the Commission may assess monetary penalties

for violations of its rules and regulations. *See* 15 U.S.C. 717 *et seq.*, as adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114–74, Sec. 701, 129 Stat. 584, 599, 28 U.S.C. 2461 note [4], further amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 Public Law 101–410, 104 Stat. 890 (codified as amended at 28 U.S.C. 2461 note).

Instructions for Filing FERC Form Nos. 6 AND 6–Q

General Information

I. Purpose

FERC Form No. 6 is an annual regulatory reporting requirement for oil pipeline companies (18 CFR 357.2). FERC Form No. 6–Q is a quarterly regulatory reporting requirement (18 CFR 357.4). These reports are designed to collect both financial and operational information from oil pipeline companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

a. Each oil pipeline carrier whose annual jurisdictional operating revenues have been \$500,000 or more for each of the three previous calendar years must file FERC Form No. 6 (18 CFR 357.2 (a)). Oil pipeline carriers submitting FERC Form No. 6 must submit FERC Form No. 6–Q (18 CFR 357.4(a)). Newly established entities must use projected data to determine whether FERC Form No. 6 must be filed.

b. Oil pipeline carriers exempt from filing FERC Form No. 6 whose annual jurisdictional operating revenues have been more than \$350,000 but less than \$500,000 for each of the three previous calendar years must prepare and file page 301, “Operating Revenue Accounts (Account 600),” and page 700, “Annual Cost of Service Based Analysis Schedule,” of FERC Form No. 6. When submitting pages 301 and 700, each exempt oil pipeline carrier must include page 1 of the FERC Form No. 6, the Identification and Attestation schedule (18 CFR 357.2 (a)(2)).

c. Oil pipeline carriers exempt from filing FERC Form No. 6 and pages 301 and whose annual jurisdictional operating revenues were \$350,000 or less for each of the three previous calendar years must prepare and file page 700, “Annual Cost of Service Based Analysis Schedule,” of FERC Form No. 6. When submitting page 700, each exempt oil pipeline carrier must include page 1 of FERC Form No. 6, the Identification and Attestation schedule (18 CFR 357.2 (a)(3)).

III. What and Where To Submit

a. Submit FERC Form Nos. 6 and 6–Q electronically through the eForms portal at <https://eCollection.ferc.gov>, and according to the specifications in the FERC Form Nos. 6 and 6–Q taxonomies.

b. The Corporate Officer Certification must be submitted electronically as part of FERC Form Nos. 6 and 6–Q filings.

IV. When To Submit

FERC Forms Nos. 6 and 6–Q must be filed by the following schedule:

a. FERC Form No. 6 for each year ending December 31 must be filed by April 18th of the following year (18 CFR 357.2), and

b. FERC Form No. 6–Q for each calendar quarter must be filed within 70 days after the end of the reporting quarter (18 CFR 357.4).

V. Where To Send Comments on Public Reporting Burden

The estimated public reporting burden for the FERC Form Nos. 6 and 6–Q collection of information is calculated to include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. These estimates are publicly available and reviewed by the Office of Management and Budget every three years.

Send comments regarding these burden estimates or any aspect of these information collections, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, at DataClearance@FERC.gov, or to 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and include the OMB Control No. 1902–0022 (FERC Form No. 6) or 1902–0206 (FERC Form No. 6–Q) in the subject.

Comments to OMB should be submitted by email oir_submission@omb.eop.gov.

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

General Instructions

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 352) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or barrels) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year’s year-to-date amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous period. Enter the word “None” where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, enter “NA”, “None”, or “Not Applicable” in column (d) on the List of Schedules, page 2.

V. Enter the month, day, and year for all dates. Use customary abbreviations. The “Date of Report” at the top of each page is to be completed for original filings and resubmissions.

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported in the positive. Numbers having a sign that is different from the expected sign must be

reported by enclosing the numbers in parentheses.

VII. For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods or to other reports in lieu of required entries, except as specifically authorized.

IX. Whenever (schedule) pages refer to figures from a previous period the figures reported must be based upon those shown by the report of the previous period or an appropriate explanation given as to why different figures were used.

X. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Definitions

I. Respondent—The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

II. Commission Authorization—The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

III. Active Corporation—A corporation which maintains an organization for operating property or administering its financial affairs.

IV. Actually Issued—For the purposes of this report, capital stock and other securities are considered to be actually issued when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds free from control by the respondent.

V. Actually Outstanding—For the purposes of this report, capital stock and other securities actually issued and not reacquired by or for the respondent.

VI. Affiliated Companies—The situation where one company directly or indirectly controls the other, or where they are subject to a common control.

VII. Carrier—A common carrier by pipeline subject to the Interstate Commerce Act.

VIII. Commission—Means the Federal Energy Regulatory Commission.

IX. Control (including the terms “controlling,” “controlled by,” and “under common control with”)

a. The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement. Also, it is necessary whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means. When there is doubt about an existence of control in any particular situation, the carrier shall report all pertinent facts to the Commission for determination. (18 CFR 352, Definition 10).

b. For the purposes of this report, the following are to be considered forms of control:

i. Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled company;

ii. Right through agreement or through sources other than title to securities to name the majority of the board of directors, managers, or trustees of the controlled company;

iii. Right to foreclose a priority lien upon all or a major part in value of the tangible property of the controlled company;

iv. Right to secure control in consequence of advances made for construction of the property of the controlled company. Indirect control is that exercised through an intermediary.

c. A leasehold interest in the property of a company is not for the purpose of these accounts to be classed as a form of control over the lessor company.

X. Crude Oil—Oil in its natural state (including natural gas and other similar natural constituents), not altered, refined, or prepared for use by any process.

XI. Inactive Corporation—A corporation which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

XII. Nominally Issued—For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent.

XIII. Nominally Outstanding—For the purposes of this report, those capital stock and other securities reacquired by or for the respondent under such circumstances require them to be considered held alive and not canceled or retired.

XIV. Products—Oils that have been refined, altered, or processed for use, such as fuel oil and gasoline.

XV. Undivided Joint Interest Pipeline—Physical pipeline property owned in undivided joint interest by more than one person/entity.

XVI. Undivided Joint Interest Property—Carrier property owned as part of an undivided joint interest pipeline.

Excerpts From the Law

Interstate Commerce Act, Part I

Section 20

1. “The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors . . . (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors . . . specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors . . . as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor . . . in such form and detail as may be prescribed by the Commission.”

2. “Said annual reports shall contain all the required information for the period of

twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filled with the Commission at its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission.”

General Penalties

Section 20(7)(b)

“Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filled. . . or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment. . . .”

(7)(c) “Any carrier or lessor . . . or any officer, agent, employee, or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any questions within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto.”

As adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114–74, Sec. 701, 129 Stat. 584, 599, 28 U.S.C. 2461 note [4], further amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 Public Law 101–410, 104 Stat. 890 (codified as amended at 28 U.S.C. 2461 note).

Instructions for Filing Ferc Form No. 60

General Information

I. Purpose

FERC Form No. 60 is an annual regulatory support requirement under 18 CFR 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

II. Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to 18 CFR 366.3 and 366.4 of this chapter, every centralized service company (see 18 CFR 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

III. What and Where To Submit

a. Submit FERC Form No. 60 electronically through the eForms portal at [https://](https://eCollection.ferc.gov)

eCollection.ferc.gov, and according to the specifications in the FERC Form No. 60 taxonomy.

b. The Corporate Officer Certification must be submitted electronically as part of FERC Form No. 60 filing.

IV. When To Submit

Submit FERC Form No. 60 according to the filing date contained in 18 CFR 369.1 of the Commission’s regulations.

V. Where To Send Comments on Public Reporting Burden

The estimated public reporting burden for the FERC Form No. 60 collection of information is calculated to include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. These estimates are publicly available and reviewed by the Office of Management and Budget every three years.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to Federal Energy Regulatory Commission at DataClearance@FERC.gov, or to 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and include the OMB Control No. 1902–0215 (FERC Form No. 60) in the subject.

Comments to OMB should be submitted by email to: oir_submission@omb.eop.gov.

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

General Instructions

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 367) (USoFA). Interpret all accounting words and phrases in accordance with the USoFA.

II. This report covers the entire calendar year.

III. Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, for balance sheet accounts use the balances at the end of the current reporting period, and for statement of income accounts use the current year’s amounts.

IV. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word “None” where it truly and completely states the fact.

V. For any page(s) that is not applicable to the respondent, enter “NA,” “NONE,” or “Not Applicable” in column (c) on the List of Schedules, page 2.

VI. Enter the month, day, and year for all dates. Use customary abbreviations. The Date of Report included in the header of each page is to be completed for original filings and resubmissions.

VII. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must

be reported by enclosing the numbers in parentheses.

VIII. For any resubmissions, please explain the reason for the resubmission in a footnote in the data field.

IX. Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

XI. Schedule specific instructions are found in the applicable taxonomy and on the blank rendered form.

Definitions

Respondent—The person, corporation, or other legal entity on whose behalf the report is made.

General Penalties

Under its governing statutes, the Commission may assess monetary penalties for violations of its rules and regulations, as adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 Public Law 114–

74, Sec. 701, 129 Stat. 584, 599, 28 U.S.C. 2461 note [4], further amended by the Federal Civil Penalties Inflation Adjustment Act of 1990 Public Law 101–410, 104 Stat. 890 (codified as amended at 28 U.S.C. 2461 note).

Appendix B—Proposed Revisions to FERC Financial Forms

Note: The text of the FERC Financial Forms does not, and these amendments will not, appear in the Code of Federal Regulations. Proposed deletions are in brackets and proposed additions are in italics.

TABLE 1—SUMMARY OF PROPOSED REVISIONS TO FERC FINANCIAL FORMS SCHEDULES

Item #	Form No(s).	Schedule	Page location	Description of changes	Proposed changes (deleted text in brackets, proposed additions in italics)
1	1	2, List of Schedules	Line 71	Removing Line 71, Footnote Data, page 450.	[Line 71, Footnote Data, page 450].
2	1	2, List of Schedules	Line Stockholders' Reports.	Removing Line Stockholders' Reports.	[Stockholders' Reports (check appropriate box). Stockholders' Reports Check appropriate box: ☐ Two copies will be submitted. ☐ No annual report to stockholders is prepared].
3	1	105, Directors	Instruction 2	Removing the word "principle" and adding, in its place, the words "director's principal."	Provide the [principle] <i>director's principal</i> place of business in column (b), designate members of the Executive Committee in column (c), and the Chairman of the Executive Committee in column (d).
4	1 and 3–Q (electric).	120–121, Statement of Cash Flows.	Instruction 1	Removing the words "Codes to be used" and adding, in their place, the words "Codes designated below."	[Codes to be used] <i>Codes designated below:</i> (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
5	1 and 3–Q (electric).	122–123, Notes to Financial Statements.	Instruction 9	Removing Instruction 9	[Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.].
6	1 and 3–Q (electric).	231, Transmission Service and Generation Interconnection Study Costs.	Instruction 4	Adding the words "year-to-date" and removing the words "at the end of period."	In column (b) report the <i>year-to-date</i> cost incurred to perform the study [at the end of period].
7	1 and 3–Q (electric).	231, Transmission Service and Generation Interconnection Study Costs.	Instruction 6	Adding the words "year-to-date" and removing the words "at end of period."	In column (d) report the <i>year-to-date</i> amounts received for reimbursement of the study costs [at end of period].
8	1 and 3–Q (electric).	232, Other Regulatory Assets (Account 182.3).	Column (d)	Removing the words "Written off During Quarter/Year" and, in their place, adding the word "Credits."	[Written off During Quarter/Year] <i>Credits</i> , Account Charged.
9	1 and 3–Q (electric).	232, Other Regulatory Assets (Account 182.3).	Column (e)	Removing the words "Written off During the Period" and, in their place, adding the word "Credits."	[Written off During the Period] <i>Credits</i> , Amount.
10	1	262, Taxes Accrued, Prepaid and Charges During Year.	Instruction 8	Correcting the instruction to reference the proper columns. Additionally, removing the word "shown" and adding, in its place, the word "report."	Report in columns (l) through (o) how the taxes were distributed. Report in column [(o)] <i>(l)</i> only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column [(l)] <i>(o)</i> the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also [shown] <i>report</i> in column (o) the taxes charged to utility plant or other balance sheet accounts.
11	1	426, Substations	Instruction 4	Adding the word "and."	Indicate in column (b) the functional character of each substation, designating whether transmission <i>and/or</i> distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).
12	1–F	10–11, Part VI: Statement of Cash Flows.	Instruction 5	Removing the word "used" and, in its place, adding "designated below."	Codes [used] <i>designated below:</i> (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc.

TABLE 1—SUMMARY OF PROPOSED REVISIONS TO FERC FINANCIAL FORMS SCHEDULES—Continued

Item #	Form No(s).	Schedule	Page location	Description of changes	Proposed changes (deleted text in brackets, proposed additions in <i>italics</i>)
13	1-F	29, Part XXIV: Transmission Service and Generation Interconnection Study Costs.	Instruction 4	Adding the words “year-to-date” and removing the words “at the end of period.”	In column (b) report the <i>year-to-date</i> cost incurred to perform the study [at the end of period].
14	1-F	29, Part XXIV: Transmission Service and Generation Interconnection Study Costs.	Instruction 6	Adding the words “year-to-date” and removing the words “at end of period.”	In column (d) report the <i>year-to-date</i> amounts received for reimbursement of the study costs [at end of period].
15	2	2, List of Schedules	Line 74	Removing line 74, “Footnote Reference”.	[74, Footnote Reference].
16	2	2, List of Schedules	Line 75	Removing Line 75, “Footnote Text”.	[75, Footnote Text].
17	2	2, List of Schedules	Line 76	Removing Line 76, Stockholder’s Reports.	[76, Stockholder’s Reports (check appropriate box). ☐ Four copies will be submitted. ☐ No annual report to stockholders is prepared].
18	3-Q (gas)	2, List of Schedules	Instruction	Adding the words “For non-major filers, enter “NonMajor” in column (d) on lines 8 and 12 to indicate that these pages are not required for the filing.”	Enter in column (d) the terms “none,” “not applicable,” or “NA” as appropriate, to indicate no information or amounts have been reported for certain pages. <i>For non-major filers, enter “NonMajor” in column (d) on lines 8 and 12 to indicate that these pages are not required for the filing.</i>
19	2, 2-A, and 3-Q (gas).	120, Statement of Cash Flows.	Instruction 1	Removing the words “Codes to be used” and adding, in their place, the words “Codes designated below.”	[Codes to be used] <i>Codes designated below:</i> (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
20	2	222, Investments (Accounts 123, 124, and 136).	Column (a)	Adding the words “Account Number and”.	<i>Account Number and</i> Description of Investment.
21	2, 2-A, and 3-Q (gas).	232, Other Regulatory Assets (Account 182.3).	Column (f)	Removing the words “Written off During Quarter/Year” and, in their place, adding the word “Credits.”	[Written off During Quarter/Year] <i>Credits</i> , Account Charged.
22	2, 2-A, and 3-Q (gas).	232, Other Regulatory Assets (Account 182.3).	Column (g)	Removing the words “Written off During Period” and, in their place, adding the word “Credits.”	[Written off During Period] <i>Credits</i> , Amount Recovered.
23	2, 2-A, and 3-Q (gas).	232, Other Regulatory Assets (Account 182.3).	Column (h)	Removing the words “Written off During Period” and, in their place, adding the word “Credits.”	[Written off During Period] <i>Credits</i> , Amount Deemed Unrecoverable.
24	2 and 2-A	262, Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged).	Schedule Title	Removing the words “(Show utility dept where applicable and acct charged).”	Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged [(Show utility dept where applicable and acct charged)].
25	2 and 2-A	262, Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged).	Instruction 11	Adding the words “and local” and “The rate is calculated by multiplying each jurisdiction’s enacted statutory income tax rate by its apportionment percentage used in the year-end tax calculation. Report the total on the final line of column (t).”	Report in column (t) the applicable effective state <i>and local</i> income tax rate. <i>The rate is calculated by multiplying each jurisdiction’s enacted statutory income tax rate by its apportionment percentage used in the year-end tax calculation. Report the total on the final line of column (t).</i>
26	2	518, Transmission System Peak Deliveries.	Instruction 1	Removing the words “April 30.”	Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year’s end for which this report is submitted. The season’s peak normally will be reached before the due date of this report, [April 30,] which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.
27	2 and 2-A	522.1, System Maps	Instruction 1	Removing the words “five copies” and, in their place, adding the words “a copy.” Also removing the words “one with each filed copy of this report.”	Furnish [five copies] <i>a copy</i> of a system map [(one with each filed copy of this report)] of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year’s annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year’s annual report with which the maps were furnished.

TABLE 1—SUMMARY OF PROPOSED REVISIONS TO FERC FINANCIAL FORMS SCHEDULES—Continued

Item #	Form No(s).	Schedule	Page location	Description of changes	Proposed changes (deleted text in brackets, proposed additions in <i>italics</i>)
28	2 and 2-A	522.1, System Maps	Instruction 4	Removing Instruction 4	[Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.]
29	6	2, List of Schedules	Line Stockholders' Reports.	Removing Line Stockholders' Reports.	[Stockholders' Reports (check appropriate box): ☐ Two copies will be submitted. ☐ No annual report to stockholders is prepared].
30	6	105, Directors	Instruction 1	Adding the words "Provide the director's principal place of business in column (b)."	Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent. <i>Provide the director's principal place of business in column (b).</i>
31	6 and 6-Q	114, Income Statement ...	Instruction 2	Adding the words "in annual FERC Form No. 6 filings."	Enter in column (e) the operations for the reporting quarter and enter in column (f) the operations for the same three month period for the prior year. Do not report annual data in columns (e) and (f) in <i>annual FERC Form No. 6 filings</i> .
32	6 and 6-Q	120, Statement of Cash Flows.	Instruction 1	Removing the words "Codes to be used" and adding, in their place, the words "Codes designated below."	[Codes to be used] <i>Codes designated below:</i> (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
33	6	204, Investments in Common Stocks of Affiliated Companies/Companies Controlled Directly by Respondent Other than through Title to Securities.	Instruction 3	Adding the words "net income."	Enter in column (d) the share of undistributed earnings (i.e., <i>net income</i> less dividends) or losses.
34	6 and 6-Q	600, Statistics of Operations.	Instruction 1	Adding the words "In column (a) list the state of origin." Additionally, deleting the word "29112" and adding, in its place, the word "29119."	Give particulars (details) by States of origin for crude oil and for each kind of product received year to date and totals only (i.e., no State detail) for number of barrels of crude oil and of each kind of product delivered out of the pipeline year to date. <i>In column (a) list the state of origin.</i> Classify and list in column (b) by States of origin the refined products transported in the following order: 29111, Gasoline, jet fuels, and other high volatile petroleum fuels, except natural gasoline; 29112, Kerosene; 29113, Distillate fuel oil; 29114, Lubricating and similar oils and derivatives; 29117, Residual fuel oil and other low volatile petroleum fuels; [29112] <i>29119</i> , Products of petroleum refining, n.e.c.—Specify.
35	6 and 6-Q	600a, Statistics of Operations.	Instruction 1	Adding the words "In column (a) list the state of origin." Additionally, deleting the word "29112" and adding, in its place, the word "29119."	Give particulars (details) by States of origin for crude oil and for each kind of product received year to date and totals only (i.e., no State detail) for number of barrels of crude oil and of each kind of product delivered out of the pipeline year to date. <i>In column (a) list the state of origin.</i> Classify and list in column (b) by States of origin the refined products transported in the following order: 29111, Gasoline, jet fuels, and other high volatile petroleum fuels, except natural gasoline; 29112, Kerosene; 29113, Distillate fuel oil; 29114, Lubricating and similar oils and derivatives; 29117, Residual fuel oil and other low volatile petroleum fuels; [29112] <i>29119</i> , Products of petroleum refining, n.e.c.—Specify.

Appendix C—Proposed Quarterly Financial Forms Updated List of Schedules

Note: The text of the FERC Financial Forms does not, and these proposed amendments will not, appear in the Code of Federal

Regulations. Proposed deletions are listed below for each Quarterly Financial Form.

Table 2—Summary of Proposed Revisions to FERC Quarterly Financial Forms

FERC Form No. 3–Q (Electric) Schedules

Currently, the electric quarterly form includes 24 schedules. The proposed

revision would remove 17 of these schedules, leaving 7 core financial statement schedules remaining in the electric quarterly form.

Line No.	Title of schedule	Reference page No.	Proposed action
1	Important Changes During the Quarter	108	Retained.
2	Comparative Balance Sheet	110	Retained.
3	Statement of Income for the Quarter	114	Retained.
4	Statement of Retained Earnings for the Quarter	118	Retained.
5	Statement of Cash Flows	120	Retained.
6	Notes to Financial Statements	122	Retained.
7	Statement of Accumulated Comprehensive Income, Comprehensive Income, and Hedging Activities	122a	Retained.
8	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200	Removed.
9	Electric Plant In Service and Accumulated Provision for Depreciation by Function	208	Removed.
10	Transmission Service and Generation Interconnection Study Costs	231	Removed.
11	Other Regulatory Assets	232	Removed.
12	Other Regulatory Liabilities	278	Removed.
13	Electric Operating Revenues (Individual Schedule Lines 300–301)	300	Removed.
14	Regional Transmission Service Revenues (Account 457.1)	302	Removed.
15	Electric Production, Other Power Supply Expenses, Transmission and Distribution Expenses	324	Removed.
16	Electric Customer Accounts, Service, Sales, Administrative and General Expenses	325	Removed.
17	Transmission of Electricity for Others	328	Removed.
18	Transmission of Electricity by ISO/RTOs	331	Removed.
19	Transmission of Electricity by Others	332	Removed.
20	Depreciation, Depletion and Amortization of Electric Plant (Accounts 403, 403.1, 404, and 405)	338	Removed.
21	Amounts Included in ISO/RTO Settlement Statements	397	Removed.
22	Monthly Peak Loads and Energy Output	399	Removed.
23	Monthly Transmission System Peak Load	400	Removed.
24	Monthly ISO/RTO Transmission System Peak Load	400a	Removed.

FERC Form No. 3–Q (Gas) Schedules remove 3 of these schedules, leaving 16
The natural gas quarterly form includes 19 financial and operational schedules
schedules. The proposed revision would remaining in the natural gas quarterly form.

Line No.	Title of schedule	Reference page No.	Proposed action
	General Corporate Information and Financial Statements		
1	Important Changes During the Quarter	108	Retained.
2	Comparative Balance Sheet	110–112	Retained.
3	Statement of Income for the Quarter	114	Retained.
4	Statement of Accumulated Comprehensive Income and Hedging Activities	117	Retained.
5	Statement of Retained Earnings for the Quarter	118	Retained.
6	Statement of Cash Flows	120	Retained.
7	Notes to Financial Statements	122.1	Retained.
Balance Sheet Supporting Schedules			
8	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200	Removed.
9	Gas Plant in Service and Accumulated Provision for Depreciation by Function	210	Removed.
10	Other Regulatory Assets	232	Retained.
11	Other Regulatory Liabilities	278	Retained.
Income Account Supporting Schedules			
12	Monthly Quantity & Revenue Data	299	Retained.
13	Natural Gas Company—Gas Revenues and Dekatherms	309	Retained.
14	Gas Production and Other Gas Supply Expenses	310	Retained.
15	Natural Gas Storage, Terminating, Processing Services	311	Retained.
16	Gas Customer Accounts, Service, Sales, Administrative and General Expenses	312	Retained.
17	Depreciation, Depletion and Amortization of Gas Plant (Accounts 403, 403.1, 404.1, 404.2, 404.3, 405)	339	Removed.
Gas Plant Statistical Data			
18	Gas Account—Natural Gas	520	Retained.
19	Shipper Supplied Gas for the Current Quarter	521	Retained.

FERC Form No. 6–Q (Oil) Schedules remove 3 of these schedules, leaving 8
The oil quarterly form includes 11 schedules remaining in the oil quarterly
schedules. The proposed revision would form.

	Title of schedule	Reference page No.	Proposed action
1	Important Changes During the Quarter	108	Retained.
2	Comparative Balance Sheet Statement	110	Retained.
3	Income Statement	114	Retained.
4	Statement of Accumulated Other Comprehensive Income and Hedging Activities	116	Retained.
5	Unappropriated Retained Income Statement	119	Retained.
6	Statement of Cash Flows	120	Retained.
7	Notes to Financial Statements	122	Retained.
8	Operating Revenue	300	Removed.
9	Operating Expense Accounts	302	Removed.
10	Statistics of Operations	600	Retained.
11	Statistics of Operations—Operated by Others	600a	Removed.

[FR Doc. 2026–12712 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–0757]

RIN 1625–AA00

Safety Zone; Ohio River, Cincinnati, OH

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to establish a temporary safety zone for all navigable waters on the Ohio River, from mile marker (MM) 457.5 to MM 456.5 in Cincinnati, Ohio. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards associated with an over water fireworks display. This proposed rulemaking would prohibit persons and vessels from being in the safety zone unless specifically authorized by the Captain of the Port, Sector Ohio Valley. We invite your comments on this proposed rulemaking.

DATES: Comments and related material must be received by the Coast Guard on or before July 24, 2026.

ADDRESSES: To submit comments and view available documents, go to <https://www.regulations.gov> and search for USCG–2026–0757.

FOR FURTHER INFORMATION CONTACT: If you have questions about this proposed rule, contact MST1 Jean Jimenez Sosa, MSD Cincinnati, U.S. Coast Guard; telephone 206–827–1363, or email Jean.C.JimenezSosa@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations

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

II. Background and Authority

On May 15, 2026, an organization notified the Coast Guard that they will be launching fireworks from a barge on the Ohio River near Cincinnati, OH on September 28, 2026. Hazards from fireworks displays include accidental discharge of fireworks, dangerous projectiles, and falling hot embers or other debris. The Captain of the Port Ohio Valley (COTP) has determined that potential hazards associated with fireworks are a safety concern for anyone within a half mile of the fireworks display. Therefore, the COTP is proposing this rule under the authority in 46 U.S.C. 70034, which is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone.

III. Discussion of the Rule

This proposed rule would establish a safety zone from 7:15 p.m. until 9:15 p.m. on September 28, 2026. The safety zone will cover all navigable waters of the Ohio River, from mile marker (MM) 457.5 to MM 456.5 in Cincinnati, Ohio. No vessel or person would be permitted to enter the safety zone without obtaining permission from the COTP or their designated representative. The regulatory text we are proposing appears at the end of this document.

IV. Regulatory Analyses

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

A. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on

small entities during rulemaking. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities for the following reasons.

Vessel traffic will be able to safely transit around this regulated area. This regulation will only impact a small area for a few hours. The enforcement period is during a time when vessel traffic is normally low. In addition, the Coast Guard will issue a Broadcast Notice to Mariners via VHF FM marine channel 16, which will allow small entities to adjust their transit plans, and the rule allows vessels to request permission to enter the regulated area from the COTP.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this proposed rule would economically affect it.

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

calling 1-888-REG-FAIR (1-888-734-3247).

B. Collection of Information

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

C. Federalism and Indian Tribal Governments

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

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

D. Unfunded Mandates Reform Act

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

E. Environment

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

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

V. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking and will consider all comments and material received during the comment period.

Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

Submitting comments. We encourage you to submit comments at <https://www.regulations.gov>. To do so, go to <https://www.regulations.gov>, type USCG-2026-0757 in the search box and click "Search." Next, look for this document in the Search Results column, and click on it. Then click on the Comment option. If you cannot submit your material by using <https://www.regulations.gov>, call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions.

Viewing material in the docket. To view available documents, find the docket as described in the previous paragraph, and then select "Supporting & Related Material" in the Document Type column. We will post public comments in our online docket. Additional information is on the <https://www.regulations.gov> Frequently Asked Questions web page.

Personal information. We accept anonymous comments. Comments we post to <https://www.regulations.gov> will include any personal information you have provided. For more about privacy and submissions to the docket in response to this document, see DHS's eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

List of Subjects in 33 CFR Part 165

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

For the reasons discussed in the preamble, the Coast Guard is proposing to amend 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 46 U.S.C. 70034, 70051, 70124; 33 CFR 1.05-1, 6.04-1, 6.04-6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.4.

■ 2. Add § 165.T08-0757 to read as follows:

§ 165.T08-0757 Safety Zone; Ohio River, Cincinnati, OH.

(a) **Location.** The following area is a safety zone: All navigable waters of Ohio River, from mile marker (MM) 457.5 to MM 456.5 in Cincinnati, Ohio.

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

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

(2) To seek permission to enter, contact the COTP or the COTP's representative on VHF-FM channel 16 or by telephone at 1-800-253-7465. Those in the safety zone must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) **Enforcement period.** This section will be enforced from 7:15 p.m. to 9:15 p.m. on September 28, 2026.

Randy L. Preston,

Captain, U.S. Coast Guard, Captain of the Port, Ohio Valley.

[FR Doc. 2026-12689 Filed 6-23-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General

42 CFR Parts 1001 and 1003

RIN 0936-AA16

Medicare and State Health Care Programs: Fraud and Abuse; Request for Information Regarding the Federal Anti-Kickback Statute and Beneficiary Inducements CMP

AGENCY: Office of Inspector General (OIG), Department of Health and Human Services (HHS).

ACTION: Request for information.

SUMMARY: This request for information seeks input from the public on whether any additions or modifications are needed to the safe harbor regulations under the Federal anti-kickback statute or the exceptions to the civil monetary penalty provision prohibiting inducements to beneficiaries (the "Beneficiary Inducements CMP") for remuneration provided to individuals in connection with their participation in clinical trials.

DATES: To ensure consideration, comments must be received no later than 5 p.m. on August 24, 2026.

ADDRESSES: Please submit comments electronically at <http://www.regulations.gov>. Follow the “Submit a comment” instructions and refer to file code OIG–2602–N. For information on viewing public comments, please see the **SUPPLEMENTARY INFORMATION** section.

FOR FURTHER INFORMATION CONTACT: Chris Hinkle, (202) 465–6245 or christina.hinkle@oig.hhs.gov.

SUPPLEMENTARY INFORMATION:

Inspection of Public Comments: All comments received before the close of the comment period are available for viewing by the public, including any personally identifiable or confidential business information that is included in a comment. We post all comments received before the close of the comment period as soon as possible after they have been received on the following website: <https://www.regulations.gov>. Follow the search instructions on that website to view public comments.

I. Introduction

The reliability and validity of clinical trial results depends on recruiting enough eligible individuals with a wide range of baseline characteristics that reflect the intended use population, as well as the continued cooperation of enrolled participants with the clinical trial protocol and follow-up data collection efforts. For some people, extra costs or burdens associated with trial participation may create a disincentive to enroll or stay enrolled in a clinical trial. Historically, clinical trial participants have been offered and provided various forms of remuneration in connection with their participation in a clinical trial. Examples include subsidizing cost-sharing amounts owed to insurers, including Medicare, transportation expenses, childcare expenses, and stipends. For the last several years, OIG has received submissions in response to our annual *Solicitation of Proposals for New and Modified Safe Harbors and Special Fraud Alerts*¹ requesting that OIG consider establishing a safe harbor that would protect certain remuneration to clinical trial participants.²

We have published 10 favorable advisory opinions over the last 2 decades permitting the waiver or subsidization of certain Federal health care program cost-sharing obligations for clinical trial participants in the context of specified clinical trials by different entities, including the manufacturer of the product being studied, the clinical trial site, and other organizations, such as non-profit organizations.³ We have not issued any advisory opinions or guidance relating to other remuneration provided to clinical trial participants, such as transportation costs, childcare costs, or stipends.

We are seeking visibility into: (i) whether, and if so how, clinical trial participation is meaningfully enhanced by providing appropriate remuneration to Federal health care program enrollees; (ii) whether clinical trial sponsors, clinical trial sites, or other organizations view the Federal anti-kickback statute as a barrier to providing appropriate remuneration to clinical trial participants and if so, why; (iii) the types and amounts, if applicable, of remuneration stakeholders may seek to provide to clinical trial participants to facilitate participation; (iv) the fraud and abuse risks that may be associated with the offer and provision of such remuneration; (v) the types of arrangements necessary to provide such remuneration; and (vi) safeguards necessary or prudent to prevent fraud and abuse when clinical trial participants receive remuneration.

OIG is issuing this Request for Information (“RFI”) to identify ways in which it might: (i) modify or add new safe harbors to the Federal anti-kickback statute as provided at 42 CFR 1001.952 or exceptions to the Beneficiary Inducements CMP’s definition of “remuneration” at 42 CFR 1003.110; or (ii) publish or amend other guidance to foster arrangements that facilitate clinical trial participation, while also protecting against harms caused by fraud and abuse. To inform our efforts, we welcome public comment on new or modified safe harbors to the Federal anti-kickback statute and new or modified exceptions to the Beneficiary Inducements CMP definition of “remuneration,” as well as public comment on other guidance we could amend or publish. In particular, we welcome comments in response to the questions presented in this RFI.

Congress, OIG–SAR–FALL–2023 (2023), <https://oig.hhs.gov/documents/sar/1275/OIG-SAR-FALL-2023-Complete%20Report.pdf>.

³ For more information, please see <https://oig.hhs.gov/compliance/advisory-opinions/>.

II. Background

A. Federal Anti-Kickback Statute

Section 1128B(b) of the Social Security Act (Act), (42 U.S.C. 1320a–7b(b)), the “Federal anti-kickback statute”), provides for criminal penalties for whoever knowingly and willfully offers, pays, solicits, or receives remuneration to induce or reward the referral of business reimbursable under any of the Federal health care programs, as defined in section 1128B(f) of the Act (42 U.S.C. 1320a–7b(f)). The offense is classified as a felony and is punishable by fines of up to \$100,000 and imprisonment for up to 10 years. Violations of the Federal anti-kickback statute also may result in the imposition of civil monetary penalties (“CMPs”) under section 1128A(a)(7) of the Act (42 U.S.C. 1320a–7a(a)(7)), program exclusion under section 1128(b)(7) of the Act (42 U.S.C. 1320a–7b(7)), and liability under the False Claims Act (31 U.S.C. 3729–3733).

The types of remuneration covered by the Federal anti-kickback statute include, without limitation, kickbacks, bribes, and rebates, whether made directly or indirectly, overtly or covertly, in cash or in kind. In addition, prohibited conduct includes not only the payment of remuneration intended to induce or reward referrals of patients but also the payment of remuneration intended to induce or reward the purchasing, leasing, or ordering of, or arranging for or recommending the purchasing, leasing, or ordering of, any good, facility, service, or item reimbursable by any Federal health care program.

Because of the broad reach of the statute and concerns that some relatively innocuous business arrangements were covered by the statute and therefore potentially subject to criminal prosecution, Congress enacted section 14 of the Medicare and Medicaid Patient and Program Protection Act of 1987, Public Law 100–93 (note to section 1128B of the Act; 42 U.S.C. 1320a–7b); S. Rep. 100–109 (1987), as reprinted in 1987 U.S.C.C.A.N. 682, 683. This provision specifically requires the development and promulgation of regulations, the so-called safe harbor provisions, that would specify various payment and business practices that would not be subject to sanctions under the Federal anti-kickback statute, even though they potentially may be capable of inducing referrals of business for which payment may be made under a Federal health care program.

Section 205 of the Health Insurance Portability and Accountability Act of

¹ See, e.g., OIG, *Solicitation of Proposals for New and Modified Safe Harbors and Special Fraud Alerts*, 90 FR 57016 (Dec. 9, 2025), <https://www.federalregister.gov/documents/2025/12/09/2025-22327/solicitation-of-proposals-for-new-and-modified-safe-harbors-and-special-fraud-alerts>.

² See, e.g., OIG, *Fall 2025 Semiannual Report to Congress*, OIG–SAR–FALL–2025 (2025), https://oig.hhs.gov/documents/sar/11445/Fall_2025_SAR-508.pdf; OIG, *Fall 2024 Semiannual Report to Congress*, OIG–SAR–FALL–2024 (2024), https://oig.hhs.gov/documents/sar/10084/Fall_2024_SAR-508.pdf; OIG, *Fall 2023 Semiannual Report to*

1996, Public Law 104–191, established section 1128D of the Act (42 U.S.C. 1320a–7d), which includes criteria for modifying and establishing safe harbors. Specifically, section 1128D(a)(2) of the Act (42 U.S.C. 1320a–7d(a)(2)) provides that, in modifying and establishing safe harbors, the Secretary may consider whether a specified payment practice may result in:

- an increase or decrease in access to health care services;
- an increase or decrease in the quality of health care services;
- an increase or decrease in patient freedom of choice among health care providers;
- an increase or decrease in competition among health care providers;
- an increase or decrease in the ability of health care facilities to provide services in medically underserved areas or to medically underserved populations;
- an increase or decrease in costs to Federal health care programs;
- an increase or decrease in the potential overutilization of health care services;
- the existence or nonexistence of any potential financial benefit to a health care professional or provider, which benefit may vary depending on whether the health care professional or provider decides to order a health care item or service or arranges for a referral of health care items or services to a particular practitioner or provider; or
- any other factors the Secretary deems appropriate in the interest of preventing fraud and abuse in Federal health care programs.

In giving HHS the authority to protect certain arrangements and payment practices under the Federal anti-kickback statute, Congress intended the safe harbor regulations to be updated periodically to reflect changing business practices and technologies in the health care industry.⁴ Since July 29, 1991, there have been a series of final regulations published in the **Federal Register** establishing safe harbors in various areas.⁵ These safe harbor

provisions have been developed to limit the reach of the statute somewhat by permitting certain non-abusive arrangements while encouraging beneficial or innocuous arrangements.⁶

Health care providers and others may voluntarily seek to comply with final safe harbors so that they have the assurance that their business practices will be insulated from liability under the Federal anti-kickback statute and the Beneficiary Inducements CMP only; individuals and entities remain responsible for complying with all other laws, regulations, and guidance that apply to their businesses.

B. Overview of OIG CMP Authorities

In 1981, Congress enacted the CMP law, section 1128A of the Act (42 U.S.C. 1320a–7a) as one of several administrative remedies to combat fraud and abuse in Medicare and Medicaid. The law authorized the Secretary to impose penalties and assessments on persons who defrauded Medicare or Medicaid or engaged in certain other wrongful conduct. The CMP law also authorized the Secretary to exclude persons from Federal health care programs (as defined in section 1128B(f) of the Act, 42 U.S.C. 1320a–7b(f)) and to direct the appropriate State agency to exclude the person from participating in any State health care programs (as defined in section 1128(h) of the Act, 42 U.S.C. 1320a–7(h)). Congress later expanded the CMP law and the scope of exclusion to apply to all Federal health care programs, but the CMP applicable to beneficiary inducements remains limited to Medicare and State health care program beneficiaries.

Section 1128A(a)(5) of the Act (42 U.S.C. 1320a–7a(a)(5)) the Beneficiary Inducements CMP, provides for the

imposition of CMPs against any person who offers or transfers remuneration to a Medicare or State health care program (including Medicaid) beneficiary that the benefactor knows or should know is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of any item or service for which payment may be made, in whole or in part, by Medicare or a State health care program (including Medicaid). Section 1128A(i)(6) of the Act (42 U.S.C. 1320a–7a(i)(6)) defines “remuneration” for purposes of the Beneficiary Inducements CMP as including transfers of items or services for free or for other than fair market value. Section 1128A(i)(6) of the Act also includes a number of exceptions to the definition of “remuneration.”

Pursuant to section 1128A(i)(6)(B) of the Act (42 U.S.C. 1320a–7a(i)(6)(B)), any practice permissible under the Federal anti-kickback statute, whether through statutory exception or safe harbor regulations issued by the Secretary, is also excepted from the definition of “remuneration” for purposes of the Beneficiary Inducements CMP. However, no parallel exception exists in the Federal anti-kickback statute for practices permissible under the CMP law. Thus, the exceptions in section 1128A(i)(6) of the Act apply only to the definition of “remuneration” applicable to section 1128A and do not offer protection under the Federal anti-kickback statute.

III. Request for Information

We welcome public input on any or all of the topics identified below. We ask that commenters support claims with relevant data, studies, analyses, and other citations that the commenter believes supports their response.

1. Please explain whether offering Federal health care program enrollees remuneration facilitates clinical trial participation and the specific factors that make such remuneration either effective or ineffective at facilitating participation.

2. Please explain whether you view the Federal anti-kickback statute or the Beneficiary Inducements CMP as barriers to offering and providing appropriate remuneration to clinical trial participants and if so, why. In your answer, please describe any other identified barriers to offering and providing appropriate compensation/remuneration to clinical trial participants and how those barriers relate to any barriers created by the Federal anti-kickback statute and Beneficiary Inducements CMP.

⁴ H.R. Rep. No. 100–85, Pt. 2, at 27 (1987).

⁵ Medicare and State Health Care Programs: Fraud and Abuse; OIG Anti-Kickback Provisions, 56 FR 35952 (July 29, 1991); Medicare and State Health Care Programs: Fraud and Abuse; Safe Harbors for Protecting Health Plans, 61 FR 2122 (Jan. 25, 1996); Federal Health Care Programs: Fraud and Abuse; Statutory Exception to the Anti-Kickback Statute for Shared Risk Arrangements, 64 FR 63504 (Nov. 19, 1999); Medicare and State Health Care Programs: Fraud and Abuse; Clarification of the Initial OIG Safe Harbor Provisions and Establishment of Additional Safe Harbor Provisions Under the Anti-Kickback Statute, 64 FR 63518 (Nov. 19, 1999); 64 FR 63504 (Nov. 19, 1999); Medicare and State

Health Care Programs: Fraud and Abuse; Ambulance Replenishing Safe Harbor Under the Anti-Kickback Statute, 66 FR 62979 (Dec. 4, 2001); Medicare and State Health Care Programs: Fraud and Abuse; Safe Harbors for Certain Electronic Prescribing and Electronic Health Records Arrangements Under the Anti-Kickback Statute, 71 FR 45109 (Aug. 8, 2006); Medicare and State Health Care Programs: Fraud and Abuse; Safe Harbor for Federally Qualified Health Centers Arrangements Under the Anti-Kickback Statute, 72 FR 56632 (Oct. 4, 2007); Medicare and State Health Care Programs: Fraud and Abuse; Electronic Health Records Safe Harbor Under the Anti-Kickback Statute, 78 FR 79202 (Dec. 27, 2013); Medicare and State Health Care Programs: Fraud and Abuse; Revisions to the Safe Harbors Under the Anti-Kickback Statute and Civil Monetary Penalty Rules Regarding Beneficiary Inducements, 81 FR 88368 (Dec. 7, 2016); and Medicare and State Health Care Programs: Fraud and Abuse; Revisions to Safe Harbors Under the Anti-Kickback Statute, and Civil Monetary Penalty Rules Regarding Beneficiary Inducements, 85 FR 77684 (Dec. 2, 2020).

⁶ Medicare and State Health Care Programs: Fraud and Abuse; OIG Anti-Kickback Provisions, 56 FR at 35958 (July 21, 1991).

3. Please explain what categories of remuneration (including, for example, reimbursement for actual incurred expenses such as travel, lodging, parking, childcare, and meals; stipends; compensation for a participant's time; incentives to encourage enrolling in and completing the trial) and at what levels those categories of remuneration are useful to facilitate participation in clinical trials and why. Similarly, please explain what categories of remuneration are not useful to facilitate clinical trial participation. Please explain the extent to which such categories of remuneration already are offered to clinical trial participants. Please explain whether there are categories of remuneration that may be subject to heightened risks of fraud and abuse. To the extent that there is more uncertainty regarding how the Federal anti-kickback statute and Beneficiary Inducements CMP would apply to certain categories of remuneration, please explain.

4. Please explain whether clinical trials currently impose value caps or other limits, like demonstrated financial need, or reimbursement only for actual documented costs incurred, for any remuneration given to clinical trial participants. Please explain whether any such value caps or limits permit remuneration adequate to facilitate participation in clinical trials. Describe what limitations, such as value caps, would guard against the harms resulting from fraud and abuse.

5. Please explain whether clinical trials currently limit or prohibit who is eligible to provide remuneration to clinical trial participants (e.g., the clinical trial sponsor, investigators, other providers or suppliers). Describe what limitations or prohibitions would guard against the harms resulting from fraud and abuse.

6. Please explain the role of an Institutional Review Board ("IRB") in reviewing the provision of remuneration to clinical trial participants and whether an IRB's review of the type, amount, and frequency of remuneration provided to clinical trial participants and the advertising of that remuneration is a meaningful safeguard against the harms resulting from fraud and abuse. If so, please specify the rationale and the standards the IRB should use.

7. Please enumerate any safeguards that should be in place to ensure clinical trial participants who receive remuneration to participate in a clinical trial are not inappropriately steered to items or services offered by the individual or entity offering the remuneration outside the clinical trial.

8. Please explain whether remuneration to clinical trial

participants is provided during all stages of product development (e.g., phase 1–4 clinical trials) and whether different amounts or types of remuneration are necessary to promote participation in early-stage versus late-stage development. To the extent that there is more uncertainty regarding how the Federal anti-kickback statute and Beneficiary Inducements CMP would apply to certain stages of development, please explain. Describe what, if any, limitations would guard against the harms resulting from fraud and abuse in connection with different phases of clinical trials.

9. Please identify and explain if there are specific types or categories of clinical trials that should or should not pay remuneration to clinical trial participants due to that type's or category's relative risk of the harms resulting from fraud and abuse under the Federal anti-kickback statute and Beneficiary Inducements CMP. For example, please explain whether remuneration to clinical trial participants should only be protected under the Federal anti-kickback statute and Beneficiary Inducements CMP when provided to participants of government-sponsored clinical trials.

10. Please explain whether there should be advertising limitations relating to remuneration to clinical trial participants to protect the integrity of the clinical trial and guard against the harms resulting from fraud and abuse.

11. Please identify what, if any, additional or modified safe harbors to the Federal anti-kickback statute or exceptions to the definition of "remuneration" under the Beneficiary Inducements CMP may be necessary to protect remuneration to clinical trial participants and any arrangements necessary to offer and provide such remuneration. Please explain any key provisions that should be included in any additional or modified safe harbor or exception. Specifically, and to the extent that you did not do so in response to the questions above, please describe what conditions would be appropriate to include in a safe harbor or exception to protect against the harms resulting from fraud and abuse in the context of such arrangements, including what, if any, disclosures should be required by such safe harbors or exceptions. Additionally, please identify which criteria for modifying and establishing safe harbors under section 1128D(a)(2) of the Act (42 U.S.C. 1320a–7d(a)(2)), listed in section II.A above, would be impacted and how.

12. Please explain, with specificity, why any existing safe harbors to the Federal anti-kickback statute or

exceptions to the definition of "remuneration" under the Beneficiary Inducements CMP do not adequately protect the arrangements necessary to effectuate the provision of remuneration to clinical trial participants.

13. Please discuss any potential broader impacts or implications—and in particular, as they relate to the criteria set forth in section 1128D(a)(2) of the Act (e.g., an increase or decrease in access to health care services, an increase or decrease in costs to Federal health care programs)—that may result from the provision of remuneration to clinical trial participants, additional or modified safe harbors to the Federal anti-kickback statute, or exceptions to the definition of "remuneration" under the Beneficiary Inducements CMP. For instance, if remuneration would result in higher participation rates of federal health care program enrollees in clinical trials, could that lead to improved health care for individuals in those programs?

14. Are there opportunities where OIG could clarify its position through guidance as opposed to regulation? For example, would a Special Advisory Bulletin, an FAQ response, or other guidance offer sufficient protection in some instances? If so, please elaborate.

Respondents are encouraged to provide complete but concise and organized responses, including any relevant data and specific examples. Respondents are not required to address every issue or respond to every question discussed in this RFI to have their responses considered. All responses will be considered, and we request that responses contain information OIG can use to identify the commenter.

Please note: This is a request for information only. This RFI is issued solely for information and planning purposes; it does not constitute a Request for Proposal ("RFP"), application, proposal abstract, or quotation. This RFI does not commit the U.S. Government to contract for any supplies or services or make a grant award. Further, OIG is not seeking proposals through this RFI and will not accept unsolicited proposals. Respondents are advised that the U.S. Government will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the interested party's expense. Not responding to this RFI does not preclude participation in any future procurement, if conducted. It is the responsibility of the potential responders to monitor this RFI announcement for additional information pertaining to this request.

Please note that OIG will not respond to questions about the policy issues raised in this RFI. Contractor support personnel may be used to review RFI responses.

Responses to this RFI are not offers and cannot be accepted by the U.S. Government to form a binding contract or issue a grant. Information obtained as a result of this RFI may be used by the U.S. Government for program planning on a nonattribution basis. Respondents should not include any information that might be considered proprietary or confidential. This RFI should not be construed as a commitment or authorization to incur costs for which reimbursement would be required or sought. All submissions become U.S. Government property and will not be returned. OIG may publicly post the comments received or a summary thereof.

IV. Collection of Information Requirements

This document does not impose information collection requirements, that is, reporting, recordkeeping, or third-party disclosure requirements. However, section III of this document does contain a general solicitation of comments in the form of a request for information. In accordance with the implementing regulations of the Paperwork Reduction Act (“PRA”), specifically 5 CFR 1320.3(h)(4), this general solicitation is exempt from the PRA. Facts or opinions submitted in response to general solicitations of comments from the public, published in the **Federal Register** or other publications, regardless of the form or format thereof (provided that no person is required to supply specific information pertaining to the commenter, other than that necessary for self-identification, as a condition of the agency’s full consideration) are not generally considered information subject to the PRA. Consequently, there is no need for review by the Office of Management and Budget under the authority of the PRA (44 U.S.C. 3501 *et seq.*).

V. Response to Comments

Because of the large number of public comments we normally receive on **Federal Register** documents, we are not able to acknowledge or respond to them individually. We will consider all comments we receive by the date and time specified in the **DATES** section of this preamble, and, if we proceed with a subsequent document, we may

respond to the comments in the preamble to that document.

T. March Bell

Inspector General, Office of Inspector General.

Robert F. Kennedy, Jr.

Secretary, Department of Health and Human Services.

[FR Doc. 2026–12676 Filed 6–22–26; 11:15 am]

BILLING CODE 4150–04–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Parts 3160 and 3170

[A2407–014–004–065516, #O2509–014–004–125222]

RIN 1004–AF33

Royalty for Oil and Gas Lost From Onshore Federal and Indian Leases

AGENCY: Bureau of Land Management, Interior.

ACTION: Proposed rule.

SUMMARY: In response to the One Big Beautiful Bill Act, enacted on July 4, 2025, and Executive Order (E.O.) 14154, entitled, “Unleashing American Energy,” dated January 20, 2025, the Bureau of Land Management (BLM) is proposing to modify its existing regulations pertaining to royalties due on oil and natural gas lost on Federal and Indian leases. These modifications would reduce unnecessary compliance burdens for operators and streamline the BLM’s royalty determinations on lost oil or natural gas.

DATES: Send your comments on this proposed rule to the BLM on or before August 24, 2026. The BLM is not obligated to consider any comments received after this date in making its decision on the final rule.

If you wish to comment on the information collection requirements in this proposed rule, please note that the Office of Management and Budget (OMB) is required to make a decision concerning the collection of information contained in this proposed rule between 30 and 60 days after publication of this proposed rule in the **Federal Register**. Therefore, comments should be submitted to OMB by July 24, 2026.

ADDRESSES: Submit your comments using one of the following methods:

- *Mail, Personal, or Messenger*

Delivery: U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: RIN #1004–AF33.

• *Federal eRulemaking Portal:* <https://www.regulations.gov>. In the Search box, enter the docket number “BLM–2025–0235” and click the “Search” button. Follow the instructions at this website. As required by 5 U.S.C. 553(b)(4), the Portal also contains a plain language summary of the proposed rule.

For Comments on Information-Collection Requirements: Written comments and recommendations for the information collection requirements should be sent 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.

If you submit comments on these information-collection burdens, you should provide the BLM with a copy at one of the addresses shown earlier in this section so that we can summarize all written comments and address them in the final rulemaking. Please indicate “Attention: Paperwork Reduction Act Comments (RIN 1004–AF33).” Comments not pertaining to the proposed rule’s information-collection burdens should not be submitted to OMB. The BLM is not obligated to consider or include in the administrative record for the final rule any comments that are improperly directed to OMB.

FOR FURTHER INFORMATION CONTACT: John Ajak, Acting Division Chief, Fluid Minerals Division, telephone: (505) 549–9654, email: jajak@blm.gov, or by mail to Bureau of Land Management, 1849 C St. NW, Room 5633, Washington, DC 20240, for information regarding the substance of this final rule.

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:

- I. List of Acronyms
- II. Background
- III. Summary of the Proposed Rule
- IV. Section-by-Section Discussion of Proposed Rule
- V. Procedural Matters

I. List of Acronyms

AO = Authorized Officer
APD = Application for Permit to Drill
API = American Petroleum Institute
BLM = Bureau of Land Management
CA = Communitization Agreement

CAA = Clean Air Act
 CFR = Code of Federal Regulations
 FMP = Facility measurement point
 FOGROMA = Federal Oil and Gas Royalty Management Act
 GAO = Government Accountability Office
 GOR = Gas-to-oil ratio
 IMDA = Indian Mineral Development Act of 1982
 IMLA = Indian Mineral Leasing Act of 1938
 LDAR = Leak detection and repair
 Mcf = thousand cubic feet at standard conditions
 MLA = Mineral Leasing Act of 1920, as amended
 NTL = Notice to Lessees
 NTL-4A = Notice to Lessees: Royalty or Compensation for Oil and Gas Lost
 OGOR = Oil and Gas Operations Report
 ONRR = Office of Natural Resources Revenue
 RIA = Regulatory Impact Analysis
 Unit PA = Unit participating area
 VFMP = Venting and flaring measurement point
 WMP = Waste Minimization Plan

II. Background

For many decades, the BLM's Notice to Lessees and Operators 4A: Royalty or Compensation for Oil and Gas Lost (NTL-4A) governed royalty and compensation for oil and gas lost on Federal or Indian leases and it still governs in five states due to ongoing litigation.

NTL-4A was issued on January 1, 1980, as an update to earlier provisions. It clarified when oil and gas losses were considered "avoidably lost," such as losses due to negligence or improper authorization, versus "unavoidably lost," such as emergencies, equipment failures, circumstances where capture is not economic, and authorized flaring and venting. It also outlined strict conditions for venting or flaring, including time limits during emergencies, well purging, and testing, and it required operators to obtain approval from the authorized officer in many situations.

NTL-4A remained the primary regulatory standard for decades until the BLM issued the 2016 Waste Prevention Rule, which imposed stricter requirements on venting, flaring, measurement, and gas capture, while replacing NTL-4A's subjective considerations with objective standards that could be consistently applied nationwide. In September 2018, the BLM rescinded the 2016 Waste Prevention Rule and returned to a regulatory framework modeled after NTL-4A, without restoring NTL-4A's subjective standards for emergencies and economics. In April 2024, NTL-4A was ultimately superseded by another Waste Prevention rule.

On April 10, 2024, the BLM published a final rule concerning royalties due on

lost oil and gas entitled, "Waste Prevention, Production Subject to Royalties, and Resource Conservation" (89 FR 25378) (the 2024 Rule). In response to section 50103 of the One Big Beautiful Bill Act (Pub. L. 119-21), enacted on July 4, 2025; E.O. 14154, "Unleashing American Energy;" and additional direction from the Secretary, the BLM has reconsidered the rule and proposes to modify it by reducing unnecessary compliance burdens for operators and streamlining BLM royalty determinations on lost oil or natural gas. The proposed rule includes and, in some instances, revises provisions from earlier rules, adds new provisions, and codifies certain provisions of NTL-4A. NTL-4A was implemented in the vertical drilling era but to a great degree has proven ill-suited to address royalty determinations in an era of horizontal drilling and hydraulic fracturing and increased gas volumes associated with those techniques. The proposed regulations would be codified in the Code of Federal Regulations (CFR) and would replace current requirements governing royalty determinations.

The Department is now proposing to revise the 2024 Rule and eliminate the significant and overburdensome regulatory requirements that it imposes on operators. While the Department would prefer to rescind the 2024 Rule in its entirety, which would better meet the goals and direction of E.O. 14154 to "promote sound regulatory decision making and prioritize the interests of the American people" and ensure that "an abundant supply of reliable energy is readily accessible in every State and territory of the Nation," a revision of the 2024 Rule avoids the question of which rule would apply if the 2024 Rule were to be fully rescinded given the lack of a proposed rule to fully replace it.

Prior to the promulgation of the 2024 Rule, the Department twice attempted to replace NTL-4A with a more modern regulatory framework to account for royalties on lost oil and gas. First, in 2016, the Department promulgated the rule entitled, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," (81 FR 83008 (Nov. 18, 2016)) (2016 Rule). As detailed below, the U.S. District Court for the District of Wyoming subsequently vacated the 2016 Rule, though that decision was subsequently vacated by the Tenth Circuit.¹ Then, in 2018 during

the first Trump administration, the Department promulgated the rule entitled, "Waste Prevention, Production Subject to Royalties, and Resource Conservation; Rescission or Revision of Certain Requirements," (83 FR 49184 (Sept. 28, 2018)) (2018 Rule), which rescinded the 2016 Rule, except for certain royalty provisions. The 2018 Rule, too, was subsequently vacated.² In light of this rulemaking and litigation history, rescinding the 2024 Rule would revert the Department regulations to the 2016 Rule rather than the older NTL-4A.

As such, the Department is interested in hearing from the public about our rationale for this approach to the proposed rule, rather than rescinding the 2024 Rule in its entirety. Please send any comments you may have about our analysis of the rulemaking and litigation history and regarding whether the Department should instead rescind the 2024 Rule in its entirety, notwithstanding concerns about reverting to the 2016 Rule.

The following discussion describes the BLM's management of its oil and gas program, including the challenges that the BLM faces in making oil and gas royalty determinations. It also describes the legal framework within which the BLM administers the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*, and related statutory authorities and regulations. Following this background section is a summary of the proposed rule and a section-by-section

United States Dep't of the Interior, No. 2:16-cv-00285-SWS (D. Wyo., Nov. 18, 2016) (consolidated). In 2020, the U.S. District Court for the District of Wyoming vacated most of the 2016 rule based on the Department confessing error. *Wyoming*, 493 F. Supp. 3d 1046, 1087 (D. Wyo. 2020). However, after the 2024 Rule was promulgated, the appeal that the environmental plaintiffs took to the Tenth Circuit from the Wyoming district court's decision vacating the 2016 Rule was dismissed as moot and the Tenth Circuit vacated the underlying Wyoming district court decision on August 13, 2024. *Wyoming v. United States Dep't of the Interior*, 2024 U.S. App. LEXIS 20310, 2024 WL 3791170 (10th Cir. Aug. 13, 2024). Consequently, the 2016 Rule would become effective if the 2024 Rule were rescinded.

² The 2018 Rule was challenged in the U.S. District Court for the Northern District of California based on allegations that the rule failed to comply with the National Environmental Policy Act (NEPA), among other things. *California v. Bernhardt*, No. 4:18-cv-05712-YGR (N.D. Cal., Sept. 18, 2018), *Sierra Club v. Bernhardt*, 4:18-cv-05984-YGR (N.D. Cal., Sept. 28, 2018) (consolidated). In July 2020, the U.S. District Court for the Northern District of California vacated the 2018 Rule. *California*, 472 F. Supp. 3d 573, 632 (N.D. Cal. 2020). Although the Department filed a protective notice of appeal with the U.S. Court of Appeals for the Ninth Circuit in 2020 pending resolution of the *Wyoming* case, the appeal has been in administrative closure since the Wyoming district court vacated the 2016 Rule. *California Air Resources Board v. Bernhardt*, No. 20-16793 (9th Cir.).

¹ The 2016 Rule was challenged in the U.S. District Court for the District of Wyoming based on an allegation that it was regulating air emissions in excess of the BLM's authority under the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.* *Western Energy Alliance v. Jewell*, No. 2:16-cv-00280-SWS (D. Wyo., Nov. 16, 2016); *Wyoming v.*

analysis of the regulatory text, which, if adopted in a final rule, would revise one section in part 3160 of title 43 of the CFR and replace subpart 3179 in part 3170.

A. The Oil and Gas Program

The BLM is responsible for managing over 245 million surface acres of land, primarily located in 12 Western States, and 700 million acres of subsurface mineral estate, located throughout the United States. The BLM maintains a program for leasing these lands for oil and gas development and regulates oil and gas production on Federal leases. While the BLM does not manage the leasing of Indian lands for oil and gas production, it does regulate oil and gas operations on many Indian leases under the Secretary's statutory and Tribal trust responsibilities.

The BLM's onshore oil and gas program is a significant contributor to oil and gas production in the United States. Based on data for fiscal year 2024, production from 96,946 Federal onshore oil and gas wells³ accounted for approximately 8 percent of the nation's natural gas supply and 9 percent of its oil.⁴ In that year, operators produced 686 million barrels of oil and 4.48 trillion cubic feet of natural gas from onshore Federal and Indian oil and gas leases. The production of this oil and gas in 2024 generated more than \$7.7 billion in royalties. Approximately \$5.9 billion of these royalties were shared between the United States and the States in which production occurred. Approximately \$1.8 billion of these royalties went directly to Tribes or Indian allottees for production from Indian lands.⁵

While most natural gas extracted during drilling and production is captured, it is not uncommon for gas to reach the surface that cannot be feasibly sold or used on-lease. This typically happens during drilling, production testing, well purging, and emergencies. It also occurs during production, when capacity of distribution pipelines is limited and for other reasons. When this occurs, the uncaptured gas must either be combusted (*i.e.*, flared) or vented

(*i.e.*, released directly into the atmosphere).

B. Royalties on Lost Oil or Gas

While determining royalties due on gas sold is relatively straightforward, determining royalties due on gas that is lost during production is a more complicated task given the associated metering requirements. Regulation of these determinations has a long and complex history and has been the subject of many administrative appeals and lawsuits.

Beginning in 1980 (when vertical drilling was the predominant industry practice) and for almost four decades thereafter, BLM royalty determinations were governed by NTL-4A.⁶ To obtain a royalty determination for vented or flared gas, operators were required, under either section III(A) or section IV(B) of NTL-4A, to submit to the BLM their requests for royalty-free flaring using a BLM form designated as "Sundry Notices and Reports on Wells" (Form 3160-5, commonly referred to as a Sundry Notice).

The Sundry Notice must include documentation substantiating that an emergency precluded routing of gas to the sales line (Sec. III(A)), or that capture would not be economic. (Sec. IV(B)). Sometimes the operator has to submit sundries to flare royalty-free because there is a backlog of rights-of-way applications for infrastructure, other times the pipelines are at capacity. Operators frequently challenged BLM decisions on these sundries, advancing arguments that capitalized on the subjective nature of the determinations required by NTL-4A, such as whether capture and sale of gas was "economic" or infeasible due to an "emergency."⁷ Hundreds of sundries seeking unavoidable loss determinations are now pending before the BLM, a testament to NTL-4A's unsuitability, and based on an unpublished analysis performed by the North Dakota Field Office, the BLM estimates that thousands more such sundries could potentially be filed.

In 2016, the BLM made the first of three attempts to replace NTL-4A with a modern, workable rule, one suited to the increased production levels observed in the preceding decade and tailored to use of horizontal drilling and hydraulic fracturing techniques. By

2016, use of these techniques had become the predominant practice.⁸ In 2018, the BLM promulgated a second rule to reduce unnecessary compliance burdens, realign regulations with the BLM's existing statutory authorities, and re-establish longstanding requirements that had been replaced, such as continuing to allow royalty-free flaring if the operator found the gas capture to be economically not feasible.⁹ Both rules were challenged in district court: the 2016 rule for regulating air emissions in excess of the BLM's authority under the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 181 *et seq.*,¹⁰ and the 2018 rule for failure to comply with the National Environmental Policy Act (NEPA), among other things.¹¹ In July 2020, the U.S. District Court for the Northern District of California vacated the 2018 rule, briefly restoring the 2016 rule to governing status.¹² Four months later, the U.S. District Court for the District of Wyoming vacated most of the 2016 rule, including all provisions relevant to royalty determination.¹³ Together, these judicial decisions operated to reinstate NTL-4A.

In 2021, the BLM commenced a third effort to modernize its royalty regulations, publishing a proposed rule in 2022, 87 FR 73588 (Nov. 30, 2022), and later a final rule. 89 FR 25378 (Apr. 10, 2024).¹⁴ Like the 2016 and 2018 rules, the 2024 Rule was designed to streamline royalty determinations, principally by replacing NTL-4A's subjective considerations with objective standards that could be efficiently and consistently applied nationwide. The 2024 Rule was also designed to improve well-site safety and to reduce waste of gas in a manner that avoids implicating concerns over regulation of air quality identified by the Wyoming district

⁸ *Waste Prevention, Production Subject to Royalties, and Resource Conservation*, 81 FR 83008 (Nov. 18, 2016).

⁹ *Waste Prevention, Production Subject to Royalties, and Resource Conservation; Rescission or Revision of Certain Requirements*, 83 FR 49184 (Sept. 28, 2018).

¹⁰ *Western Energy Alliance v. Jewell*, No. 2:16-cv-00280-SWS (D. Wyo., Nov. 16, 2016); *State of Wyoming v. United States Dep't of the Interior*, No. 2:16-cv-00285-SWS (D. Wyo., Nov. 18, 2016) (consolidated).

¹¹ *State of California v. Bernhardt*, No. 4:18-cv-05712-YGR (N.D. Cal., Sept. 18, 2018); *Sierra Club v. Bernhardt*, 4:18-cv-05984-YGR ((N.D. Cal., Sept. 28, 2018) (consolidated).

¹² *California*, 472 F. Supp. 3d 573, 632 (N.D. Cal. 2020).

¹³ *Wyoming*, 493 F. Supp. 3d 1046, 1087 (D. Wyo. 2020).

¹⁴ In November 2024, the BLM published a direct final rule to correct certain technical errors in the 2024 Rule. See *Waste Prevention, Production Subject to Royalties, and Resource Conservation*, 89 FR 92602 (Nov. 22, 2024). The direct final rule became effective December 23, 2024.

³ BLM Public Lands Statistics, Table 9 (FY 2024 data), available at <https://www.blm.gov/programs-energy-and-minerals-oil-and-gas-oil-and-gas-statistics>.

⁴ Bureau of Land Management Budget Justifications and Performance Information, Fiscal Year 2023, p. V-79, available at <https://www.doi.gov/sites/doi.gov/files/fy2023-blmgreenbook.pdf>.

⁵ Production and revenue numbers are derived from data maintained by the Office of Natural Resources Revenue and are available at <https://revenue.data.doi.gov/>.

⁶ *Royalty or Compensation for Oil and Gas Lost*, 44 FR 76600 (Dec. 27, 1979) (effective Jan. 1, 1980), available at https://www.blm.gov/sites/blm.gov/files/energy_noticetolessee4a.pdf.

⁷ See NTL4-A sec. IV(B)(1), IV(C) (economic justification requirements); NTL4-A sec. III(A) (criteria for emergencies). 44 FR 76600, 76601 (Dec. 27, 1979).

court.¹⁵ Like the 2016 rule, the preamble to the 2024 Rule touted the additional royalties that would be paid based on predicted increases in gas capture, but the increased royalties benefit only the lessors, tribes, and states. Meanwhile, lessees or operators bear the compliance cost.

Shortly after the rule was promulgated, five States (North Dakota, Wyoming, Montana, Texas, and Utah) filed a lawsuit, which is still pending. They advance several grounds for a court order setting aside (*i.e.*, vacating) the 2024 Rule, including an argument similar to one that prevailed in the Wyoming district court cases.¹⁶ Specifically, the States argue that the BLM exceeded its MLA authority in regulating air emissions and thus intruded on the delegated regulatory province of the States under the Clean Air Act (CAA).¹⁷ While the North Dakota court has stayed proceedings and has not ruled on the merits, it did preliminarily enjoin implementation and enforcement of the rule within the five plaintiff States, concluding plaintiffs were likely to prevail on their claim that the 2024 Rule preempts “an area that is already regulated” by the States under their delegated CAA authority.¹⁸

The BLM appealed the injunctive order to the Eighth Circuit Court of Appeals. However, in February 2025, before briefing concluded, the BLM requested and obtained an order holding the appellate proceedings in abeyance indefinitely.¹⁹ In support of its request, the BLM explained it needed time to consider, among other things, E.O. 14154, “Unleashing American Energy,” which directs Federal agencies to identify any rules or other actions that “impose an undue burden on the identification, development, or use of domestic energy resources,” and to consider whether to “suspend, revise, or rescind” them.²⁰

As a result of the district court’s 2024 injunction, NTL–4A now governs BLM royalty determinations in North Dakota, Wyoming, Montana, Texas, and Utah. In all other States where Federal or Indian oil or gas is produced (other than on leases issued by The Osage Tribe), the

2024 Rule governs royalty determinations.

C. Legal Authority

Pursuant to a delegation of Secretarial authority, the BLM is authorized to regulate oil and gas exploration and production activities on Federal and Indian leases under a variety of statutes, including the MLA, the Mineral Leasing Act for Acquired Lands of 1947 (MLAAL), the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), the Indian Mineral Leasing Act of 1938 (IMLA), the Indian Mineral Development Act of 1982 (IMDA), and the Act of March 3, 1909.²¹ These statutes authorize the Secretary to promulgate such rules and regulations as may be necessary to carry out the various statutory purposes.²²

In 2022, Congress amended the MLA to expressly require lessees to pay royalties “on all gas produced,” 30 U.S.C. 1727(a),²³ subject to: a limited exception for emergencies (up to 48 hours); an exception for on-lease use of produced gas; and an exception for produced gas that is “unavoidably lost.” *Id.* 1727(b). Certain provisions in the 2024 Rule implemented the 2022 MLA amendments,²⁴ including § 3179.83 (2024) (Emergencies), which codified the noted 48-hour cap on royalty-free flaring. However, the 2022 amendments were repealed on signing of the One Big Beautiful Bill Act (OBBB). *See sec.* 50103, Public Law 119–21 (July 4, 2025). As further discussed below, the BLM proposes amending the regulations to address the OBBB.

Finally, in FOGRMA, Congress established a system for collecting and accounting for Federal mineral royalties and made lessees liable for royalties on “oil or gas lost or wasted from a lease site when such loss or waste is due to negligence [or] the failure to comply with any rule or regulation, order or citation issued under [FOGRMA] or any mineral leasing law.”²⁵ The proposed regulations restate the FOGRMA

negligence provision. *See* 43 CFR 3179.41(e) (proposed).

III. Summary of the Proposed Rule

E.O. 14154, *Unleashing American Energy*, directs agencies to identify rules that “impose an undue burden on the identification, development, or use of domestic energy resources,” and to consider whether to “suspend, revise, or rescind” them. It emphasizes the importance of job creation and the availability of reliable and affordable electricity, as well as the need for low energy prices to avoid “driving up the cost of transportation, heating, utilities, farming, and manufacturing, while weakening our national security.”²⁶ These are sound and legitimate objectives for Interior to consider when making decisions within its broad MLA authority to regulate oil and gas development on Federal and Indian lands.

Responding to E.O. 14154, the Secretary issued Order No. 3418 (Feb. 3, 2025),²⁷ which directed removal of impediments to the development and use of energy and natural resources subject to Interior’s jurisdiction. The order identified a goal of advancing innovation to improve energy and critical minerals identification, permitting, leasing, development, production, transportation, refining, distribution, exporting, and generation capacity of the United States to provide a reliable, diversified, growing, and affordable supply of energy for our Nation.²⁸

Section 50103 of the OBBB repealed Section 50263 of the Inflation Reduction Act, Public Law 117–169 (2022) (Royalties on all Extracted Methane). Section 50263 specified that, for all new leases, royalties shall be assessed for all gas produced, including all gas that is consumed or lost by venting, flaring, or negligent releases through any equipment during upstream operations. Exceptions included: gas vented or flared for not longer than 48 hours in an emergency situation that poses a danger to human health, safety, or the environment; gas used or consumed within the area of the lease, unit, or communitized area for the benefit of the lease, unit, or communitized area; or gas that is unavoidably lost. Given these directives, and changes in law, the BLM carefully reconsidered the 2024 Rule to identify undue burdens on operators and impediments to energy development that could be either

¹⁵ *See Wyoming*, 493 F. Supp. 3d 1046, 1065 (holding that the 2016 rule upended the Clean Air Act’s “cooperative federalism framework and usurp[ed] the authority to regulate air emissions”).

¹⁶ *Western Energy Alliance*, No. 2:16–cv–00280, *State of Wyoming*, No. 2:16–cv–00285.

¹⁷ *North Dakota v. Interior*, No. 1:24–cv–00066 (D.N.D., Apr. 24, 2024).

¹⁸ *North Dakota*, 2024 U.S. Dist. LEXIS 164665, *16 (D.N.D. Sept. 12, 2024).

¹⁹ *North Dakota v. Interior*, No. 24–3299 (8th Cir., Jan. 27, 2025).

²⁰ 90 FR 8353 (Jan. 29, 2025).

²¹ 30 U.S.C. 188–287 (MLA); 30 U.S.C. 351–360 (MLAAL); 30 U.S.C. 1701–1757 (FOGRMA); 25 U.S.C. 396a–g (IMLA); 25 U.S.C. 2101–2108 (IMDA); and 25 U.S.C. 396 (Act of March 3, 1909). The latter three statutes govern the BLM’s regulation of operations on Indian trust and restricted fee lands.

²² 30 U.S.C. 189 (MLA); 30 U.S.C. 359 (MLAAL); 30 U.S.C. 1751(a) (FOGRMA); 25 U.S.C. 396d (IMLA); 25 U.S.C. 2107 (IMDA); 25 U.S.C. 396 (Act of March 3, 1909). The latter three statutes govern the BLM’s regulation of operations on Indian trust and restricted fee lands.

²³ This provision altered the long-standing requirement that royalties be paid on gas “removed or sold” from the lease. 30 U.S.C. 226(b)(1)(A).

²⁴ *See* 89 FR at 25387 (discussing the 2022 MLA amendments).

²⁵ 30 U.S.C. 1756.

²⁶ E.O. 14154 at 1.

²⁷ Secretarial Order (S.O.) 3418, *Unleashing American Energy* (February 3, 2025).

²⁸ S.O. 3418 at 1.

eliminated or refined for greater efficiency. The effort resulted in this proposed rule, which is best understood by how it changes the current rule.

The 2024 Rule was designed to eliminate the inefficiencies of NTL–4A, an objective the BLM still favors, as well as to improve royalty collection and safety and to reduce waste of oil and gas. However, it attempted these things by requiring unnecessarily expensive equipment and imposing reporting and administrative obligations that are not required by statute. For example, the 2024 Rule revised 43 CFR 3162.3–1 (Drilling applications and plans), to add a requirement that an operator either submit a waste minimization plan with any application for a permit to drill (APD), or “self-certify” that it will “capture 100 percent of oil-well gas produced by an oil well.”²⁹ In 2024, the BLM estimated the recurring cost to operators of this requirement at \$400,000 annually. The BLM is proposing to eliminate these provisions because they are overly expensive, they are not required by law, operators are already financially incentivized to capture and sell as much gas as possible, and the pipeline capacity constraints of the 2010s have been alleviated to a degree. Additionally, given the objectives of E.O. 14154 and S.O. 3418, the BLM concludes that removing these provisions appropriately advances one of the MLA’s central purposes, to “promote the orderly development” of Federal oil and gas “through private enterprise.”³⁰

The 2024 Rule also requires operators to develop, submit, and implement “leak detection and repair” (LDAR) programs, to be approved by the BLM. See 43 CFR 3179.100, 3179.101, 3179.102 (2024).

In the RIA for this proposed rule, the BLM examined the recurring cost to operators of developing and maintaining the LDAR programs. This cost is estimated to be \$16.8 million annually. The proposed rule eliminates this overly burdensome and expensive requirement, which, according to BLM estimates, would be only minimally effective in reducing waste. The BLM estimates that the 2024 Rule’s LDAR

requirement would allow for the annual capture of about 555,000 Mcf of gas, with an annual royalty value of \$210,000. Under the 2024 Rule, this small increase in royalty revenue would be achieved at an expense of \$16.8 million, a costly circumstance that is not warranted. Further, the volume of gas that the LDAR requirements are estimated to capture (555,000 Mcf) represents a very small fraction of the “lost gas” problem. Total annual gas losses (from venting, flaring, and leaks) are estimated at 55.5 Bcf.³¹

The 2024 LDAR requirements were forecast to eliminate a mere 1 percent of these estimated losses. It is unfair to expect operators to bear this inequitably high cost for generating such a small amount of additional royalty revenue. The BLM therefore proposes to eliminate the three noted LDAR provisions and the references to LDAR in current § 3179.41(b)(9) because they are not required by law, they are uneconomic, and operators are already financially incentivized to capture and sell gas. Eliminating this requirement will also advance the objectives of E.O. 14154 and S.O. 3418 by removing an undue burden on energy development.

The BLM further proposes to revise a provision in § 3179.41, which establishes that some portion of flaring caused by pipeline capacity constraints constitutes an avoidable loss and is thus subject to a royalty obligation. Section 3179.41 in the 2024 Rule defines unavoidable loss by specifying 13 “operations or sources” where loss of gas is deemed unavoidable. See 43 CFR 3179.41(b) (2024). One of these circumstances—very common in recent years—is the need to flare gas due to pipeline capacity constraints, including midstream processing failures and similar transportation-to-market challenges. Under § 3179.41(b)(11) (2024), such flaring is deemed unavoidable, to a point. That point is specified in current § 3179.70. Once an operator exceeds certain arbitrary monthly limits—stated in thousand cubic feet of gas (Mcf) per barrel of oil produced per month—royalties are due. The limits on royalty-free flaring in the 2024 Rule are:

- (1) 0.08 Mcf per month in year 1 (from July 1, 2024, to July 1, 2025).
 - (2) 0.07 Mcf per month in year 2.
 - (3) 0.06 Mcf per month in year 3.
 - (4) 0.05 Mcf per month will begin in year 4 and thereafter.
- Id.* 3179.70.

³¹ The total volume of gas lost (55.5 billion) is based on actual venting and flaring data from ONRR and on the BLM’s estimate of annual volumes of leaked gas.

The proposed rule would eliminate these limits on royalty-free flaring by removing § 3179.70 and the reference to it in § 3179.41(b)(11) (2024) (*see* proposed § 3179.41(b)(10)). The current limits benefit lessors through modestly increased royalties, while burdening lessees and operators with significant added expense and operational difficulties. The limits on unavoidable loss in current § 3179.70 are not required by statute and, in the BLM’s view, impose significant and undue financial burden on operators who are already incentivized to capture and sell gas. Further, the limits impose additional accounting and record-keeping requirements on operators. The BLM concludes that removing these limits and the corresponding administrative burdens, which increase operator costs, appropriately removes undue burdens on development of domestic energy.

For these same reasons, the BLM proposes to eliminate or reduce additional limitations on unavoidable loss in § 3179.41(b). Under the proposed rule, the following sources of lost gas would be retained as unavoidable losses (*i.e.*, royalty-free), but the time or volume limits on that royalty-free flaring would either be removed or relaxed: new well completion or recompletion; emergencies; use of an oil storage tank that is in compliance with § 3174.5(b); leaks; well tests for existing completions, downhole well maintenance and liquids unloading; and, as discussed in preceding paragraph, pipeline capacity constraints. The BLM proposes to retain leaks as unavoidable losses, but without requiring an LDAR program. Instead, the BLM will continue to hold operators responsible under § 3162.5–3 to operate in a workmanlike manner, which includes avoiding leaks.

There are several additional sources of lost gas deemed unavoidable under the 2024 Rule which are retained in the proposed rule unchanged, except for minor edits for clarity or consistency with other rule revisions. These are: well drilling; normal operating losses from a natural-gas-activated pneumatic controller or pump; facility and pipeline maintenance (*e.g.* depressurization of equipment); and flaring of gas from which at least 50 percent of the natural gas liquids have been removed on-lease and captured for market. The first source is derived from NTL–4A and its inclusion in the proposed rule reflects long-standing operational practice. The remaining sources have been in place since 2016 and two are standard industry practice (*i.e.*, the pneumatic controller provision and the facility and

²⁹ See 89 FR at 25399; *see also* §§ 3162.3–1(j)(1)–(2), 3162.3–1(j)(3), 3162.3–1(j)(4), and 3162.3–1(k) (required elements of plan and self-certification).

³⁰ *Geosearch, Inc. v. Andrus*, 508 F. Supp. 839, 842 (D. Wyo. 1981) (citing *Harvey v. Udall*, 384 F.2d 883 (10th Cir. 1967), quoting Senate Subcommittee of the Committee on Interior and Insular Affairs, The Investigation of Oil and Gas Lease Practices, 84th Cong., 2nd Sess. 2 (1957)); *see also* Public Law 66–146, 41 Stat. 437 (Feb. 25, 1920) (Mineral Leasing Act) (“An Act to promote the mining of coal, phosphate, oil, gas and sodium on the public domain.”) (emphasis added).

pipeline maintenance provision) that have proven safe and practical from both operator and BLM perspective. The final source (*i.e.*, the 50 percent provision for natural gas liquids) is intended to ensure greater capture of gas with high Btu content and reduced Btu content at the flare. The BLM is also proposing to remove two sources of lost gas because they are unnecessary: specifically, flaring during dewatering of exploratory coalbed methane wells, and flaring from a well that is not connected to a gas pipeline, to the extent that such flaring was authorized by an APD.

Lastly, the proposed rule would expand the current definition of unavoidable loss in 3179.41(b) by designating as unavoidable the flaring of gas that is of such a low quality as to be unmerchantable, where the operator demonstrates the poor gas quality (*see* proposed sec. 3179.41(b)(12)). Operators should not be required to pay royalties on gas that cannot be sold or beneficially used.

IV. Section-by-Section Discussion of Proposed Rule

A. 43 CFR Part 3160—Onshore Oil and Gas Operations

Section 3162.3–1 Drilling Applications and Plans

Current § 3162.3–1 requires an operator to submit an APD before conducting any drilling operations on a Federal or Indian oil or gas lease. No drilling operations may commence before APD approval. This proposed rule would reduce the requirements for an oil-well APD by removing the requirement to submit either a waste minimization plan (WMP) or a self-certification, which was intended to allow operators to verify that they have planned for the capture of the associated gas from an oil well.

The current rule requires an operator to submit either a WMP or a self-certification stating that the operator will capture 100 percent of the gas that the oil-well produces. Under the current rule, the WMP must include the following information: (1) The anticipated initial oil production rate from the oil well and the anticipated production decline over the first 3 years of production; (2) The anticipated initial oil-well gas production rate from the oil-well and the anticipated production decline over the first 3 years of production; (3) Certification that the operator has a valid, executed gas sales contract to sell 100 percent of the oil-well gas, less gas anticipated for use on lease pursuant to 43 CFR subpart 3178, to a purchaser; and (4) Any information

demonstrating the operator's plans to avoid the waste of gas production from any source, including, as appropriate, from pneumatic equipment, storage tanks, and leaks. The self-certification is a written statement that the operator will capture 100 percent of the gas produced except for any gas used on-lease under 43 CFR subpart 3178 or gas lost from an emergency under § 3179.83. For wells drilled with an approved WMP, flaring is subject to the monthly limitations on royalty-free flaring in current § 3179.70. Any flaring under an APD subject to a self-certification has a royalty obligation.

Under the current rule, the BLM would approve an administratively and technically complete oil-well APD with a WMP or self-certification statement or defer action on an APD that was not administratively and technically complete until such time as the operator is able to amend the application to comply with the requirements of a WMP or self-certification statement. The current rule requires the applicant to address the BLM-identified deficiencies in the WMP or the self-certification statement within 2 years of the submission of the application or the BLM will disapprove the APD.

The proposed rule would remove the requirement to submit either a WMP or self-certification with an oil-well APD. The BLM proposes to do this because the requirements are very expensive, they are not required by law, operators are already financially incentivized to capture as much gas as possible because it benefits them financially to do so, and much of the pipeline capacity constraints of the 2010s have been alleviated.

B. 43 CFR Part 3170—Onshore Oil and Gas Production

Subpart 3179—Royalty for Oil and Gas Lost From Onshore Federal and Indian Leases

§ 3179.1 Purpose

The purpose of the 2024 Rule is fourfold: (1) To implement and carry out the purpose of the statutes related to the prevention of waste from Federal and Indian (other than The Osage Nation) oil and gas leases; (2) Protection of worker safety; (3) Conservation of surface resources; and (4) Management of the public lands for multiple use and sustained yield. *See* 89 FR 25426. The current rule's requirements are primarily focused on the prevention of waste from Federal and Indian oil and gas leases.

This proposed rule would change the purpose to: (1) Ensuring proper compensation of mineral rights owners

for produced oil or gas that is lost from Federal or Indian (except Osage Tribe) oil and gas leases; (2) Promotion of orderly and efficient development and administration of fluid mineral resources; (3) Reduction of regulatory burdens for operators of Federal oil and gas leases; and (4) Streamlining the BLM's administration of oil and gas losses.

Although it is not stated in the purpose section in the rule text, this proposed rule also addresses concerns raised by the GAO in accounting for natural gas emissions with new requirements for the assignment of a venting or flaring measurement point (VFMP).³²

§ 3179.2 Scope

The scope identifies the operations to which the various provisions of proposed subpart 3179 would apply. Paragraph (a) in the proposed rule remains substantively the same as the current rule, stating that the provisions of proposed subpart 3179 would apply to: (1) All onshore Federal and Indian (other than Osage Tribe) oil and gas leases, unit participating agreements (PAs), and communitization agreements (CAs); (2) Indian Mineral Development Act oil and gas agreements; (3) Leases and other business agreements and contracts for the development of Tribal energy resources under a Tribal Energy Resource Agreement entered into with the Secretary; and (4) Wells, equipment, and operations on State or private tracts that are committed to a federally approved unit or CA.

The proposed scope would remove paragraph (b) of the current rule that, along with the opening phrase in paragraph (a) of the current provision, provided that five sections of this subpart (*see* §§ 3179.50, 3179.90, and 3179.100 through 3179.102) apply only to operations and production equipment located on Federal or Indian surface estates and not to State or private tracts. Under the proposed rule, the requirements in the five listed sections would be removed, so there is no further need for paragraph (b). Current paragraph (c) would be redesignated as paragraph (b).

§ 3179.10 Definitions and Acronyms

The current rule contains definitions for 11 terms ("automatic ignition system," "capture," "compressor station," "gas-to-oil ratio (GOR)," "gas well," "high-pressure flare," "leak," "liquids unloading," "lost oil or lost

³² GAO, "OIL AND GAS—Interior Could Do More to Account for and Manage Natural Gas Emissions" (July 2016).

gas,” “low-pressure flare,” and “pneumatic controller”) to assist with understanding the rule’s requirements.

Proposed § 3179.10 would also contain definitions for 11 terms (“capture,” “gas-to-oil ratio (GOR),” “gas well,” “liquids unloading,” “lost gas,” “lost oil,” “pneumatic controller,” “Sundry Notice,” “Type 1 equipment,” “Type 2 equipment,” and “venting and flaring measurement point (VFMP)”). Some defined terms have a particular meaning in this proposed rule. Other defined terms may be familiar to many readers, but the BLM is including their definitions in the proposed rule to improve the clarity of the regulatory text. The proposed definition section would remove the terms “automatic ignition system,” “compressor station,” “high-pressure flare,” “leak,” and “low-pressure flare,” which appear in the current rule, since the terms are not used in the proposed regulatory text. The definitions of “capture,” “gas-to-oil ratio,” and “pneumatic controller” would remain unchanged from the current rule. The BLM also proposes rearranging and simplifying the current definition for “gas well” without changing its meaning.

The BLM proposes to make minor changes to two definitions: “liquids unloading” and “lost oil or gas.” The proposed definition of the term “liquids unloading” would change the language that states “the wellbore of a completed gas well” to read “the wellbore of a gas well.” The inclusion of the word “completed” in the current phrasing in the 2024 Rule to describe a gas well does not improve the meaning of the term “liquids unloading.” The BLM proposes to split the term “lost oil or gas” and include separate definitions for “lost gas” and “lost oil.” The current rule’s definition for “lost oil or gas” is too narrow for the proposed rule’s objective of providing requirements for circumstances where lost gas production may be vented, flared, or combusted and the combined definition with its modifiers is unclear. The proposed definition for “lost gas” accommodates the idea that lost gas may be vented, flared, or combusted prior to removal from the lease, unit PA, or CA and cannot be recovered. The proposed definition for “lost oil” recognizes that oil can escape containment prior to removal from the lease, unit PA, or CA and may, in some instances, be recovered as waste oil, reconditioned, and placed into marketable condition for sale. In other instances, recovered oil would be disposed of as slop oil.

The BLM also proposes to add definitions for the terms “Sundry Notice,” “Type 1 equipment,” “Type 2

equipment,” and “Venting and flaring measurement point.” The term “Sundry Notice,” which is not currently defined, would have the same meaning throughout part 3170. The BLM would include the new term, “type 1 equipment,” to describe the vent lines, flares or combustors that manage gas that would normally go to a sales line. This new term would replace and update the concept of “high-pressure flare” to eliminate any association with pressure for this type of equipment and to avoid confusion with the need for a pressure rating, as well as the unintended implication that the BLM requires flaring. Further, during the implementation of the current rule, the BLM observed that some operators were interpreting the term “high-pressure flare” to exclude gas that is “combusted” at combustors. The chemical reaction at flares and combustors is the same; but to avoid an overly exacting interpretation of the singular use of either flaring or combusting, the BLM proposes to use both terms throughout the proposed rule, as well as in the definition for “type 1 equipment.” The same is true of the new proposed term “type 2 equipment.” The addition of the proposed term “type 2 equipment” would replace and update the concept of the term “low-pressure flare” without an association to pressure or an unintended requirement to flare. The proposed rule would include a new requirement for operators to apply for a “venting and flaring measurement point (VFMP)” number to use for production accountability on monthly operator-completed “Oil and Gas Operations Reports” (OGORs). The VFMP, which is the point where produced gas that would normally go to a sales line is estimated or measured before being vented, flared, or combusted.

The proposed rule includes a list of acronyms in the definitions section of the regulatory text to correct an oversight in the current rule regarding the acronyms that are used in this subpart. Acronyms for the current rule only appear in the preamble. The preamble is not published in the Code of Federal Regulations and therefore the current rule’s acronyms are less readily available to the public. By including the acronyms in this proposed rule’s regulatory text, the BLM intends to provide clarity and improve readability.

§ 3179.11 Severability

This proposed section describes the legal principle of “severability” and applies it to the regulations in subpart 3179. If a court finds any portion of these regulations is to be invalid or

unenforceable as to a particular set of circumstances or individuals, the BLM’s intention is that the remaining portions of the regulations would remain in effect and the BLM would continue to enforce them.

The BLM proposes to retain this severability section within the regulation text, with one non-substantive edit (substituting “persons” for “people”). If this proposed rule is adopted as a final rule and a court were to find certain sections invalid, the BLM’s goal is for the remaining sections of the rule to remain in effect.

§ 3179.30 Incorporation by Reference (IBR)

This proposed rule would incorporate an industry standard in its entirety in the CFR, a practice known as incorporation by reference. This standard was developed through a consensus process, facilitated by the American Petroleum Institute (API), with input from the oil and gas industry. The BLM has reviewed this standard and determined that it would further the purposes of proposed § 3179.50. The standard is currently approved for use in existing § 3179.71(c), which the BLM is proposing to remove in this rule (see discussion regarding existing § 3179.71 later in this preamble). In addition to relocating the standard within subpart 3179, this proposed rule would also make minor edits to existing § 3179.30 by updating the BLM point of contact and adding the acronym “IBR.” The proposed standard referenced in this section would be incorporated in its entirety.

The proposed incorporation of the industry standard follows the requirements found in 1 CFR part 51. The industry standard can be incorporated by reference pursuant to 1 CFR 51.7 because, among other things, it would substantially reduce the volume of material published in the **Federal Register**; the standard is published, bound, numbered, and organized; and the standard proposed for incorporation is readily available to the general public through purchase from the standard organization or through inspection at any BLM office with oil and gas administrative responsibilities. 1 CFR 51.7(a)(3) and (4). The language of incorporation in final 43 CFR 3179.30 meets the requirements of 1 CFR 51.9.

The API material that the BLM is proposing to incorporate by reference is available for inspection at the Bureau of Land Management, Division of Fluid Minerals, U.S. Department of the Interior, 1849 C Street NW, Washington,

DC 20240, telephone 202–208–3801; and at all BLM offices with jurisdiction over oil and gas activities.

The API material is also available for inspection and purchase from API, 200 Massachusetts Avenue NW, Suite 100, Washington DC 20001–5571; telephone 202–682–8000; online purchase <https://www.apiwebstore.org/Standards>. In addition, the API provides free read-only access to the API standard that the BLM proposes to incorporate by reference via an online reading room <https://publications.api.org/>.

The following describes the API standard that the BLM proposes to incorporate by reference in this rule: specifically, the API Manual of Petroleum Measurement Standards (MPMS) Chapter 22.3, Testing Protocol for Flare Gas Metering; Second Edition, November 2025 (“API 22.3”). This standard covers the testing and reporting protocols for natural gas flare meters. This standard discusses the testing to be performed, how the test data should be analyzed, and how measurement uncertainty is determined based on the test data.

§ 3179.40 When Lost Production Is Subject to Royalty

This proposed section states that royalty is due when oil and gas production is avoidably lost and further that royalty is not due on oil and gas production that is unavoidably lost. This proposed section is identical to the current rule § 3179.42 (but for deletion of the word “any,” which is grammatically unnecessary).

§ 3179.41 Determining When the Loss of Oil or Gas Is Avoidable or Unavoidable

Section 3179.41 in the current and proposed rules defines unavoidable loss. The current rule identifies 13 operations or sources that qualify as unavoidable loss, subject to specified time and volume limitations. Proposed § 3179.41 identifies 12 operations or sources that would qualify as unavoidable loss (two of the current 13 are proposed for removal and one is proposed to be added). The changes proposed here reflect the implementation of E.O. 14154 and S.O. 3418.

In the current rule, § 3179.41(b)(1), losses experienced during well drilling are deemed unavoidable, subject to the limitations in § 3179.80 that require the BLM to determine whether the loss of well control was due to operator negligence. Any loss determined to be a result of operator negligence is an avoidable loss and subject to a royalty obligation. The proposed rule,

§ 3179.100 would allow for up to a total of 17 days of unavoidable loss for an emergency while drilling and would require the operator to pay royalties thereafter regardless of operator negligence.

Current § 3179.81 contains a flaring allowance for well completion or recompletion. Under that section, new well completions or recompletions are entitled to royalty-free flaring until one of the following occurs: (1) Thirty days have passed since the beginning of flowback; (2) 20,000 Mcf is flared; or (3) Flowback routed to the production separator for sales. The current rule, § 3179.81(b) and (c), allows the operator to request an additional 60 days of flaring based on flowback delays caused by well or equipment problems or to request an additional 30,000 Mcf of gas flaring for exploratory oil wells in remote locations. The current rule also allows for two additional extensions of 90 days each for the dewatering and initial evaluation of an exploratory coalbed methane well.

Except as noted in the paragraph that follows, most of current § 3179.81 is proposed for relocation to § 3179.41(b)(2). The proposed provision would allow royalty-free flaring, venting, or combusting for new well completions and recompletions until one of the following occurs: (1) Thirty days have passed since the beginning of flowback unless the BLM extends this time period; (2) 50,000 Mcf is vented, flared, or combusted unless the BLM approves an increased flared volume; or (3) Flowback has been routed to the production separator unless extended by the BLM. The proposed change to relocate these requirements into § 3179.41(b)(2) would consolidate the unavoidable loss operations and sources into a single section of subpart 3179 and would conform the three currently listed limitations on unavoidable loss to the limits that were established in NTL–4A. The extension of time for exploratory coalbed methane dewatering in the current rule would be removed because, based on current production records, this is no longer needed.

The exception noted in the preceding paragraph involves time extensions or volume increases in connection with new well completions and recompletions. Current § 3179.81(b) and (c) would be relocated to proposed § 3179.41(c). The proposed provision would allow the operator to request an extension of time or an increase of volume beyond the limits established in paragraph (b)(2) when flowback delays are caused by well or equipment problems. The proposed rule would no

longer cap the time extension at 60 days. In addition, it would remove the volume limit on royalty-free flaring for exploratory wells in remote locations where additional flaring may be needed in advance of pipeline construction.

The proposed rule would also relocate current § 3179.82 into proposed § 3179.41(b)(3). The proposed requirements limit venting, flaring, or combusting gas from existing completion well tests to no longer than 48 hours but allow for an extension of time. This provision would be increased from 24 hours, as it appears in the current rule, to 48 hours in this proposed rule to afford operators a more reasonable amount of time to prepare and submit to BLM a Sundry Notice seeking additional time, potentially reducing the number of Sundry Notices for BLM to process, and to reduce the burden on operators who may only need 48 hours to conclude a test on an existing completion. Increasing the time for requesting an extension reduces operator and BLM burden and is thus consistent with E.O. 14154, in particular, by eliminating an undue burden on energy development.

From the lists of unavoidable loss operations and sources in the current and proposed rules, the two rules include essentially the same five overlapping unavoidable loss operations: (1) Emergency situations; (2) Operation of a natural-gas-activated pneumatic controller or pump; (3) Downhole well maintenance or liquids unloading; (4) Facility and pipeline maintenance; and (5) Gas from which 50 percent of the natural gas liquids have been removed on-lease and captured for market.

In the proposed rule, § 3179.41(b)(4) would modify emergency situations based on the OBBB (July 4, 2025) and provide a new time limit on unavoidable loss established in proposed § 3179.100.

The unavoidable loss provision for the operation of a natural-gas-activated pneumatic controller or pump in the current rule is identical to § 3179.41(b)(5) in the proposed rule and is consistent with the MLA and 43 CFR subpart 3178. In proposed § 3179.41(b)(7), the BLM would maintain the provisions for downhole well maintenance and liquids unloading as unavoidable losses, but would increase the 24-hour limit on royalty-free flaring to 48 hours to provide operators a more realistic time limit to complete downhole work and would remove any related requirements that appear in current § 3179.91. The proposed provisions for facility and pipeline maintenance in § 3179.41(b)(9)

and the venting, flaring, or combusting of gas from which at least 50 percent of the natural gas liquids have been removed in § 3179.41(b)(11) are identical to the current rule.

Given that the proposed rule would eliminate provisions that apply only on Federal or Indian surface estate, certain changes regarding oil storage tanks are necessary. Section 3179.41(b)(6) in the proposed rule would treat normal operating losses from oil storage tanks as unavoidable, regardless of whether the tank is located on Federal or Indian surface estate. Oil storage tanks would still be required to comply with the requirements in § 3174.5(b) (oil tank equipment requirements) and if the operator elects to install vapor recovery equipment on the tanks, then the hydrocarbons that are collected and sold would have a royalty obligation. However, if hydrocarbons are collected with recovery equipment on tanks and sent to flare, there would be no royalty obligation.

Since the proposed rule would remove the LDAR program (*see* discussion below on removal of §§ 3179.100, 3179.101, and 3179.102), leaks would be considered an unavoidable loss if the operator has performed operations and maintained equipment in accord with § 3162.5–3. Any reference to the LDAR program would be removed when discussing leaks as an unavoidable loss.

Section 3179.41(b)(10) in the proposed rule would continue to allow for the unavoidable loss of gas due to pipeline capacity and midstream processing constraints or failures, or other similar events that prevent oil-well gas from being transported through the connected pipeline. However, in § 3179.70, the current rule limits the volume of unavoidable loss based on the volume of gas flared per barrel of oil produced beginning with 0.08 Mcf per barrel of oil produced and reducing to 0.05 Mcf per barrel of oil produced over a 3-year period. Under the proposed rule, the unavoidable loss limits for pipeline capacity constraints set out in § 3179.70 would be eliminated. Any associated gas that an operator is unable to sell due to pipeline capacity and midstream processing constraints or failures is proposed to be an unavoidable loss. The BLM is proposing to remove the unavoidable loss limit because it is not required by law, it constitutes a burden on energy development, and operators are already incentivized to collect and sell as much gas as possible.

Proposed § 3179.41(b)(12) lists a new source of unavoidable loss that would provide for the royalty-free venting,

flaring, or combusting of gas that is of such poor quality that it is unmerchantable. The proposed section would also require the operator to provide to the authorized officer, upon request, a gas analysis report demonstrating the poor gas quality and documentation of the rejection of gas for sales by a midstream company or gas processor. The inclusion of this provision comes from a recommendation received in the previous rulemaking and the BLM agrees that this is a circumstance that qualifies as an unavoidable loss. If an operator is unable to sell the produced gas to a midstream company or gas processor and must vent, flare, or combust the gas to produce oil, no royalty obligation is incurred.

Current § 3179.60, which prohibits the flaring or venting of gas-well gas, would be relocated in its entirety to proposed § 3179.41(d). The proposed rule would maintain that gas from gas wells may not be vented, flared, or combusted, except where it is unavoidably lost under § 3179.41(b). Gas wells should never vent, flare, or combust gas due to pipeline capacity constraints.

Current § 3179.41(c) states that lost oil or lost gas that is not “unavoidably lost” as defined in paragraphs (a) and (b) of the current section is “avoidably lost.” The proposed rule includes the idea of operator negligence as an additional reason for an avoidable loss. Under proposed § 3179.41(e), a loss of gas by operator negligence is avoidable. Any loss that is not defined in paragraph (b) of this proposed section as an unavoidable loss is also avoidable.

§ 3179.42 Prior Approvals Regarding Royalty-Free Flaring

The proposed rule would change the designation of existing § 3179.73 to proposed § 3179.42. The only change to existing § 3179.73 would be to the effective dates for this new rulemaking. This proposed section would modify the provision of the current rule that allows for prior BLM decisions authorizing royalty-free venting or flaring to continue for 6 months after the 2024 rule’s effective date and increase that to 12 months to facilitate a smooth transition. After that time, the requirements of this subpart would govern the royalty-bearing status of any venting, flaring, or combusting. This section is consistent with lease terms, which subject all leases to “regulations hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.” *See* BLM standard lease Form 3100–011. The BLM proposes a 12-month

postponement of the effective date to allow for a successful transition for both operators and the BLM. The time between the proposed and final rules would allow operators the opportunity to plan for this change should it be retained in the final rule.

§ 3179.43 Data Submission and Notification Requirements

This proposed section appears in the current rule but would be updated in the proposed rule. The BLM proposes to restate in proposed § 3179.43 the requirement that is also found in § 3173.10(b) for operators to submit Sundry Notices electronically, using the BLM’s electronic commerce application, unless the operator is a small business, as defined by the U.S. Small Business Administration and does not have access to the internet. While the BLM understands most operators are currently using the electronic commerce application, the inclusion of this requirement ensures electronic submission continues to be the standard.

The main purpose of this section is to provide a table that contains a convenient summary of the requirements of this subpart for use by the regulated community and BLM inspectors. The two tables in this section include the Sundry-Notice requirements and set forth certain information that the operator must provide to the Authorized Officer (AO) upon request. The proposed tables also include a regulatory citation to the source of each requirement within the subpart. The BLM proposes to include these tables as “Table to § 317X-.43” within each subpart of part 3170, as oil and gas regulations are updated, for quick user reference (*e.g.*, § 317X.43), regardless of the subpart. The BLM proposes to eliminate Table 3 in the current rule because the proposed rule would eliminate the leak detection and repair program.

§ 3179.50 Measurement of Oil-Well Gas Volume at Type 1 Equipment

The BLM proposes to include in this section the measurement requirements from current § 3179.71(c). The proposed measurement requirements would apply only to Type 1 equipment with flow greater than 1,050 Mcf per month over the averaging period, as defined in 43 CFR 3170.3. The BLM proposes to maintain the current provision allowing operators to commingle flared gas from more than one lease, unit PA, or CA without BLM approval. When determining if measurement is required, the operator must use the total volume flared over the averaging period

(previous 12 months of production) divided by 12 months. When the Type 1 equipment contains gas from multiple leases or agreements, the total volume from all agreements flowing through the Type 1 equipment is used to calculate the average flow for the averaging period.

The volumetric measurement requirements in this proposed section are the same as in the current rule. The proposed rule would require that measurement systems use either orifice plate measurement or ultrasonic meters. The orifice metering systems would be required to comply with the low-volume measurement requirements in current 43 CFR 3175.80 and the electronic gas measurement requirements in current § 43 CFR 3175.100. The proposed ultrasonic metering system requirements include the requirement to test according to the API 22.3 standard and report the test results consistent with the sample report in API 22.3, Annex A. The results of this ultrasonic test must be made available to the AO upon request. The BLM is proposing to require ultrasonic meters to be installed and operated for flare use according to the manufacturer's specifications, which must be provided to the AO upon request. Finally, the BLM proposes to require operators to evaluate their production facilities and determine which type of flare measurement system is safe for their facilities.

The proposed threshold for requiring measurement at Type 1 equipment was set at the low end of the low-volume flow category for a gas facility measurement point (FMP). Based on flared volumes reported to ONRR from calendar years 2022 through 2024 inclusive, the BLM estimates that 914 individual locations would require a metering system. The BLM cannot anticipate how many operators will take advantage of combining gas volumes, nor does it know how many operators are already combining volumes sent to Type 1 equipment from multiple leases or agreements. Combining gas from multiple leases or agreements for venting, flaring, or combustion purposes would change the number of locations with volumes greater than or equal to 1,050 Mcf per month over the averaging period requiring a metering system. Therefore, the BLM uses 914 locations, a high estimate, as the baseline for locations requiring measurement for commingling for venting, flaring, or combustion purposes when preparing the RIA.

The BLM has maintained the requirement to measure lost gas at Type 1 equipment to better account for all gas produced from Federal and Indian

leases. A threshold for measurement was established at an average of 1,050 Mcf per month over the averaging period by adopting the low-volume flow category established in subpart 3175. The BLM estimates that approximately 12 percent of the 7,746 locations with reported flaring account for 84 percent of the total flared gas volume and the current and proposed rules require the use of a metering system at these locations. This proposed measurement requirement continues to address the GAO recommendation about the BLM not properly accounting for lost gas that was lost based on the measurement requirements established in the current rule.³³

Proposed 3179.50(c) would also change the deadlines for compliance from the current rule's three flow categories to two flow categories with deadlines 1 and 2 years after the effective date of the rule. The current rule requires an operator that flares greater than or equal to 30,000 Mcf per month over the averaging period to install measurement equipment by December 10, 2024; an operator that flares less than 30,000 Mcf per month and greater than or equal to 6,000 Mcf per month over the averaging period to install measurement equipment by June 10, 2025; and an operator that flares greater than 6,000 Mcf and greater than or equal to 1,500 Mcf per month over the averaging period to install measurement equipment by December 10, 2025. Under the proposed rule, an operator flaring greater than or equal to 3,000 Mcf per month over the averaging period would be required to install measurement equipment by 1 year after the effective date of the rule; and an operator flaring less than 3,000 Mcf per month and greater than or equal to 1,050 Mcf per month over the averaging period would be required to install measurement equipment by 2 years after the effective date of the rule. Both the proposed and current rules have no measurement requirements for equipment venting, flaring, or combusting less than 1,050 Mcf per month over the averaging period.

Based on the ONRR data averaged over the 3-year timeframe under consideration (2022 through 2024), there are 914 locations requiring measurement and 356 of these locations vent, flare, or combust greater than 3,000 Mcf per month over the averaging period and would be required to install measurement systems within 1 year after the effective date of the rule. The

remaining 558 locations would be required to install measurement within 2 years after the effective date of the rule. With this proposed timeline, the BLM would have accurate measurement for 84 percent of gas at Type 1 equipment, greatly alleviating GAO's concerns. The BLM considers this a reasonable timeline for industry and would allow the BLM to more fully understand total production.

As discussed later in this preamble, this proposed section would replace existing § 3179.50 Safety.

§ 3179.51 Required Reporting of Vented, Flared, or Combusted Gas Volumes

The current rule contains § 3179.72, *Required reporting and recordkeeping of vented and flared gas volumes*. This section establishes the requirements for reporting to ONRR all avoidable and unavoidable flared volumes, using the operator-completed OGOR form. Operators are required to report the gas quality (Btu) based on the gas-sample requirements of the rule established in § 3179.70. In addition, the current rule requires operators to maintain records on flaring events, emergencies, and manual downhole liquids unloading or well purging operations. The AO could request these records from the operator as needed.

The proposed rule would change the existing section designation and heading as it appears in the current rule from § 3179.72 to § 3179.51, *Required reporting of vented, flared, or combusted gas volumes*. While the proposed rule would maintain the requirement for operators to report to ONRR all flared volumes, whether avoidable and unavoidable, it would revise the requirement to include vented or combusted volumes regardless of whether the volume is measured or estimated.

With the requirements proposed in this section, the BLM would establish the foundation for production accountability for losses, whether avoidable or unavoidable. Good fluid mineral resource stewardship includes accountability for the full volume produced from a well, lease, unit PA, or CA. Production reporting should tell the story of the volume produced and how that volume was ultimately used. The proposed reporting requirement would account for one part of the story of the produced volume.

§ 3179.60 Standards for Creating an Operator-Assigned Venting or Flaring Measurement Point Number (VFMP)

In this proposed rule, the BLM introduces new proposed standards that

³³ GAO, "OIL AND GAS—Interior Could Do More to Account for and Manage Natural Gas Emissions" (July 2016).

would allow an operator to self-assign a venting or flaring measurement point number (VFMP) to its Type 1 equipment to facilitate reporting of losses. The operator would assign the VFMP number based on the standards described in this proposed section. The first two positions of the VFMP would consist of the VFMP type code. There would be four possible type codes for use that describe whether the Type 1 equipment is on-lease or off-lease and commingled or not. *See* proposed § 3179.60(a). The operator would create positions three, four, five, and six of the VFMP number from letters A through Z and digits zero through nine. *See* proposed § 3179.60(b). This series of four alphanumeric positions needs to be unique for each of the operator's locations and pieces of Type 1 equipment. The operator would use its ONRR-assigned onshore/payor number for the balance of the positions. *See* proposed § 3179.60(c). The proposed VFMP would be used for production reporting of vented, flared, or combusted gas, whether royalty bearing or not, on the OGOR using the appropriate disposition code (*i.e.*, a two-digit code used by operators to report the disposition of production on the OGOR). The use of a VFMP number on the OGOR would create a verification link between production and accounting that uses measurement.

§ 3179.61 Applying for a Venting or Flaring Measurement Point Number

Section 3179.61 would be a new section that would require operators to apply for a proposed VFMP number using a Sundry Notice and to do so by the deadline prescribed in Table 1 to paragraph (d) in proposed § 3179.50. For Type 1 equipment that is handling greater than or equal to 3,000 Mcf per month over the averaging period, operators would be required to apply for an operator-assigned VFMP number within 1 year of the effective date of the rule. For Type 1 equipment handling less than 3,000 and greater than or equal to 1,050 Mcf per month over the averaging period, operators would be required to apply for an operator-assigned VFMP number within 2 years of the effective date of the rule. For Type 1 equipment handling less than 1,050 Mcf per month over the averaging period, operators would be required to apply for an operator-assigned VFMP number within 3 years of the effective date of the rule. Based on the ONRR production data from calendar years 2022 through 2024 inclusive, the BLM anticipates operators submitting 356 applications in the first year, 558 applications in the second year, and

6,832 applications in the third year. The BLM would review the operator-assigned VFMP numbers to make sure operators do not duplicate the use of any VFMPs.

The proposed rule would also require operators to submit a Sundry Notice for a new operator-assigned VFMP number when there is a BLM-approved change of operator. This requirement is necessary because part of the VFMP number is the ONRR-assigned operator or payor number. When there is a change of operator, the ONRR payor number would change for reporting purposes. The BLM estimates approximately 250 changes of operator nationwide annually.

§ 3179.100 Emergencies

Current § 3179.83 allows operators to flare gas royalty-free during an emergency, unless flaring is not feasible, for no longer than 48 hours, consistent with the 2022 MLA amendments, 30 U.S.C. 1727 (Aug. 16, 2022), which were recently repealed by the OBBB.³⁴ The proposed rule would revise this provision. Under current § 3179.83, an "emergency situation" is a "temporary, infrequent, and unavoidable situation in which the loss of gas is necessary to avoid a danger to human health, safety, or the environment." The proposed rule at § 3179.100 would remove the reference to "unavoidable," which is separately defined in proposed § 3179.41(b).

Current § 3179.83(c) requires an operator to submit a Sundry Notice within 45 days of the start of an emergency that estimates the volumes vented or flared beyond the initial 48 hours, describes the details of the emergency event, and describes any measures taken to control the emergency event. From the information provided in this Sundry Notice, the BLM determines if the loss is an unavoidable loss pursuant to current § 3179.41. The proposed rule would dispense with this Sundry Notice requirement and instead require payment of royalties for production lost in an emergency after 48 hours of commencement of the emergency, which could be extended for up to 15 additional days. The BLM proposes to retain the 48-hour provision in the current rule and to allow the BLM discretion to extend the period of an unavoidable loss up to 15 days, recognizing (i) that operators are already financially incentivized to capture and sell as much gas as possible, and (ii) that operator negligence is established as an

avoidable loss under proposed § 3179.41(e). This added flexibility reduces operator burden consistent with E.O. 14154.

§ 3179.104 Downhole Well Maintenance and Liquids Unloading

The current § 3179.91 and the proposed § 3179.104 are largely the same, with minor exceptions, including most notably the removal of current paragraph (b) which states, "The operator must minimize the loss of gas associated with downhole well maintenance and liquids unloading, consistent with safe operations." The BLM proposes to remove this paragraph because the BLM's expectation is that reasonable operations and the incentive to sell gas dictate the minimization of lost gas associated with downhole well maintenance and liquids unloading. Moreover, after further evaluation, the BLM concludes that it has no way to reasonably enforce the current requirement.

Additionally, proposed paragraph (a) would add the term "combusted" to sentences that currently refer only to "venting and flaring." The BLM is proposing to add the term "combusted" to clarify for operators that flaring that happens at a flare stack and gas combustion in a combustor would be covered by this section. Even though the BLM anticipates that most, if not all gas, from downhole well maintenance is vented, operators may vent, flare, or combust gas lost from the operations addressed by this section. The remaining provisions of the current rule (*i.e.*, paragraphs (c), (d), and (e)) remain the same, except for minor text changes for clarity.

C. Sections That the BLM Proposes To Remove or Redesignate the Section Number From the 2024 Rule

§ 3179.40 (2024) Reasonable Precautions To Prevent Waste

The BLM proposes to remove current § 3179.40 entitled, "Reasonable precautions to prevent waste" and, as discussed earlier, the BLM would redesignate the section and use it for current § 3179.42, "When lost production is subject to royalty." Commenters for the 2024 rulemaking stated that the existing section was: (1) Vague and difficult for the BLM to consistently enforce; (2) Lacking in actionable requirements; and (3) Giving the BLM open-ended discretion to prescribe "reasonable measures" to prevent waste as conditions of APD approval. In response to the comments, the BLM relied on its existing statutory authority in the MLA to require

³⁴ See section 50101, Public Law 119–21 (Jul. 4, 2025).

reasonable precautions to prevent waste. The BLM responded that commenters did not provide specific examples of how the MLA's use of "reasonable precautions" would manifest as an "irreconcilable and unworkable conflict" with the 2024 Rule. While the BLM has statutory authority to prescribe "reasonable measures" to prevent waste, after further reflection, is proposing to remove this section based on several of the comments on the previous rulemaking.

For example, the BLM agrees that the current section lacks actionable requirements, which makes the provision difficult for the BLM to enforce. In addition, the term "reasonable measures" used throughout the existing section is subjective and open to interpretation by every BLM field office, allowing for inconsistent enforcement nationwide. One of the reasons for eliminating NTL-4A's subjective standards for royalty determinations is to promote regulatory consistency nationwide. The same principle applies in the context of waste minimization. In addition, there is no guarantee that a BLM imposed "reasonable measure" as a condition of APD approval would not render a new completion unprofitable, contrary to the intent of the MLA. Since the effective date of the current rule, in States where the rule continues to be in full force and effect, the BLM has not created any conditions of APD approval that reference this section or that specify reasonable measures to prevent waste. For these reasons, and a desire to create objective requirements that operators are capable of fulfilling, the BLM proposes to remove this section from the proposed rule.

§ 3179.50 (2024) Safety

Current § 3179.50 (consisting of paragraphs (a) through (c)) applies only to Federal and Indian surface estates. Current paragraph (a) requires an operator to flare, rather than vent, gas that is not captured unless: (1) Flaring the gas is technically infeasible, such as when volumes are too small to flare; (2) The loss of gas is uncontrollable or venting is necessary for safety in an emergency situation; (3) Venting gas during normal operation of a natural-gas-activated pneumatic controller or pump; (4) Venting from an oil storage tank; (5) Venting during downhole maintenance or liquids unloading operations; (6) Venting caused by leaks; (7) Venting for facility and pipeline maintenance; or (8) Venting gas is necessary and flaring is prohibited by Federal, State, local, or Tribal law or regulation, or enforceable permit term.

Current paragraph (b) requires all flares and combustion devices on Federal and Indian surface estate to be equipped with an automatic ignition system or an on-demand ignition system and any flare that is venting gas would be subject to a \$1,000 immediate assessment for the operator. Current paragraph (c) requires operators to place flares (on Federal and Indian surface) a sufficient distance from the tanks' containment area and from any other significant structures or objects, taking the prevailing wind direction into consideration.

While the current rule limits the application of the requirements in this section to Federal and Indian surface estate, the provision raises questions about whether the BLM uses this section to regulate air quality, as occurred in *North Dakota*,³⁵ as opposed to regulating royalty obligations for lost gas. The BLM proposes to remove this existing section for two main reasons. First, one of the purposes of the proposed rule is to eliminate any sections that are limited in their applicability to Federal and Indian surface estate. In the proposed rule, all sections would apply to all Federal and Indian leases, unit PAs, and CAs, consistent with the statutory authority for part 3170 as described below at the beginning of this proposed subpart's regulatory text. Limiting the application of particular rule sections to Federal and Indian surface estate creates the possibility of inconsistent enforcement. Second, the BLM wants to remove any doubt that it is solely regulating royalty obligations for lost oil or lost gas, not air quality. As discussed earlier, the proposed rule would repurpose the section designation for "Measurement of oil-well gas volume at Type 1 equipment."

§ 3179.60 (2024) Gas-Well Gas

This section in the current rule prohibits the venting or flaring of gas-well gas, except where it is unavoidably lost pursuant to current § 3179.41(b). In the proposed rule, this same provision would be moved to proposed § 3179.41(c). The current section title, Gas-well gas, does not appear in the proposed rule. So, while the section has been extensively revised, the content of the existing provision prohibiting venting, flaring, or combusting gas-well gas, except where gas is unavoidably lost under § 3179.41(b), is retained in the proposed rule.

³⁵ See 2024 U.S. Dist. LEXIS 164665 at *16 (D.N.D. Sept. 12, 2024) (the court found that the 2024 Rule preempted "an area that is already regulated" by the States under the Clean Air Act).

§ 3179.70 (2024) Oil-Well Gas

This section in the current rule establishes a monthly unavoidable loss limitation, beyond which oil-well gas flared due to pipeline capacity constraints, including midstream processing failures or similar events, would be considered an avoidable loss and be subject to a royalty obligation. The unavoidable loss limitation begins at 0.08 Mcf per barrel of oil produced in the first year following the effective date of the rule and reduces by 0.01 Mcf per barrel to 0.05 Mcf per barrel of oil produced over a 3-year period, as discussed in section III (Summary of the Proposed Rule). The intent of this section was to eliminate the need for an inefficient case-by-case determination of an avoidable/unavoidable loss for gas flaring necessitated by pipeline capacity issues and to allow for some unavoidable flaring that was capped by a practical limit.

For the current rule, the BLM reviewed a number of alternative proposals received during the previous public-comment period. The BLM considered and declined recommendations to adopt a time-based limit to flaring.³⁶ For years, the BLM has encountered significant obstacles (including frequent appeals and lawsuits) when implementing the emergency provision in NTL-4A section III(A), which allowed operators to flare royalty-free for "24 hours per incident and to 144 hours cumulative for the lease during any calendar month." Applying this method in North Dakota, the BLM learned that the time-limit approach is difficult to enforce, and operators learned they were ill-prepared to provide flaring volumes based on time. Operators do not maintain hourly production data that could be used for NTL-4A emergency determinations. Based on this past experience, the BLM decided against adopting a time-based approach in the current rule.

For the current rule, the BLM also considered and rejected commenters' suggestion that the BLM adopt a capture percentage approach like the one used in the 2016 rule. Based on previous experience, the BLM has learned that enforcement of a gas-capture approach is difficult. A gas-capture-percentage approach would need to allow operators to submit individual Sundry Notices for each flaring event and for the BLM to make determinations on each case and would need to include a provision for an operator to seek an exemption to the gas capture percentage requirement, thus returning operators and the BLM to

³⁶ See *Marathon Oil Co. v. Andrus*, 452 F. Supp. 548, 533 (D. Wyo. 1978).

time-consuming and administratively burdensome case-by-case Sundry Notice submissions and determinations like those provided for in NTL-4A, which led to backlogs.

Section 3179.70(a) in the current rule provides part of the definition for an unavoidable loss. However, in the proposed rule, the BLM would include all operations and sources of unavoidably lost gas in proposed § 3179.41(b).

The BLM proposes to completely remove the unavoidable loss limits for flared gas in current § 3179.70(a) with the understanding that operators are incentivized to sell gas.

Current § 3179.70(b) allows the BLM to curtail or shut-in production to avoid the undue waste of Federal or Indian gas when an operator has reported flaring in excess of 1 Mcf per barrel of oil produced per month for 3 consecutive months and the BLM confirms the flaring is ongoing. Current § 3179.70(c) provides restrictions that must be met for the BLM to issue an order to curtail or shut-in of production. If a BLM order to curtail or shut-in production would adversely affect production of oil or gas from non-Federal or non-Indian mineral interests, the BLM may only issue an order to the extent that the BLM is authorized to regulate the rate of production under the governing unit or communitization agreement. Without this authority, the BLM is required to contact the State regulatory authority having jurisdiction over the oil and gas production from the non-Federal and non-Indian mineral interests and request that the State regulatory authority take appropriate action to limit the waste of gas. Following publication of the 2024 Rule, the BLM recognized the difficulty in enforcing the provisions to curtail or shut-in production. There is a 45-day lag between the end of a production month and the requirement to report production, including flaring, to ONRR. Given the delay between production and reporting, it is very difficult for the BLM to track 3 months of consecutive flaring and to confirm the flaring is ongoing. In addition, the States with the highest flaring rates are the States where the mineral interest is mixed and likely governed by a unit or communitization agreement. This provision would likely have created appeals to the BLM or IBLA based on the authority in a unit or communitization agreement regarding the ability of the BLM to regulate the rate of production.

For these reasons, this entire section and all its provisions would be removed from the proposed rule.

§ 3179.72 Required Reporting and Recordkeeping of Vented and Flared Gas Volumes

As discussed earlier, the proposed rule would redesignate existing § 3179.72 to proposed new § 3179.51.

§ 3179.73 Prior Determinations Regarding Royalty-Free Flaring

As discussed earlier, the contents of this section would be redesignated to § 3179.42 Prior approvals regarding royalty-free flaring.

§ 3179.80 (2024) Loss of Well Control While Drilling

The BLM's predecessor, the U.S. Geological Survey, published Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases, Reporting of Undesirable Events (NTL-3A) in March 1979. NTL-3A is still in effect and can be found at <https://www.ntc.blm.gov/krc/system/files?file=legacy/uploads/9616/NTL-3A%20Undesirable%20Events.pdf>. It requires operators to report major undesirable events (MUE) as soon as practical, but within a maximum of 24 hours, with a subsequent written report to be submitted no later than 15 days following the MUE. An MUE includes: (1) Oil, saltwater, and toxic liquid spills, or any combination of these that result in the uncontained spilling of 100 or more barrels of liquid; (2) Equipment failures or other accidents that result in the venting of 500 or more Mcf of gas; (3) Any fire which consumes the volume of 100 or more barrels of oil or 500 or more Mcf of gas; (4) Any spill, venting, or fire, regardless of the volume, that occurs in a sensitive area, such as parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, and urban or suburban area; (5) Each accident involving a fatal injury; and (6) Every blowout (loss of control of any well) that occurs.

In addition, NTL-3A requires operators to submit a written report for other-than-major undesirable events. These events include: (1) Oil, saltwater, and toxic liquid spills, or any combination of these that result in the uncontained spilling of at least 10 barrels but less than 100 barrels of liquid in nonsensitive areas and all discharges of 100 or more barrels when the spill is entirely contained by the facility firewall; (2) Equipment failures or other accidents that result in the venting of at least 50 but less than 500 Mcf of gas in non-sensitive areas; (3) Any fire which consumes the volume of at least 10 barrels but less than 100 barrels of liquid or at least 50 but less than 500 Mcf of gas; and (4) each

accident involving a major or life threatening injury. Section V of NTL-3A requires operators to report all volumes of oil spilled, gas vented, and all hydrocarbons consumed by fire or otherwise lost on the OGOR. Consistent with E.O. 14192 "Unleashing Prosperity through Deregulation," the BLM proposes to remove the current § 3179.80, which is duplicative of the long-standing NTL-3A reporting requirements for undesirable events. The proposed rule would make losses during well drilling an emergency and subject to the unavoidable loss limitations in proposed § 3179.100.

In the preamble for the current rule, published at 89 FR 25378, the BLM relied on the 2022 MLA amendments, 30 U.S.C. 1727, which were repealed by the OBBB, to support its inclusion of the requirements in this section. The preamble indicates that the details provided in the Sundry Notice would enable it to determine whether the loss of well control was due to operator negligence which would then carry a royalty obligation. Under proposed § 3170.100, regardless of operator negligence, there would be a royalty obligation for any production loss after the first 48 hours of an emergency per lease, unit PA, or CA per month, a time limit the BLM may extend for up to 15 days.. The BLM proposes to remove § 3179.80 related to loss of well control because the provisions in the current section are fully effectuated either by NTL-3A or by § 3179.100 of the proposed rule.

§ 3179.81 (2024) Well Completion or Recompletion Flaring Allowance

Current § 3179.81 allows for royalty-free flaring for new well completions or recompletions until one of the following occurs: (1) Thirty days have passed since the beginning of flowback following completion or recompletion; (2) The operator has flared 20,000 Mcf of gas; or (3) Flowback has been routed to the production separator. In addition, § 3179.81 allows operators to apply by Sundry Notice for an additional 60 days of royalty-free flaring based on flowback delays caused by well or equipment failure or up to an additional 30,000 Mcf of gas for exploratory oil wells in remote locations where additional flaring may be needed in advance of construction of pipeline infrastructure. The proposed rule relocates and updates these requirements to proposed § 3179.41(b)(2). Therefore, the BLM proposes to remove § 3179.81 from the regulations.

§ 3179.82 (2024) Subsequent Well Tests for an Existing Completion

The BLM would relocate the modified requirements in this section to proposed § 3179.41(b)(3) and (c). The current rule allows for testing of existing completions for no longer than 24 hours. The operator may request an extension of time for good reason by Sundry Notice. The proposed rule allows testing of existing completions for no longer than 48 hours with the ability for an operator to request an extension by Sundry Notice.

§ 3179.83 Emergencies

As discussed earlier, the contents of this section would be redesignated to § 3179.100 Emergencies.

§ 3179.90 (2024) Oil Storage Tank Vapors

In the current rule, this section applies only to facilities with oil storage tanks located on Federal or Indian surface estate. An operator is allowed to open the hatch on an oil storage tank only to the extent necessary to conduct production and measurement operations. When the BLM discovers an oil storage tank hatch that has been left open or unlatched, and unattended, then the BLM will impose a \$1,000 immediate assessment on the operator. This current section also requires the operator to ensure that all oil storage tanks, hatches, connections, and other access points are vapor tight. Where practical and safe, an operator must flare gas released from an oil storage tank. The BLM also allows an operator to commingle vapors from multiple storage tanks without prior approval.

The BLM proposes to remove this section for two reasons. First, this section duplicates the oil storage tank vapor tight requirements found in § 3174.5(b)(3) and there is no reason to duplicate them in subpart 3179, only for facilities on Federal and Indian surface estate. Second, in litigation over the BLM's past and current rules, plaintiffs have claimed, and courts have concluded that the BLM has no authority to regulate air quality and, for the purposes of royalty accounting, whether gas is vented or flared is irrelevant.

§ 3179.91 Downhole Well Maintenance and Liquids Unloading

As discussed earlier in this preamble, current § 3179.91 is essentially the same

as proposed § 3179.104 and the existing section designation would be eliminated.

§ 3179.92 (2024) Size of Production Equipment

In the current rule, the BLM requires operators to use production and processing equipment of sufficient size to accommodate the volumes of production expected at the facility. Appropriately sized equipment means a lower volume of solution gas in the oil and lower tank vapors. While the BLM continues to maintain that appropriately sized equipment translates to more gas in the sales line, there is no way for the BLM to practically enforce this requirement. For this reason, the BLM proposes to remove this requirement from the regulations.

§ 3179.100 (2024) Leak Detection and Repair Program, § 3179.101 (2024) Repairing Leaks, and § 3179.102 (2024) Required Recordkeeping for Leak Detection and Repair

The BLM proposes to remove the leak detection and repair (LDAR) program requirements in the 2024 Rule. These requirements currently apply only to facilities located on Federal or Indian surface estate and are found in three sections of the current rule. The first, § 3179.100, requires operators to prepare and maintain a statewide LDAR program and submit it to the BLM state office that has jurisdiction over the production. Under the current rule, a program must include an inspection plan both for well pads with wellheads that have no production, processing, or storage equipment, and for well pads that do have one or more of these items. Operators are required to update their LDAR program annually. The second section, § 3179.101, includes requirements for either repairing leaks within 30 calendar days or notifying the BLM, with good cause, when a repair is delayed beyond 30 calendar days. Under this section, in no case will the BLM approve a delay of a repair beyond 2 years. The section also includes requirements for the management of ineffective leak repairs. The third section imposes multiple recordkeeping requirements, (e.g., documenting every leak inspection, every leak detected, every leak repaired successfully, and every unsuccessful leak repair, with many required data points) and it requires that a report on these matters

be maintained in a current status on site for inspection by the BLM on request.

While requirements in the current rule are applicable only on Federal and Indian surface estate, and not on private or State surface estate, they are nonetheless burdensome and of questionable utility. Further, the LDAR program is not required by law and its burdensome requirements are expensive for operators (estimated in 2024 at \$16.8 million annually and expected to generate just \$210,000 in additional royalties, to the advantage of State, and Federal lessors only). The LDAR program is uneconomic and is a significant impediment to the development and use of energy, inconsistent with the objectives of E.O. 14154. The BLM therefore proposes to remove the three LDAR sections from the regulations.

V. Procedural Matters

A. Regulatory Planning and Review (E.O. 12866, E.O. 13563)

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget (OMB) will review all significant rules. OIRA determined this proposed rule is significant.

E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The Executive order directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this proposed rule in a manner consistent with these requirements.

The monetized costs and benefits of this rule can be seen in the following table along with the transfer payments this rule would provide in the form of a decrease in royalties paid by industry. The total monetized net benefit on an annualized basis would be \$15 million.

COSTS AND BENEFITS SUMMARY
[2025–2034]

	7% Discount rate		3% Discount rate	
	NPV (\$MM)	Annualized (\$MM)	NPV (\$MM)	Annualized (\$MM)
Reduction of Costs:				
Measurements	–\$0.075	–\$0.01	–\$0.03	–\$0.004
LDAR	64.55	9.19	78.40	9.19
Administrative Burdens	52.94	7.54	64.30	7.54
Total Reduction in Costs	117.42	16.72	142.67	16.73
Reduction in Benefits:				
LDAR	11.74	1.67	14.5	1.7
Total Reduction in Benefits	11.74	1.67	14.5	1.7
Net Benefits	105.68	15.05	128.2	15.03
Transfer Payments	135	19.2	167.04	19.6

The BLM reviewed the requirements of the proposed rule and determined that they would not 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. For more detailed information, see the regulatory impact analysis (RIA) prepared for this proposed rule.

When developing this proposed rule, the BLM considered alternative regulatory approaches, including whether to revise, suspend or rescind the current rule in its entirety, consistent with the directions of S.O. 3418 (Feb. 3, 2025). After determining to revise the rule, BLM considered costs and benefits of numerous scenarios under which some sections would be removed (LDAR, WMPs) and others retained (*i.e.*, measurement). The BLM also considered whether to rescind, retain or revise the royalty free flaring limits in current 43 CFR 3179.70. The BLM ultimately chose to rescind the provision.

The RIA has been posted in the docket for the proposed rule on the Federal Rulemaking Portal: <https://www.regulations.gov>. In the Search box, enter docket number “BLM–2025–0235” click the “Search” button, open the docket folder, and look under “Supporting Documents.”

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) (RFA) requires that Federal agencies prepare a regulatory flexibility analysis for rules subject to the notice-and-comment rulemaking requirements under the Administrative Procedure Act (5 U.S.C. 500 *et seq.*), if the rule would have a significant

economic impact, whether detrimental or beneficial, on a substantial number of small entities. See 5 U.S.C. 601–612. Congress enacted the RFA to ensure that government regulations do not unnecessarily or disproportionately burden small entities. Small entities include small businesses, small governmental jurisdictions, and small not-for-profit enterprises.

The BLM reviewed the Small Business Administration (SBA) size standards for small businesses and the number of entities fitting those size standards as reported by the U.S. Census Bureau in the Economic Census. The SBA data shows there are 5,196 entities across the two relevant NAICS codes, of those 5,107 are considered small businesses and of those 1,710 are affected by this rule. The BLM concludes that the vast majority of entities operating in the relevant sectors are small businesses, as defined by the SBA. As such, the rule, if adopted as final, would likely affect a substantial number of small entities.

The BLM reviewed the proposed rule and has determined that, although it would likely affect a substantial number of small entities, that effect would not be significant. Looking across all sizes of small business from as small as 5 employees to over 1000 employees, we found that the impact of this rule is less than 0.1% of annual income per entity. The basis for this determination is explained in more detail in the RIA. Because the proposed rule would not have a “significant economic impact on a substantial number of small entities,” as that phrase is used in 5 U.S.C. 605, a final regulatory flexibility analysis and regulatory compliance guide are not required. The Secretary of the Interior certifies under 5 U.S.C. 605(b) that this

proposed rule would not have a significant economic impact on a substantial number of small entities.

D. Unfunded Mandates Reform Act (UMRA)

The proposed rule would not have a significant or unique effect on State, local, or Tribal governments or the private sector. It contains no requirements that would apply to State, local, or Tribal governments. The proposed rule would revise requirements that would otherwise apply to the private sector participating in a voluntary Federal program. The costs that the proposed rule would impose on the private sector would be below the monetary threshold established at 2 U.S.C. 1532(a). A statement containing the information required by the Unfunded Mandates Reform Act (UMRA) (2 U.S.C. 1531 *et seq.*) is therefore not required for the proposed rule. This proposed rule is also not subject to the requirements of section 203 of UMRA because it contains no regulatory requirements that might significantly or uniquely affect small governments, because it contains no requirements that apply to such governments, nor does it impose obligations upon them.

E. Governmental Actions and Interference With Constitutionally Protected Property Right—Takings (E.O. 12630)

This proposed rule would not effect a taking of private property or otherwise have taking implications under E.O. 12630. A takings implication assessment is not required.

The proposed rule would replace the BLM’s current rules governing venting and flaring, which are contained in

NTL-4A. Therefore, the proposed rule would impact some operational and administrative requirements on Federal and Indian lands. All such operations are subject to lease terms which expressly require that subsequent lease activities be conducted in compliance with subsequently adopted Federal laws and regulations.

This proposed rule conforms to the terms of those leases and applicable statutes and, as such, the rule would not be a government action capable of interfering with constitutionally protected property rights. Therefore, the BLM has determined that the rule would not cause a taking of private property or require further discussion of takings implications under Executive order 12630.

F. Federalism (E.O. 13132)

Under the criteria in section 1 of E.O. 13132, this proposed rule would not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. A federalism impact statement is not required.

The proposed rule would not have a substantial direct effect on the States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the levels of government. It would not apply to States or local governments or State or local governmental entities. The rule would affect the relationship between operators, lessees, and the BLM, but it would not directly impact the States. Therefore, in accordance with E.O. 13132, the BLM has determined that this proposed rule would not have sufficient federalism implications to warrant preparation of a Federalism Assessment.

G. Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of E.O. 12988. More specifically, this proposed rule meets the criteria of section 3(a), which requires agencies to review all regulations to eliminate errors and ambiguity and to write all regulations to minimize litigation. This proposed rule would also meet the criteria of section 3(b)(2), which requires agencies to write all regulations in clear language with clear legal standards.

H. Consultation and Coordination With Indian Tribal Governments (E.O. 13175 and Departmental Policy)

The Department strives to strengthen its government-to-government relationship with Indian Tribes through a commitment to consultation with

Indian Tribes and recognition of their right to self-governance and Tribal sovereignty.

The BLM evaluated this proposed rule under the Department's consultation policy and under the criteria in E.O. 13175 to identify possible effects of the rule on federally recognized Indian Tribes. Since the BLM approves proposed operations on all Indian (except Osage Tribe) onshore oil and gas leases, the proposed rule has the potential to affect Indian Tribes.

On December, 19, 2025, the BLM sent a letter to each registered Tribe informing them of certain rulemaking efforts, including the development of this proposed rule. The letter offered Tribes the opportunity for individual government-to-government consultation regarding the proposed rule. The opportunity for Tribal consultation will remain open throughout the rulemaking process.

I. Paperwork Reduction Act

The Paperwork Reduction Act (PRA) (44 U.S.C. 3501–3521) generally provides that an agency may not conduct or sponsor and, not withstanding any other provision of law, a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Collections of information include any request or requirement to obtain, maintain, retain, or report information to an agency, or disclose information to a third party or to the public (44 U.S.C. 3502(3) and 5 CFR 1320.3(c)).

This proposed rule contains new, revised, and removed information-collection requirements that are subject to review by OMB under the PRA. OMB has approved the existing information-collection requirements contained in 43 CFR parts 3178 and 3179 under OMB control number 1004–0211.

Currently, there are 58,351 annual responses, 125,751 annual burden hours, and \$ 24,175,000 non-hour cost burdens approved under this OMB control number. The BLM projects that the information collections as revised in this proposed rule would result in 8,636 annual responses (from 58,351 to 8,636), 17,672 annual burden hours (from 125,751 to 17,672), and \$0 non-hour cost a reduction (from \$24,175,000 to \$0). The change in annual burdens would result from the revisions in the proposed rule which would remove and revise certain information collection requirements. The changes to the information collection requirements, along with the resulting burden changes are discussed below.

Revised Information Collection

Current rule § 3179.102 Allowance for new well completion and recompletion venting, flaring, and combustion and § 3179.103 Allowance for well tests for an existing completion venting, flaring, and combustion. Proposed rule § 3179.41 Determining when a loss of oil or gas is avoidable or unavoidable. (Specifically proposed § 3179.41(b)(2) and (3)).

The reporting requirements will remain unchanged; however, the threshold for reporting was increase for 20 MMcf to 50 MMcf volume of gas vented or flared. This would result in a reduction of 50 responses and 50 burden hours.

New Information Collection

§ 3179.41 Determining When Loss of Oil or Gas Is Avoidable or Unavoidable

The proposed rule would require operators to submit documentation, upon request of the Authorized Officer, demonstrating that the produced gas is unmerchantable and the midstream company or gas processor refuses to purchase the gas. (§ 3179.41 (c)(12)). This would result in an increase of 5 responses and 10 burden hours.

§ 3179.60 & 3179.61 Application for an Operator-Assigned VFMP Number

The BLM proposes to require operators to create an operator-assigned venting or flaring measurement point number (VFMP) according to the requirements established in paragraphs (a) through (c). The proposed VFMP number will be used when reporting vented or flared volumes on the OGOR. Further, the VFMP number allows for accurate accounting of vented or flared gas volumes while establishing fewer measurement requirements than those established for facility measurement points (FMP) in subpart 3175. This revision would result in an increase of 7,500 responses and 15,000 burden hours.

§ 3179.61 Application for New VFMP Number Following a BLM-Approved Change of Operator

To establish the VFMP, the BLM proposes the operator submit a Sundry Notice when venting, flaring, or combusting gas at Type 1 equipment under § 3179.50. Once the BLM approves the VFMP operator-assigned number, the operator will use this number to report vented, flared, or combusted gas volumes on the OGOR. An operator will only need to establish the VFMP number once. If there is a BLM approved change of operator, the new operator must submit a Sundry

Notice for a new VFMP number under § 3179.61(d). The proposed VFMP will be used for production reporting of vented, flared, or combusted gas, whether royalty bearing or not, on the OGOR using the appropriate disposition code. This revision would result in an increase of 1,000 responses and 2,000 burden hours.

Removed Information Collection

§ 3162.3–1 Drilling Applications and Plans

The proposed rule would amend § 3162.3–1 to remove the self-certification and waste minimization plan from the requirements for an Application for Permit to Drill. These revisions in the proposed rule would result in a reduction of – 5,000 responses and – 5,000 burden hours.

Current § 3179.71(d), (e), and (f) Measurement of Flared Oil-Well Gas Volume and Installing and Maintaining Orifice Meters—Proposed 43 CFR 3179.51(c) Required Reporting of Vented, Flared, or Combusted Gas Volumes

The sampling and reporting requirements under current § 3179.71(d), (e), and (f) are removed from the proposed rule, which allows the operator to use the gas quality measured at the FMP for the vented, flared, or combusted volume (proposed § 3179.51(c)). The operator will not have any information collection burdens for the requirement for gas sampling and reporting beyond those already required in part 3175. The removal of this information collection requirement would result in a reduction of 400 annual responses, a reduction of 400 annual burden hours, and a reduction of \$24,175,000.

§ 3179.72(c) Required Reporting of Vented and Flared Gas Volumes

The requirement to maintain records of each flaring event has been removed from the proposed rule. The BLM proposes that there will no longer be an information collection burden for the operator for each flaring event. In the proposed rule, the BLM requires the operator to report all vented, flared, or

combusted gas on the OGOR to ONRR. The ONRR reporting requirements will capture all flaring events. The removal of this information collection requirement would result in a reduction of 25,000 annual responses and 6,250 annual burden hours.

§ 3179.80 Loss of Well Control While Drilling

§ 3179.80 provided that the operator must notify the BLM within 24 hours of the start of the loss of well control event and submit a Sundry Notice within 15 days following conclusion of the event to the BLM describing the loss of well control. The BLM anticipates that the loss of well control will be captured under emergencies. This would result in a decrease of 1 response and 1 burden hour.

§ 3179.100 Leak Detection and Repair Program

§ 3179.100 required an operator to maintain a leak detection and repair (LDAR) program designed to prevent the unreasonable and undue waste of federal or Indian gas and to submit an annual report on inspections and repairs. The removal of this information collection requirement would result in a decrease of 6,000 annual responses and 48,000 annual burden hours.

§ 3179.101 Repairing Leaks

§ 3179.101(b) required that an operator repair any leak as soon as practicable, and in no event later than 30 calendar days after discovery, unless good cause exists to delay the repair for a longer period. Good cause for delay of repair exists if the repair (including replacement) is technically infeasible (including unavailability of parts that have been ordered), would require a pipeline blowdown, a compressor station shutdown, a well shut-in, or would be unsafe to conduct during operation of the unit. Paragraph (b) of this section required that if there is good cause for delaying the repair beyond 30 calendar days, the operator must notify the BLM of the cause by Sundry Notice. The removal of this information collection requirement would result in a decrease of 75 annual responses and 150 annual burden hours.

§ 3179.102(a) Leak Detection Inspection Recordkeeping and § 3179.102(b) Annual Summary Report on the Previous Year's Inspection Activities

Operators were required to keep records of inspections and repairs and submit those records to the BLM upon request. Section 3179.102 requires that an operator maintain the following records for the period required under § 3162.4–1(d) of this title and make them available to the BLM upon request. The removal of this information collection requirement would result in a decrease of 12,000 annual responses and 60,000 annual burden hours.

Burden Adjustments

§ 3179.100 Emergencies (Report of Volumes Flared or Vented Beyond 48 Hours)

The estimated number of annual responses will be reduced from 500 to 25 (– 475) and the average response time increased from 2 hours to 8 hours resulting in a net 800 hour decrease in annual burden hours.

§ 3179.41 Determining When the Loss of Oil or Gas is Avoidable or Unavoidable

The burdens for the information collection requirement contained in § 3179.41(b)(11) regarding notification prior to flaring of gas when at least 50 percent of natural gas liquids have been removed and captured for market will be adjusted based on more current program data. The proposed rule would not change these requirements. The estimated number of annual responses will be reduced from 25 to 6 resulting in the number of annual burden hours reduced from 50 to 12. This is an overall reduction in 19 annual responses and 38 annual burden hours.

Summary of Burden Changes

The below table summarizes the burden changes that are projected because of the proposed rule along with the proposed adjustment to burden that is not associated with this proposed rule.

Type of change	Responses	Hours	Non-hour cost burden
Current Burdens	58,351	125,751	\$24,175,000
Total Net Program Changes Due to Proposed Rule	– 49,221	– 107,241	– 24,175,000
Burden Adjustment	– 494	– 838	0
New Total Annual Burdens	8,636	17,672	0

The resulting new estimated total burdens for OMB Control Number 1004–0211, along with a summary of the information collection requirements are provided below.

Title: Royalty for Oil and Gas Lost from Onshore Federal and Indian Leases (43 CFR parts 3178 and 3179).

OMB Control Number: 1004–0211.

Form Number: 3160–5 (OMB Control Number 1004–0137).

Type of Review: Revision of a currently approved collection.

Description of Respondents: Federal and Indian leases, as well as State and private tracts committed to a federally approved lease, unit, or communitized area.

Estimated Number of Respondents: 1,000.

Estimated Number of Annual Responses: 8,636.

Estimated Completion Time per Response: Varies from 1 hour to 8 hours depending on activity.

Estimated Total Annual Burden Hours: 17,672.

Respondents' Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Estimated Total Non-Hour Cost: \$0.

The complete information collection request that has been submitted to OMB for this proposed rule is available at www.reginfo.gov/public/do/PRAMain. Find this information collection by selecting “Currently under Review—Open for Public Comments” or by using the search function. If you want to comment on the information-collection requirements of this proposed rule, please send your comments and suggestions on this information-collection by the date indicated in the **DATES** and **ADDRESSES** sections as previously described.

J. National Environmental Policy Act

The Department anticipates that the categorical exclusion at 43 CFR 46.210(i) will apply to the final rule, and that there will be no extraordinary circumstances.

K. Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use (E.O. 13211)

Under E.O. 13211, agencies are required to prepare and submit to OMB a statement of energy effects for significant energy actions. This statement is to include a detailed statement of “any adverse effects on energy supply, distribution, or use (including a shortfall in supply, price increases, and increase use of foreign supplies)” for the action and reasonable alternatives and their effects.

Section 4(b) of E.O. 13211 defines a “significant energy action” as “any

action by an agency (normally published in the **Federal Register**) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking: (1)(i) That is a significant regulatory action under E.O. 12866 or any successor order; and (ii) Is likely to have a significant adverse effect on the supply, distribution, or use of energy; or (2) That is designated by the Administrator of (OIRA) as a significant energy action.”

Since the compliance costs for this rule would represent a small fraction of company net incomes, the BLM has concluded that the rule is unlikely to impact the investment decisions of firms. See section 9 of the BLM’s RIA. Also, any incremental production of gas estimated to result from the rule’s enactment would constitute a small fraction of total U.S. gas production, and any potential and temporary deferred production of oil would likewise constitute a small fraction of total U.S. oil production. For these reasons, we do not expect that the proposed rule would significantly impact the supply, distribution, or use of energy. As such, the rulemaking would not be a “significant energy action” as defined in E.O. 13211.

L. Clarity of This Regulation (E.O.s 12866, 12988, and 13563)

We are required by E.O.s 12866 (section 1(b)(12)), 12988 (section 3(b)(1)(B)), and 13563 (section 1(a)), and by the Presidential memorandum of June 1, 1988, to write all rules in plain language. This means that each rule must:

- (a) Be logically organized;
- (b) Use the active voice to address readers directly;
- (c) Use common, everyday words and clear language rather than jargon;
- (d) Be divided into short sections and sentences; and
- (e) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help the BLM revise the proposed rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, the sections where you feel lists or tables would be useful, etc.

Authors

The principal authors of this proposed rule are: Amanda Fox, Petroleum Engineer, Spokane, WA; Beth Poindexter, Petroleum Engineer (Contractor), Oklahoma City, OK; Phyllisina Vinson, Attorney Advisor, Office of the Solicitor, Department of the Interior; John S. Most, Attorney Advisor, Office of the Solicitor, Department of the Interior. Technical support provided by: Tyson Sackett, Economist, Cheyenne, WY; Scott Rickard, Economist, Billings, MT. Assisted by William Maxim F Tambekou, Petroleum Engineer, Washington, DC; and Senior Regulatory Analysts Faith Bremner and Darrin King of the BLM Washington Office.

List of Subjects

43 CFR Part 3160

Administrative practice and procedure, Government contracts, Indians-lands, Mineral royalties, Oil and gas exploration, Penalties, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3170

Administrative practice and procedure, Immediate assessments, Indians-lands, Mineral royalties, Oil and gas reserves, Public lands-mineral resources.

Lanny E. Erdos,

Director, Office of Surface Mining, Reclamation, and Enforcement, Exercising Authority of the Assistant Secretary, Land and Minerals Management.

For the reasons set out in the preamble, the Bureau of Land Management proposes to amend 43 CFR parts 3160 and 3170 as follows:

PART 3160—ONSHORE OIL AND GAS OPERATIONS

- 1. The authority citation for part 3160 continues to read as follows:

Authority: 25 U.S.C. 396d, 2101–2108; 30 U.S.C. 189, 306, 359, and 1751, unless otherwise noted.

- 2. Amend § 3162.3–1 by:
 - a. Revising paragraph (d); and
 - b. Removing paragraphs (j), (k), and (l).

The revisions read as follows:

§ 3162.3–1 Drilling applications and plans.

* * * * *

(d) The Application for Permit to Drill process must be initiated at least 30 days before commencement of operations is desired. Prior to approval, the application must be administratively and technically complete. A complete

application consists of Form 3160–3 and the following attachments:

(1) A drilling plan, which may already be on file, containing information required by paragraph (e) of this section and appropriate orders and notices.

(2) A surface use plan of operations containing information required by paragraph (f) of this section and appropriate orders and notices.

(3) Evidence of bond coverage as required by the Department of the Interior regulations.

(4) Such other information as may be required by applicable orders and notices.

* * * * *

PART 3170—ONSHORE OIL AND GAS PRODUCTION

■ 3. The authority citation for part 3170 continues to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, 1711, 1718, and 1751.

■ 4. Revise subpart 3179 to read as follows:

Subpart 3179—Royalty for Oil and Gas Lost from Onshore Federal and Indian Leases

Secs.

§ 3179.1 Purpose.

§ 3179.2 Scope.

§ 3179.10 Definitions and acronyms.

§ 3179.11 Severability.

§ 3179.30 Incorporation by Reference (IBR).

§ 3179.40 When lost production is subject to royalty.

§ 3179.41 Determining when a loss of oil or gas is avoidable or unavoidable.

§ 3179.42 Prior approvals regarding royalty-free flaring.

§ 3179.43 Data submission and notification requirements.

§ 3179.50 Measurement of oil-well gas volume at Type 1 equipment.

§ 3179.51 Required reporting of vented, flared, or combusted gas volumes.

§ 3179.60 Standards for creating an operator-assigned venting or flaring measurement number (VFMP).

§ 3179.61 Applying for a venting or flaring measurement point.

§ 3179.100 Emergencies.

§ 3179.104 Downhole well maintenance and liquids unloading.

Subpart 3179—Royalty for Oil and Gas Lost From Onshore Federal and Indian Leases

§ 3179.1 Purpose.

The purpose of this subpart is to implement statutes to: ensure proper compensation for produced oil or gas that is lost from Federal or Indian (other than The Osage Tribe) oil and gas leases; promote the orderly and efficient development and administration of fluid mineral resources; reduce regulatory burdens for operators of Federal oil and gas leases, unit

participating areas (unit PAs), and communitization agreements (CAs); and streamline administration for the Bureau of Land Management (BLM). This subpart supersedes 43 CFR subpart 3179, as promulgated on April 10, 2024 (see *Waste Prevention, Production Subject to Royalties, and Resource Conservation*, 89 FR 25378), as well as a direct final rule promulgated November 22, 2024 (see *Waste Prevention, Production Subject to Royalties, and Resource Conservation*, 89 FR 92602), which made technical corrections and other minor edits to the final rule. This subpart also supersedes two prior rules relating to resource conservation and compensation for lost oil or lost gas: (1) *Waste Prevention, Production Subject to Royalties, and Resource Conservation*, 81 FR 83008 (Nov. 18, 2016); and (2) *Waste Prevention, Production Subject to Royalties, and Resource Conservation; Rescission or Revision of Certain Requirements*, 83 FR 49184 (Sept. 28, 2018). In addition, this subpart supersedes those portions of a 1980 rule pertaining to venting and flaring of produced gas, unavoidably and avoidably lost gas, and waste prevention, specifically, *Royalty or Compensation for Oil and Gas Lost; Revocation of Certain Provisions Contained in Notices to Lessees and Operators (NTL-4A)*, 44 FR 76600 (Dec. 27, 1979).

§ 3179.2 Scope.

(a) This subpart applies to all:

(1) Onshore Federal and Indian (other than The Osage Tribe) oil and gas leases, federally approved unit PAs, and CAs;

(2) Indian Mineral Development Act (IMDA) agreements, unless specifically excluded in the agreement or unless the relevant provisions of this subpart are inconsistent with the agreement;

(3) Leases and other business agreements and contracts for the development of Tribal energy resources under a Tribal Energy Resource Agreement (TERA) entered into with the Secretary, unless specifically excluded in leases, TERAs, or other business agreements; and

(4) Wells, equipment, and operations on State or private tracts committed to federally approved unit PAs or CAs defined by or established under 43 CFR subpart 3105 or 43 CFR part 3180.

(b) For purposes of this subpart, the term “lease” also includes IMDA agreements.

§ 3179.10 Definitions and acronyms.

As used in this subpart, the term:

Capture means the physical containment of natural gas for

transportation to market or productive use of natural gas and includes reinjection and royalty-free on-site use pursuant to subpart 3178.

Gas-to-oil ratio (GOR) means the ratio of gas to oil in the production stream expressed in standard cubic feet of gas per barrel of oil at standard conditions.

Gas well means a well for which the energy equivalent of the gas produced, including its entrained liquefiable hydrocarbons, exceeds the energy equivalent of the oil produced, as determined at the time of well completion.

Liquids unloading means the removal of an accumulation of liquid hydrocarbons or water from the wellbore of a gas well.

Lost gas means produced gas that is vented, either intentionally or unintentionally, flared, or combusted before being removed from the lease, unit PA, or CA, and cannot be recovered.

Lost oil means produced oil that escapes containment, before being removed from the lease, unit PA, or CA, and cannot always be recovered.

Pneumatic controller means an automated instrument used for maintaining a process condition, such as liquid level, pressure, delta-pressure, or temperature.

Sundry Notice means the BLM Sundry Notices and Reports on Wells (Form 3160–5).

Type 1 equipment means a vent line, flare, or combustor that consists of open-air pipe, open-air flare stack, flare pit, enclosed flare, or a combustion device designed for venting, flaring, or combustion of gas that would normally go to sales.

Type 2 equipment means a vent line, flare, or combustor that consists of an open-air pipe, open-air flare stack, flare pit, enclosed flare or combustion device generally used on oil storage tanks or other low-pressure equipment.

Venting and flaring measurement point (VFMP) means a point where gas produced from a Federal or Indian lease, unit PA, or CA that would normally go to sales is estimated or measured before or as it is vented, flared, or combusted.

The following acronyms are used in this subpart:

AO = Authorized Officer

API = American Petroleum Institute

BLM = Bureau of Land Management

Btu = British thermal unit

CA = Communitization Agreement

CFR = Code of Federal Regulations

FMP = Facility measurement point

GOR = Gas-to-oil ratio

IMDA = Indian Mineral Development Act of 1982

Mcf = thousand cubic feet at 60 degrees Fahrenheit and 14.73 pounds per square inch absolute pressure
 OGOR = Oil and Gas Operations Report
 ONRR = Office of Natural Resources Revenue
 Unit PA = Unit Participating Area
 VFMP = Venting or flaring measurement point

§ 3179.11 Severability.

If a court holds any provisions of the regulations in this subpart or their applicability to any person or circumstances invalid, the remainder of this subpart and its applicability to other persons or circumstances will not be affected.

§ 3179.30 Incorporation by Reference (IBR).

Certain material is incorporated by reference into this subpart with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. To enforce any edition other than that specified in this section, the BLM must publish a rule in the **Federal Register**, and the material must be reasonably available to the public. All approved IBR material is available for inspection at the BLM and at the National Archives and Records Administration (NARA). Contact the BLM Division of Fluid Minerals at 1849 C Street NW, Washington, DC 20240, telephone 202–208–3801; <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas>. The approved IBR material is also available for inspection at all BLM offices with jurisdiction over oil and gas activities. For information on inspecting this material at NARA, visit www.archives.gov/federal-register/cfr/ibr-locations.html or email fr.inspection@nara.gov. The material may be obtained from the following source:

(a) American Petroleum Institute (API), 200 Massachusetts Ave. NW, Suite 1100, Washington, DC 20001; telephone 202–682–8000. API offers free, read-only access to some of the material at <http://publications.api.org>.

(1) API Manual of Petroleum Measurement Standards Chapter 22.3, Testing Protocol for Flare Gas Metering; Second Edition, November 2025 (“API 22.3”), IBR approved for § 3179.50(b)(2)(i). (2) [Reserved]

(b) [Reserved].

§ 3179.40 When lost production is subject to royalty.

(a) Royalty is due on all avoidably lost oil or lost gas.

(b) Royalty is not due on unavoidably lost oil or lost gas.

§ 3179.41 Determining when a loss of oil or gas is avoidable or unavoidable.

For the purposes of this subpart:

(a) Lost oil is “unavoidably lost” if the operator has taken reasonable steps to avoid the loss of produced oil, and the operator has complied fully with applicable laws, lease terms, regulations, provisions of a previously approved operating plan, and other written orders of the BLM.

(b) Lost gas is “unavoidably lost” if the operator has taken reasonable steps to avoid the loss of produced gas and to sell the gas or use it for the benefit of the lease, unit PA, or CA; the operator has complied fully with applicable laws, lease terms, regulations, provisions of a previously approved operating plan, and other written orders of the BLM; and the gas is lost from the following operations or sources:

(1) Well drilling, subject to the limitations in § 3179.100;

(2) New well completion and recompletion until one of the following occurs, unless extended by the BLM under paragraph (c) of this section:

(i) Thirty days have passed since the beginning of the flowback following a new completion or recompletion;

(ii) The operator has vented, flared, or combusted 50,000 Mcf of gas; or

(iii) Flowback has been routed to the production separator.

(3) Existing completion well tests for no longer than 48 hours and the operator may request, by Sundry Notice, an extension of time with good reason, which will not be unreasonably withheld, including, but not limited to, situations where more flow data are needed;

(4) Emergency situations, subject to the limitations in § 3179.100;

(5) Operation of a natural-gas-activated pneumatic controller or pump;

(6) Use of an oil storage tank that is in compliance with § 3174.5(b), including when Type 2 equipment is installed at the storage tank, unless the gas is sold;

(7) Downhole well maintenance or liquids unloading performed in compliance with § 3179.104;

(8) Leaks, when the operator has performed operations and maintained equipment in accord with § 3162.5–3;

(9) Facility and pipeline maintenance, such as when an operator must blow-down and depressurize equipment to perform maintenance or repairs;

(10) Pipeline capacity constraints or failures, midstream processing constraints or failures, or other similar events that prevent oil-well gas from being transported through the connected pipeline;

(11) Venting, flaring, or combusting of gas from which at least 50 percent of natural gas liquids have been removed on-lease and captured for market, if the operator has notified the BLM by Sundry Notice prior to conducting such capture. The inlet to the equipment used to remove the natural gas liquids must be a Facility Measurement Point (FMP); or

(12) Gas that is of such quality that it is unmerchantable, and the operator is able to provide a gas analysis report demonstrating the poor gas quality and documentation of the rejection of gas for sales by a midstream company or gas processor to the AO upon request.

(c) For new well completions and recompletions, the operator may request, by Sundry Notice, an extension of time or increase of volume beyond the limits established in paragraph (b)(2) of this section, including but not limited to situations where flowback delays are caused by well or equipment problems;

(d) Gas-well gas may not be vented, flared, or combusted, except where it is unavoidably lost under § 3179.41(b).

(e) Oil or gas lost by operator negligence or that is not “unavoidably lost” as defined in paragraph (b) of this section is “avoidably lost.”

§ 3179.42 Prior approvals regarding royalty-free flaring.

(a) Existing approvals to flare royalty-free, which are in effect as of the effective date of this rule, will continue in effect until [DATE 12 MONTHS AFTER EFFECTIVE DATE OF THE FINAL RULE]. After that date, the royalty-bearing status of all flaring will be determined according to this subpart.

(b) The provisions in this subpart do not affect any determination made by the BLM before or after [EFFECTIVE DATE OF THE FINAL RULE] with respect to flaring that occurred prior to [EFFECTIVE DATE OF THE FINAL RULE].

§ 3179.43 Data submission and notification requirements.

(a) The operator must submit any Sundry Notices electronically to the BLM office having jurisdiction over the lease, unit PA, or CA using the BLM’s electronic commerce application, unless the operator:

(1) Is a small business, as defined by the U.S. Small Business Administration, and

(2) Does not have access to the internet, in which case the operator may submit Sundry Notices on paper.

(b) Table 1 summarizes the Sundry Notice requirements in this subpart.

TABLE 1 TO PARAGRAPH (b)—NOTIFICATION BY SUNDRY NOTICE REQUIREMENTS

Sundry notice requirements	Reference
Extension of time limit for well testing for an existing completion	§ 3179.41(b)(3).
Flaring of gas following removal of ≥50 percent of the natural gas liquids from the gas stream on-lease	§ 3179.41(b)(11).
Extension of time limit or volumetric limit for a new well completion or recompletion venting, flaring, or combustion during flowback.	§ 3179.41(c).
Application for operator-assigned VFMP number	§§ 3179.60 and 3179.61.
Application for new VFMP following a BLM-approved change of operator	§ 3179.61(d).
Extension of time for up to 5 additional days per lease, unit PA, or CA per month for an emergency situation ...	§ 3179.100(b).

(c) Table 2 summarizes the provisions to provide information to the AO upon in this subpart that require an operator request.

TABLE 2 TO PARAGRAPH (c)—INFORMATION REQUIRED AT THE REQUEST OF THE AO

Information required at the request of the AO	Reference
Documentation of gas analysis demonstrating poor gas quality and documentation of rejection of gas for sales by midstream company or gas processor.	§ 3179.41(b)(12).
API 22.3 test report required for ultrasonic meter used to measure gas volume at Type 1 equipment	§ 3179.50(c)(2)(i).
Manufacturer's specifications for ultrasonic meters, including installation and operation specifications	§ 3179.50(c)(2)(ii).
Method for estimating vented, flared, or combusted gas volume at Type 1 equipment	§ 3179.50(e)(2).

§ 3179.50 Measurement of oil-well gas volume at Type 1 equipment.

(a) The operator may commingle gas that is being vented, flared, or combusted from more than one lease, unit PA, or CA to common Type 1 equipment without BLM approval, subject to the allocation requirement in paragraph (f). The site facility diagram required under § 3173.11 must indicate that the Type 1 equipment is common, commingled Type 1 equipment and list the leases, unit PAs, or CAs contributing gas to the common piece of equipment.

(b) The operator must measure vented, flared, or combusted gas at Type 1 equipment for volumes greater than or equal to 1,050 Mcf per month over the averaging period. For Type 1 equipment measuring less than 1,050 Mcf per month over the averaging period, the operator may estimate the volume vented, flared, or combusted.

(c) Type 1 equipment requiring measurement must use either orifice plates and orifice meter tubes, or ultrasonic meters. Type 1 equipment measurement systems must meet the following requirements:

(1) When using orifice metering systems, the operator must comply with the low-volume measurement requirements in § 3175.80, and the low-volume electronic gas measurement requirements in § 3175.100.

(2) When using ultrasonic metering systems, the operator must comply with the following requirements:

(i) Upon request from the AO, the operator must submit test reports prepared in accordance with API 22.3 (incorporated by reference, see § 3179.30) for any make and model of ultrasonic meter used to measure gas at Type 1 equipment.

(ii) The operator must install and operate ultrasonic metering systems for venting, flaring, or combustion according to the manufacturer's specifications and upon request, the operator must submit those specifications to the AO.

(iii) The operator must use ultrasonic metering systems that comply with the low-volume electronic gas measurement requirements in § 3175.100.

(3) Operators must evaluate the production facility to determine which type of vent, flare, or combustion equipment is safe for the facility.

(d) The operator must install appropriate meters at all Type 1 equipment pursuant to paragraph (c) of this section according to the phased-in timeline in Table 1 to Paragraph (d) of this section.

TABLE 1 TO PARAGRAPH (d)—DEADLINE FOR COMPLIANCE WITH MEASUREMENT AT TYPE 1 EQUIPMENT AND APPLYING FOR AN OPERATOR-ASSIGNED VFMP NUMBER

Type 1 equipment flow category	Deadline for measurement compliance at Type 1 equipment and operator-assigned VFMP number
≥3,000 Mcf per month	[INSERT DATE ONE YEAR AFTER EFFECTIVE DATE OF THE FINAL RULE].
>3,000 Mcf per month and ≥1,050 Mcf per month	[INSERT DATE TWO YEARS AFTER EFFECTIVE DATE OF THE FINAL RULE].
<1,050 Mcf per month	No measurement requirement. [INSERT DATE THREE YEARS AFTER EFFECTIVE DATE OF THE FINAL RULE] for applying for VFMP number.

(e) For Type 1 equipment with volumes less than 1,050 Mcf per month, the vented, flared, or combusted volume may be estimated or measured.

(1) The operator must determine how to estimate the vented, flared, or combusted volume;

(2) The operator must make the estimation method available to the AO upon request;

(f) When Type 1 equipment combines gas from multiple leases, unit PAs, or CAs, the operator may measure the gas at a single point at the Type 1

equipment and allocate gas volumes based on the oil production from each lease, unit PA, or CA as follows:

Equation 1 to Paragraph (f)

$$VF_i = VF_t \cdot \frac{V_{opi}}{\sum_{i=1}^n V_{opi}}$$

Where:

n = The total number of leases, unit PAs, or CAs sending gas to a common piece of Type 1 equipment

VF_i = The gas volume vented, flared, or combusted from the ith lease, unit PA, or CA sent to a common piece of Type 1 equipment

VF_t = The total volume vented, flared, or combusted from a common piece of Type 1 equipment

Vop_i = The total volume of oil produced from oil wells on the ith lease, unit PA, or CA

(g) Measurement points for Type 1 equipment are not FMPs for the purposes of subpart 3175 but are VFMPs under § 3179.60.

§ 3179.51 Required reporting of vented, flared, or combusted gas volumes.

(a) The operator must report all vented, flared, or combusted volumes, measured or estimated, and both avoidable and unavoidable losses, using all applicable ONRR reporting requirements.

(b) The operator must report the gas volume and gas quality on the OGOR using the approved VFMP number.

(c) The operator must report the gas quality in Btu on the OGOR based on the following:

(1) When measuring the volume at Type 1 equipment for a single lease, unit PA, or CA, the operator must report the gas quality on the OGOR from the gas analysis at the gas FMP under subpart 3175; or

(2) When measuring the volume at Type 1 equipment for more than one lease, unit PA, or CA, the operator must report the gas quality on the OGOR for each lease, unit PA, or CA contributing

gas to common Type 1 equipment from the gas analysis at the gas FMP under subpart 3175 at each lease, unit PA, or CA.

§ 3179.60 Standards for creating an operator-assigned venting or flaring measurement point number (VFMP).

Each piece of type 1 equipment requires a separate VFMP number on the OGOR for reporting the gas volumes and gas quality that is vented, flared, or combusted from that piece of equipment. Operators must submit, by Sundry Notice, an application for approval of an operator-assigned, unique VFMP number for Type 1 equipment. The VFMP number must be composed of alphanumeric characters only, and must conform to the following standards:

(a) The first two positions of the VFMP number consist of the VFMP type code. The operator must assign the type code under the following table:

TABLE 1 TO § 3179.60 TYPE CODES FOR VFMP

Type code	Name	Description
51	On-lease Type 1 equipment.	On-lease Type 1 equipment means on-lease measurement using an orifice or ultrasonic meter or volume estimation of vented, flared, or combusted gas.
52	Off-lease Type 1 equipment.	Off-lease Type 1 equipment means approved off-lease measurement or estimation of vented, flared, or combusted gas.
53	Commingled Type 1 equipment—on-lease.	Commingled Type 1 equipment means on-lease measurement using an orifice or ultrasonic meter from more than one lease, unit PA, or CA.
54	Commingled Type 1 equipment—off-lease.	Commingled Type 1 equipment means off-lease measurement using an orifice or ultrasonic meter from more than one lease, unit PA, or CA.

(b) The VFMP number positions three, four, five, and six, are composed of a unique combination of digits (0 through 9) and letters (A through Z) to identify an operator's self-assigned VFMP; and

(c) The VFMP number positions from seven onward are the ONRR-assigned onshore operator/payor number for the VFMP's corresponding lease, unit PA, or CA.

§ 3179.61 Applying for a venting or flaring measurement point number.

(a) The operator must submit, by Sundry Notice, an application for the BLM's approval of the operator-assigned VFMP number for Type 1 equipment. The BLM will review the operator-assigned VFMP numbers to ensure operators correctly assign the numbers according to § 3179.60. The operator must submit separate applications for each VFMP that it will use for each piece of Type 1 equipment.

(b) The operator must apply for approval of an operator-assigned VFMP number within the time provided in Table 1 to Paragraph (d) in § 3179.50.

(c) For commingled Type 1 equipment, the operator must submit a

separate Sundry Notice for each lease, unit PA, or CA contributing gas to the Type 1 equipment and use the same operator-assigned VFMP number for the single piece of equipment.

(d) When there is a BLM-approved change of operator, then the new operator must submit a Sundry Notice for a new VFMP number following the convention established in this section.

§ 3179.100 Emergencies.

(a) An operator may vent, flare, or combust gas royalty-free under § 3179.41(b)(4) for no longer than 48 hours per lease, unit PA, or CA per month during an emergency situation, which may be extended for up to 15 additional days, which will not be unreasonably withheld, after which royalties are due. For purposes of this subpart, an "emergency situation" is a situation in which the loss of gas is necessary to avoid danger to human health, safety, or the environment.

(b) For emergencies that extend beyond 48 hours, the operator may request, by Sundry Notice, an extension of time for up to 15 additional days

beyond the time limit established in paragraph (a) of this section.

(c) Scheduled maintenance does not constitute emergency situations for the purposes of royalty assessment.

§ 3179.104 Downhole well maintenance and liquids unloading.

(a) Gas vented, flared, or combusted during downhole well maintenance and well purging is royalty free for a period not to exceed 48 hours per event, provided that the requirements of paragraphs (b) through (d) of this section are met. Gas vented, flared, or combusted from a plunger lift system or an automated well control system is royalty free, provided the requirements of paragraphs (b) and (c) of this section are met.

(b) For wells equipped with a plunger lift system or an automated well control system, minimizing gas loss under paragraph (b) of this section includes optimizing the operation of the system to minimize gas losses to the extent possible, consistent with removing liquids that would inhibit proper function of the well.

(c) For any liquids unloading by manual well purging, the operator must ensure that the person conducting the well purging remains present on-site throughout the unloading process and return of the well to production.

(d) For purposes of this section, “well purging” means blowing accumulated liquids out of a wellbore by reservoir pressure, whether manually or by an automatic control system that relies on real-time pressure or flow, timers, or other well data, where the gas is vented. Provisions in this subpart pertaining to well purging do not apply to wells equipped with a plunger lift system.

[FR Doc. 2026–12738 Filed 6–23–26; 8:45 am]

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 1

[WC Docket Nos. 19–195 and 11–10, GN Docket No. 25–133; FCC 26–33; FR ID 351665]

Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program; Delete, Delete, Delete

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) adopted a *Further Notice of Proposed Rulemaking (FNPRM)* that seeks comment on eliminating outdated requirements and ways to enhance the efficiency of the Broadband Data Collection (BDC) while ensuring that the Commission continues to receive accurate, granular data. Building off the infrastructure data-based coverage restoration process established by the Commission in 2024, the *FNPRM* seeks comment on several approaches suggested by commenters to simplify, streamline, or otherwise reduce burdens on this coverage restoration process. The *FNPRM* seeks comment on several ways to simplify the collection of fixed and fixed wireless biannual submissions, specifically on: (1) either allowing providers to indicate certain fixed broadband availability data have been “grandfathered” or else simply eliminating the collection of these data; (2) eliminating the requirement that a provider report fixed broadband availability data at speeds below 25/3 Mbps as part of its biannual submission; (3) revising the Commission’s rules to eliminate the requirement for providers to use and disclose maximum buffer

size data in their BDC biannual submissions; and (4) revising the Commission’s rules to relax the 7 meter antenna height requirement that fixed wireless providers must use when modeling their coverage. In addition, the *FNPRM* seeks comment on ending legacy data collections for mobile service, specifically the collection of 3G mobile broadband availability data and mobile voice data as part of a provider’s biannual submission, including potential impacts on reporting for Alaska and on relevant USF programs, respectively. Furthermore, the *FNPRM* seeks comment on current data retention practices to develop a set of best practices instead of adopting any substantive rule. The *FNPRM* seeks comment on several potential challenge process improvements, specifically on: (1) allowing service providers to presumptively rebut certain types of fixed challenges with infrastructure data and on requiring infrastructure data in response to certain types of fixed challenges; (2) various options for simplifying and reducing the provider response periods for the fixed challenge process; (3) streamlining the mobile challenge process by automatically removing from the National Broadband Map (NBM) all challenged areas that are conceded or upheld; and (4) relaxing or removing some current mobile crowdsourced data requirements to encourage the submission of additional data. The *FNPRM* seeks comment on mobile verification and audit process improvements. The *FNPRM* also seeks comment on improvements to the collection of mobile crowdsourced data and the use of drone data. Lastly, the *FNPRM* seeks comment on revising the Commission’s rules to expressly provide that subscription data, the geographic coordinates of mobile or fixed wireless base stations, mobile or fixed wireless link budget parameter rationales, and any infrastructure data submitted in response to a verification request or audit will be always treated as confidential.

DATES: Comments are due on or before July 24, 2026 and reply comments are due on or before August 24, 2026. [This caption presents the “when” of a document. Include all dates that are essential to the document. See *DDH* pages 1–8 and 1–9.]

ADDRESSES: You may submit comments, identified by WC Docket Nos. 19–195 and 11–10 and GN Docket No. 25–133 and/or FCC 26–33, by any of the following methods:

- *Federal Communications Commission’s Website:* <https://www.fcc.gov/ecfs>. Follow the instructions for submitting comments.

People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by email: FCC504@fcc.gov or phone: 202–418–0530.

For detailed instructions for submitting comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Jamile Kadre, Broadband Data Task Force, at jamil.kadre@fcc.gov or (202) 418–2245.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s Fifth *FNPRM* of Proposed Rulemaking, WC Docket Nos. 19–195, 11–10; GN Docket No. 25–133, FCC 26–33, adopted on May 20, 2026, and released on May 21, 2026. The full text of this document is available for public inspection and can be downloaded at <https://www.fcc.gov/document/streamlining-broadband-data-collection-processes>. Alternative formats are available for people with disabilities (Braille, large print, electronic files, audio format) by sending an email to fcc504@fcc.gov or calling the Commission’s Consumer and Government Affairs Bureau at (202) 418–0503.

Providing Accountability Through Transparency Act: Consistent with the Providing Accountability Through Transparency Act, Public Law 118–9, a summary of this document will be available on <https://www.fcc.gov/proposed-rulemakings>.

Ex Parte Rules: The proceeding the *FNPRM* initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter

may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written *ex parte* presentations and must be filed consistent with § 1.1206(b) of the Commission's rules. In proceedings governed by § 1.49(f) of the Commission's rules or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must, when feasible, be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

Comment Filing Procedures: Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS).

- **Electronic Filers:** Comments may be filed electronically using the internet by accessing the ECFS: <https://www.fcc.gov/ecfs>.

- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing.

- Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service. All filings must be addressed to the Secretary, Federal Communications Commission.

- Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

- Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.

- Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street NE, Washington, DC 20554.

- **People with Disabilities:** To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530.

Initial Paperwork Reduction Act of 1995 Analysis

The *FNPRM* may contain new and modified information collection requirements subject to the PRA, Public Law 104-13. OMB, the general public, and other federal agencies are invited to comment on new or modified information collection requirements contained in the *FNPRM*.

I. Synopsis

A. Coverage Restoration

We seek comment on ways to simplify and streamline the coverage restoration process. Specifically, building off the infrastructure data-based coverage restoration process established by the Commission, we seek further comment on several approaches suggested by commenters to simplify, streamline, or otherwise reduce burdens in this coverage restoration process. Pursuant to the statutory framework in the Broadband DATA Act, in the *Second Report and Order* and the *Third Report and Order*, the Commission adopted processes for consumers and entities to challenge broadband availability data submitted in the BDC, as well as processes for the Commission to verify and audit such data to ensure the accuracy of the NBM. Where the provider concedes or where staff upholds a challenge to a provider's fixed or mobile broadband availability data, the provider generally must remove claimed coverage for the challenged location or area. Similarly, claimed coverage must be removed where staff is unable to verify the availability of a provider's reported fixed or mobile broadband service pursuant to a verification request or audit. In the *Declaratory Ruling* accompanying the *Fourth Report and Order*, the Commission interpreted its rules to require a restoration process through which a provider that previously had coverage removed from the NBM "as the result of a lost or conceded challenge, a verification inquiry, or an audit (together, a 'Removed Location or Area') . . . [could] demonstrate that it can make service available to the Removed Location or Area." Consistent with the Commission's delegation to OEA to develop specifications for the data that a provider would be required to submit,

Commission staff released data specifications and announced the establishment of an initial coverage restoration process wherein providers may submit infrastructure data to demonstrate their ability to now provide broadband service.

In the *Fourth FNPRM*, the Commission also sought comment on the data requirements for restoring coverage where infrastructure data may not be relevant. In response to concerns raised in the record about the burdens of the coverage restoration process, today we seek to refresh the record as well as seek comment on a variety of options that may help ensure the accuracy of the data depicted on the NBM while streamlining this process and reducing burdens on providers. We note that we generally expect these options would be alternative mechanisms to the existing coverage restoration process based upon provider submission of infrastructure data or would apply in scenarios where infrastructure data may be inapplicable and seek comment on this assumption.

Some parties have suggested alternatives to a data-driven coverage restoration process whereby removed locations or areas would be automatically restored without the need for the provider to submit further data or evidence establishing that it actually serves the location or area or upon the provider simply selecting from a list of potential reasons why the location can now be served. These commenters generally suggest that the Commission already has sufficient safeguards to ensure the accuracy of data, including "collecting infrastructure data as part of audits, verification requests, and enforcement" or by leveraging the existing challenge process. We seek comment on these suggestions.

The Broadband DATA Act requires the Commission to "verify the accuracy and reliability of" broadband availability data, to establish a process by which consumers and entities can submit evidence challenging such data, and to specifically consider "the costs to consumers and providers resulting from a misallocation of funds because of a reliance on outdated or otherwise inaccurate information in the coverage maps" in implementing these challenge processes. In circumstances where Commission staff determines that a provider's broadband availability data are not accurate or reliable or where Commission staff has found that the reported service is not available based on challenger evidence, does the Broadband DATA Act require additional data or evidence to overturn these earlier determinations? We also seek

comment on whether allowing coverage restoration to locations or areas removed due to a successful challenge or failed audit or verification without data or further evidence would undermine the purpose of these processes or would otherwise disincentivize providers from responding to challenges or data requests.

We seek comment on CTIA's suggestion that we consider the number of locations to which a fixed broadband provider seeks to restore coverage (or, analogously, the number of hexagons for a mobile broadband provider) when evaluating coverage restoration and treat requests to restore coverage when this number is below a *de minimis* threshold to a lower evidentiary burden than requests above this threshold. If we were to adopt CTIA's suggested approach to evaluate coverage restoration requests for a *de minimis* number of locations or hexagons differently than those above a *de minimis* threshold, is 2% of the locations or hexagons that the provider reports in its biannual submission in a given state the correct threshold, or should we establish a different percentage? Should evaluation of any *de minimis* threshold be done at the state level, as CTIA suggests, or would a different geographic scope be more appropriate? If we determine both that some additional data or evidence are required and that we should hold *de minimis* requests to a lower burden, what sort of data or evidence should we require when a provider seeks to restore a *de minimis* number of locations or hexagons? Should the *de minimis* threshold apply only to locations lost in a bulk challenge or a verification or audit? Would this approach impact the value of individual consumer challenges and if so, how?

The BDC system was modified in 2023 to allow providers to concede to a fixed challenge due to a change in service availability while maintaining that the service availability reported was accurate on the "as of" date for the filing round subject to the challenge (by electing the "Concede—Service Change" response). Staff added this option to account for concerns raised by providers of fixed wireless service that, due to the dynamic nature of wireless networks, there are situations where the provider accurately reported its service as available at a location as of a particular date only for the service to be no longer available a short time later. CTIA, T-Mobile, and USTelecom request that the Commission not treat as true concessions any challenges where the provider conceded the challenge due to a service change in its fixed

wireless service. In turn, they asked that restoring coverage to these locations require either a lower evidentiary threshold or no additional data. We seek comment on this suggestion. We also seek comment on whether we should evaluate differently requests to restore coverage to a challenged location or hexagon where the challenge was upheld, where the provider conceded (whether or not due to a service change), or where the provider failed to respond at all to the challenge and automatically conceded. Should the nature of the provider's response to a challenge, or lack of response, factor into how we evaluate requests to restore coverage? If the Commission adopts different restoration requirements based on the type of concession the provider submits, what safeguards, if any, should be considered to ensure providers continue to actively participate in the challenge process and accurately respond to challenges?

We also seek comment on whether we should consider the recency of the broadband availability data that were removed due to a successful challenge or failed verification or audit when evaluating coverage restoration requests. In response to the *Fourth FNPRM*, USTelecom identifies particular fixed challenge category codes as "relat[ing] to the process the provider used to sign up a customer for new service" rather than due to network infrastructure, and suggests allowing coverage to be restored to locations removed due to these challenges "after a 90 day period with a certification by the provider" that any issue has been corrected. We seek comment on this proposed approach, whether 90 days is the appropriate amount of time to consider, and to which challenge category codes this approach would apply.

Alternatively, should we allow for a more streamlined approach to fixed and mobile coverage restoration across all locations or areas removed due to any type of challenge or due to a failed verification or audit (including, potentially, the automatic restoration of coverage) whereby the underlying challenge, verification, or audit would expire after some period of time and, if so, how long should it take for any expiration? Would a time-based option for coverage restoration maintain incentives for providers to meaningfully participate in the challenge process? We also seek comment on whether allowing a time-based coverage restoration would be consistent with the statutory goal of ensuring accuracy of data on the NBM. For example, would a time-based approach to restoration impact funding

programs seeking to use BDC data to inform funding decisions?

Commenters also urge the Commission to provide flexibility in what sort of information (other than infrastructure data) providers may submit in order to demonstrate that service is available in the coverage restoration process and specifically suggest allowing the submission of screenshots from the provider's websites or certification that a location has a current, active subscriber. We seek comment on this suggestion. If we allow the submission of screenshots, subscriber certifications, or other miscellaneous information in lieu of infrastructure data, how should staff evaluate the sufficiency of this evidence? Would this information be more probative in certain circumstances than in others, such as when a provider seeks to restore coverage that was removed due to a challenge with a particular challenge category code? Were we to allow for coverage restoration of fixed broadband when a provider has an active subscriber at a location, should we require any evidence to substantiate the presence of a subscriber, or, as suggested by commenters, is a simple certification sufficient? We also seek comment on whether there are any specific examples, beyond screenshots of provider websites or information about an active subscriber, that may be relevant for us to prescribe or detail. How should this flexibility or the submission of less-structured data be evaluated within the overall framework of the existing infrastructure data-based coverage restoration process, and should structured data be given more weight than unstructured data or miscellaneous information?

We seek to refresh the record on whether a mobile provider can demonstrate coverage availability in a Removed Location or Area using on-the-ground speed tests. In the *Third Report and Order*, the Commission announced that when a provider that failed to rebut a mobile challenge subsequently takes remedial action to improve coverage at the location of the challenge, the provider would be required to notify the Commission of the actions it took to improve coverage and then submit either on-the-ground test data or infrastructure data to verify its improved coverage. In the *Fourth Report and Order* the Commission outlined a requirement for mobile providers that improve coverage following a lost challenge to submit either on-the-ground test data or infrastructure data, but it nevertheless adopted data requirements for restoring Removed

Locations or Areas (*i.e.*, locations removed from the NBM due to the outcome of challenges, verifications, or audits), that did not include on-the-ground data. The Commission sought comment on whether to allow mobile providers to restore an area by providing on-the-ground speed test data. Although we acknowledge the record developed in response to the *Fourth FNPRM*, we seek comment specifically on whether the Commission should interpret the language of the *Third Report and Order* to permit mobile providers to submit speed test data as evidence to restore Removed Locations or Areas. Could OEA, in coordination with WTB, release a Public Notice on delegated authority announcing that mobile providers can begin submitting on-the-ground test data in addition to, or as an alternative to, infrastructure information?

Are there other types of data specific to the provision of mobile broadband that should be accepted as evidence demonstrating service availability in the restoration process? For example, WTB, OEA, and OET have adopted categories of “other data” that may be used in conjunction with on-the-ground speed tests or infrastructure data to rebut a mobile challenge. Would any of these data be useful in the restoration process? How should the Commission ensure that any other data submitted to restore mobile areas are standardized to allow for an apples-to-apples comparison with BDC availability data?

B. Fixed and Fixed Wireless Biannual Data Collection Submissions

Reducing Burdens on Reporting “Grandfathered” Fixed Broadband Availability Data. We seek comment on whether to eliminate the reporting of grandfathered fixed broadband availability data. Specifically, we seek comment on the benefits of continuing to collect data on grandfathered fixed services versus the burdens on providers of having to report such data. We ask commenters to focus on whether the burdens of reporting outweigh any benefits gained from tracking and analyzing data on grandfathered services.

In the *Fourth FNPRM*, the Commission sought comment on proposals to amend the Commission’s rules to: (1) define, for BDC reporting purposes, a grandfathered service as any broadband internet access service that currently is provided to an existing end user at a BSL, but that a facilities-based provider has permanently ceased to advertise or market to new or potential subscribers and would not make available to a new or potential subscriber at the BSL; (2) allow

providers to indicate in their biannual BDC submissions that the service reported at a location is a grandfathered service only; (3) allow providers to submit requests for confidential treatment of such grandfathered location data and, if such a request is not denied, the data would not be published as part of the location-specific availability information in the NBM; and (4) provide that information on the availability of grandfathered services only would be disclosed by the Commission on an aggregated, redacted, or otherwise de-identified, differentiated, or masked basis. The Commission proposed to afford grandfathered services data, upon request, the protections from disclosure already established for confidential subscription data gathered via FCC Form 477.

We have reviewed the record compiled to date and further expand our inquiry into the reporting of grandfathered fixed services by seeking comment on whether data on such services should be reported at all in the BDC. Currently, even though a service at a particular location might be grandfathered, the location still must be reported as served in a provider’s biannual BDC availability filing. We seek comment on various aspects of not requiring providers to report data on grandfathered services, including whether the Broadband DATA Act prohibits the Commission from refraining to collect data on the availability of grandfathered broadband internet access services. Can the overall framework of the Broadband DATA Act that requires all providers of broadband internet access service to report such service in the BDC be harmonized with a proposal to eliminate the reporting of grandfathered services? Are there other statutory, definitional, and implementation issues impacting whether the Commission can eliminate reporting on grandfathered services?

We also seek comment on whether grandfathered services meet the definition of a mass-market service in a way that is fundamental to the definition of broadband internet access service. Given the limited provision, sale, and marketing of grandfathered services, are such services still a mass-market retail service and thus must be reported in the BDC? If grandfathered services are deemed out-of-scope and thus are not reported, then in some cases locations with connections in service could appear unserved on the NBM. Could this create an inaccurate picture of current availability and therefore a risk that agencies fund broadband deployment to locations with an existing service?

CTIA argued in its comments to the *Fourth FNPRM* that while “providers should not be required to submit any grandfathered service availability data,” it acknowledged and “appreciate[d] the Commission’s interest in continuing to collect these data to ‘analyze more in-depth, useful information on the nature of fixed broadband services.’” We seek comment on the implementation of this approach. Should we allow providers not to report grandfathered fixed services based on their own determinations of whether a service is grandfathered? In that scenario, how can the Commission and the public determine whether the fixed provider’s determination was reasonable? For example, should provider notice to its customers that a service is grandfathered be dispositive of a provider’s decision not to report grandfathered services in the BDC? Are there other ways we can let providers not report grandfathered fixed services, yet still have a role in ensuring that the grandfathered designation is an accurate one? Any comments on the implementation of this proposal also should focus on the utility of continuing to collect data on grandfathered fixed broadband services.

Eliminating Requirement to Submit Fixed Broadband Availability Data at Speeds Below 25/3 Mbps. We seek comment on whether to eliminate the requirement that fixed service providers continue to submit broadband availability data for locations where they offer service at speeds below 25/3 Mbps. Does the burden of the requirement on providers to report low-speed fixed services outweigh any benefits gained by including such fixed services on the NBM? We seek comment on how best to balance these burdens versus any benefits of continuing to require the submission of data on low-speed fixed broadband services.

As a component of their availability reporting required by the Broadband DATA Act, fixed broadband service providers must submit “information regarding download and upload speeds, at various thresholds.” Accordingly, the Commission adopted a requirement that “[e]ach provider of fixed broadband internet access service shall report the maximum advertised download and upload speeds associated with its broadband internet access service available in an area.” For fixed services with maximum advertised speeds below 25/3 Mbps, the Commission required reporting at one of two tiers: (1) at least 10/1 Mbps and less than 25/3 Mbps; or (2) at least 0.2 Mbps in either direction and less than 10/1 Mbps.

We seek comment on whether circumstances have changed since the Commission's decision in 2021 to require a two-tiered reporting system on fixed broadband services with maximum advertised speeds below 25/3 Mbps. In adopting a two-tiered reporting system for services with speeds below 25/3 Mbps, the Commission relied, in part, on the fact that services with speeds of at least 25/3 Mbps constituted advanced telecommunications capability while acknowledging that data on lower speed services were of less immediate value to policymaking. The Commission in 2024 raised the minimum speed of services that constitute advanced telecommunications capability to 100/20 Mbps, thus potentially further reducing the programmatic value of services with speeds below 25/3 Mbps. We seek comment on whether eliminating the requirement to report the availability of these services may reduce burdens on providers without meaningful downsides and would be consistent with the Commission's grant in the *Network and Services Modernization Order* of blanket section 214(a) discontinuance authority for carriers to grandfather data telecommunications services operating at speeds below 25/3 Mbps. We ask commenters to address whether any other circumstances have arisen since 2021 to change the dynamic for collecting broadband availability data on fixed services with speeds below 25/3 Mbps. We also seek comment on possible different speed levels below which we should not require providers to report broadband availability data. For example, if we should continue to collect broadband availability data for fixed services below 25/3 Mbps, could we increase the reporting threshold to require only those fixed broadband services above 10/1 Mbps?

In addition to the potential advantages and disadvantages of no longer requiring providers to report on low-speed broadband services, we seek comment on whether the Broadband DATA Act would allow the Commission to refrain from collecting data on the availability of fixed broadband services at maximum advertised speeds less than 25/3 Mbps. Given the Broadband DATA Act's direction to require all providers of broadband internet access service to report such service in the BDC, can the statutory framework be harmonized with elimination of the requirement to report fixed broadband availability for services at speeds below 25/3 Mbps?

Eliminating Fixed Maximum Buffer Size Reporting Requirements. We seek comment on revising the Commission's

rules to eliminate the requirement for fixed service providers to disclose maximum buffer size data in their BDC biannual submissions. We also seek comment on the burdens and benefits, if any, of continuing to collect these data.

The *Second Report and Order* established the maximum buffer requirements that service providers may use and must disclose when reporting fixed broadband service using a wireline technology as part of their BDC biannual submissions. Specifically, a service provider reporting fixed broadband availability data using a wireline technology must report the size of its maximum buffer—*i.e.*, the distance from the network aggregation point—that the provider uses when determining whether it can offer service to a particular location based upon its network infrastructure, and these buffers must not exceed technology-specific values. The Commission also directed the Bureaus and Offices to update these values after notice and comment in the future to ensure accuracy and account for technology developments. Based upon our experience through eight BDC filing rounds, however, the buffer requirements have created substantial confusion for service providers; moreover, Commission staff are unable to validate compliance absent the submission of underlying infrastructure data.

We seek comment on whether to eliminate the requirement that providers use certain maximum buffer sizes when generating their data and to disclose these values in their BDC biannual submissions. Rather than requiring this information as part of a routine BDC filing, we seek comment on whether to require this information instead as part of the provider's infrastructure data submitted in response to a verification or audit request or when the provider seeks to restore its coverage. We believe eliminating this requirement could remove burdens, increase accuracy and flexibility, and reduce confusion for all fixed wireline service providers. We seek comment on this approach.

We also seek comment on the burdens associated with having to report these data. Are there any benefits to continuing to collect this information? Would there be significant impacts on data quality and compliance if the requirement to report were eliminated? To the extent there could potentially be any negative effects on data quality and compliance, how might those be mitigated? To the extent there are any benefits to continuing to require the reporting of maximum buffers, we ask

commenters to focus on whether the burdens of reporting such data outweigh any benefits gained by reporting the data. Alternatively, if we retain the maximum buffer requirements for fixed service providers, should we modify the current exceptions to maximum buffer reporting?

Relaxing Maximum Consumer Antenna Height Requirement for Terrestrial Fixed Wireless. We seek comment on revising the Commission's rules to relax the seven-meter maximum antenna height requirement that fixed wireless providers must use when modeling their coverage. As adopted in the *Second Report and Order*, when a terrestrial fixed wireless service provider chooses to report fixed broadband availability data using Geographic Information Systems (GIS) coverage maps, it must model its data using a customer premise equipment (CPE) antenna height between four and seven meters. At the time of the *Second Report and Order*, USTelecom stated that mandating the values to be used to create the coverage maps would result in artificial maps that do not reflect providers' actual capability and suggested that actual installation practices of terrestrial fixed wireless providers would place an antenna anywhere from three to more than ten meters above ground to account for variables such as rooftop elevations, trees, or other natural features.

We seek comment on whether the seven-meter maximum antenna height requirement should be relaxed and, if so, what would be a reasonable limit for modeling coverage for a standard terrestrial fixed wireless installation. Under section 1.7001(a)(19), a "standard broadband installation" is defined as one "with no charges or delays attributable to the extension of the network of the provider, and includes the initiation of fixed broadband internet access service through routine installation that can be completed not later than 10 business days after the date on which the service request is submitted." In previous instances, the Commission has mandated various heights for analysis purposes. Are there similarities from those examples to terrestrial fixed wireless installations that could inform the Commission on what would be a reasonable maximum antenna height (*e.g.*, ten meters), or should we consider different maximum antenna heights for different environments such as urban, suburban, and rural based on national land cover dataset (NLCD) or different terrain topologies such as flat or hilly? Is there a danger that terrestrial fixed wireless coverage maps will overstate availability

if we allow providers to model coverage assuming antenna heights greater than seven meters? Should a terrestrial fixed wireless provider claiming a greater-than-seven-meter standard install height be required to submit evidence that such an install is typical and can be done within ten business days (including time for permitting, tower construction, etc.) at no cost to the customer, no matter the length or type of service contract the consumer has? If so, what would constitute acceptable evidence that a CPE height is “standard?” Should any requirement for standard install evidence only apply to providers submitting coverage maps based on CPE antenna heights greater than seven meters? If so, how would the Commission identify providers submitting such coverage maps?

C. Ending Legacy Data Collections for Mobile Service

Consistent with the Broadband DATA Act’s requirements to harmonize FCC Form 477 with the statutory framework, in adopting the BDC, the Commission required service providers to continue submitting mobile voice and 3G mobile broadband availability data as part of their new BDC biannual submissions. The Broadband DATA Act also specifies that the Commission must use the NBM “when making any new award of funding with respect to the deployment of broadband internet access service intended for use by residential and mobile customers.” The Commission provides new awards of funding through the Universal Service Fund (USF), which, *inter alia*, provides support to qualifying telecommunications carriers in high-cost areas of the country. As such, the Commission must rely on BDC data for determining where universal service support should be allocated, and this has historically included consideration of mobile voice and 3G mobile broadband availability data for certain programs.

Eliminating Requirement to Submit 3G Mobile Broadband Availability Data. We seek comment on whether to revise our rules to eliminate the requirement that a service provider report 3G mobile broadband availability data as part of its biannual submission and the potential impacts of doing so, including on USF programs. The Broadband DATA Act requires the Commission to collect 4G LTE data of not less than 5/1 Mbps in order to determine where mobile broadband “is and is not available.” The requirement that service providers submit 3G mobile broadband data of at least 200/50 kbps was adopted by the Commission in the *Second Report and*

Order and is not statutorily mandated. To free up spectrum and infrastructure to support next-generation technologies to improve network reliability and capacity, major U.S. mobile service providers completed the sunset of their 3G networks in 2022. Of the 52 distinct mobile service providers that filed in the BDC, only 10 filed 3G mobile broadband availability data in June 2025, and all of these filers effectively showed either the same extent of 3G coverage or a reduction of 3G coverage from their previous BDC biannual submission. Because mobile service providers are required to submit 3G mobile broadband availability data as part of their biannual submission, the NBM generally lists these 10 providers as reporting 3G and higher levels of service, such as 4G LTE at 5/1 Mbps or even 5G–NR of 35/3 Mbps in the same area. Removing the requirement that service providers report 3G mobile broadband would reduce some burden on those mobile providers that still offer 3G service. However, the NBM still reports approximately 74,000 square kilometers of area that has only 3G coverage, most of which is in Alaska.

We seek comment on whether to revise our rules to eliminate the requirement that a service provider report 3G mobile broadband availability data as part of its biannual submission. What impacts, if any, would result from the loss of such data to ongoing programs (e.g., Alaska Connect Fund) and could such effects be mitigated? Should we consider a carve-out for the state of Alaska to continue requiring submission of these data, given that the Alaska Connect Fund is a new award of funding and will still rely on 3G data? Should we consider a carve-out for all areas where 3G is the most advanced service available—that is, require reporting of 3G if 4G LTE or 5G–NR mobile services are unavailable in the area?

We also seek comment on whether it may be necessary to modify or clarify the BDC rules for any USF program to collect such data from providers receiving support on an “as needed” basis strictly to administer these programs. For example, some particularly rural parts of the country may only have 3G service and removing coverage entirely from the map could underrepresent what mobile service may be available. Is information about 3G service essential for any new award of funding or, based on the requirements of the Broadband DATA Act, should these areas be effectively treated as unserved if they do not have 4G LTE service of at least 5/1 Mbps? We seek comment generally about eliminating

the 3G filing requirement from the BDC. Would collecting 3G mobile broadband availability data through a “special collection” in the BDC system ensure the Commission has access to the data as needed for programmatic uses?

Eliminating Requirement to Submit Mobile Voice Availability Data. The BDC is intended to collect data on where broadband is and is not available. Thus, voice availability does not directly inform that collection. We have nonetheless been collecting mobile voice data to harmonize the collection of information from Form 477 because mobile voice availability may be important for public safety considerations and due to legacy requirements (e.g., being a prerequisite for awarding funding under universal service programs).

We seek comment on whether we should eliminate the requirement that a service provider offering mobile voice service report mobile voice availability data as part of its BDC biannual submission. Given that most mobile broadband service providers provide voice service, eliminating the requirement to separately file mobile voice service would remove a reporting burden from most mobile service providers. Additionally, because mobile voice data are not displayed on the public-facing version of the NBM—though these data are available for download via the map—we do not believe that public safety groups currently rely on these BDC data, but we seek comment on this issue.

Where mobile voice availability data may be needed for universal service programs, we seek comment on whether collecting mobile voice data through a “special collection” in the BDC system would mitigate any downsides to eliminating the requirement to submit mobile voice data as part of a provider’s biannual submissions. For the Alaska Connect Fund, we note that section 54.308(e) of the Commission’s rules states that WTB, in coordination with OEA, has authority to compare BDC availability data as of December 31, 2026, with subsequent BDC availability data to ensure that mobile voice service and mobile broadband service levels are maintained and improved in all previously serviced areas. We seek comment on whether the collection of mobile voice data through a special collection would satisfy any rules for the universal service programs. Additionally, or in the alternative, given that the Commission has recognized the unique challenges with regard to Alaska and the particularly vast, unpopulated areas where public safety issues may arise in that state, we seek comment on

whether we should instead continue to require the submission of these data in Alaska. We seek comment generally about eliminating the mobile voice filing requirement from the BDC.

D. Data Retention Practices

We seek comment on the benefits and costs of implementing a data retention requirement for providers and on alternative approaches, such as establishing voluntary best practices guidance for providers, and current data retention practices that may inform such alternative approaches. In the *Fourth FNPRM*, the Commission proposed establishing a three-year data retention period for supporting materials used in both BDC biannual collection filings and responses to challenges, audits, and verification inquiries. The Commission suggested that a firm retention requirement may provide clarity to service providers and ensure the Commission has access to the necessary documentation for purposes of conducting reviews. Commenters generally supported the proposal to adopt a firm data retention period. However, there was no consensus among commenters regarding the length of this data retention period. Several commenters agreed that a three-year data retention period would be sufficient. Others expressed concerns that a three-year retention period would place too heavy a burden on providers without providing additional value to the Commission or the public. Commenters also asserted that a three-year retention period was excessive because the NBM is updated every six months. Alternatively, one commenter recommended that the Commission adopt a five- or ten-year retention period.

We seek further comment on the benefits and costs of implementing a data retention requirement for providers, specifically regarding the length of time the data should be retained. We also seek comment on alternative approaches, such as establishing voluntary best practices guidance for providers. We believe that a voluntary system, rather than adoption of a strict retention requirement, could potentially reduce burdens on providers without materially impacting the ability of the Commission to seek underlying information through a verification or audit request, if necessary. Is this a reasonable assumption? If we were to adopt such guidance, what are suggested best practices for data retention guidelines that would ease burdens on providers? In developing data retention best practices guidelines for the BDC filers, we seek comment on

how long providers currently retain the materials used in generating their BDC filings. Do providers currently employ separate retention practices for data used to generate responses to challenges, verifications, or audits? What effects would a three-year data retention period have on providers? How would these effects differ between a two-year and three-year retention period?

E. Fixed and Fabric Challenge Process Improvements

Allowing Service Providers to Presumptively Rebut Certain Types of Fixed Challenges with Infrastructure Data. To streamline the fixed challenge process, we seek comment on the use of infrastructure data when service providers respond to challenges filed against their fixed broadband availability data, and particularly for bulk fixed challenges asserting that service is not available or speeds are not offered. Fixed providers currently have the option to respond to challenges with infrastructure data, but the BDC system does not currently have a formal mechanism in place for collecting structured data, including infrastructure data, in response to a fixed challenge. As an option to potentially enhance the use of infrastructure data in responding to a fixed challenge, we seek comment on whether to allow a fixed service provider to presumptively rebut a fixed challenge by submitting to Commission staff infrastructure data that demonstrate that the provider is likely able to provide the challenged service. Such an option could be in lieu of working with the challenger during the 60-day resolution period to resolve the challenge. Would this option encourage the use of infrastructure data, improve staff understanding of service availability, or otherwise streamline the fixed challenge process? Would there be any confidentiality concerns in submitting this infrastructure information to the Commission, or would submission to the Commission rather than the challenger lessen the confidentiality concerns?

We note that an option to submit infrastructure data preemptively could (1) potentially reduce the burden on providers in responding to fixed challenges, especially voluminous bulk fixed challenges; (2) allow for more data-driven, objective, and speedier outcomes in the fixed challenge process; (3) substantially reduce the burden on Commission staff in adjudicating bulk fixed challenges; and (4) improve the overall accuracy and quality of NBM data. Additionally, this could simply be an option that challenged providers

choose in circumstances when they determine it to be less burdensome than attempting to dispute a fixed challenge with other forms of evidence. We request that commenters address any other benefits, as well as potential disadvantages or burdens associated with this option. For example, would bypassing the submission of data to the challenger have a negative impact on resolving challenges, especially bulk speed and availability challenges? Would this process cause any burdens on challengers or raise issues that could negatively impact the quality of BDC data?

We also seek comment on whether to establish a mechanism by which the submission of infrastructure data would be required in response to certain bulk fixed challenges, and on what specific standards would trigger this mechanism. For example, were we to adopt such a mechanism, should the mechanism be based on: (1) a *prima facie* case made by the challenger showing clear evidence of material misstatement (e.g., a repeated practice of not being able to offer service, speeds, or a standard installation; credible allegations that no infrastructure is present); (2) whether the alleged misstatement likely affects a significant number of additional similarly situated locations; (3) the category of fixed challenge where infrastructure data would be relevant (e.g., provider does not offer the technology reported to be available at this location; the reported maximum advertised speeds are not available for purchase at this location from this provider and technology); (4) subscriber penetration in the relevant area being below 10%, or a similar percentage; or (5) any other factors or mixture of factors? Would this approach bring more certainty to the bulk challenge process by requiring the submission of infrastructure data in certain situations to rebut claims in a bulk challenge? Would it help standardize outcomes in the bulk challenge process? Are there downsides to requiring providers to submit infrastructure data when a bulk challenge review mechanism is triggered, including additional burdens and costs?

We also seek comment on whether there are scenarios in which a bulk fixed challenge should trigger a requirement for the provider to submit footprint-wide infrastructure data if material concerns of misrepresentation or overreporting are made (e.g., via automatic triggering of a verification request or otherwise). This could occur when a bulk fixed challenger raises credible concerns about substantial

overreporting of service across a significant percentage of the provider's reported locations in a state (e.g., 5% of all locations). What are the triggers that would require the submission of robust infrastructure data in response to allegations of material overreporting of availability or speeds for fixed services?

Further, we seek comment on whether a bulk fixed challenge should be presumptively overturned when Commission staff models and analyzes a provider's infrastructure data and this modeling confirms the accuracy of the provider's fixed service as reported, absent circumstances or evidence that call into question the accuracy or reliability of the submitted infrastructure data. If we were to adopt this approach, should the provider receive protection from future challenges at locations where Commission modeling confirmed availability for a certain period of time? Our rules provide that, for mobile service challenges, "[i]n such cases where a mobile service provider successfully rebuts a challenge, the area confirmed to have coverage shall be ineligible for challenge until the next biannual broadband availability data filing six months after the later of either the end of the 60-day response period or the resolution of the challenge." Would a similar period of "immunity" for fixed service providers reduce burdens on the providers and help to streamline the fixed challenge process while still ensuring accurate information? We seek comment on this approach and whether this would reduce burdens and add certainty to our existing processes.

Streamlining Fixed Challenge Process Timelines. We seek comment on ways to streamline the fixed challenge process through changes to the reply and resolution timelines for both consumer challenges and bulk challenges. After a fixed challenge is initially accepted by Commission staff, our rules require that a provider submit an initial response within a 60-day window indicating whether it agrees with the challenge (and thus wishes to concede) or instead disputes the challenge. If the provider disputes the challenge, it must reach out to the challenger in an attempt to resolve the issue and then submit a final response within a second 60-day window indicating whether or not the parties were able to resolve the dispute (and, if so, what is the resolution). Only after this up-to-120-day process is complete will Commission staff adjudicate the challenge, if it is not otherwise conceded or withdrawn.

The current length of the fixed challenge process has presented problems for states, providers, and other

agencies in determining at which locations service exists, and thus what areas should be eligible for funding programs, because the outcomes of any challenges to reported broadband availability data cannot be finalized for months after release of a new NBM. The current two-step fixed challenge process has also caused confusion for service providers, with some failing to submit a final response within the second 60-day resolution period, thus resulting in a conceded challenge. We now seek comment on variations or alternatives that could benefit the fixed challenge process by shortening the overall duration or reducing its complexity.

Timeline for Consumer Fixed Challenges. We seek comment on modifying the individual fixed challenge process to allow for shorter or alternative timeframes for the speedier resolution of consumer challenges. Individual challenges typically involve only single challengers, single locations, and single issues, making it more likely that the response periods can be condensed and streamlined. We seek comment on condensing individual fixed challenges responses to a single 60-day window during which the provider must decide whether it wishes to concede or dispute the challenge and, if it wishes to dispute the challenge, require that the provider affirmatively reach out to the challenger in an attempt to resolve the dispute. By the end of this 60-day consolidated response window, the provider would then report on its decision to concede or dispute the challenge, its efforts to resolve matters with the challenger, and the outcome of any dispute resolution. This would not impose any new substantive obligations on providers but would collapse down the sequence and time period during which these decisions and actions must be taken from the current 120-day period to potentially a 60-day period. We seek comment on this approach and other approaches that might involve different timelines for individual challenges. For example, should we establish a combined timeline and condense it to below 60 days? If we were to adopt a combined timeline, should we instead choose a different duration, such as 90 days? Or should we keep the current consecutive two-step reply and resolution timelines, but shorten both down to 15 or 30 days, or else shorten one window, but not the other? We seek comment on these options or any other approach that would streamline or improve the individual fixed challenge process.

We also seek comment on the potential benefits and drawbacks of shortening or otherwise streamlining the

fixed challenge process. For example, would streamlining, simplifying, and shortening the timeframes for the fixed challenge process—and thus shortening the length of time it takes for fixed challenge results to be reflected on the NBM—be a benefit that offsets the reduced time period for attempting to resolve an individual challenge? Would shortening and streamlining the process reduce confusion and complexity for challengers and providers in the fixed challenge process? Conversely, should there be the option for targeted relief from shortened timelines for particularly complicated individual fixed challenges or when there are a large number of challenges submitted at the same time against a particular provider?

Timelines for Bulk Fixed Challenges. We seek comment on the advantages and disadvantages of shortening or otherwise streamlining the bulk fixed challenge process. Given the potential scope and complexity of a bulk challenge, we seek comment on whether shorter timeframes than those currently in place would be prudent. Should we maintain a multi-step resolution process for bulk challenges? Or, similar to our above proposal for individual fixed challenges, should we reduce the process to just one combined step? Regardless of the number of steps a provider must take to resolve a challenge, what should be the appropriate timeframes for each step? For example, for particularly complicated or voluminous bulk challenges, would reducing the 60-day time period that a provider has to attempt to resolve the dispute with the challenger increase the burden on providers? Would streamlining and shortening the time between bulk challenge submission and resolution result in more certainty about the accuracy of the NBM? We seek comment on whether the benefits of decreasing the timeframes for resolving bulk challenges outweigh the burdens on the parties and the Commission to resolve bulk fixed challenges more quickly. Should there be the option for targeted relief from shortened timelines for particularly complicated bulk fixed challenges or when there are a large number of challenges submitted at the same time against a particular provider? Would shorter timelines possibly result in fewer resolutions by the parties and more bulk challenges going to Commission staff to adjudicate?

Should we use different timeframes for individual versus bulk fixed challenges? If so, and if we adopt shorter timeframes for replying to and resolving bulk fixed challenges, are

there situations or circumstances in which timeframes for bulk challenges should still be longer than those for individual challenges? Would adoption of different timeframes or different processes for responding to individual versus bulk fixed challenges cause confusion for either party?

Clarity of the Fixed Availability Challenge Process. Are the fixed challenge processes themselves sufficiently well-known and clear, including in the case of consumer challenges? Or is there more that could be done to encourage awareness of these processes, particularly for consumers? Would consumers benefit from additional information on why they are directed to the informal complaint process when they attempt to challenge a provider's claim of available speed on the NBM beyond the resources already available? Are there practical difficulties bulk fixed challengers have encountered for which they believe additional resources on the Broadband Data Collection Help Center would have been beneficial? In considering possible changes in stakeholder resources and engagement, we seek comment on those particular areas where the greatest benefit could be achieved with finite Commission time and resources.

Fabric Challenge Process

Improvements. We seek comment on possible improvements to the Fabric challenge process. In doing so, we recognize that the Fabric increasingly has become stable in recent periods. Particularly given that, we request that commenters that advocate changing the fabric challenge process explain in detail the anticipated benefits and costs associated with their proposed modifications.

To reduce the burden on participants in the Fabric challenge process, at the end of 2024 the BDC system transitioned from accepting unstructured evidence files that, in practice, tended not to materially advance the resolution of the challenge to collecting more structured evidence data in support of challenges. These structured data have helped to improve the processing of Fabric challenges. Are there other types of structured data or evidence that could be accepted to support Fabric challenges? For challenges seeking to add a location into the Fabric, how can the Commission ensure that the evidence suggested is indicative of the presence of a BSL, as opposed to other structures that may currently have an active broadband connection, such as an Enterprise location or unmanned facilities that require broadband for remote monitoring?

Improving Fabric Challenge Process Resources. The FCC's Broadband Data Task Force established a "Broadband Data Collection Help Center" website with a number of electronic resources and guidance about the BDC and NBM of use to stakeholders, including filing workshops, FAQs, video tutorials, and a dedicated Help Desk specifically for the BDC. Are there ways to better inform stakeholders about the resources available on that website? Are there any ways those resources could be improved? For example, one resource provides Fabric challenge "response codes" listing possible outcomes to challenges with a brief explanation for that response. In the case of response codes associated with rejected challenges, would additional information help stakeholders better understand the reason(s) for rejection and better enable them to respond accordingly? If so, what would such information be, beyond what is already included in this resource? Are there practical difficulties that stakeholders have encountered for which they believe additional Fabric challenge resources on the Broadband Data Collection Help Center would have been beneficial?

F. Mobile Challenge Process Improvements

We seek comment on whether to revise our rules to automatically remove challenged areas that are conceded or upheld from the NBM. In the *Third Report and Order*, the Commission adopted a challenge process in which providers must rebut or concede a challenge within a 60-day period of being notified of a challenge. Providers are required to submit either infrastructure data or on-the-ground speed test data that Commission staff examine to assess a provider's coverage in the challenged area and resolve the challenge. The Commission recognized that permitting providers 60 days to respond to a challenge would make the challenge process less burdensome for providers while ensuring a speedy resolution to challenges.

Mobile challenges are created through the assessment of on-the-ground speed test data and, in most cases, mobile service providers respond to challenges using similar on-the-ground speed test data—and both sets of data are submitted into the BDC system in a structured format. The BDC system analyzes these speed test results based upon hexagonal areas, and Commission staff uses the results of these analyses to determine whether or not a challenge should be upheld or overturned.

As discussed above, we modify section 1.7009(d) to remove the obligation of providers to update their BDC data based on adverse verification and audit results and adopt section 1.7009(e) to eliminate any confusion about what happens after an adverse Commission audit or verification finding with regard to a provider's reported broadband availability data for both fixed and mobile data. We seek comment on whether we should make a similar change with respect to all mobile challenges that are conceded or upheld (*i.e.*, the provider did not provide enough data to overturn the challenge). The BDC system is designed to automatically remove a hex from a provider's coverage area if a mobile broadband challenge is conceded or upheld. We note that any hexes that are removed as a result of a challenge from the most recent vintage of the NBM will also be removed from subsequent published maps until such time as the provider's coverage is restored via the coverage restoration process. In the event we adopt changes to sections 1.7006(e)(7)(iii), 1.7006(f)(8), and 1.7009 to reflect automatic removal of these areas, we seek comment on whether there are other rules that we could delete as no longer necessary or we could otherwise streamline. We also seek comment on whether there are other changes to the mobile challenge process that would increase efficiencies and reduce burdens. For example, CCA has indicated that there may be difficulties with obtaining crowdsourced data, particularly in sparsely populated rural areas, and proposed the use of infrastructure data to create mobile challenges. We seek comment on CCA's proposal. Would challengers have the necessary information to support their challenges with infrastructure data?

G. Improvements to the Collection of Mobile Crowdsourced Data

We seek comment on improvements to the mobile crowdsourcing process. In the *Second Report and Order*, the Commission adopted a crowdsourcing process to allow individuals and entities to submit specific information about the deployment and availability of broadband internet access service, on an ongoing basis, to verify and supplement provider information. The Commission reiterated its finding from the *First Report and Order* that "third-party crowdsourced data for mobile service can serve as an important supplement to the information . . . collect[ed] from service providers by independently measuring mobile broadband speed and availability." The Commission adopted

requirements for the information to be included in crowdsourced data filings, specifying that filers must provide their full contact information. The Commission also adopted a certification requirement for crowdsourced data filers akin to that required for providers making their biannual submissions, as well as parties submitting data in the challenge process.

In the *Mobile Technical Requirements Order*, OET, OEA, (collectively, Offices) and WTB established requirements for the submission of crowdsourced data by consumers and other entities to the online portal “using the same parameters and metrics providers would use when submitting on-the-ground data in response to a Commission verification request” with simplifications. Specifically, speed tests submitted as mobile crowdsourced data must include the same parameters and radiofrequency metrics, except that crowdsourced data may include any combination of download or upload speed test metrics, rather than both, as is required for data submitted through the mobile challenge process. In the *Mobile Technical Requirements Public Notice*, WTB and the Offices noted that “data submitted by consumers and other entities that do not follow any specific metrics or methodologies may be less likely to yield effective analysis and review . . . of providers’ mobile broadband availability.”

We seek comment on whether we should relax certain mobile crowdsourced data requirements. In the *Mobile Technical Requirements Order*, WTB and the Offices sought to provide those collecting crowdsourced data with “increased flexibility to facilitate making the process more user-friendly.” WTB and the Offices also stated their intention to “modify the process for collecting mobile crowdsourced data over time, as experience dictates may be necessary and appropriate to improve our procedures and assure that the maps we make are as reliable and accurate as possible.” The Commission’s experience in the eight filing rounds already completed suggests that taking further measures to increase flexibility and otherwise make the process more user-friendly for filers may now be appropriate. We seek comment on ways to foster a more robust crowdsourced data filing process for mobile data. For example, while we have sought to discourage frivolous or malicious crowdsourced data filings, we have also long recognized the potential impact of privacy concerns on mobile crowdsourced data filings. We seek comment on whether to continue to require that all submissions disclose full

contact information for the user submitting the data and include the corresponding certification. Are there other (equally effective) means to protect the integrity of our collection process? Should we consider, as CCA suggests, “[a]llowing trusted third-party crowdsourced data” filings?

Additionally, we seek comment on whether we should revise the Commission’s rules governing the specific parameters and metrics to be used in the submission of crowdsourced data. While encouraging the submission of data using the FCC Speed Test App, WTB and the Offices have sought to support public participation in the crowdsourcing process by providing consumers and other entities measures of flexibility, such as permitting the use of devices running either the iOS or Android operating systems for the collection and submission of speed test data and accepting data from vetted third-party speed test apps. CCA argues, however, that the Commission could permit “expanded non-FCC commercial broadband apps or datasets for crowdsourced speed test data.” In the *Mobile Technical Requirements Order*, WTB and the Offices required the inclusion of certain metrics that they explained were integral to allow for the evaluation of on-the-ground mobile broadband availability and performance (e.g., device type, manufacturer, model, mobile network provider identity, timestamp, location, download speed and/or upload speed, and, if available, signal strength). Crowdsourced data filers are currently required to provide extensive on-the-ground test data that includes specified metrics for each test (e.g., “[s]ignal strength, signal quality, unique identifier, and radiofrequency metrics of each serving cell, where available” or “[f]or an in-vehicle test, the speed the vehicle was traveling when the test was taken, where available”). We seek comment on whether we should continue to require the submission of these, and other, specific, detailed radiofrequency metrics that are not commonly part of commercial speed test application data exports for crowdsourced data filings. Would relaxation of the requirement to include these elements make the submitted data less reliable?

Crowdsourced data filers are likewise required to adhere to specific testing parameters. WTB and the Offices adopted additional parameters that would further ensure the reliability of the crowdsourced data. We seek comment on whether it is necessary to continue requiring all of these parameters. For example, the “ramp up time” identified in the Commission’s

rules may not be supported by certain commercial apps. Is it necessary that tests be conducted between the hours of 6:00 a.m. and 10:00 p.m. local time, as currently required? Are these parameters so demonstrably beneficial to the evaluation of the data that no longer requiring them would be detrimental?

The FCC Speed Test App additionally allows users to quickly run a speed test, without first entering the contact information required of speed tests submitted into the BDC as crowdsourced or challenge data, and staff is exploring whether and how to integrate these “QuickCheck” speed test results into our broader crowdsourced data collection efforts. We seek comment on whether data generated through QuickCheck that meet the same quality, accuracy, and reliability requirements as other crowdsourced data should be considered when evaluating crowdsourced datasets. At present, QuickCheck speed test results are not used for any analytical or reporting purposes and incorporating them would significantly expand the volume and geographic diversity of the crowdsourced dataset. We welcome comments on the usefulness of incorporating QuickCheck data, potential benefits or limitations, and any considerations the Commission should take into account when determining how these data can support our analysis and reporting.

In the *Mobile Technical Requirements Order*, WTB and the Offices recognized “that changes in technology and other considerations” might necessitate the periodic reevaluation of initial determinations “in order to satisfy the Act’s provisions for submitting crowdsourced data.” With the objective of preserving the Commission’s ability to effectively review and analyze providers’ mobile broadband availability, we seek comment generally on whether and how to further relax mobile crowdsourced data requirements to encourage the submission of valuable additional data.

H. Mobile Verification and Audit Process Improvements

In the *Third Report and Order*, the Commission adopted requirements implementing the mobile verification process to verify the accuracy and reliability of mobile broadband availability data. Under the Commission’s rules, mobile providers can choose to submit either infrastructure information or on-the-ground test data in response to a verification inquiry, but staff may require the submission of additional

information when necessary to complete a verification inquiry. The Broadband DATA Act also directs the Commission to conduct regular audits of data submitted in the BDC, and staff has requested infrastructure information from service providers when auditing mobile broadband availability data. Given that it has been more than five years since the adoption of the verification and audit processes, we seek comment on how to streamline our processes to reduce regulatory burdens and improve administration while still ensuring that the verification process is efficiently verifying the accuracy of mobile providers' availability data.

In practice, when a provider submits infrastructure data in response to a verification request or audit, the Commission staff's initial engineering analysis often raises questions that require clarification or further information from the provider, and these discussions can result in weeks of delay in resolving the data request. In some cases, staff has initiated a follow-up verification on portions of the initial verification area where there remained uncertainty about the accuracy of the mobile broadband availability data, which can further delay finalizing the outcomes of a verification or audit. Providers that choose to submit on-the-ground speed test data have generally encountered fewer data issues, as these providers typically use the FCC Speed Test App, which is designed to record and export data in a format that can be easily submitted into the BDC system. When electing to conduct speed tests, providers have still encountered other issues however, e.g., including roadway accessibility, ensuring tests are conducted within a sample-selected area, and occasional device or app issues that prevent valid measurements from being recorded.

We seek comment generally on how to improve these processes without detracting from the Commission's ability to ensure the accuracy and quality of broadband data submitted in the BDC. Should we modify the mobile verification process to require on-the-ground speed test data in response to a verification inquiry, as such data may be more reflective of on-the-ground service, and may be easier for providers to generate and for staff to analyze? If we were to require speed test data in response to a mobile verification request, should we allow an exception in situations where a provider can demonstrate that it cannot reasonably provide speed test data within the requested timeframe? What would be the burdens of requiring speed test data, and would this improve or harm our

ability to assess the ground truth of mobile broadband service availability? Does the Commission's recent approval of a third party speed test app make the process of collecting on-the-ground speed tests easier or less burdensome on providers? Are there ways that we can improve the process by which staff analyzes infrastructure data to reduce the burden on providers and staff to work through any ambiguities? Is it less costly or burdensome on providers to assemble, submit, and then engage in discussions with staff about infrastructure data than to conduct on-the-ground speed test measurements? Are there benefits to requiring on-the-ground speed test data, such as reduced time to review and close out a verification, that may offset costs to providers? Similar to the verification process, we also seek comment on whether we should consider analogous requirements when conducting an audit of a provider's mobile broadband availability data.

I. Drone Data

We seek comment on whether data collected by drones could be leveraged in any BDC processes, for example, in the context of the mobile challenge, crowdsource, verification, audit, or restoration processes. The Commission previously sought comment in the *Second FNPRM* on the use of drone testing and other technologies to verify data accuracy, including whether drones could be used to audit mobile deployment data, and in the *Second FNPRM* on whether such data could be used in the creation and verification of mobile broadband maps. Given advancements in drone and unmanned aircraft system technology, and the Commission's recent focus on securing American supply chains and increasing domestic drone manufacturing, we seek to refresh the record. Could drone data be used by the Commission to audit and verify reported broadband deployment data? Should the Commission accept third-party speed tests collected by drones when considering challenges to mobile providers' coverage assumptions or, on the other hand, challenge rebuttals? Would such data be useful for the Commission to consider when providers respond to verification or audit requests, or when providers attempt to restore Removed Locations and Areas? Consistent with the questions asked above about potential reforms to the mobile crowdsource process, could speed tests taken by drones be useful as crowdsourced data? Should mobile speed tests collected through the use of drones have a special designation? Are there other data

collected by drones beyond speed tests that could be leveraged in the BDC processes, such as aerial imaging, or measurements of signal strength or spectrum utilization? Are data collected by drones representative of terrestrial fixed wireless broadband availability? Would the data be useful in verifications and audits of terrestrial fixed wireless service availability? In addition, we seek comment on technical parameters that should apply to drone data collection to ensure uniform results across methods.

J. Treating Certain Sensitive Data as Confidential

We seek comment on whether to revise our rules to expressly provide that certain categories of sensitive data submitted in the BDC should be treated as confidential without the need for a provider to request confidentiality. Categories of BDC data to be afforded such treatment could include: (1) subscription data; (2) the geographic coordinates of mobile or fixed wireless base stations; (3) mobile or fixed wireless link budget parameter rationales; and (4) any infrastructure data submitted in response to a verification request, audit, challenge, or coverage restoration request. We seek comment on whether any other data should be accorded confidential treatment (and the rationales for such treatment). Are there certain types of these data we should not treat as confidential unless we receive an affirmative request for confidentiality? We also seek comment on balancing the burdens of continuing to request confidentiality for these data for every biannual submission versus the benefits of having the Commission treat these data as confidential without the need for a request.

Pursuant to the Broadband DATA Act, the Commission established the initial requirements for the confidential treatment of data submitted in the BDC. In the *First Report and Order*, which was adopted prior to the enactment of the Broadband DATA Act, the Commission decided that "[t]o better allow for crowdsourcing, mapping, and other uses of fixed broadband deployment data, all [fixed] service provider information filed as part of the [Broadband] Data Collection will be presumed to be non-confidential unless the Commission specifically directs that it be withheld." The Commission similarly determined that mobile broadband service provider coverage data would presumptively be treated as non-confidential. However, the Commission determined that certain data would be withheld from routine

public inspection—namely, “all data required to be kept confidential pursuant to § 0.457 . . . and all personally identifiable information submitted in connection with [BDC availability data and data in the Fabric].” The Commission established an avenue for providers to seek confidential treatment of “provider-specific subscription information in [BDC] filings” and “any other data contained in their [BDC] filings” by submitting a request at the time of the BDC filing that the data be treated as confidential, along with the reasons for withholding the information from the public as required by section 0.459 of the Commission’s rules. The Commission noted that it would make decisions on requests for confidential treatment on a case-by-case basis. The Commission also determined that provider-specific deployment data would always be made public and would not be subject to confidential treatment.

In practice, Commission staff receive requests for confidential treatment of certain data in every biannual round of BDC filings that the Commission has previously stated are presumptively confidential. We seek comment on whether we should amend our rules to formally accord such data confidential treatment and clarify that providers are not required to file confidentiality requests to cover these data. We note the benefits of such an approach would be to remove confusion on whether providers must submit superfluous requests with their BDC filings and to reduce the burdens on Commission staff to review and resolve such requests. Are there other benefits to this approach? Conversely, are there any drawbacks to this approach? Is there anything unique about these data such that we should maintain merely a presumption of confidentiality for them?

If commenters believe that providers should still be required to submit requests for confidentiality for presumptively confidential data filed in the BDC, are there ways that we can still reduce the burdens on providers from having to submit with all their BDC filings formal requests that comply with section 0.459 of our rules and on Commission staff from having to formally resolve all such requests? Are there any other mechanisms to streamline the treatment of confidential information submitted in the BDC?

II. Initial Regulatory Flexibility Analysis

As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Federal Communications

Commission (Commission) has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the policies and rules proposed in the *Fifth Further Notice of Proposed Rulemaking (FNPRM)* assessing the possible significant economic impact on a substantial number of small entities. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments specified on the first page of the *FNPRM*. The Commission will send a copy of the *FNPRM*, including this IRFA, to the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy. In addition, the *FNPRM* and IRFA (or summaries thereof) will be published in the **Federal Register**.

A. Need for, and Objectives of, the Proposed Rules

Among other requirements, the Broadband Deployment Accuracy and Technological Availability Act (Broadband DATA Act) requires the Commission to collect granular location level broadband availability data from service providers on a biannual basis in the Broadband Data Collection (BDC); use such data to publish the National Broadband Map (NBM); allow for consumers and entities to challenge data on the map; and verify and conduct regular audits of submitted data. As required by the statute, the Commission has adopted rules codifying the framework for the BDC program. Some of these processes, definitions, and rules need to be streamlined, harmonized, or eliminated in order to create efficiencies that promote the accuracy of the data collected, while reducing regulatory burdens on service providers and other entities.

The *FNPRM* seeks comment on options for further revising or eliminating some of the Commission’s rules pertaining to the biannual submission of BDC data. These options would include: (1) relaxing the requirement to submit fixed broadband data for “grandfathered” services; (2) eliminating the rules requiring the submission of fixed broadband availability data at speeds below 25/3 Mbps, 3G mobile broadband availability data, and mobile voice availability data; and (3) eliminating maximum buffer size requirements for providers of fixed wireline service and maximum antenna height limitation for providers of fixed wireless service. The *FNPRM* also seeks comment on options for streamlining the crowdsourcing and challenge processes, including: (1) relaxing requirements for mobile crowdsourced

data; (2) developing processes for how to evaluate infrastructure data submitted in response to a fixed challenge; and (3) reducing and simplifying the timeline and processes for fixed challenges. The *FNPRM* would lastly seek comment on an array of options to streamline the process to restore coverage that has been previously removed due to a challenge, verification, or audit; on whether to expressly treat certain data as confidential; and on current data retention best practices.

B. Legal Basis

The proposed action is authorized pursuant to Sections 1–5, 7, 201–206, 214, 218–220, 251, 252, 254, 256, 301, 303, 332, 309, 319, 403, 405, and 641–646 of the Communications Act of 1934, as amended, 47 U.S.C. 151–154, 157, 201–206, 214, 218–220, 251, 252, 254, 256, 301, 303, 332, 309, 319, 403, 405, and 641–646.

C. Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA. The SBA establishes small business size standards that agencies are required to use when promulgating regulations relating to small businesses; agencies may establish alternative size standards for use in such programs, but must consult and obtain approval from SBA before doing so.

Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe three broad groups of small entities that could be directly affected by our actions. In general, a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, “small organizations” are not-for-profit enterprises that are independently owned and operated and not dominant in their field. While we do

not have data regarding the number of non-profits that meet that criteria, over 99% of nonprofits have fewer than 500 employees. Finally, “small governmental jurisdictions” are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than

fifty thousand. Based on the 2022 U.S. Census of Governments data, we estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.

The rules proposed in the *FNPRM* will apply to small entities in the industries identified in the chart below

by their six-digit North American Industry Classification System (NAICS) codes and corresponding SBA size standard. Where available, we also provide additional information regarding the number of potentially affected entities in the industries identified below.

TABLE 1—2022 U.S. CENSUS BUREAU DATA BY NAICS CODE

Regulated industry (footnotes specify potentially affected entities within a regulated industry where applicable)	NAICS code	SBA size standard	Total firms	Total small firms	% Small firms
Wired Telecommunications Carriers	517111	1,500 employees ...	3,403	3,027	88.95
Wireless Telecommunications Carriers (except Satellite).	517112	1,500 employees ...	1,184	1,081	91.30
Satellite Telecommunications	517410	\$44 million	332	195	58.73
All Other Telecommunications	517810	\$40 million	1,673	1,007	60.19

TABLE 2—TELECOMMUNICATIONS SERVICE PROVIDER DATA

2024 Universal service monitoring report telecommunications service provider data (data as of December 2023)	SBA size standard (1,500 employees)		
Affected entity	Total # FCC Form 499A filers	Small firms	% Small entities
Wired Telecommunications Carriers	4,682	4,276	91.33
Wireless Telecommunications Carriers (except Satellite)	585	498	85.13

D. Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities

The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirements and the type of professional skills necessary for preparation of the report or record.

Many of the proposals discussed in the *FNPRM* should reduce or eliminate reporting, recordkeeping, or other compliance requirements for small and other service providers. As such, we do not anticipate additional compliance costs for small providers and we do not anticipate that these proposals on which we seek comment would require small entities to hire professionals to comply. We expect the information we receive in comments will help the Commission identify and evaluate relevant compliance matters for small entities, including compliance costs and other burdens that may result from potential rule changes discussed in the *FNPRM*.

The *FNPRM* seeks comment on ways to revise or eliminate some of the Commission’s rules pertaining to the BDC. Specifically, the *FNPRM* seeks comment on proposals to revise the

coverage restoration process, the data required to overturn an earlier determination that a provider’s data are inaccurate, and the evidentiary threshold upon which the Commission should evaluate these decisions. The *FNPRM* also seeks comment on its approach to reporting for grandfathered services, including whether the Broadband DATA Act allows the Commission to refrain from collecting grandfathered fixed broadband availability data, and, if so, whether to eliminate reporting of these data, thereby reducing compliance burdens on small and other providers. Noting that the Commission raised the minimum speed of services that constitute advanced telecommunications capability to 100/20 Mbps, the *FNPRM* asks whether the Commission should eliminate reporting requirements for locations where fixed service providers offer speeds below 25/3 Mbps. Additionally, the *FNPRM* seeks comment on whether to require providers who use certain maximum buffer sizes when generating their data to disclose these data only as part of the provider’s response to a verification or audit request, or when the provider seeks to restore its coverage, instead of as part of BDC biannual submissions as currently required. The *FNPRM* also seeks comment on whether to relax the

7-meter maximum antenna height requirement.

The *FNPRM* seeks comment on whether and how to end legacy data collection for mobile services, such as 3G mobile broadband and mobile voice availability. Additionally, the *FNPRM* seeks comment on data retention requirements and alternative approaches such as voluntary best practices, and related costs and benefits of these proposals. The *FNPRM* also seeks comment on ways to streamline the fixed and mobile challenge processes, which may reduce burdens on providers to respond to these challenges and shorten the duration or allow for alternative timelines for the challenge, and on ways to improve collection of mobile crowdsourced data, such as relaxing requirements for contact information and specific measurements that would provide reliable data. Furthermore, the *FNPRM* seeks comment on mobile verification and audit process improvements, which may reduce burdens on providers by automatically removing from the NBM all challenged areas that are conceded or upheld. Finally, the *FNPRM* seeks comment on whether to treat data in BDC filings as confidential without an additional request from a service provider.

E. Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities

The RFA directs agencies to provide a description of any significant alternatives to the proposed rules that would accomplish the stated objectives of applicable statutes, and minimize any significant economic impact on small entities. The discussion is required to include alternatives such as: “(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.”

As an initial matter, several of the proposals in the *FNPRM* are expected to have a positive impact on small businesses—for example, reducing the filing requirements for a variety of older technology and services, such as “grandfathered services,” fixed broadband under 25/3 Mbps, 3G mobile broadband, and mobile voice. Commenters propose that service providers should not be required to submit availability data associated with grandfathered services, and we seek comment on this proposal or alternative ways in which the Commission should collect these data. We also consider and seek comment on relaxing certain technical rules pertaining to the maximum buffer sizes that fixed wireline providers must report and the antenna height for a standard installation that fixed wireless providers must use when modeling fixed broadband availability for the biannual submissions, and alternatives that may impact small and other providers. In addition, we consider and seek comment on the fixed and mobile challenge processes. Specifically, we seek comment on commenters’ proposals to lower certain evidentiary burdens required by the Commission when evaluating challenges and restoring coverage to locations.

To assist the Commission’s evaluation of the economic impact on small entities as a result of actions that may result from proposals and issues raised for consideration in the *FNPRM*, and to better explore options and alternatives, the Commission is seeking comment from the public on how best to ways to enhance the efficiency of the BDC while ensuring that the Commission continues

to receive accurate, granular data by eliminating certain requirements and streamlining the BDC. More specifically, the Commission seeks comment on how to simplify and reduce unnecessary regulatory burdens and better serve the public.

More generally, the proposals and questions set forth in the *FNPRM* were designed to enable the Commission to understand the benefits, impact, and potential burdens associated with the different approaches that the Commission can pursue to achieve its objective of enhancing the efficiency of the BDC while ensuring that the Commission continues to receive accurate, granular data by eliminating certain requirements and streamlining the BDC. Before reaching its final conclusions and taking action in this proceeding, the Commission expects to review the comments filed in response to the *FNPRM* and more fully consider the economic impact on small entities and how any impact can be minimized. Small entities are encouraged to bring to the Commission’s attention any specific concerns they may have with the proposals detailed in the *FNPRM* and outline any additional alternatives that would accomplish the objectives of this proceeding.

F. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rules

None.

Federal Communications Commission.

Aleta Bowers,

Federal Register Liaison Officer, Office of the Secretary.

[FR Doc. 2026–12767 Filed 6–23–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MB Docket No. 26–151; RM–12022; DA 26–591; FR ID 351829]

Television Broadcasting Services Alamogordo, New Mexico

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: This document proposes to amend the Table of TV Allotments (table) of the Federal Communications Commission’s (Commission) rules by substituting channel *11 for *4 at Alamogordo, New Mexico in response to a Petition for Rulemaking filed by Vision Broadcasting Network, Inc. (Petitioner), the permittee of a new NCE

television station KAVD(TV) (KAVD or Station), channel *4, Alamogordo, New Mexico (Alamogordo). In support of its channel substitution request, the Petitioner asserts that allowing the Station to move to a high VHF channel would serve the public interest by improving signal reception for viewers. The Petitioner observes that the Commission has recognized that low-VHF channels have certain characteristics that have posed challenges for their use in providing digital television service. The staff engineering analysis finds that the proposal is in compliance with the Commission’s principal community coverage and technical requirements.

DATES: Comments must be filed on or before July 24, 2026 and reply comments on or before August 10, 2026.

ADDRESSES: Federal Communications Commission, Office of the Secretary, 45 L Street NE, Washington, DC 20554. In addition to filing comments with the FCC, interested parties should serve counsel for the Petitioner as follows: James Oyster, Law Offices of James L. Oyster, 108 Oyster Lane, Castleton, VA 22716.

FOR FURTHER INFORMATION CONTACT:

Devin Loveland, Media Bureau, at Devin.Loveland@fcc.gov, (202) 418–1618, or Mark Colombo, Media Bureau, at Mark.Colombo@fcc.gov, (202) 418–7611.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission’s *Notice of Proposed Rulemaking*, in MB Docket No. 26–151; RM–12022; DA 26–591, adopted on June 16, 2026, and released on June 16, 2026. The full text of this document is available online at <https://docs.fcc.gov/public/attachments/DA-26-591A1.pdf>.

This document does not contain information collection requirements subject to the Paperwork Reduction Act of 1995, Public Law 104–13. In addition, therefore, it does not contain any proposed information collection burden “for small business concerns with fewer than 25 employees,” pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, *see* 44 U.S.C. 3506(c)(4). Provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to this proceeding.

Members of the public should note that all *ex parte* contacts are prohibited from the time a notice of proposed rulemaking is issued to the time the matter is no longer subject to Commission consideration or court review, *see* 47 CFR 1.1208. There are, however, exceptions to this prohibition, which can be found in § 1.1204(a) of the Commission’s rules, 47 CFR 1.1204(a).

See §§ 1.415 and 1.420 of the Commission’s rules for information regarding the proper filing procedures for comments, 47 CFR 1.415 and 1.420.

Providing Accountability Through Transparency Act: The Providing Accountability Through Transparency Act, Public Law 118–9, requires each agency, in providing notice of a rulemaking, to post online a brief plain-language summary of the proposed rule. The required summary of this notice of proposed rulemaking is available at <https://www.fcc.gov/proposed-rulemakings>.

List of Subjects in 47 CFR Part 73

Television.

Federal Communications Commission.
Thomas Horan,
Chief of Staff, Media Bureau.

Proposed Rule

For the reasons discussed in the preamble, the Federal Communications Commission proposes to amend 47 CFR part 73 as follows:

PART 73—RADIO BROADCAST SERVICES

- 1. The authority citation for part 73 continues to read as follows:
Authority: 47 U.S.C. 154, 155, 301, 303, 307, 309, 310, 334, 336, 339.
- 2. In § 73.622, in the table in paragraph (j), under New Mexico, revise the entry for “Alamogordo” to read as follows:

§ 73.622 Digital television table of allotments.

*	*	*	*	*
(j) * * *				
Community			Channel No.	
*	*	*	*	*
New Mexico				
Alamogordo			* 11	
*	*	*	*	*
*	*	*	*	*

[FR Doc. 2026–12745 Filed 6–23–26; 8:45 am]

BILLING CODE 6712–01–P

Notices

Federal Register

Vol. 91, No. 120

Wednesday, June 24, 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

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 24, 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 people are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Food and Nutrition Administration

Title: Understanding Participant Experiences in SNAP E&T.

OMB control Number: 0584–NEW.

Summary of Collection: The Food and Nutrition Administration (FNA), part of the U.S. Department of Agriculture (USDA), is authorized to collect these data under Section 17 of the Food and Nutrition Act of 2008, as amended through Public Law 118–5, enacted June 3, 2023. The Act authorizes the Secretary of the USDA to contract private institutions to undertake research that will help improve the administration and effectiveness of the Supplemental Nutrition Assistance Program (SNAP) in delivering nutrition-related benefits.

The Supplemental Nutrition Assistance Program (SNAP) offers a vital lifeline to low-income Americans, preventing hunger during difficult times. When determining SNAP eligibility, States must identify anyone in the household that is (1) subject to general work requirements, (2) subject to a time limit on benefits if they are not meeting work requirements, and (3) required to participate in the State's SNAP Employment and Training (E&T) program. States vary considerably in how they determine eligibility, share information about work requirements and employment and training opportunities, and make referrals to SNAP E&T programs. The "Understanding Participant Experiences in SNAP E&T" project will help the U.S. Department of Agriculture (USDA), Food and Nutrition Service's (FNS) to assess SNAP participants' understanding of work requirements and their experiences accessing SNAP E&T programs that meet their needs.

Need and Use of the Information:

This new study—Understanding Participant Experiences in SNAP E&T—will help FNA assess the experiences of SNAP participants as they navigate work requirements, seek training opportunities through SNAP E&T, and find employment. Because FNA does not currently have detailed information on participants' experiences with the SNAP eligibility process and the SNAP E&T program, it is necessary for FNA to collect the information described in this request. Capturing a broad range of participant perspectives will fill a critical information gap, allowing FNA to develop actionable recommendations

that States can use to improve customer service and efficiently connect SNAP participants with training and services that reduce barriers to work.

Description of Respondents: State, Local, and Tribal Governments, Businesses, Individuals/Households.

Number of Respondents: 1,825.

Frequency of Responses: Reporting: Once.

Total Burden Hours: 632.86.

Rachelle Ragland-Greene,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–12730 Filed 6–23–26; 8:45 am]

BILLING CODE 3410–30–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 required 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 24, 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.

Farm Service Agency

Title: Power of Attorney.

OMB Control Number: 0560–0190.

Summary of Collection: The form of FSA–211, Power of Attorney, is used to appoint someone to act on behalf of another as attorney-in-fact. The form gives another person legal authority to act on his or her behalf. The person receiving the power to act on your behalf may enter into binding agreements and may create liability for you. The attorney-in-fact's power and responsibilities depend on the specific powers granted in the form. The form is used only for certain programs and actions offered by the Commodity Credit Corporation (CCC), Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), the Federal Crop Insurance Corporation (FCIC) the Risk Management Agency.

Grantors use the form of FSA–211A, Power of Attorney Signature Continuation Sheet, when the grantor is an entity, such as a general partnership, joint operation, corporation, limited liability company, or other similar entity which require more than one member's signature to appoint an attorney-in-fact to act on behalf of the entity.

Need and Use of the Information: FSA will collect information to verify an individual's authority to sign and act for another in the event of errors or fraud that requires legal remedies. The information collected on the FSA–211/211A is limited to the grantor's name, signature, and identification number, the grantee's name, address, and the applicable FSA, CCC, FCIC, NRCS, and RMA programs or transactions.

Description of Respondents: Individuals or households.

Number of Respondents: 16,000.

Frequency of Responses: Reporting: Other (once).

Total Burden Hours: 7,750.

Rachelle Ragland-Greene,

Departmental Collection Clearance Officer.

[FR Doc. 2026–12732 Filed 6–23–26; 8:45 am]

BILLING CODE 3410–05–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 required 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 24, 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.

Farm Service Agency

Title: Farm Loan Program—Inventory Property Management.

OMB Control Number: 0560–0234.

Summary of Collection: The Farm Loan Program (FLP) provides supervised credit in the form of loans to family farmers to purchase inventory property (real estate and equipment) and finance the lease or purchase amount.

Need and Use of the Information: Information collections are submitted by applicants to the local agency office where their business is headquartered.

The information is necessary to thoroughly evaluate an applicant's request to purchase inventory property and is used by FLP to determine an applicant's eligibility to lease or purchase inventory property and to ensure payment of the lease or purchase amount. Failure to collect the information would result in not complying with congressional mandates.

Description of Respondents: Business or other for-profit; Farms.

Number of Respondents: 202.

Frequency of Responses: Reporting: On occasion; Annually.

Total Burden Hours: 113.

Rachelle Ragland-Greene,

Departmental Collection Clearance Officer.

[FR Doc. 2026–12746 Filed 6–23–26; 8:45 am]

BILLING CODE 3410–05–P

COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the Oklahoma Advisory Committee

AGENCY: U.S. Commission on Civil Rights.

ACTION: Announcement of virtual business/briefing meetings.

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 (FACA) that the Oklahoma Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold virtual business/briefing meetings via *ZoomGov* on Thursday, July 16th from 2:00 p.m.–3:00 p.m. CT, Thursday August 6th from 2:00 p.m.–4:00 p.m. CT, Monday August 10th from 2:00 p.m.–4:00 p.m. and Thursday September 10, 2026 from 2:00 p.m.–3:00 p.m. CT. For the purpose of planning their upcoming panels on the death penalty and hearing from Panel II and III.

DATES: The meetings will take place on Thursday, July 16, 2026 from 2:00 p.m.–3:00 p.m. CT; Thursday, August 6, 2026 from 2:00 p.m.–4:00 p.m. CT, Monday, August 10, from 2:00 p.m.–4:00 p.m. CT and Thursday, September 10, 2026 from 2:00 p.m.–3:00 p.m.

Thursday, July 16, 2026 (Business Meeting)

Registration Link (Audio/Visual):
https://www.zoomgov.com/webinar/register/WN_u91rlzxjTF2S7V2E3EWbqw.

• *Join by Phone (Audio Only):* 1–833–435–1820 USA Toll Free; Webinar ID: #165 239 2575.

Thursday, August 6, 2026 (Briefing Panel II Meeting)

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_rYF6jRDyTXGX6o0_GSOIA.

- Join by Phone (Audio Only): 1-833-435-1820 USA Toll Free; Webinar ID: #165 565 8410.

Monday, August 10, 2026 (Briefing Panel III Meeting)

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_1caHO28Rm-hn73dcMxO5g.

- Join by Phone (Audio Only): 1-833-435-1820 USA Toll Free; Webinar ID: #167 760 4459.

Thursday, September 10, 2026 (Debriefing Meeting)

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_-5ynNeJsT_-8pAt-p3JUsQ.

- Join by Phone (Audio Only): 1-833-435-1820 USA Toll Free; Webinar ID: #165 415 4785.

Agendas: (note: final meeting agendas will be available prior to the meeting dates).

(July 16, 2026) <https://usccr.box.com/s/u1laam1ntyfyfe46qvd4v36ls7xksso2>.

(August 6, 2026) <https://usccr.box.com/s/rtrwvjwewolu3piv5ibw9xtyxzlp1dk>.

(August 10, 2026) <https://usccr.box.com/s/1ij5042q9lrdn0ddbr2ufi6c80tmhsq>.

(September 10, 2026) <https://usccr.box.com/s/6omuv608fthwebglutd66zri6fhhbjper>.

FOR FURTHER INFORMATION CONTACT:

Brooke Peery, Designated Federal Officer (DFO) at bpeery@usccr.gov or by phone at (202) 701-1376.

SUPPLEMENTARY INFORMATION:

Committee meetings are available to the public through the videoconference link above. Any interested member of the public may listen to the meeting. An open comment period will be provided to allow members of the public to make a statement as time allows. Per the Federal Advisory Committee Act, public minutes of the meeting will include a list of persons who are present at the meeting. If joining via phone, callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Closed captioning will be available for individuals who are deaf, hard of hearing, or who have certain cognitive or learning impairments. To request additional accommodations, please email Corrine

Sanders, Support Services Specialist, csanders@usccr.gov at least 10 business days prior to the meeting.

Members of the public are entitled to make comments during the open period at the end of the meeting. Members of the public may also submit written comments; the comments must be received in the Regional Programs Unit within 30 days following the meeting. Written comments can be sent via email to Brooke Peery (DFO) at bpeery@usccr.gov.

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 www.facadatabase.gov under the Commission on Civil Rights, Oklahoma Advisory Committee link. 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.

Dated: June 22, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026-12718 Filed 6-23-26; 8:45 am]

BILLING CODE P

COMMISSION ON CIVIL RIGHTS**Notice of Public Meeting of the New York Advisory Committee to the U.S. Commission on Civil Rights**

AGENCY: Commission on Civil Rights.

ACTION: Announcement of public meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission), and the Federal Advisory Committee Act (FACA), that the New York Advisory Committee to the Commission will hold a public meeting via Zoom. The purpose of the meeting is to discuss the committee's project, Discrimination Against Jews on College and University Campuses Since October 7, 2023.

DATES: Tuesday, June 30, 2026, at 3:00 p.m. Eastern Time.

ADDRESSES: The meeting will be held via Zoom.

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_7_e8-WFxrZepVzf9vsX4zw.

Join by Phone (Audio Only): 1-833-435-1820 USA Toll Free; Webinar ID: 165 220 7223 #.

Agenda: <https://usccr.box.com/s/un2jrcher988hmr74eadkrsk7xa3fhq> (note: a final briefing agenda will be available prior to the briefing date).

FOR FURTHER INFORMATION CONTACT: David Barreras, Designated Federal Officer at dbarreras@usccr.gov, or 202-656-8937.

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

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the meeting. Written comments may be emailed to dbarreras@usccr.gov or may be submitted via the following form: <https://wkf.ms/4el1dOG>. People who desire additional information may contact the Designated Federal Officer at (202) 656-8937.

Records generated from this briefing may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the briefing. Records of meetings will be available via the file sharing website: <https://usccr.box.com/s/l8pa4elkskan98fyqjcc50736l8dakq6> as well as at: www.facadatabase.gov under the Commission on Civil Rights, selecting the Advisory Committee of interest. People interested in the work of this Committee are directed to the Commission's website, <http://www.usccr.gov>, or may contact the Designated Federal Officer at 202-656-8937.

Dated: June 22, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026-12715 Filed 6-23-26; 8:45 am]

BILLING CODE P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–1–2026]

**Foreign-Trade Zone (FTZ) 18;
Authorization of Limited Production
Activity; Rose Electronics Distributing
Company, LLC dba Rose Batteries;
(Battery Packs); San Jose, California**

On January 7, 2026, Rose Electronics Distributing Company, LLC dba Rose Batteries submitted a notification of proposed production activity to the FTZ Board for its facility within FTZ 18, in San Jose, California.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the **Federal Register** inviting public comment (91 FR 1260, January 13, 2026). On June 18, 2026, the applicant was notified of the FTZ Board's decision that no further review of the proposed activity is warranted at this time. The production activity described in the notification was authorized on a limited basis, subject to the FTZ Act and the Board's regulations, including section 400.14, and further subject to a restriction of a one-year time period.

Dated: June 18, 2026.

Juanita Chen,

Acting Executive Secretary.

[FR Doc. 2026–12666 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–045–2025]

**Foreign-Trade Zone (FTZ) 32;
Authorization of Production Activity;
3nStar, Inc.; (Point of Sale Terminals);
Doral, Florida**

On September 17, 2025, 3nStar, Inc. submitted a notification of proposed production activity to the FTZ Board for its facility within FTZ 32, in Doral, Florida.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the **Federal Register** inviting public comment (90 FR 45370, September 22, 2025). On June 18, 2026, the applicant was notified of the FTZ Board's decision that no further review of the activity is warranted at this time. The production activity described in the notification was authorized, subject to the FTZ Act and the FTZ Board's regulations, including section 400.14.

Dated: June 18, 2026.

Juanita Chen,

Acting Executive Secretary.

[FR Doc. 2026–12659 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–53–2025]

**Foreign-Trade Zone (FTZ) 30;
Authorization of Production Activity;
Boart Longyear Company; (Diamond
Drill Bits); West Valley City, Utah**

On December 2, 2026, Boart Longyear Company submitted a notification of proposed production activity to the FTZ Board for its facility within Subzone 30H, in West Valley City, Utah.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the **Federal Register** inviting public comment (90 FR 60607, December 29, 2025). On June 18, 2026, the applicant was notified of the FTZ Board's decision that no further review of the activity is warranted at this time. The production activity described in the notification was authorized on a limited basis, subject to the FTZ Act and the FTZ Board's regulations, including section 400.14, and further subject to a two-year time period.

Dated: June 18, 2026.

Juanita Chen,

Acting Executive Secretary.

[FR Doc. 2026–12664 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

**Agency Information Collection
Activities; Submission to the Office of
Management and Budget (OMB) for
Review and Approval; Comment
Request; Voluntary Self-Disclosure of
Antiboycott Violations**

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public

comments were previously requested via the **Federal Register** on April 9, 2026, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: Bureau of Industry and Security, Commerce.

Title: Voluntary Self-Disclosure of Antiboycott Violations.

OMB Control Number: 0694–0132.

Form Number(s): None.

Type of Request: Extension of a current information collection.

Number of Respondents: 15.

Average Hours per Response: 10 to 600 hours.

Burden Hours: 4,220.

Needs and Uses: Voluntary self-disclosures allow BIS to conduct investigations of the disclosed incidents faster than would be the case if BIS had to detect the violations without such disclosures. As a result, BIS is able to devote more of its resources to detecting non-disclosed violations. The information obtained through this collection may also provide leads to uncover other violations. In some cases, the information might be shared with other law enforcement agencies investigating suspected violations of the ECRA and the EAR or, in appropriate instances, agencies investigating violations of other statutes or with foreign governments.

Affected Public: Business or other for-profit organizations.

Frequency: On Occasion.

Respondent's Obligation: Voluntary.

Legal Authority: Sections 4812(b)(7) and 4814(b)(1)(B) of the Export Control Reform Act (ECRA).

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0694–0132.

Sheleen Dumas,

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

[FR Doc. 2026–12728 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE**Bureau of Industry and Security****Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Five-Year Records Retention Requirement for Export Transactions and Boycott Actions.**

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. The purpose of this notice is to allow for 60 days of public comment preceding submission of the collection to OMB.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before August 24, 2026.

ADDRESSES: Interested persons are invited to submit comments by email to Nancy Kook, IC Liaison, Bureau of Industry and Security, at PRA@bis.doc.gov or to PRAcomments@doc.gov. Please reference OMB Control Number 0694-0096 in the subject line of your comments. Do not submit Confidential Business Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Nancy Kook, IC Liaison, Bureau of Industry and Security, phone 202-482-2440 or by email at PRA@bis.doc.gov.

SUPPLEMENTARY INFORMATION:**I. Abstract**

This collection is necessary under Sections 760 and 762.6(a) of the Export Administration Regulations (EAR). The five-year retention requirement corresponds with the statute of limitations for violations and is necessary to preserve potential evidence for investigations. All parties involved in the export, reexport, transshipment or diversion of items subject to the EAR and the U.S. party involved in the export transaction involving a reportable boycott request are required to maintain records of these activities

for a period of five years. The frequency depends upon how often each entity is involved in an export transaction or one involving a reportable boycott request.

II. Method of Collection

Paper or Electronic.

III. Data

OMB Control Number: 0694-0096.

Form Number(s): None.

Type of Review: Regular submission, extension of a current information collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 102,970.

Estimated Time per Response: 1 to 60 seconds.

Estimated Total Annual Burden Hours: 284.

Estimated Total Annual Cost to Public: 0.

Respondent's Obligation: Voluntary.

Legal Authority: 760 and 762.6(a) of the Export Administration Regulations (EAR).

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. 2026-12727 Filed 6-23-26; 8:45 am]

BILLING CODE 3510-33-P

DEPARTMENT OF COMMERCE**Bureau of Industry and Security****Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Technology Letter of Explanation**

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on March 30, 2026, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: Bureau of Industry and Security, Department of Commerce.

Title: Technology Letter of Explanation.

OMB Control Number: 0694-0047.

Form Number(s): None.

Type of Request: Extension of a current information collection.

Number of Respondents: 5,006.

Average Hours Per Response: 30 minutes to 2 hours.

Burden Hours: 8,947.

Needs and Uses: This collection is necessary under section 748.8(o) and Supplement 2 section (o) to Part 748 of the Export Administration Regulations (EAR). Licensing officers must make decisions on licensing the export of United States commodities and technical data to foreign countries. When an export involves certain technical data or knowhow described in the Export Administration Regulation, additional information is required to fully understand the transaction and make a licensing decision. The Technology Letter of Explanation provides a written description of the technology proposed for export

sufficient to allow BIS technical staff to evaluate the impact of licensing the export on United States national security and foreign policy. The letter of assurance puts the consignee on notice that the technology is subject to U.S. export controls and causes the consignee to certify that it will not release the data or the direct product of the data to certain specified country group nationals; thus providing assurance that U.S. national security data will be safeguarded and used only for the stated end use. Additional information may be necessary to evaluate technology exports as covered under this collection.

Affected Public: Business or other for-profit organizations.

Frequency: On Occasion.

Respondent's Obligation: Voluntary.

Legal Authority: EAR Sections 748.8 and Sup 2 Section (o) to Part 748.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0694–0047.

Sheleen Dumas,

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

[FR Doc. 2026–12731 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Report of Requests for Restrictive Trade Practice or Boycott

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to

comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on April 9, 2026, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: Bureau of Industry and Security, Department of Commerce.

Title: Report of Requests for Restrictive Trade Practice or Boycott.

OMB Control Number: 0694–0012.

Form Number(s): None.

Type of Request: Extension of a current information collection.

Number of Respondents: 423.

Average Hours per Response: 1 to 1 ½ hours.

Burden Hours: 494.

Needs and Uses: This information is used to monitor requests for participation in foreign boycotts against countries friendly to the U.S. The information is analyzed to note changing trends and to decide upon appropriate action to be taken to carry out the United States' policy of discouraging United States persons from participating in foreign restrictive trade practices and boycotts directed against countries friendly to the United States.

Affected Public: Business or other for-profit organizations.

Frequency: On Occasion.

Respondent's Obligation: Voluntary.

Legal Authority: EAR Sections 760.5, 762 and 764.2.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0694–0012.

Sheleen Dumas,

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

[FR Doc. 2026–12729 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–423–812]

Certain Carbon and Alloy Steel Cut-To-Length Plate from Belgium: Amended 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) is amending its final results of the administrative review of the antidumping duty (AD) order on certain carbon and alloy steel cut-to-length plate (CTL Plate) from Belgium to correct a ministerial error. The period of review (POR) is May 1, 2023, through April 30, 2024.

DATES: Applicable June 24, 2026.

FOR FURTHER INFORMATION CONTACT: Jerry Xiao, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–2273.

SUPPLEMENTARY INFORMATION:

Background

On May 15, 2026, Commerce published in the **Federal Register** the final results of the 2023–2024 administrative review of the antidumping duty order on CTL Plate from Belgium.¹ On May 20, 2026, we received timely submitted ministerial error allegations from Industeel S.A. (Industeel).² We received no other ministerial error comments from interested parties. Commerce is amending the *Final Results* to correct a ministerial error.

Legal Framework

Section 751(h) of the Tariff Act of 1930, as amended (the Act), defines a "ministerial error" as including "errors in addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other unintentional error which the administering authority considers ministerial."³ With respect to final

¹ See *Certain Carbon and Alloy Steel Cut-To-Length Plate from Belgium: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2023–2024*, 91 FR 27922 (May 15, 2026) (*Final Results*), and accompanying Issues and Decision Memorandum (IDM).

² See Industeel's Letter, "Industeel Belgium S.A.'s Ministerial Error Comments," dated May 20, 2026 (Industeel's Ministerial Error Comments).

³ See 19 CFR 351.224(f).

results of administrative reviews, 19 CFR 351.224(e) provides that Commerce “will analyze any comments received and, if appropriate, correct any . . . ministerial error by amending the final results of review . . .”

Ministerial Error

Commerce reviewed the record, and we agree that one of the errors alleged by Industeel constitutes a ministerial error within the meaning of section 751(h) of the Act and 19 CFR 351.224(f).⁴ Specifically, we made an inadvertent error related to the exclusion of certain programming

language when calculating the international movement expense.⁵

Pursuant to 19 CFR 351.224(e), Commerce is amending the *Final Results* to reflect the correction of the ministerial error, as described in the Ministerial Error Memorandum.⁶ Based on the correction, Industeel’s final dumping margin changed from 5.78 percent to 5.27 percent. The amended estimated weighted-average dumping margins are listed in the “Amended Final Results” section below.

For a complete discussion of the ministerial error allegation, as well as Commerce’s analysis, see the

accompanying Ministerial Error Memorandum.⁷ The Ministerial Error Memorandum is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>.

Amended Final Results

As a result of correcting the ministerial error described above, Commerce determines that the following estimated weighted-average dumping margins exist for the period May 1, 2023, through April 30, 2024:

Exporter	Weighted-average dumping margin (percent)
Industeel Belgium S.A	5.27

Disclosure

Commerce intends to disclose the calculations performed in connection with these amended final results of review to interested parties within five days of the date of publication of this notice in the **Federal 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)(1), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the amended final results of this review. The amended final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the amended final results of this review and for future deposits of estimated duties, where applicable.⁸

Pursuant to 19 CFR 351.212(b)(1), we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales. 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.

Commerce’s “automatic assessment” will apply to entries of subject

merchandise during the POR produced by Industeel in the final results of review for which Industeel did not know that the merchandise it sold to the intermediary (e.g., a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the amended 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 amended cash deposit requirements will be effective upon publication of *Final Results* for shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Industeel will be equal to the weighted average dumping margin established in the amended 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 the proceeding, the cash deposit will continue to be the company-specific rate published in the completed segment for the most recently completed period; (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 has been covered in a prior completed segment of this proceeding, then the cash deposit rate will be the rate established in the completed segment for the most recent period for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.40 percent, the all-others rate established in the LTFV investigation for this proceeding.⁹ These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce’s presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

This notice serves as the final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the

⁴ See Memorandum, “Analysis of Ministerial Error Allegation,” dated concurrently with this **Federal Register** notice (Ministerial Error Memorandum).

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

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

⁹ See *Order*, 82 FR at 24098.

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

Notification to Interested Parties

We are issuing and publishing these amended final results of administrative review in accordance with sections 751(h) and 777(i)(1) of the Act and 19 CFR 351.224(e).

Dated: June 17, 2026.

Christopher Abbott,

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

[FR Doc. 2026–12694 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–899]

Acetone From the Republic of Korea: Rescission of Antidumping Duty Administrative Review; 2025–2026

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

SUMMARY: The U.S. Department of Commerce (Commerce) is rescinding the administrative review of the antidumping duty (AD) order on acetone from the Republic of Korea (Korea), covering the period (POR) March 1, 2025, through February 28, 2026.

DATES: Applicable June 24, 2026.

FOR FURTHER INFORMATION CONTACT: Toni Page, 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) 482–1398.

SUPPLEMENTARY INFORMATION:

Background

On March 2, 2026, Commerce published in the **Federal Register** a notice of opportunity to request an administrative review of the AD order on acetone from Korea.¹ On March 31,

2026, the Coalition for Acetone Fair Trade (the petitioner) timely requested that Commerce conduct an administrative review of Kumho P&B Chemicals, Inc (KPB), and LG Chem, Ltd (LG Chem).² We received no other requests for review. On May 4, 2026, Commerce published in the **Federal Register** a notice of initiation of an administrative review with respect to KPB and LG Chem.³

On May 19, 2026, Commerce issued an intent to rescind memorandum with the U.S. Customs and Border Protection (CBP) POR data notifying interested parties that import data issued by the CBP indicated that neither KPB nor LG Chem had reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁴ Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, Commerce intended to rescind this administrative review with respect to KPB and LG Chem. Commerce provided all parties an opportunity to comment. No parties submitted comments.

Rescission of Review

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an AD order where it concludes that there were no reviewable entries of subject merchandise during the POR.⁵ Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate for the review period.⁶ Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated AD assessment rate for the review period.⁷ As noted above, CBP confirmed that there were no entries of subject merchandise during the POR with respect to KPB and LG Chem. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we are

rescinding this administrative review, in its entirety, in accordance with 19 CFR 351.213(d)(3).

Cash Deposit Requirements

As Commerce has proceeded to a final rescission of this administrative review, no cash deposit rates will change. Accordingly, the current cash deposit requirements shall remain in effect until further notice.

Assessment

Commerce will instruct CBP to assess antidumping duties on all appropriate entries. Because Commerce is rescinding this review in its entirety, the entries to which this administrative review pertained shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of this rescission notice in the **Federal Register**.

Notification Regarding Administrative Protective Order

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

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act of 1930, as amended, and 19 CFR 351.213(d)(4).

Dated: June 16, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–12699 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–DS–P

¹ *to Request Administrative Review and Join Annual Inquiry Service List*, 91 FR 10055 (March 2, 2026).

² See Petitioner's Letter, "Request for Administrative Review," dated March 31, 2026.

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 91 FR 23941 (May 4, 2026).

⁴ Memorandum, "Intent to Rescind Review," dated May 19, 2026.

⁵ See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); see also *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

⁶ See 19 CFR 351.212(b)(2).

⁷ See 19 CFR 351.213(d)(3).

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity*

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-979]

Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Preliminary Results, Intent To Rescind, in Part, and Rescission, in Part, 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 exporters subject to this review made sales of subject merchandise at less than normal value (NV) during the period of review (POR), December 1, 2023, through November 30, 2024. In addition, we are rescinding the review with respect to 16 companies and intend to rescind this review with respect to Maodi Solar Technology (Dongguan) Co., Ltd. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable June 24, 2026.

FOR FURTHER INFORMATION CONTACT:

Benjamin Blythe and Paul Kebker, 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) 482–3457 and (202) 482–2254, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On January 27 and February 21, 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 (AD) order on crystalline silicon photovoltaic cells, whether or not assembled into modules (solar cells), from the People's Republic of China (China).¹ On January 6, 2026, Commerce selected Canadian Solar²

and VSUN³ as mandatory respondents in this review.⁴

On February 25 and April 25, 2025, Canadian Solar Photovoltaic Technology (Luoyang) Co., Ltd., CSI Wafer (Fu Ning) Co., Ltd., Elite Solar Power Holding Pte. Ltd., and Elite Solar Power Hong Kong Ltd., respectively, timely withdrew their requests for review.⁵

On December 9, 2024, Commerce tolled the deadline to issue the preliminary results in this administrative review by 90 days.⁶ Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁷ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁸ On January 28 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).⁹ Accordingly, 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

Canadian Solar Sunenergy (Jiaxing) Co. Ltd.; CSI Solar Technologies (JiaXing) Co., Ltd.; CSI Cells (Yangzhou) Co., Ltd.; CSI Cells (Yancheng) Co., Ltd.; CSI Cells (SuQian) Co., Ltd.

³ VSUN refers to the following companies which we have treated as a single entity: Vietnam Sunergy Joint Stock Company; Vietnam Sunergy (Bac Ninh) Company Limited; TOYO Solar Company Limited; VSUN China Co., Ltd.; TOYO China Co., Ltd.

⁴ See Memorandum, "Respondent Selection," dated January 6, 2026.

⁵ See Elite Solar Power Hong Kong. Ltd.'s Letter, "Withdrawal of Request for Administrative Review," dated February 25, 2026; see also Elite Solar Power Holding Pte. Ltd.'s Letter, "Withdrawal of Request for Administrative Review," dated February 25, 2025; and Canadian Solar's Letter, "Withdrawal of Request for Administrative Review," dated April 25, 2025.

⁶ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings," dated December 9, 2024.

⁷ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁸ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁹ See Memoranda, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated January 28, 2026, and "Second Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated June 1, 2026.

this review, see the Preliminary Decision Memorandum.¹⁰ 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 covered by the scope of this *Order* is solar cells from China. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if a party who requested a review withdraws its request within 90 days of the date of publication of notice of initiation in the **Federal Register**. As noted above, the following companies timely withdrew their review requests and no other party requested an administrative review of these companies: Canadian Solar Photovoltaic Technology (Luoyang) Co., Ltd., CSI Wafer (Fu Ning) Co., Ltd., Elite Solar Power Holding Pte. Ltd., and Elite Solar Power Hong Kong Ltd. Therefore, we are rescinding this administrative review with respect to these companies, pursuant to 19 CFR 351.213(d)(1).

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an AD order where it concludes that there were no suspended entries of subject merchandise during the POR.¹¹ Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate for the review period.¹² Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate

¹⁰ See Memorandum, "Decision Memorandum for the Preliminary Results of the 2023–2024 Administrative Review of the Antidumping Duty Order on Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

¹¹ See, e.g., *Certain Carbon and Alloy Steel Cut-to Length Plate from the Federal Republic of Germany: Recession of Antidumping Administrative Review*; 2020–2021, 88 FR 4154 (January 24, 2023).

¹² See 19 CFR 351.212(b)(1).

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 8187, 8190–8192 (January 27, 2025) (*First Initiation Notice*); see also *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 10048, 10057 (February 21, 2025) (*Second Initiation Notice*) (collectively, *Initiation Notices*).

² Canadian Solar comprises the following companies which we have treated as a single entity: Canadian Solar International Limited; Canadian Solar Manufacturing (Changshu) Inc.; Canadian Solar Manufacturing (Luoyang) Inc.; CSI Cells Co., Ltd.; CSI Solar Co., Ltd.; CSI Solar Manufacturing (Fu Ning) Co. Ltd.; Canadian Solar Manufacturing (Thailand) Co., Ltd.; CSI Modules (DaFeng) Co., Ltd.; Canadian Solar Sunenergy (SuQian) Co., Ltd.;

at the calculated AD assessment rate for the review period.¹³ Commerce notified all interested parties of its intent to rescind the instant review with respect to certain companies (*see* Appendix II) because there were no reviewable, suspended entries of subject merchandise from these companies during the POR and invited interested parties to comment.¹⁴ We received no comments. In the absence of any suspended entries of subject merchandise from these companies during the POR, we are rescinding this administrative review of the companies listed in Appendix II for which there are no suspended entries of subject merchandise during the POR, in accordance with 19 CFR 351.213(d)(3).

Intent To Rescind Administrative Review, in Part

Commerce intends to rescind this review with respect to Maodi Solar Technology (Dongguan) Co., Ltd. For additional details, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of Act. Because the mandatory respondents produced subject merchandise in China and the Socialist Republic of Vietnam (Vietnam), both of which are non-market economy countries within the meaning of section 771(18) of the Act, we calculated NV in accordance with section 773(c) of the

Act. For a full description of the methodology underlying our preliminary results, *see* the Preliminary Decision Memorandum.

Separate Rates

We preliminarily determine that, in addition to Canadian Solar and VSUN, nine companies not individually examined are eligible for separate rates in this administrative review. Those nine companies are: (1) Boviet Solar Technology Co., Ltd.; (2) BYD H.K. Co., Ltd.; (3) JA Solar Vietnam Company Limited; (4) LONGi Malaysia Sdn. Bhd.; (5) Runergy PV Technology (Thailand) Co., Ltd.; (6) Shanghai JA Solar Technology Co., Ltd.; (7) Shenzhen Sungold Solar Co., Ltd.; (8) Vina Cell Technology Company Limited; and (9) Vina Solar Technology Company Limited.¹⁵

The Act and Commerce's regulations do not address the establishment of a separate rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for separate-rate respondents which Commerce did not examine individually in an administrative review.

For the reasons explained in the Preliminary Decision Memorandum, we

assigned a weighted average of Canadian Solar and VSUN's dumping margin using publicly available ranged sales values to the non-individually examined respondents that qualify for a separate rate.¹⁶

Commerce preliminarily determines that the companies listed in Appendix III do not qualify for a separate rate and are, thus, part of the China-wide entity and subject to the China-wide rate.

The China-Wide Entity

Commerce's policy regarding conditional review of the China wide entity applies to this administrative review.¹⁷ Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity, the entity is not under review, and the entity's rate (*i.e.*, 238.95 percent)¹⁸ is not subject to change. Because there were no entries of subject merchandise from the companies listed in Appendix IV during the POR, none of which had a separate rate during the POR, these companies remain in the China-wide entity.

Preliminary Results of Review

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist for the period December 1, 2023, through November 30, 2024:

Exporter	Weighted-average dumping margin (percent)
Canadian Solar International Limited; Canadian Solar Manufacturing (Changshu) Inc.; Canadian Solar Manufacturing (Luoyang) Inc.; CSI Cells Co., Ltd.; CSI Solar Co., Ltd.; CSI Solar Manufacturing (Fu Ning) Co. Ltd.; Canadian Solar Manufacturing (Thailand) Co., Ltd.; CSI Modules (DaFeng) Co., Ltd.; Canadian Solar Sunenergy (SuQian) Co., Ltd.; Canadian Solar Sunenergy (Jiaxing) Co. Ltd.; CSI Solar Technologies (JiaXing) Co., Ltd.; CSI Cells (Yangzhou) Co., Ltd.; CSI Cells (Yancheng) Co., Ltd.; CSI Cells (SuQian) Co., Ltd	26.11
Vietnam Sunergy Joint Stock Company Limited (VSUN Bac Giang); Vietnam Sunergy (Bac Ninh) Company Limited; TOYO Solar Company Limited; VSUN China Co., Ltd.; TOYO China Co., Ltd	2.06
Boviet Solar Technology Co., Ltd	20.01
BYD H.K. Co., Ltd	20.01
JA Solar Vietnam Company Limited	20.01

¹³ See, e.g., *Shanghai Sunbeauty Trading Co. v. United States*, 380 F.Supp.3d 1328, 1337 (CIT 2019), at 12 (referring to section 751(a) of the Act, the U.S. Court of International Trade held that “[w]hile the statute does not explicitly require that an entry be suspended as a prerequisite for establishing entitlement to a review, it does explicitly state the determined rate will be used as the liquidation rate for the reviewed entries. This result can only obtain if the liquidation of entries has been suspended”; *see also Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018–2019*, 86 FR 36102 (July 8, 2021), and accompanying Issues and Decision Memorandum at Comment 4; and *Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Notice of*

Rescission of Antidumping Duty Administrative Review, 77 FR 65532 (October 29, 2012) (noting that “for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate”).

¹⁴ See Memorandum, “Notice of Intent to Rescind Administrative Review, in Part,” dated April 21, 2026.

¹⁵ See Preliminary Decision Memorandum at the “Separate Rates” section for more details.

¹⁶ See Preliminary Decision Memorandum at 23–24.

¹⁷ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy*

Entity in NME Antidumping Duty Proceedings, 78 FR 65963 (November 4, 2013).

¹⁸ The China-wide entity rate was last changed in the first administrative review of this proceeding and has been the applicable rate for the entity in each subsequent review, including the most recently completed review. *See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2012–2013*, 80 FR 40998, 41002 (July 14, 2015); *see also Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2022–2023*, 90 FR 60060 (December 23, 2025).

Exporter	Weighted-average dumping margin (percent)
LONGi Malaysia Sdn. Bhd	20.01
Runergy PV Technology (Thailand) Co., Ltd	20.01
Shanghai JA Solar Technology Co., Ltd	20.01
Shenzhen Sungold Solar Co., Ltd	20.01
Vina Cell Technology Company Limited	20.01
Vina Solar Technology Company Limited	20.01

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

Commerce received a timely request from the American Alliance for Solar Manufacturing (the petitioner) to verify the information submitted in this administrative review, pursuant to 19 CFR 351.307(b)(1)(iv).¹⁹ Commerce will notify interested parties at a later date regarding whether it will conduct a verification of the information submitted by the mandatory respondents.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Commerce will notify interested parties of the deadline to submit case briefs to Commerce at a later date. 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.²⁰ 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.²¹

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.²² 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).²³

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.²⁴

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

If a mandatory respondent'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 for the respondent 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.²⁵ 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 a mandatory respondent'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.²⁶

For the respondents that were not selected for individual examination in this administrative review that qualified for a separate rate, the assessment rate will be equal to the weighted-average of the dumping margins calculated for the mandatory respondents, consistent with section 735(c)(5)(B) of the Act. Consequently, the rate established for the non-individually examined separate rate companies is an *ad valorem* rate of 20.01 percent.

For entries that were not reported in the U.S. sales database submitted by the mandatory respondents during this review, Commerce will instruct CBP to liquidate such entries at the China-wide rate.

For the companies listed in Appendix II for which the review is being rescinded, Commerce will instruct CBP to assess antidumping duties on all appropriate entries. Antidumping duties shall be assessed at rates equal to the cash deposit rate for estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of

¹⁹ See Petitioner's Letter, "Request for Verification," dated May 7, 2025.

²⁰ 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*).

²¹ See 19 CFR 351.309(c)(2) and (d)(2).

²² We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

²³ See *APO and Service Procedures*.

²⁴ See 19 CFR 351.310(d).

²⁵ See 19 CFR 351.212(b)(1).

²⁶ 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).

publication of this notice in the **Federal Register**.

For the final results, if we continue to treat the companies identified in Appendix III as part of the China-wide entity, we will instruct CBP to apply an *ad valorem* assessment rate of 238.95 percent to all entries of subject merchandise during the POR which were produced and/or exported by those companies.

The companies listed in Appendix IV were part of the China-wide entity during the POR. Although there is no evidence of entries of their subject merchandise during the POR, because we initiated a review of these companies we will nonetheless inform CBP that these companies were part of the China-wide entity during the POR and subject to the China-wide rate assessment rate of 238.95 percent.

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

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 the final results of this administrative review for shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of review, as provided by sections 751(a)(2)(C) of the Act: (1) for the companies listed in the rate table above, which have a separate rate, the cash deposit rate will be the rate established in the final results of this review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required); (2) for previously investigated or reviewed China and non-China exporters not listed in the table above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the existing rate for the China-wide entity of 238.95 percent; (4) for all non-China exporters of subject merchandise which have not received their own rate, other than exporters in the Kingdom of Cambodia (Cambodia), Malaysia, the Kingdom of Thailand (Thailand), or

Vietnam, the cash deposit rate will be the rate applicable to the exporter that supplied that non-China exporter; and (5) for exporters in Cambodia, Malaysia, Thailand, or Vietnam which have not received their own rate, the cash deposit rate will be the rate applicable to the company that exported wafers to the producer/exporter that were incorporated in the subject merchandise. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

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

Dated: 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. Partial Rescission of Administrative Review
- V. Preliminary Partial Rescission of Administrative Review
- VI. Preliminary Determination Regarding Certain No Shipment Claims
- VII. Affiliation and Single Entity Treatment
- VIII. Application of Facts Available and Use of Adverse Inferences
- IX. Discussion of the Methodology
- X. Adjustment Under Section 777(A)(f) of the Act
- XI. Adjustments for Export Subsidies
- XII. Recommendation

Appendix II

Companies Rescinded From Review

All Review Requests Timely Withdrawn

1. Canadian Solar Photovoltaic Technology (Luoyang) Co., Ltd.,
2. CSI Wafer (Fu Ning) Co., Ltd.,
3. Elite Solar Power Holding Pte. Ltd.,
4. Elite Solar Power Hong Kong Ltd.

No Suspended Entries of Subject Merchandise

1. BYD (Shangluo) Industrial Co., Ltd.
2. Canadian Solar Photovoltaic Technology (Luoyang) Co., Ltd.
3. CSI Wafer (Fu Ning) Co., Ltd.
4. Elite Solar Power Holding Pte. Ltd.
5. Elite Solar Power Hong Kong Ltd.
6. JA Solar Technology Yangzhou Co., Ltd.
7. JingAo Solar Co., Ltd.
8. Risen Energy Co. Ltd.; Risen Energy (Changzhou) Co., Ltd.; Risen (Wuhai) New Energy Co., Ltd.; Zhejiang Twinsel Electronic Technology Co., Ltd.; Risen (Luoyang) New Energy Co., Ltd.; Jiujiang Shengchao Xinye Technology Co., Ltd.; Jiujiang Shengzhao Xinye Trade Co., Ltd.; Ruichang Branch, Risen Energy (HongKong) Co., Ltd.; Risen Energy (YIWU) Co., Ltd.
9. Shanghai BYD Co., Ltd.
10. Shenzhen Glory Industries Co., Ltd.
11. Shenzhen Topray Solar Co., Ltd.
12. Trina Solar (Singapore) Science and Technology Pte. Ltd.
13. Trina Solar Co., Ltd.; Trina Solar (Changzhou) Science and Technology Co., Ltd.; Yancheng Trina Guoneng Photovoltaic Technology Co., Ltd.; Changzhou Trina Solar Yabang Energy Co., Ltd.; Turpan Trina Solar Energy Co., Ltd.; Hubei Trina Solar Energy Co., Ltd.; Trina Solar (Hefei) Science and Technology Co., Ltd.; Changzhou Trina Hezhong Photoelectric Co., Ltd.
14. Wuxi Tianran Photovoltaic Co., Ltd.
15. Xiamen Yiyusheng Solar Co., Ltd.
16. Zhejiang Aiko Solar Energy Technology Co., Ltd.

Appendix III

Companies Preliminarily Not Granted a Separate Rate

1. Anji DaSol Solar Energy Science & Technology Co., Ltd.
2. Chint New Energy Technology Co., Ltd. (f.k.a. Chint New Energy Technology (Haining) Co., Ltd.); Chint Solar (Hong Kong) Company Limited; Chint Solar (Jiuquan) Co., Ltd.; Chint Solar (Zhejiang) Co., Ltd.; Chint New Energy Technology (Yancheng) Co., Ltd.; Chint Solar (Yancheng) Co., Ltd.; Haining Chint Solar Energy Technology Co., Ltd.; Zhejiang Taiheng New Energy Co., Ltd.; Hangzhou Taifu New Energy Co., Ltd.
3. Hongkong Hello Tech Energy Co., Ltd.
4. Jinko Solar (Malaysia) Sdn. Bhd.
5. Jinko Solar Import and Export Co., Ltd.; Jinko Solar Co., Ltd.; JinkoSolar Technology (Haining) Co., Ltd.; Yuhuan Jinko Solar Co., Ltd.; Zhejiang Jinko Solar Co., Ltd.; Jiangsu Jinko Tiansheng Solar Co., Ltd.; JinkoSolar (Chuzhou) Co., Ltd.; JinkoSolar (Yiwu) Co., Ltd.;

- JinkoSolar (Shangrao) Co., Ltd.
6. Jinko Solar Technology Sdn. Bhd.
7. Jinkosolar Middle East DMCC
8. Longi Solar Technology Co. Ltd.
9. Trina Solar Energy Development Company Limited
10. Trina Solar Science & Technology (Thailand) Ltd.

Appendix IV

Companies That Remain in the China-Wide Entity

1. Canadian Solar Manufacturing, Inc.
2. Changzhou Trina PV Ribbon Materials Co., Ltd.
3. Chint Energy (Haining) Co., Ltd.
4. CSI Solar Power Group Co., Ltd. (f.k.a. CSI Solar Power (China) Inc.)
5. De-Tech Trading Limited HK
6. Hengdian Group DMEGC Magnetics Co. Ltd.
7. JA Solar Co., Ltd.
8. JA Solar International Limited
9. JA Solar PV Vietnam Company Limited
10. Jiawei Solarchina (Shenzhen) Co., Ltd.
11. Jiawei Solarchina Co., Ltd.
12. Jinko Solar International Limited
13. Lightway Green New Energy Co., Ltd.
14. Longi (HK) Trading Ltd.
15. Luoyang Suntech Power Co., Ltd.
16. New East Solar Energy Cambodia Co., Ltd.
17. Ningbo ETDZ Holdings, Ltd.
18. Ningbo Qixin Solar Electrical Appliance Co., Ltd.
19. Red Sun Energy Long An Company Limited
20. Renesola Jiangsu Ltd.
21. ReneSola Zhejiang Ltd.
22. Shanghai Nimble Co., Ltd.
23. Shenzhen Yingli New Energy Resources Co., Ltd.; Baoding Jiasheng Photovoltaic Technology Co., Ltd.; Baoding Tianwei Yingli New Energy Resources Co., Ltd.; Beijing Tianneng Yingli New Energy Resources Co., Ltd.; Hainan Yingli New Energy Resources Co., Ltd.; Hengshui Yingli New Energy Resources Co., Ltd.; Lixian Yingli New Energy Resources Co., Ltd.; Tianjin Yingli New Energy Resources Co., Ltd.; Yingli Energy (China) Company
24. Sumec Hardware & Tools Co., Ltd
25. Suntech Power Co., Ltd
26. Taizhou BD Trade Co., Ltd.
27. tenKsolar (Shanghai) Co., Ltd.
28. Trina Solar Energy Development PTE Ltd.
29. Wuxi Suntech Power Co., Ltd.
30. Yingli Green Energy International Trading Company Limited

[FR Doc. 2026-12714 Filed 6-23-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; West Coast Region Permit Family of Forms

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on December 22, 2025, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: National Oceanic and Atmospheric Administration (NOAA), Commerce.

Title: West Coast Region Permit Family of Forms.

OMB Control Number: 0648-0204.

Form Number(s): None.

Type of Request: Regular Submission [Revision and extension of a current information collection].

Number of Respondents: 1,164.

Average Hours per Response: Highly Migratory Species (HMS) Permits: New-Paper—20 minutes; New-Online—15 minutes; Renewal-Paper—10 minutes; Renewal-Online—5 minutes; Coastal Pelagic Species (CPS) Permit Renewal: Paper—10 minutes; Online—5 minutes; CPS Transfer—30 minutes; Limited Entry (LE) Drift Gillnet (DGN) Renewal: Paper—10 minutes; Online—5 minutes; LE DGN Transfer, Designation Request, or Exemption Request—30 minutes each; LE Deep-Set Buoy Gear (DSBG) Initial Permit Qualification Application—20 minutes; LE DSBG Renewal—10 minutes; LE DSBG ID of Ownership Interest Application—10 minutes; LE DSBG Transfers—30 minutes; Appeals—4 hours; Scientific research plans—13 hours; scientific research reports—7 hours; Exempted Fishing Permit (EFP) Application—1 hour; EFP Reports—4.5 hours; Exempted Educational Activity Authorization (EEAA)—5 hours; EEAA Reports—2.5 hours.

Total Annual Burden Hours: 421 hours.

Needs and Uses: This request is for a revision and extension of a currently approved information collection. Two information collections (IC) are being removed from this collection as they were duplicate entries for renewals. Reports are added for exempted fishing permits, scientific research, and exempted educational activity authorizations. Reports are required by regulation, however, these ICs were not previously accounted for.

Section 303(b)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) specifically recognizes the necessity for permit issuance. Regulatory authorities at international, federal, state, and local levels acknowledge the utility of permits as an essential component of fishery management systems. Collecting data on participants, including vessel specifications, gear types, and projected activity levels, is critical for evaluating the impacts of management measures and ensuring compliance with fishery regulations. Regulatory experience demonstrates that the potential for permit revocation, which precludes participation in a fishery, serves as a more effective deterrent than monetary penalties alone.

The following permit functions constitute this information collection:

(1) *Fisheries Permits:* Permits administered by the NOAA Fisheries West Coast Region under the Coastal Pelagic Species (CPS) and Highly Migratory Species (HMS) Fishery Management Plans (FMP). These authorizations are required for commercial participation in these fisheries.

(2) *Experimental/Testing Permits:* Voluntary authorizations supporting research and experimental activities designed to provide data for management decisions. This includes application and reporting for exempted fishing permits (EFPs), scientific research plans and letters of acknowledgment, and exempted educational activity authorizations (EEAAs).

Affected Public: Individuals, businesses, and other for-profit organizations.

Frequency: Varies.

Respondent's Obligation: Voluntary and required to maintain benefits.

Legal Authority: Magnuson-Stevens Fishery Conservation and Management act, 16 U.S.C. 1801 *et seq.*

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function and entering either the title of the collection or the OMB Control Number 0648–0204.

Sheleen Dumas,

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

[FR Doc. 2026–12751 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Gear-Marking Requirements for Atlantic Large Whale Take Reduction Plan

AGENCY: National Oceanic & Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. The purpose of this notice is to allow for 60 days of public comment preceding submission of the collection to OMB.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before August 24, 2026.

ADDRESSES: Interested persons are invited to submit written comments to Adrienne Thomas, NOAA PRA Officer, at NOAA.PRA@noaa.gov. Please reference OMB Control Number 0648–0364 in the subject line of your comments. All comments received are part of the public record and will

generally be posted on <https://www.regulations.gov> without change. Do not submit Confidential Business Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT:

Requests for additional information or specific questions related to collection activities should be directed to Jennifer Goebel, Atlantic Large Whale Take Reduction Team Coordinator, Greater Atlantic Regional Fisheries Office, 55 Great Republic Drive, Gloucester, MA 01970, (978) 281–9175, or nmfs.gar.alwtrt@noaa.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

This is a request for renewal of an approved information collection. In 1996, pursuant to section 118 of the Marine Mammal Protection Act, the National Marine Fisheries Service (NMFS) established and convened an Atlantic Large Whale Take Reduction Team (Team) to assist in the development of the Atlantic Large Whale Take Reduction Plan (Plan). Throughout this process, the Team has provided NMFS with recommended measures designed to reduce mortality and serious injury to North Atlantic right (*Eubalaena glacialis*), humpback (*Megaptera novaeangliae*), minke (*Balaenoptera acutorostrata*), and fin (*Balaenoptera physalus*) whales from incidental interactions with commercial fishing gear. To gather information on where entanglements are occurring and what type of gear is involved, the Team developed gear marking requirements. As a result, any person setting trap/pot or gillnet gear to fish commercially in some areas of the Atlantic Ocean are required to paint or otherwise mark their gear with specific color codes, designating the type of gear and area where it is set, in addition to specific buoy marking requirements.

NMFS is continuing the gear marking regulations amended in the 2021 rule for the Northeast Region Trap/Pot Management Area (northeast region) commercial trap/pot fisheries because increased gear marking continues to be necessary to improve our understanding of where entanglement incidents occur (RIN 648–BJ09). The gear modifications required by the rule became effective May 1, 2022, which is the start of the American lobster/Jonah crab fishing year.

The continuation of this data collection allows for improved information on entanglement origins

that will further enable NMFS to reduce injuries and deaths of large whales, especially North Atlantic right whales, due to incidental entanglement in United States commercial fishing gear. In order to develop fair and effective management measures, the Team requires comprehensive data on when, where, and how fixed gear vessels fish, and where whales become entangled in fishing gear.

The 2021 rule modified gear marking requirements by establishing a state-specific color for Maine (purple), New Hampshire (yellow), Massachusetts (red), and Rhode Island (silver/gray) on buoy lines used in the lobster and Jonah crab trap/pot fishery, except those fishing in lobster management area (LMA) 3, which retains black as the primary gear mark color. For ropeless fishing operations working under EFPs or state authorizations, gear marking is likely to be recommended as a permit condition for any stored buoy line that is retrieved remotely, and that unique color combination is anticipated to be defined in future rule making. All lobster and Jonah crab trap/pot vessels in the Northeast Region are required to include a 3-foot (0.9-meter (m)) solid mark within the surface system using paint or tape, at least three 1-foot state specific marks (in the top, middle and bottom of the buoy line), and at least four 1-foot (0.3-m) green marks (no marking convention defined; tape, paint, twine, etc.) within 6 inches (15.24 centimeters (cm)) of each area-specific gear mark to distinguish state from Federal waters or, in the case of LMA 3 vessels, to distinguish Northeast Region vessels from vessels fishing in the southern and western LMA 3 waters. Gear marks are all required to be 1-foot (0.3-m) long or greater when installed to distinguish them from Canadian marks, which currently are required to be at least 6 inches (15.24 cm) in length. The term “state” refers to the state associated with the vessel's principal port as declared on state and Federal permits. A principal port is considered the city and state where the majority of landings occur. Although more than 90 percent of lobster and Jonah crab Federal permit holders identify the same state as their principal port, mailing address, and home port (city and state where a vessel is moored), the port of landing was selected based on recommendations from some state managers, and is considered to be the area where fishing occurs.

TABLE 1—GEAR MARKING REQUIREMENTS

Area	Northeast region lobster and Jonah crab trap/pot gear marking requirement
State Waters	One 3-foot (0.9-m) state-specific colored mark (based on principal port state) in surface system within 2 fathoms (3.7 m) of the buoy. At least two 1-foot (0.3-m) marks in the state (principal port) color in the primary buoy line, one in the top half and one in the bottom half. Maine exempt waters are regulated by Maine and not included in Federal regulations.
All Northeast Region Federal waters, except LMA 3.	A 3-foot (0.9- m) state-specific colored mark within two fathoms (3.7m) of the buoy. At least three 1-foot (0.3-m) marks in the state (principal port) color on the top, middle, and bottom of the primary buoy line. Additional Northeast Region Federal water mark within 6 inches of each state-specific color: 1-foot (0.3-m) green marks.
LMA 3	A 3-foot (0.9-m) black mark within 2 fathoms (3.7 m) of the buoy. At least three 1-foot (0.3-m) black marks on the top, middle, and bottom of the primary buoy line. Additional Northeast Region Federal water mark within 6 inches of each black mark: 1-foot (0.3-m) green marks within 6 inches (15.24 cm).

Since the last continuation of this data collection in 2023, NMFS released a final rule to address the gap between Federal and state waters of the Massachusetts Restricted Area (MRA) by closing this area, known as the MRA Wedge, to trap/pot fishing gear between February and April annually. This final rule contained no new information collection requirements under the PRA. The only changes to this collection since the 2023 submission were to update material and labor costs based on 2025 economic data.

II. Method of Collection

Information is disclosed in the form of gear marking.

III. Data

OMB Control Number: 0648–0364.

Form Number(s): None.

Type of Review: Regular submission [extension of current information collection].

Affected Public: Primary respondents are business or other for-profit organizations (fishermen), and individuals or households.

Estimated Number of Respondents: 3,970.

Estimated Time per Response: The time to mark each line varies based on the number of marks required by area, but it is estimated that each mark takes between 6–9 minutes.

Estimated Total Annual Burden Hours: 222,320. The estimated total annual burden is between 43–56 hours per year, per vessel. The estimated total annual burden for all 3,970 vessels is between 170,710–222,320 hours.

Estimated Total Annual Cost to Public: The estimated cost is \$27–\$75 per vessel per year. For all 3,970 vessels, the total annual estimated cost to the public is between \$107,190 and \$297,750.

Respondent's Obligation: Mandatory.

Legal Authority: Marine Mammal Protection Act.

IV. Request for Comments

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

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

Sheleen Dumas,

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

[FR Doc. 2026–12724 Filed 6–23–26; 8:45 am]

BILLING CODE 3510–22–P

CONSUMER PRODUCT SAFETY COMMISSION

Notice of Commission Determination Regarding Technological Feasibility of Lead Content Reduction

AGENCY: Consumer Product Safety Commission.

ACTION: Notice.

SUMMARY: As required by the Consumer Product Safety Improvement Act, the Consumer Product Safety Commission (Commission or CPSC) has evaluated whether to revise lead limits for children's products and paints or similar surface-coating materials, including toys and other articles intended for use by children and furniture articles for consumer use, that bear lead-containing paint. The Commission has determined that current regulations already require the lowest amount of lead that is technologically feasible to achieve. Therefore, the Commission is not revising these lead limits at this time.

FOR FURTHER INFORMATION CONTACT: Matthew Roemer, Project Manager, Directorate for Laboratory Sciences, U.S. Consumer Product Safety Commission, 5 Research Place, Rockville, MD 20850; telephone: (301) 987–2093; email: mroemer@cpsc.gov.

SUPPLEMENTARY INFORMATION: The CPSC regulates the lead content in certain consumer products under the Consumer Product Safety Improvement Act of 2008 (CPSIA). Section 101(a) of the CPSIA (15 U.S.C. 1278a(a)) limits the lead content in any component of a children's product intended primarily for children 12 years old and younger to 100 ppm. Paints or similar surface-coating materials, including toys and other articles intended for use by children and furniture articles for consumer use, that bear lead-containing paint that contains 0.009% or more lead by weight are banned hazardous products under sections 8 and 9 of the Consumer Product Safety Act. 15 U.S.C. 1278a(f) (codified at 16 CFR part 1303).

Manufacturers and importers of children's products subject to the lead requirements are required to certify their product using a CPSC-accepted third-party laboratory. 15 U.S.C. 2063.

Section 101 of the CPSIA requires periodic review and possible further reductions of the lead limit for children's products and paints or similar surface-coatings and states that the Commission "shall, based on the best available scientific and technical information, periodically review and revise downward the limit set forth . . . no less frequently than every 5 years after promulgation of the limit . . . to require the lowest amount of lead that the Commission determines is technologically feasible to achieve." 15 U.S.C. 1278a(a)(2)(E) and (f)(2).

Section 101(d) of the CPSIA provides that a lead limit shall be deemed technologically feasible with regard to a product or product category if:

- a product that complies with the limit is commercially available in the product category;
- technology to comply with the limit is commercially available to manufacturers or is otherwise available within the common meaning of the term;
- industrial strategies or devices have been developed that are capable, or will be capable of, achieving such a limit by the effective date of the limit and that companies, acting in good faith, are generally capable of adopting; or
- alternative practices, best practices, or other operational changes would allow the manufacturer to comply with the limit.

15 U.S.C. 1278a(d).

CPSC staff conducted the required assessment under Section 101 of the CPSIA. The CPSC currently maintains some of the most stringent lead restrictions in the world for children's products, consumer paints and certain painted products. Although lead is sometimes intentionally added to materials to create a desirable functional property, such uses generally result in lead concentrations considerably above the current lead limits for children's products, consumer paints and certain painted products. Relatively low lead levels, such as near or below the current limits, may be considered as unintentional or contaminant levels of lead.

Measuring lead at low "trace" levels requires careful analysis using appropriate methods and sophisticated and sensitive laboratory instruments. The CPSC has published several test methods to determine the total lead content in children's metal and non-metal products and paints or similar

surface coating materials: CPSC-CH-E1001-08.3 Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry), CPSC-CH-E1002-08.3 Total Lead (Pb) in Non-Metal Children's Products, and CPSC Test Method CPSC-CH-E1003-09 Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings.¹

Staff assessed the technological feasibility of reducing both the current total lead content limit by weight to under 100 ppm and the current lead limit in paints to under 90 ppm based on the current testing capabilities and limits of detection for lead. Since the enactment of section 101(a) of the CPSIA, there have been no new or improved testing capabilities generally available to commercial or government laboratories that would support reproducible and reliable testing for lead content significantly lower than the current limits. The two main analytical methods CPSC uses to measure lead are X-ray Fluorescence spectroscopy (XRF) and Inductively Coupled Plasma Optical Emission Spectroscopy (ICP-OES). Limits of Detection (LODs) are the lowest level an instrument can detect in a certain substrate and are determined using ideal, homogeneous materials. LODs for both XRF- and ICP-based methods have not significantly changed over recent years. As such, achievable limits of quantification for real-world children's product samples have remained unchanged since passage of the CPSIA. Therefore, staff recommend that the current lead limit for children's products remain at 100 ppm and the current lead limit for paints remain at 0.009 percent.

Based on CPSC staff's assessment, the Commission determines that current regulations already require the lowest amount of lead that is technologically feasible to achieve. Therefore, the Commission is not revising these lead limits at this time.

Alberta E. Mills,

Secretary, Consumer Product Safety Commission.

[FR Doc. 2026-12695 Filed 6-23-26; 8:45 am]

BILLING CODE 6355-01-P

CONSUMER PRODUCT SAFETY COMMISSION

National Roundtable on Childhood Drowning Prevention; Notice of Public Meeting and Request for Comment

AGENCY: Consumer Product Safety Commission.

ACTION: Notice of public meeting and request for comment.

SUMMARY: The U.S. Consumer Product Safety Commission (Commission or CPSC) announces a public roundtable to discuss strategies for reducing childhood drowning associated with consumer products. The roundtable is intended to assist the Commission in evaluating existing approaches to childhood drowning prevention and identifying opportunities to strengthen future Commission actions, including public education, consumer product safety initiatives, standards development, research, stakeholder engagement, and other efforts intended to reduce childhood drowning. The roundtable will consist of invited participants representing a range of relevant disciplines and stakeholder perspectives. The Commission also invites interested persons and entities to submit written comments on the topics identified in this notice. Information received through the roundtable and public comments will assist the Commission in evaluating future priorities for reducing childhood drowning associated with consumer products.

DATES: The roundtable will be held on June 30, 2026, beginning at 10:00 a.m. Eastern Daylight Time (EDT). Written comments must be received by 5:00 p.m. EDT on June 29, 2026.

ADDRESSES: The meeting will be held in person at CPSC's headquarters and available online via webinar. For invitees attending in person, the meeting will be held at CPSC's headquarters, located at 4330 East-West Highway, 4th Floor—Hearing Room, Bethesda, MD 20814. Individuals from the public who plan to attend the meeting remotely should use the following link to access the meeting: <https://events.gcc.teams.microsoft.com/event/affdfd61-f235-4c46-ad92-0b178670ff13@7f5de26c-a63d-475c-9b6c-4126a914e132>. The Commission will accept written comments as well. These must be received by the Office of the Secretary at cpsc-os@cpsc.gov no later than 5:00 p.m. EDT on June 29, 2026. Written comments should be sent by email to cpsc-os@cpsc.gov with the subject line, "National Roundtable on Childhood Drowning Prevention."

¹ www.cpsc.gov/Business-Manufacturing/Testing-Certification/Lab-Accreditation/Test-Methods.

FOR FURTHER INFORMATION CONTACT: If you have any questions about the roundtable, you may contact Noah Vehafic, Office of the Acting Chairman, U.S. Consumer Product Safety Commission, 4330 East-West Highway, Bethesda, MD 20814, telephone (301) 504-6795.

SUPPLEMENTARY INFORMATION:

I. Background

Drowning remains the leading cause of death for children ages one through four in the United States. Each year, hundreds of children die in pool- and spa-related drowning incidents, and thousands more receive emergency department treatment following submersion incidents.

The Virginia Graeme Baker Pool and Spa Safety Act (VGBA), Public Law 110-140, title XIV, directs the Commission to undertake education, enforcement, and other activities intended to reduce childhood drowning and entrapment associated with pools and spas. Since enactment of the VGBA, the Commission has conducted its Pool Safely public education campaign and has undertaken numerous regulatory, compliance, and enforcement activities related to drowning prevention.

The Commission continues to evaluate its drowning prevention activities in light of current drowning data, emerging product hazards, technological developments, and evolving safety practices. Recent Commission actions have included the recall of approximately five million above-ground pools following multiple child drowning deaths, action on a petition concerning child-resistant pool ladders, mandatory safety requirements for children's neck floats, soliciting grant applications to support drowning prevention efforts, and other initiatives intended to reduce drowning risks associated with consumer products.

The Commission is convening this roundtable to obtain the views of experts and experienced stakeholders in search of the best evidence-based approaches to reducing childhood drowning and to inform future Commission activities.

II. Purpose of the Roundtable

The purpose of the roundtable is to facilitate discussion regarding current childhood drowning prevention strategies and to identify opportunities for improving the Commission's efforts to reduce drowning associated with consumer products.

Topics for discussion may include, but are not limited to:

- current trends in childhood drowning and submersion injuries;

- product-related drowning hazards;
- engineering controls and product innovation;
- voluntary standards and regulatory approaches;
- public education and risk communication;
- behavioral research and injury prevention;
- methods for evaluating the effectiveness of drowning prevention initiatives; and
- priorities for future Commission activities.

III. Roundtable Format

The roundtable will consist of invited participants representing a broad cross-section of organizations and disciplines involved in childhood drowning prevention. Participants are expected to include representatives from academia, medicine, engineering, standards organizations, consumer advocacy organizations, industry, state and local government, and other subject matter experts.

The roundtable will be open to the public and available for viewing by webcast. Information regarding attendance and webcast access will be posted on the Commission's website before the meeting.

IV. Request for Comment

The Commission invites interested persons and entities to submit written comments addressing any of the topics identified in this notice or other issues relevant to childhood drowning prevention associated with consumer products.

The Commission is particularly interested in comments addressing:

- interventions that have demonstrated measurable effectiveness in reducing childhood drowning;
- opportunities to improve public education and consumer outreach;
- engineering controls, product design improvements, and emerging technologies;
- methods for evaluating the effectiveness of drowning prevention initiatives; and
- recommendations regarding future Commission priorities.

All timely comments received will be considered by the Commission in connection with the roundtable and the Commission's continuing evaluation of its childhood drowning prevention activities.

Alberta E. Mills,

Secretary, Consumer Product Safety Commission.

[FR Doc. 2026-12726 Filed 6-23-26; 8:45 am]

BILLING CODE 6355-01-P

DEPARTMENT OF DEFENSE

Department of the Air Force

[Docket ID: USAF-2025-HQ-0070]

Submission for OMB Review; Comment Request

AGENCY: Department of the Air Force, Department of Defense (DoD).

ACTION: 30-Day information collection notice.

SUMMARY: The DoD has submitted to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by July 24, 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:

Reginald Lucas, (571) 372-7574, whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.

SUPPLEMENTARY INFORMATION:

Title; Associated Form; and OMB Number: Emergency Mass Notification System (EMNS); OMB Control Number 0701-0162.

Type of Request: Reinstatement.
Number of Respondents: 1,000,000.
Responses per Respondent: 1.
Annual Responses: 1,000,000.
Average Burden Per Response: 1 minute.

Annual Burden Hours: 16,667.

Needs and Uses: The Air Force Life Cycle Management Center Command, Control, Communications, Intelligence, and Networks Directorate provides standardized enterprise capabilities across the entire AF in accordance with AF Instruction 10-206, Operational Reporting, as authorized by 5 U.S.C. 7902—Safety Programs and 10 U.S.C. 9013—Secretary of the Air Force. This effort will implement and sustain a cloud based, enterprise-wide AF solution for the Emergency Mass Notification System (EMNS). The AF requires a single notification system to send alert notifications to assigned military personnel, family members, and contractors quickly and effectively in an emergent event. The EMNS will increase the situational awareness for Airmen families and contractors,

regardless of their physical location, to enable protective measures when tragic events or emergencies occur. This effort will address the gaps in the notification process.

Affected Public: Individuals or households.

Frequency: On occasion.

Respondent's Obligation: Voluntary.

DoD Clearance Officer: Mr. Reginald Lucas.

Dated: June 22, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison
Officer, Department of Defense.

[FR Doc. 2026-12733 Filed 6-23-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Department of the Army

[Docket ID: USA-2026-HQ-0397]

Proposed Collection; Comment Request

AGENCY: U.S. Army Corps of Engineers (USACE), Department of the Army, Department of Defense.

ACTION: 60-day information collection notice.

SUMMARY: In compliance with the *Paperwork Reduction Act of 1995*, the U.S. Army Corps of Engineers announces a proposed public information collection and seeks public comment on the provisions thereof. Comments are invited on: 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; the accuracy of the agency's estimate of the burden of the proposed information collection; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Consideration will be given to all comments received by August 24, 2026.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Mail: Department of Defense, Office of the Director of Administration and Management, Oversight and Compliance Directorate, Regulatory Division, 4800 Mark Center Drive, Mailbox #24, Suite 05F16, Alexandria, VA 22350-1700.

Instructions: All submissions received must include the agency name, docket number and title for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: To request more information on this proposed information collection or to obtain a copy of the proposal and associated collection instruments, please write to Headquarters, U.S. Army Corps of Engineers, 441 G Street NW, Washington, DC 20314-1000, ATTN: Ms. Meredith Bridgers, or call 202-761-1878.

SUPPLEMENTARY INFORMATION:

Title; Associated Form; and OMB Number: Nonstructural Measures Property Owner Application Form; OMB Control Number 0710-NONS.

Needs and Uses: The U.S. Army Corps of Engineers (USACE) collects property and ownership information from residential property owners to implement its Nonstructural Flood Risk Management Program. This collection is authorized under Section 73 of the Water Resources Development Act of 1974 (33 U.S.C. 701b-11), Executive Order 11988 (Floodplain Management), and Engineer Regulation 1165-2-26, which mandate the evaluation and implementation of nonstructural measures—such as home elevations and floodproofing—to reduce flood damages. Under authorized and funded projects, USACE collaborates with Non-Federal Sponsors to execute these cost-shared flood risk reduction measures.

Information is collected through a phased approach using four instruments (Interest Form, Application Form—Part I, Application Form—Part II, and a Right of Entry Form) administered via a secure online portal (ArcGIS Survey123) or in paper/PDF format. This site-specific data is required to validate property eligibility, assess structural suitability, identify potential property hazards or legal encumbrances, and develop construction cost estimates. Ultimately, the collection enables USACE to verify property characteristics through on-site visual inspections and execute formal participant agreements with eligible property owners. Without this information, USACE cannot fulfill its statutory mission to execute Congressionally-authorized flood risk reduction projects.

Affected Public: Individuals or households; Businesses or other for-profit.

Property Owner Interest Form

Annual Burden Hours: 13.

Number of Respondents: 250.

Responses per Respondent: 1.

Annual Responses: 250.

Average burden per Response: 3 minutes.

Property Owner Application Part I

Annual Burden Hours: 3,075.

Number of Respondents: 6,150.

Responses per Respondent: 1.

Annual Responses: 6,150.

Average Burden per Response: 30 minutes.

Property Owner Application Part II

Annual Burden Hours: 1,230.

Number of Respondents: 4,920.

Responses per Respondent: 1.

Annual Responses: 4,920.

Average Burden per Response: 15 minutes.

Right of Entry Form

Annual Burden Hours: 410.

Number of Respondents: 4,920.

Responses per Respondent: 1.

Annual Responses: 4,920.

Average Burden per Response: 5 minutes.

Total

Annual Burden Hours: 4,728.

Number of Respondents: 16,240.

Annual Responses: 16,240.

Frequency: On Occasion.

Dated: June 22, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison
Officer, Department of Defense.

[FR Doc. 2026-12740 Filed 6-23-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DoD-2026-OS-1354]

Proposed Collection; Comment Request

AGENCY: Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)), Department of Defense.

ACTION: 60-day information collection notice.

SUMMARY: In compliance with the *Paperwork Reduction Act of 1995*, the OUSD(P&R) announces a proposed public information collection and seeks public comment on the provisions thereof. Comments are invited on:

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; the accuracy of the agency's estimate of the burden of the proposed information collection; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Consideration will be given to all comments received by August 24, 2026.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Mail: Department of Defense, Office of the Director of Administration and Management, Oversight and Compliance Directorate, Regulatory Division, 4800 Mark Center Drive, Mailbox #24, Suite 05F16, Alexandria, VA 22350-1700.

Instructions: All submissions received must include the agency name, docket number and title for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: To request more information on this proposed information collection or to obtain a copy of the proposal and associated collection instruments, please write to Sexual Assault Prevention and Response Office (SAPRO), 4800 Mark Center Drive, Suite 05J25, Alexandria, VA 22311, Anita Boyd, 703-474-2543.

SUPPLEMENTARY INFORMATION:

Title; Associated Form; and OMB Number: Defense Sexual Assault Incident Reporting; DD Form 2965, 2910, 2910-1, DD2910-2, DD2910-8, OMB Control Number 0704-0482.

Needs and Uses: Section 563 of Public Law (Pub. L.) 110-417, the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2009, directs the Secretary of Defense to implement a centralized case-level database for the collection and maintenance of information regarding sexual assaults involving members of the Armed Forces. This includes information, if available, about the nature of the assault, victim, alleged offender,

investigative information, case outcomes in connection with the assault, and other information necessary to fulfill reporting requirements. Section 543 of Public Law 114-328, the NDAA for FY2017, further directed the Secretary of Defense to include information on each claim of retaliation in connection with a report of sexual assault in the Armed Force made by or against a member of such Armed Force in the Annual Report on Sexual Assault in the Military. This includes the narrative description and nature of each complaint, information on the complainant and alleged retaliator, and summary and determination of the investigation. Section 536 of Public Law 116-92 of the National Defense Authorization Act for Fiscal Year 2020 directs the Secretary to prescribe procedures under which a victim who files a restricted report on an incident of sexual assault may request, at any time, the return of any personal property of the victim obtained as part of the sexual assault forensic examination.

Affected Public: Individuals or households.

Annual Burden Hours: 24,521 hours.

Number of Respondents: 8,245.

Responses per Respondent: 1.

Annual Responses: 8,245.

Average Burden per Response: 2.974 hours.

Frequency: On occasion.

Dated: June 22, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2026-12741 Filed 6-23-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Office of the Secretary

Uniform Formulary Beneficiary Advisory Panel; Notice of Federal Advisory Committee

AGENCY: Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)), Department of Defense (DoD).

ACTION: Notice of Federal Advisory Committee meeting.

SUMMARY: The Department of Defense (referred to herein as “the Department”, “Department of War” or “DoW”) is publishing this notice to announce that the following Federal Advisory Committee meeting of the Uniform Formulary Beneficiary Advisory Panel (UF BAP) will take place.

DATES: Open to the public.

• Monday, June 22nd, 10:00 a.m.–1:00 p.m. (Eastern Standard Time).

ADDRESSES: The meeting will be held telephonically or via conference call. The phone number for remote access is: 1-667-892-3500 or 1-667-892-3600.

PARTICIPANT CODE: 763116946.

These numbers and the dial-in instructions will also be posted on the UF BAP website at: <https://www.health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Pharmacy-Operations/BAP>.

FOR FURTHER INFORMATION CONTACT:

Alternate Designated Federal Officer (ADFO) Captain Phung Thien Nguyen, USPHS, 703-681-2890 (voice), dha.ncr.j-6.mbx.baprequests@health.mil (email). Mailing address is 7700 Arlington Boulevard, Suite 5101, Falls Church, VA 22042-5101. Website: <https://www.health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Pharmacy-Operations/BAP>. The most up-to-date changes to the meeting agenda can be found on the website.

SUPPLEMENTARY INFORMATION: Due to circumstances beyond the control of the Designated Federal Officer and the DoW, the UFBAP was unable to provide public notification required by 41 Code of Federal Regulations (CFR) 102-3.150(a) concerning its June 22, 2026 meeting. Accordingly, the Advisory Committee Management Officer for the DoW, pursuant to 41 CFR 102-3.150(b), waives the 15-calendar day notification requirement. This meeting is held under the provisions of chapter 10 of title 5, United States Code (U.S.C.) (commonly known as the Federal Advisory Committee Act or FACA) and 41 CFR 102-3.140 and 102-3.150.

Purpose of the Meeting: The UF BAP will review and comment on recommendations made by the Pharmacy and Therapeutics Committee to the Director, Defense Health Agency regarding the Uniform Formulary.

Agenda

1. 10:00 a.m.–10:10 a.m. Sign in for UF BAP members
2. 10:10 a.m.–10:40 a.m. Welcome and Opening Remarks
 - a. Welcome, Opening Remarks, and Introduction of UF BAP Members by CAPT Phung Thien Nguyen, DFO, UF BAP
 - b. Public Written Comments by CAPT Phung Thien Nguyen, ADFO, UF BAP
 - c. Opening Remarks by Jon Ostrowski, UF BAP Member
 - d. Introductory Remarks by Dr. Edward Vonberg, Chief, Formulary Management Branch
3. 10:40 a.m.–11:45 a.m. Scheduled Therapeutic Class Reviews

4. 11:45 a.m.–12:30 p.m. Newly Approved Drugs Review
 5. 12:30 p.m.–12:45 p.m. Pertinent Utilization Management Issues
 6. 12:45 p.m.–1:00 p.m. Closing remarks
 - a. Closing Remarks by UF BAP Co-Chair
 - b. Closing Remarks by ADFO, UF BAP
- Meeting Accessibility:** Pursuant to section 1009(a)(1) of title 5, U.S.C. and 41 CFR 102–3.140 through 102–3.165, and subject to the availability of phone lines, the meeting is open to the public. Telephone lines are limited and available to the first 220 people dialing in. There will be 220 lines total: 200 domestic and 20 international, including leader lines.

Written Statements: Pursuant to 41 CFR 102–3.105(j) and 102–3.140(c), and section 1009(a)(3) of title 5, U.S.C., interested persons or organizations may submit written statements to the UF BAP about its mission and/or the agenda to be addressed in the public meetings. Written statements should be submitted to the UF BAP's ADFO. The ADFO's contact information can be found in the

FOR FURTHER INFORMATION CONTACT: Written comments or statements received are releasable to the public. The DFO will review all submitted written statements and provide copies to UF BAP.

Dated: June 18, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2026–12649 Filed 6–23–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DOD–2026–OS–0331]

Submission for OMB Review; Comment Request

AGENCY: Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)), Department of Defense (DoD).

ACTION: 30-Day information collection notice.

SUMMARY: The DoD has submitted to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by July 24, 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: Mr. Reginald Lucas, (571) 372–7574, whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.

SUPPLEMENTARY INFORMATION:

Title: *Associated Form; and OMB Number:* Military Experiences, Risk and Protective Factors, and Adolescent Health and Well-Being Survey; OMB Control Number 0704–0635.

Type of Request: Revision.

Number of Respondents: 4,660.

Responses per Respondent: 1.

Annual Responses: 4,660.

Average Burden per Response: 30 minutes.

Annual Burden Hours: 2,330.

Needs and Uses: This study is designed to assess the direct and indirect association of military experiences with adolescents' psychosocial adjustment and physical health, academic achievement, and educational and career aspirations to identify risk and protective factors that may promote or inhibit positive outcomes among military-connected adolescents and their families.

Affected Public: Individuals and households.

Frequency: On occasion.

Respondent's Obligation: Voluntary.
DoD Clearance Officer: Mr. Reginald Lucas.

Dated: June 22, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2026–12736 Filed 6–23–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Department of the Navy

[Docket ID: USN–2026–HQ–0133]

Submission for OMB Review; Comment Request

AGENCY: Department of the Navy, Department of Defense (DoD).

ACTION: 30-day information collection notice.

SUMMARY: The DoD has submitted to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by July 24, 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:

Reginald Lucas, (571) 372–7574, whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.

SUPPLEMENTARY INFORMATION:

Title: *Associated Form; and OMB Number:* Shipbuilding Industrial Base Demographics Survey; OMB Control Number 0703–0086.

Type of Request: Extension.

Number of Respondents: 1,263.

Responses per Respondent: 1.

Annual Responses: 1,263.

Average Burden per Response: 4.81 hours.

Annual Burden Hours: 6,075.

Needs and Uses: The Department of the Navy must collect information to analyze the demographics, training requirements, and occupational experience of the shipbuilding defense industrial base. This collection is necessary to comply with Section 1026 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, which mandates a biennial report to Congress on this topic.

The collected data will be used to draft the biennial congressional report and to inform the Navy's strategy for funding workforce development initiatives. The analysis will identify current trends, projected experience gaps, and other key demographic factors to help strengthen the shipbuilding workforce. The information is collected via a Microsoft Excel survey, which is emailed directly to suppliers by the Naval Sea Systems Command Maritime Industrial Base Program.

The respondents for this survey are private companies and industry organizations that function as suppliers in the shipbuilding industrial base. Without this information, the Navy would be unable to provide a complete report to Congress or develop effective, data-driven strategies to ensure the health and readiness of the nation's shipbuilding workforce.

Affected Public: Business or other for-profit.

Frequency: Biennially.

Respondent's Obligation: Voluntary.

DoD Clearance Officer: Mr. Reginald Lucas.

Dated: June 22, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison
Officer, Department of Defense.

[FR Doc. 2026-12735 Filed 6-23-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Department of the Navy

[Docket ID: USN-2026-HQ-0232]

Submission for OMB Review; Comment Request

AGENCY: Department of the Navy,
Department of Defense (DoD).

ACTION: 30-Day information collection
notice.

SUMMARY: The DoD has submitted to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

DATES: Consideration will be given to all comments received by July 24, 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:

Reginald Lucas, (571) 372-7574,
whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil.

SUPPLEMENTARY INFORMATION:

Title; Associated Form; and OMB Number: Military Housing Virtual Assistance; OMB Control Number 0703-0066.

Type of Request: Revision.

HOMES.mil

Number of Respondents: 10,491.

Responses per Respondent: 5.

Annual Responses: 52,455.

Average Burden per Response: 20 minutes.

Annual Burden Hours: 17,485.

Housing Early Assistance Tool (HEAT)

Number of Respondents: 1,938.

Responses per Respondent: 1.

Annual Responses: 1,938.

Average Burden per Response: 10 minutes.

Annual Burden Hours: 323.

DoD Housing Feedback System (DHFS)

Number of Respondents: 40.

Responses per Respondent: 1.

Annual Responses: 40.

Average Burden per Response: 10 minutes.

Annual Burden Hours: 7.

Total

Annual Burden Hours: 17,815.

Number of Respondents: 12,469.

Annual Responses: 54,433.

Needs and Uses: The Department of War (DoW) is required by law to provide comprehensive relocation and housing assistance to service members and their families. This information collection is necessary to operate the enterprise Military Housing System (eMH) suite of tools, which enables the DoW to meet its legal obligations to provide home-finding services and manage military housing programs effectively.

The information collected is used to support service members and their families through several web-based applications:

- *HOMES.mil Rental Listing Service:* Property owners voluntarily provide information to list rental properties, creating a centralized inventory for service members seeking community housing. Service members can view listings and request assistance from military housing offices. The data also supports the calculation of housing allowances.

- *Housing Early Assistance Tool (HEAT):* Service members and their families use this tool to submit requests for information and housing services directly to their destination installation's military housing office.

- *DoD Housing Feedback System (DHFS):* This platform allows active-duty service members and their dependents to submit feedback, comments, or concerns about their experiences in privatized military housing, promoting transparency and accountability with housing providers.

This information collection is authorized by 10 U.S.C. 1056, 10 U.S.C. 2831, and DoD Instruction 4165.63.

Affected Public: Individuals or households; Business or other for-profit.
Frequency: On occasion.

Respondent's Obligation: Voluntary.

DOD Clearance Officer: Mr. Reginald Lucas.

Dated: June 22, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison
Officer, Department of Defense.

[FR Doc. 2026-12737 Filed 6-23-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF EDUCATION

Notice Announcing Technical Assistance and Dissemination To Improve Services and Results for Children With Disabilities—National Center on Academic Interventions Competition

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Notice.

SUMMARY: The Department of Education (ED) announces the opportunity to apply for a competitive grant for the Fiscal Year (FY) 2026 Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities—National Center on Academic Interventions, Assistance Listing Number 84.326Q.

DATES: Complete proposals must be submitted electronically through the Grants.gov "APPLY" function by 11:59:59 p.m. Eastern time, August 10, 2026. The deadline for intergovernmental review is September 9, 2026.

FOR FURTHER INFORMATION CONTACT:

Celia Rosenquist. Telephone: (202) 245-7373. Email: Celia.Rosenquist@ed.gov.

SUPPLEMENTARY INFORMATION: The purpose of the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program is to promote academic achievement and to improve results for children with disabilities by providing technical assistance, supporting model demonstration projects, disseminating useful information, and implementing activities that are supported by scientifically based research. The FY 2026 competition includes one absolute priority, selection criteria, and requirements. The absolute priority is: National Center on Academic Interventions.

Maximum Award: We will not make an award exceeding \$3,700,000 for a single budget period of 12 months.

Eligible Applicants: State educational agencies; State lead agencies under Part C of the Individuals with Disabilities Education Act; local educational agencies (LEAs), including public charter schools that are considered LEAs under State law; institutions of higher education, including community colleges; other public agencies; private nonprofit organizations; freely associated States and outlying areas; Indian Tribes or Tribal organizations; and for-profit organizations.

Program Authority: 20 U.S.C. 1463, 1481, and 1482.

To Apply: The complete funding opportunity announcement and all information needed to apply, including the priorities and program requirements, are available on ED's website at <https://www.ed.gov/grants-and-programs/grants-special-populations/grants-special-education-and-individuals-disabilities/technical-assistance-and-dissemination/84.326Q> and on Grants.gov at <https://www.grants.gov/search-results-detail/362807>. The application notice and instructions on Grants.gov is the official document governing the grant competition.

Accessible Format: On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain this document in an accessible format.

Kelly Rogers,

Deputy Assistant Secretary and Acting Assistant Secretary for Special Education and Rehabilitative Services.

[FR Doc. 2026-12687 Filed 6-23-26; 8:45 am]

BILLING CODE 4000-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26-540-000]

Tennessee Gas Pipeline Company, L.L.C.; Notice of Application and Establishing Intervention Deadline

Take notice that on June 5, 2026, Tennessee Gas Pipeline Company, L.L.C. (TGP), 1001 Louisiana Street, Houston, Texas 77002, 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 South Texas Enhancement Project (Project). The Project consists of the construction of the STEP Loop which consists of approximately 1.54 miles of new 30-inch-diameter pipeline loop, a skid mounted overpressure protection facility to tie the proposed STEP Loop into TGP's existing system, and modifications to three existing meter stations all in Nueces County, Texas; the construction of a new 15,900 horsepower compressor station in Brooks County, Texas; and appurtenant facilities. The Project will allow TGP to deliver up to 319,000 dekatherms per day of additional system capacity from new primary receipt points near Agua Dulce to serve growing commercial gas demand at existing delivery points at the Mexico border. TGP estimates the total cost of the Project to be \$91,808,000, 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 Tina Hardy, Director, Regulatory, Tennessee Gas Pipeline Company, L.L.C., 569 Brookwood Village, Suite 749, Birmingham, Alabama 35209, by phone at (205) 325-3668, or by email at tina_hardy@kindermorgan.com.

Pursuant to section 157.9 of the Commission's Rules of Practice and Procedure,¹ within 90 days of this Notice the Commission staff will either: complete its environmental review and place it into the Commission's public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff's issuance of the final environmental impact statement (FEIS) or environmental assessment (EA) for this proposal. The filing of an EA in the Commission's public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff's FEIS or EA.

¹ 18 CFR 157.9.

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file comments on the project, you can protest the filing, and you can file a motion to intervene in the proceeding. There is no fee or cost for filing comments or intervening. The deadline for filing a motion to intervene is 5:00 p.m. Eastern Time on July 9, 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 July 9, 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 CP26-540-000 in your submission.

(1) You may file your comments electronically by using the eComment feature, which is located on the Commission's website at www.ferc.gov under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project;

(2) You may file your comments or protests electronically by using the eFiling feature, which is located on the

² 18 CFR 157.10(a)(4).

³ 18 CFR 385.211.

⁴ Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

⁵ 18 CFR 385.2001.

Commission's website (www.ferc.gov) under the link to Documents and Filings. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Comment on a Filing"; or

(3) You can file a paper copy of your comments or protests by mailing them to the following address below. Your written comments must reference the Project docket number (CP26–540–000).

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 July 9, 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 CP26–540–000 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 CP26–540–000.

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: Tina Hardy, Director, Regulatory, Tennessee Gas Pipeline Company, L.L.C., 569 Brookwood Village, Suite 749, Birmingham, Alabama 35209, or by email (with a link to the document) at tina_hardy@kindermorgan.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 July 9, 2026.

(Authority: 18 CFR 2.1)

Dated: June 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12719 Filed 6–23–26; 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).

⁶ 18 CFR 385.102(d).

⁷ 18 CFR 385.214.

⁸ 18 CFR 157.10.

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. CP26–539–000]

Puget Sound Energy, Inc., Sumas Pipeline Company, Sumas Dry Kilns, Inc.; Notice of Application and Establishing Intervention Deadline

Take notice that on June 4, 2026, Puget Sound Energy, Inc. (Puget), 355 110th Avenue NE, Bellevue, Washington 98004; Sumas Pipeline Company (Sumas), 1619 Kok Rd., Lynden, Washington 98264; and Sumas Dry Kilns, Inc. (Dry Kilns), 601A West Front Street, Sumas, Washington 98295, filed a joint application pursuant to section 3 of the Natural Gas Act (NGA) and Part 153 of the Commission's regulations, to amend authorization under NGA section 3 and Presidential Permit to reflect that Sumas intends to transfer its entire 7% ownership interest in the border crossing facility and natural gas pipeline located in Whatcom County, Washington to Dry Kilns. After such transfer, Puget will own 90% and Dry Kilns will own 10%. Puget, Sumas, and Dry Kilns propose no construction or modification to the previously approved facilities, 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 Pamela J. Anderson, Perkins Coie LLP, 10885 NE 4th Street, Suite 700, Bellevue,

Washington 98033, by phone at (425) 635–1417 or by email at PJAnderson@perkinscoie.com and to Jack Grant, Law Offices of Jack H. Grant, 114 W Magnolia Street, 4th Floor #36, Bellingham, Washington 98225, by phone at (360)–671–1116, or by email at jgrant@jackgrantlaw.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 July 8, 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.

¹ 18 CFR 157.9.**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 July 8, 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 CP26–539–000 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 (CP26–539–000).

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.

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.

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 July 8, 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 CP26–539–000 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 CP26–539–000.

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 applicants either by mail at: Pamela J. Anderson, Perkins Coie LLP, 10885 NE 4th Street, Suite 700, Bellevue, Washington 98033 and at: Jack Grant, Law Offices of Jack H. Grant, 114 W Magnolia Street, 4th Floor #36, Bellingham, Washington, 98225, or by email (with a link to the document) at PJAnderson@perkinscoie.com and jgrant@jackgrantlaw.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)

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).

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 July 8, 2026.

(Authority: 18 CFR 2.1)

Dated: June 17, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12627 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2538–106]

Erie Boulevard Hydropower L.P.; Notice of Intent To Prepare an Environmental Assessment

On June 2, 2025, Erie Boulevard Hydropower L.P. filed an application to replace the remaining conventional wooden flashboards with a pneumatic flashboard system for the Beebee Island Project No. 2538. The project is located on the Black River in the town of Watertown, in Jefferson County, New York. The project does not occupy federal lands.

The licensee proposes to remove the remaining 3-foot-high wooden flashboard system located atop approximately two-thirds of the dam crest and replace it with a pneumatic flashboard system. The existing conventional wooden flashboards fail annually from high flows in the river, often multiple times each year. The proposed pneumatic system consists of steel plates supported by inflatable air bladders that can be raised or lowered

⁶ 18 CFR 385.102(d).

⁷ 18 CFR 385.214.

⁸ 18 CFR 157.10.

in response to operational needs or flood events. As part of the pneumatic flashboard system, the licensee proposes to provide the required veiling flows, pursuant to license Article 414 and ordering paragraph (A) of the Order Approving Plan For Veiling Flows, by installing a sump pump behind the trashracks and pipe with appropriately sized holes to achieve the 0.5 inch flow along the top of the dam, positioned behind the plate of the pneumatic flashboard system from May 1 to October 31. The proposed pneumatic system would enhance operational control of the spillway and improve the dam safety program at the Beebe Island Project. The system would improve operational efficiency, and would provide more stable environmental conditions by reducing reservoir elevation fluctuations.

The licensee proposes a drawdown of approximately 1.0 foot below the crest of the dam for a duration of approximately six weeks to install the pneumatic flashboard system. Reservoir elevation would be returned to normal following construction activities. No new ground disturbance is expected. On March 30, 2026, Commission staff noticed the application for a 30-day comment period. On April 28, 2026, the U.S. Department of the Interior and New York State Department of Environmental Conservation filed motions to intervene. On April 29, 2026, New York Rivers United filed a motion to intervene.

This notice identifies Commission staff's intention to prepare an environmental assessment (EA) under the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) for the project.¹ Commission staff plans to issue an EA by November 2, 2026. Revisions to the schedule may be made as appropriate. The EA will be issued for a 30-day comment period. All comments filed on the EA will be reviewed by staff and considered in the Commission's final decision on the proceeding.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Any questions regarding this notice may be directed to Mark Mattozzi at 202-502-8087 or Mark.Mattozzi@ferc.gov.

(Authority: 18 CFR 2.1)

¹ The unique identification number for documents relating to this environmental review is EAXX-019-20-000-1781688954.

Dated: June 17, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026-12626 Filed 6-23-26; 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 No. PR26-62-000.

Applicants: Atmos Energy Corporation, Kentucky/Mid-States Division (Tennessee).

Description: 284.123(g) Rate Filing; 2026 Rate Update to be effective 6/1/2026.

Filed Date: 6/16/26.

Accession Number: 20260616-5028.

Comment Date: 5 p.m. ET 7/7/26.

284.123(g) Protest: 5 p.m. ET 8/17/26.

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: RP26-257-000.

Applicants: Alliance Pipeline L.P.

Description: Report Filing; 45-Day Test Period Updates—RP26-257 to be effective N/A.

Filed Date: 6/15/26.

Accession Number: 20260615-5154.

Comment Date: 5 p.m. ET 6/29/26.

Docket Numbers: RP26-257-000.

Applicants: Alliance Pipeline L.P.

Description: Report Filing; 45-Day Test Period Updates—RP26-257—Errata to be effective N/A.

Filed Date: 6/16/26.

Accession Number: 20260616-5035.

Comment Date: 5 p.m. ET 6/29/26.

Any person desiring to protest in any of the above proceedings must file in accordance with Rule 211 of the Commission's Regulations (18 CFR 385.211) on or before 5:00 p.m. Eastern time on the specified comment date.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercensearch.asp>) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Dated: June 18, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026-12721 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL26-72-000]

ISO New England Inc.; Central Maine Power Company; The Connecticut Light and Power Company; Fitchburg Gas and Electric Light Company; Green Mountain Power Corporation; Maine Electric Power Company; The Narragansett Electric Company; New England Power Company; New Hampshire Transmission, LLC; NSTAR Electric Company; Public Service Company of New Hampshire; The United Illuminating Company; Unitil Energy Systems, Inc.; Vermont Electric Cooperative, Inc.; Vermont Electric Power Company, Inc.; Vermont Transco LLC; Versant Power; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On June 18, 2026, the Commission issued an order in Docket No. EL26-72-000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether ISO New England Inc.'s Transmission, Markets and Services Tariff is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *ISO New Eng. Inc.*, 195 FERC ¶ 61,215 (2026).

The refund effective date in Docket No. EL26-72-000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL26-72-000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the

Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

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>) using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC'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 FERC'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.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFile" link at <http://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-12705 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2548-000]

Northbrook Lyons Falls, LLC; Notice of Authorization for Continued Project Operation

The license for the Lyons Fall Hydroelectric Project No. 2548 was issued for a period ending May 31, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of section 15 of the FPA, then, based on section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 2548 is issued to Northbrook Lyons Falls, LLC for a period effective June 1, 2026, through May 31, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before May 31, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that the Northbrook Lyons Falls, LLC is authorized to continue operation of the Lyons Falls, Hydroelectric Project under the terms and conditions of the prior license until the issuance of a

subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: June 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-12716 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 10934-035]

Sugar River Hydro II, LLC; Notice of Availability of Environmental Assessment

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission or FERC) regulations, 18 CFR part 380, Commission staff reviewed Sugar River Hydro II, LLC's application for surrender of the Sugar River II Hydroelectric Project No. 10934 and have prepared an Environmental Assessment (EA) for the project.¹ The licensee proposes to disconnect all generator leads, remove all transformers and other project electrical equipment, remove all hydraulic and governor fluids and reservoirs, remove project-related operating equipment and monitors such as impoundment sensors from the dam, and secure the powerhouse. The project is located on the Sugar River in Sullivan County, New Hampshire. The project does not occupy federal lands.

The EA contains Commission staff's analysis of the potential environmental effects of the proposed action, the reservoir drawdown alternative, and the no-action alternative, and recommends the reservoir drawdown alternative as the preferred alternative. Commission staff concludes that implementation of the reservoir drawdown alternative would not constitute a major federal action significantly affecting the quality of the human environment.

The EA may be viewed on the Commission's website at <http://>

¹ The unique identification number for documents relating to this environmental review is EAXX-019-20-000-1756114888.

www.ferc.gov using the “eLibrary” link. Enter the docket number (P–10934) in the docket number field to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at 1–866–208–3676, or for TTY, (202) 502–8659.

You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

All comments must be filed by July 17, 2026 5:00 p.m., Eastern Time.

The Commission strongly encourages electronic filing. Please file comments using the Commission’s eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. For assistance, please contact FERC Online Support. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include docket number P–10934–035.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or OPP@ferc.gov.

For further information, contact Aneela Mousam at (202) 502–8357 or aneela.mousam@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: June 17, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12625 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL26–70–000]

Midcontinent Independent System Operator, Inc.; AEP Indiana Michigan Transmission Company, Inc.; ALLETE, Inc.; Ameren Illinois Company; Ameren Transmission Company of Illinois; American Transmission Company, LLC; Cleco Power LLC; Duke Energy Indiana, LLC; Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; Entergy Texas, Inc.; GridLiance Heartland LLC; Indianapolis Power & Light Company; International Transmission Company; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; MidAmerican Energy Company; Montana-Dakota Utilities Company; Northern Indiana Public Service Company LLC; Northern States Power Company, a Minnesota Corporation; Northern States Power Company, a Wisconsin Corporation; Northwestern Wisconsin Electric Company; Otter Tail Power Company; Pioneer Transmission, LLC; Republic Transmission, LLC; Southern Indiana Gas & Electric Company; Union Electric Company; Wabash Valley Power Association, Inc.; Wolverine Power Supply Cooperative, Inc.; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On June 18, 2026, the Commission issued an order in Docket No. EL26–70–000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether Midcontinent Independent System Operator, Inc.’s Open Access Transmission, Energy, and Operating Reserve Markets Tariff is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *Midcontinent Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,212 (2026).

The refund effective date in Docket No. EL26–70–000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL26–70–000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the Commission’s Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

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>) using the “eLibrary” link. Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC’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 FERC’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.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the “eFile” link at <http://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12706 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

Take notice that the Commission received the following electric corporate filings:

Docket Numbers: EC26–111–000.
Applicants: Madison Gas & Electric Company.
Description: Application for Authorization Under Section 203 of the Federal Power Act of Madison Gas and Electric Company.
Filed Date: 6/16/26.
Accession Number: 20260616–5141.
Comment Date: 5 p.m. ET 7/7/26.
Docket Numbers: EC26–112–000.
Applicants: Powervine Energy, LLC, Trieve, LLC, 174 Power Global Retail Corporation.
Description: Joint Application for Authorization Under Section 203 of the Federal Power Act of 174 Power Global Retail Corporation, et al.
Filed Date: 6/16/26.
Accession Number: 20260616–5144.
Comment Date: 5 p.m. ET 7/7/26.
Take notice that the Commission received the following exempt wholesale generator filings:
Docket Numbers: EG26–260–000.
Applicants: Athos Storage, LLC.
Description: Athos Storage, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 6/18/26.
Accession Number: 20260618–5105.
Comment Date: 5 p.m. ET 7/9/26.
Take notice that the Commission received the following Complaints and Compliance filings in EL Dockets:
Docket Numbers: EL26–80–000.
Applicants: Conyers Renewable Power, LLC.
Description: Petition for Declaratory Order of Conyers Renewable Power, LLC.
Filed Date: 6/16/26.
Accession Number: 20260616–5146.
Comment Date: 5 p.m. ET 7/16/26.
Take notice that the Commission received the following electric rate filings:
Docket Numbers: ER10–2126–011.
Applicants: Idaho Power Company.
Description: Supplement to 06/26/2025, Updated Triennial Market Power Analysis for Northwest Region of Idaho Power Company.
Filed Date: 6/16/26.
Accession Number: 20260616–5142.
Comment Date: 5 p.m. ET 7/7/26.
Docket Numbers: ER21–60–000.
Applicants: PacifiCorp.
Description: Refund Report: Refund Report to be effective N/A.
Filed Date: 6/18/26.
Accession Number: 20260618–5034.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER22–729–005.
Applicants: CPV Retail Energy LP.
Description: Triennial Market Power Analysis for Northeast Region of CPV Retail Energy LP.

Filed Date: 6/16/26.
Accession Number: 20260616–5138.
Comment Date: 5 p.m. ET 8/17/26.
Docket Numbers: ER22–1608–003.
Applicants: Hallador Power Company, LLC.
Description: Triennial Market Power Analysis for Central Region of Hallador Power Company, LLC.
Filed Date: 6/16/26.
Accession Number: 20260616–5139.
Comment Date: 5 p.m. ET 8/17/26.
Docket Numbers: ER26–2866–000.
Applicants: ISO New England Inc., Public Service Company of New Hampshire.
Description: 205(d) Rate Filing: Public Service Company of New Hampshire submits tariff filing per 35.13(a)(2)(iii): PSNH; Establishment of 10-Year Depreciation Rate for Acct No. 351.2 to be effective 8/17/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5031.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2867–000.
Applicants: Athos Storage, LLC.
Description: Initial Rate Filing: Market-Based Rate Application and Request for Waivers and Blanket Approvals to be effective 8/18/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5041.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2868–000.
Applicants: Beekman PV I, LLC.
Description: Initial Rate Filing: Beekman PV I—Baseline MBR Filing to be effective 9/1/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5048.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2869–000.
Applicants: AEP Texas Inc.
Description: 205(d) Rate Filing: AEPTX–Vaquero Solar–Diamond B Storage Generation Interconnection Agreement to be effective 5/26/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5063.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2870–000.
Applicants: AEP Texas Inc.
Description: 205(d) Rate Filing: AEPTX–Bayou Creek Solar Generation Interconnection Agreement to be effective 6/2/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5066.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2871–000.
Applicants: Southern California Edison Company.
Description: 205(d) Rate Filing: 4th Amend IFA, City of Riverside/RTRP (TOT107/SA No. 59) to be effective 6/19/2026.

Filed Date: 6/18/26.
Accession Number: 20260618–5068.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2872–000.
Applicants: Potter Solar, LLC.
Description: Initial Rate Filing: Application for Blanket MBR Authorization with Waivers & Expedited Treatment to be effective 6/26/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5069.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2873–000.
Applicants: Nevada Gold Mines, LLC.
Description: Initial Rate Filing: Market Based Rate Application to be effective 8/18/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5077.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2874–000.
Applicants: Alabama Power Company, Georgia Power Company, Mississippi Power Company.
Description: Tariff Amendment: Alabama Power Company submits tariff filing per 35.15: Conez Solar (Solar & Battery) LGIA Termination Filing to be effective 6/18/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5081.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2875–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Amendment to GIA Service Agreement No. 7613; Project Identifier AF2–382 to be effective 8/18/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5082.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2876–000.
Applicants: Tucson Electric Power Company.
Description: 205(d) Rate Filing: Service Agreement No. 646 to be effective 5/22/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5096.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2877–000.
Applicants: Jackson Solar Holdings LLC.
Description: 205(d) Rate Filing: Baseline new to be effective 6/19/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5122.
Comment Date: 5 p.m. ET 7/9/26.
Docket Numbers: ER26–2878–000.
Applicants: Jackson Ctr Solar II, LLC.
Description: Initial Rate Filing: Baseline new to be effective 6/19/2026.
Filed Date: 6/18/26.
Accession Number: 20260618–5123.
Comment Date: 5 p.m. ET 7/9/26.

Docket Numbers: ER26–2879–000.

Applicants: AEP Texas Inc.

Description: 205(d) Rate Filing: AEPTX-Taylor EC-Golden Spread EC (Rainey) Facilities Development Agreement to be effective 6/2/2026.

Filed Date: 6/18/26.

Accession Number: 20260618–5124.

Comment Date: 5 p.m. ET 7/9/26.

Docket Numbers: ER26–2880–000.

Applicants: Jackson Ctr Solar, LLC.

Description: Initial Rate Filing: Baseline new to be effective 6/19/2026.

Filed Date: 6/18/26.

Accession Number: 20260618–5126.

Comment Date: 5 p.m. ET 7/9/26.

Docket Numbers: ER26–2881–000.

Applicants: PJM Interconnection, L.L.C.

Description: 205(d) Rate Filing: Amendment to GIA SA No. 7529; Project Identifier No. AF2–424/AF2–425 to be effective 8/18/2026.

Filed Date: 6/18/26.

Accession Number: 20260618–5132.

Comment Date: 5 p.m. ET 7/9/26.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12720 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL26–67–000]

PJM Interconnection, L.L.C.; AEP Appalachian Transmission Company, Inc.; AEP Indiana Michigan Transmission Company, Inc.; AEP Kentucky Transmission Company, Inc.; AEP Ohio Transmission Company, Inc.; AEP West Virginia Transmission Company, Inc.; Allegheny Electric Cooperative, Inc.; American Transmission Systems, Incorporated; Appalachian Power Company; Atlantic City Electric Company; Baltimore Gas and Electric Company; Commonwealth Edison Company; Commonwealth Edison Company of Indiana, Inc.; Dayton Power and Light Company; Delmarva Power & Light Company; Duquesne Light Company; Duke Energy Kentucky, Inc.; Duke Energy Ohio, Inc.; Essential Power Rock Springs, LLC; Hudson Transmission Partners, LLC; Indiana Michigan Power Company; Jersey Central Power & Light Company; Keystone Appalachian Transmission Company; Kentucky Power Company; Kingsport Power Company; Linden VFT, LLC; Mid-Atlantic Interstate Transmission, LLC; Monongahela Power Company; Neptune Regional Transmission System, LLC; NextEra Energy Transmission MidAtlantic Indiana, Inc.; Ohio Power Company; Ohio Valley Electric Corporation; Old Dominion Electric Cooperative; PECO Energy Company; PPL Electric Utilities Corporation; The Potomac Edison Company; Potomac Electric Power Company; Public Service Electric and Gas Company; Rockland Electric Company; Silver Run Electric, LLC; Trans-Allegheny Interstate Line Company; Transource West Virginia, LLC; UGI Utilities, Inc.; Virginia Electric and Power Company; Wabash Valley Power Association, Inc.; Wheeling Power Company; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On June 18, 2026, the Commission issued an order in Docket No. EL26–67–000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether PJM Interconnection, L.L.C.'s Open Access Transmission Tariff is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211 (2026).

The refund effective date in Docket No. EL26–67–000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL26–67–000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

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>) using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC'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 FERC'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.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFile" link at <http://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12708 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL26–68–000]

Southwest Power Pool, Inc., AEP Oklahoma Transmission Company, Inc., AEP Southwestern Transmission Company, Inc., Deseret Generation & Transmission Co-operative, Inc., Empire District Electric Company, Evergy Kansas Central, Inc., Evergy Kansas South, Inc., Evergy Metro, Inc., Evergy Missouri West, Inc., GridLiance High Plains LLC, ITC Great Plains, LLC, Mountrail-Williams Electric Cooperative, NextEra Energy Transmission Southwest, LLC, NorthWestern Energy Public Service Corporation, Oklahoma Gas and Electric Company, Prairie Wind Transmission, LLC, Public Service Company of Oklahoma, Southwestern Electric Power Company, Southwestern Public Service Company, Transource Missouri, LLC, Transource Oklahoma, LLC, Tri-State Generation and Transmission Association, Inc., Upper Missouri G. & T. Electric Cooperative, Inc.; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On June 18, 2026, the Commission issued an order in Docket No. EL26–68–000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether Southwest Power Pool, Inc.'s Open Access Transmission Tariff is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,213 (2026).

The refund effective date in Docket No. EL26–68–000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL26–68–000 must file a notice of intervention or motion to intervene, as appropriate, with the Commission, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

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>) using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC'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 FERC'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.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFile" link at <http://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12704 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP25–539–000; Docket No. CP25–539–001]

Rockies Express Pipeline LLC, Cheyenne Connector, LLC, East Cheyenne Gas Storage, LLC; Notice of Revised Schedule for Environmental Review of the Critical Energy Reliability Link Project

This notice identifies the Federal Energy Regulatory Commission staff's revised schedule for the completion of the environmental assessment (EA) for Rockies Express Pipeline LLC's (REX) Critical Energy Reliability Link Project.¹ The first notice of schedule, issued on December 11, 2025, identified July 2, 2026, as the EA issuance date. However, on May 15, 2026, REX filed changes to its project, adding and modifying facilities and affecting new landowners. On May 22, 2026, staff issued a *Notice of Amendment Establishing Intervention Deadline* following the filed project changes. Staff will require additional time to incorporate the project changes and associated environmental analysis into the EA. As a result, staff has revised the schedule for issuance of the EA. The issuance date is also contingent on the quality of information provided by REX in response to any upcoming environmental information requests. The EA will be issued for a 30-day comment period.

Schedule for Environmental Review

Issuance of the EA—October 2, 2026
90-day Federal Authorization Decision Deadline²—December 31, 2026

If a schedule change becomes necessary, an additional notice will be provided so that the relevant agencies are kept informed of the project's progress.

Additional Information

In order to receive notification of the issuance of the EA and to keep track of all formal issuances and submittals in specific dockets, the Commission offers

¹ For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is EAXX–019–20–000–1765365565.

² The Commission's deadline applies to the decisions of other federal agencies, and state agencies acting under federally delegated authority, that are responsible for federal authorizations, permits, and other approvals necessary for proposed projects under the Natural Gas Act. Per 18 CFR 157.22(a), the Commission's deadline for other agency's decisions applies unless a schedule is otherwise established by federal law.

a free service called eSubscription. 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. Go to <https://www.ferc.gov/ferc-online/overview> to register for eSubscription.

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.

Additional information about the project is available from the FERC website (www.ferc.gov). Using the "eLibrary" link, select "General Search" from the eLibrary menu, enter the selected date range and "Docket Number" excluding the last three digits (*i.e.*, CP25-539), and follow the instructions. For assistance with access to eLibrary, the helpline can be reached at (866) 208-3676, TTY (202) 502-8659, or at FERCOnlineSupport@ferc.gov. The eLibrary link on the FERC website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

(Authority: 18 CFR 2.1)

Dated: June 17, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-12623 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL26-71-000]

California Independent System Operator Corporation; Citizen S-Line Transmission LLC; Citizens Sunrise Transmission LLC; Citizens Sycamore-Penasquitos Transmission LLC; City of Anaheim, California; City of Azusa, California; City of Banning, California; City of Colton, California; City of Pasadena, California; City of Riverside, California; DCR Transmission, L.L.C.; DesertLink, LLC; GridLiance West LLC; Horizon West Transmission, LLC; LS Power Grid California, LLC; Morongo Transmission LLC; Pacific Gas and Electric Company; San Diego Gas & Electric Company; Southern California Edison Company; Startrans IO, L.L.C.; SunZia Transmission, LLC; Trans Bay Cable LLC; Valley Electric Association, Inc.; Viridon Path 15, LLC; Western Area Power Administration; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On June 18, 2026, the Commission issued an order in Docket No. EL26-71-000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether California Independent System Operator Corporation's Open Access Transmission Tariff and/or the Transmission Owner Tariffs of the Participating Transmission Owners are unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *Cal. Indep. Sys. Operator Corp.*, 195 FERC ¶ 61,214 (2026).

The refund effective date in Docket No. EL26-71-000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL26-71-000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

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>) using the "eLibrary" link.

Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC'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 FERC'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.reference@ferc.gov.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFile" link at <http://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-12703 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 15425-000]

Bluff Spur Pumped Storage, LLC; Notice of Preliminary Permit Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Competing Applications

On February 24, 2026, Bluff Spur Pumped Storage, LLC, filed an application for a preliminary permit, pursuant to section 4(f) of the Federal Power Act (FPA), proposing to study the

feasibility of the Bluff Spur Energy Storage Project (Bluff Spur Project or project) to be located in Wise County, Virginia. The sole purpose of a preliminary permit, if issued, is to grant the permit holder priority to file a license application during the permit term. A preliminary permit does not authorize the permit holder to perform any land-disturbing activities or otherwise enter upon lands or waters owned by others without the owners' express permission.

The proposed Bluff Spur Project would consist of the following: (1) a new excavated upper reservoir having a surface area of 70 acres and a total storage capacity of approximately 2,400 acre-feet at a normal maximum water surface elevation of 3,620 feet North American Vertical Datum of 1988 (NAVD88); (2) a new 1,140-foot-long, 150-foot-high earthen embankment type dam forming a lower reservoir having a surface area of 70 acres and a total storage capacity of approximately 2,400 acre-feet at a normal maximum water surface elevation of 2,280 feet NAVD88; (3) a 15-foot-diameter, 5,000-foot-long concrete and steel-lined tunnel connecting the upper and lower reservoirs and bifurcating at the powerhouse; (4) a new 100-foot-diameter circular open pit type powerhouse containing two turbine-generator units with a total rated capacity of 300 megawatts; (5) a new 3.4-mile-long, 161-kilovolt transmission line connecting the project to a substation; and (6) appurtenant facilities. Initial fill and make-up water for the project would come from adjacent waterways and/or groundwater wells. The proposed project would have an annual generation of 840 gigawatt-hours.

Applicant Contact: Sandy Slayton, Rye Development, LLC, 100 South Olive Avenue, West Palm Beach, FL 33401; phone: 206-919-3976.

FERC Contact: Monir Chowdhury; phone: (202) 502-6736.

Deadline for filing comments, motions to intervene, competing applications (without notices of intent), or notices of intent to file competing applications: on or before 5:00 p.m. Eastern Time on August 17, 2026. Competing applications and notices of intent must meet the requirements of 18 CFR 4.36.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, notices of intent, and competing applications using the Commission's eFiling system at <https://ferconline.ferc.gov/FEROnline.aspx>. Commenters can submit brief comments up to 10,000 characters, without prior registration, using the eComment system

at <https://ferconline.ferc.gov/QuickComment.aspx>. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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.

More information about this project, including a copy of the application, can be viewed or printed on the "eLibrary" link of the Commission's website at <https://elibrary.ferc.gov/eLibrary/search>. Enter the docket number (P-15425) in the docket number field to access the document. For assistance, contact FERC Online Support.

(Authority: 18 CFR 2.1)

Dated: June 17, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-12624 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL26-69-000]

New York Independent System Operator, Inc.; Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; LS Power Grid New York Corporation I; New York State Electric & Gas Corporation; New York Transco LLC; NextEra Energy Transmission New York, Inc.; Niagara Mohawk Power Corp.; Orange and Rockland Utilities, Inc.; Rochester Gas and Electric Corporation; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On June 18, 2026, the Commission issued an order in Docket No. EL26-69-000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether New York Independent System Operator, Inc.'s

Open Access Transmission Tariff is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *N.Y. Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,216 (2026).

The refund effective date in Docket Nos. EL26-69-000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket Nos. EL26-69-000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

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>) using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC'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 FERC'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.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the "eFile" link at <http://www.ferc.gov>. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426.

Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

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 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-12707 Filed 6-23-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP25-539-000; Docket No.
CP25-539-001]

Rockies Express Pipeline LLC; Cheyenne Connector, LLC; East Cheyenne Gas Storage, LLC; Notice of Scoping Period Requesting Comments on Environmental Issues for the Proposed Critical Energy Reliability Link Project, as Amended

The staff of the Federal Energy Regulatory Commission (FERC or Commission) is in the process of preparing an environmental document that will discuss the environmental impacts of the Critical Energy Reliability Link Project involving construction and operation of facilities, and related activities, proposed by Rockies Express Pipeline LLC (REX), Cheyenne Connector, LLC, and East Cheyenne Gas Storage, LLC (collectively the Applicants) in Weld, Adams, Arapahoe, Elbert, and El Paso counties, Colorado. However, on May 15, 2026, REX filed changes to the project, adding and modifying facilities and affecting new landowners. Accordingly, this notice announces the opening of an additional scoping period the Commission will use to gather input from the public and interested agencies regarding the project, as amended in Docket No. CP25-539-001. The environmental mailing list for this notice has been updated to account for the proposed amended facilities.

As part of the National Environmental Policy Act (NEPA) review process, the Commission takes into account concerns the public may have about proposals and the environmental impacts that could result from its action whenever it considers the issuance of a Certificate of Public Convenience and Necessity. This gathering of public input is referred to as “scoping.” The main goal of the scoping process is to focus the analysis in the environmental document on the important environmental issues. Additional information about the Commission’s

NEPA process is described below in the NEPA Process and Environmental Document section of this notice. The Commission will use staff’s environmental document in its decision-making process to determine whether the project is in the public convenience and necessity.

By this notice, the Commission requests public comments on the scope of issues to address in the environmental document. To ensure that your comments are timely and properly recorded, please submit your comments so that the Commission receives them in Washington, DC on or before 5:00 p.m. Eastern Time on July 17, 2026. Comments may be submitted in written form. Further details on how to submit comments are provided in the *Public Participation* section of this notice.

Your comments should focus on the potential environmental effects, reasonable alternatives, and measures to avoid or lessen environmental impacts. Your input will help the Commission staff determine what issues they need to evaluate in the environmental document. Commission staff will consider all written comments during the preparation of the environmental document.

This notice is being sent to the Commission’s current environmental mailing list for this project, as amended. State and local government representatives should notify their constituents of this proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The company would seek to negotiate a mutually acceptable easement agreement. You are not required to enter into an agreement. However, if the Commission approves the project, the Natural Gas Act conveys the right of eminent domain to the company. Therefore, if you and the company do not reach an easement agreement, the pipeline company could initiate condemnation proceedings in court. In such instances, compensation would be determined by a judge in accordance with state law. The Commission does not subsequently grant, exercise, or oversee the exercise of that eminent domain authority. The courts have exclusive authority to handle eminent domain cases; the Commission has no jurisdiction over these matters.

The Applicants provided landowners with a fact sheet prepared by the FERC

entitled “An Interstate Natural Gas Facility On My Land? What Do I Need To Know?” which addresses typically asked questions, including the use of eminent domain and how to participate in the Commission’s proceedings. This fact sheet along with other landowner topics of interest are available for viewing on the FERC website (www.ferc.gov) under the Natural Gas, Landowner Topics link.

Public Participation

There are three methods you can use to submit your comments to the Commission. Please carefully follow these instructions so that your comments are properly recorded. The Commission encourages electronic filing of comments and has staff available to assist you at (866) 208-3676 or FercOnlineSupport@ferc.gov.

(1) You can file your comments electronically using the eComment feature, which is located on the Commission’s website (www.ferc.gov) under the link to FERC Online. Using eComment is an easy method for submitting brief, text-only comments on a project.

(2) You can file your comments electronically by using the eFiling feature, which is located on the Commission’s website (www.ferc.gov) under the link to FERC Online. 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; a comment on a particular project is considered a “Comment on a Filing.”

(3) You can file a paper copy of your comments by mailing them to the Commission. Be sure to reference the project docket number (CP25-539-000 or -001) on your letter. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

Additionally, the Commission offers a free service called eSubscription which makes it easy to stay informed of all issuances and submittals regarding the dockets/projects to which you subscribe. These instant email notifications are the fastest way to receive notification and provide a link to the document files which can reduce the amount of time you spend

researching proceedings. Go to <https://www.ferc.gov/ferc-online/overview> to register for eSubscription.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Summary of the Proposed Project

On August 15, 2025, REX, Cheyenne Connector, LLC, and East Cheyenne Gas Storage, LLC jointly filed a Natural Gas Act sections 7(c)/7(b) application in Docket No. CP25-539-000 proposing construction of the following in Weld, Adams, Arapahoe, Elbert, and El Paso Counties, Colorado:

- approximately 160 miles of 24-inch-diameter natural gas pipelines consisting of a 152.7-mile-long “Lateral,” a 7.0-mile-long “Horizon Spur,” and a 0.3-mile-long “Cheyenne Connector Interconnect Piping”;
- a 6,200-horsepower compressor station (“LaSalle Compressor Station”); and
- other appurtenant facilities including 3 meter stations and 14 mainline valves.

On May 15, 2026, REX amended its Project with a supplemental filing, assigned Docket No. CP25-539-001, in which REX proposes to:

- in El Paso County, add 2.7 miles of 24-inch-diameter pipeline (“Williams Creek Spur”) and one associated meter station (“Williams Creek Meter Station”); and
- in Weld, Adams, Arapahoe, Elbert, and El Paso counties, make a total of 61 modifications to the original project proposal, which would:
 - adjust the Lateral’s centerline and increase the Lateral’s length by 1.1 miles to a total length of approximately 153.8 miles;
 - modify, eliminate, add, or relocate several temporary workspaces and access roads; and
 - modify other workspace and aboveground facility footprints that would result in a net 20.4-acre increase in project construction land requirements.

The Critical Energy Reliability Link Project would provide up to 100,000 dekatherms per day (Dth/d) of firm natural gas transportation service and 50,000 Dth/d of no-notice service to Colorado Springs Utilities in Colorado Springs. The general location of the project facilities is shown in appendix 1.¹

¹ The appendices referenced in this notice will not appear in the **Federal Register**. Copies of the

Land Requirements for Construction

Construction of the proposed facilities, as amended, would disturb about 2,268 acres of land for the aboveground facilities and the pipelines. Following construction, the Applicants would maintain about 1,068 acres for permanent operation of the project’s facilities; the remaining acreage would be restored and revert to former uses. About 69.8 percent of the proposed pipeline route parallels existing pipeline, utility, or road rights-of-way.

NEPA Process and the Environmental Document

Any environmental document issued by the Commission will discuss impacts that could occur as a result of the construction and operation of the proposed project under the relevant general resource areas:

- geology and soils;
- water resources and wetlands;
- vegetation and wildlife;
- threatened and endangered species;
- cultural resources;
- socioeconomic;
- land use and visual resources;
- air quality and noise; and
- reliability and safety.

Commission staff will evaluate reasonable alternatives to the proposed project or portions of the project and make recommendations on how to lessen or avoid impacts on the various resource areas. Your comments will help Commission staff identify and focus on the issues that might have an effect on the human environment and potentially eliminate others from further study and discussion in the environmental document.

On December 11, 2025, the Commission issued a *Notice of Schedule for the Preparation of an Environmental Assessment for the Critical Energy Reliability Link Project*. However, due to the proposed amended facilities in Docket No. CP25-539-001, the Commission will issue a revised *Notice of Schedule for the EA*. The Commission would consider timely comments on the EA before making its decision regarding the proposed project. The EA will be available in electronic format in the public record through eLibrary² and the Commission’s natural gas environmental documents web page

appendices were sent to all those receiving this notice in the mail and are available at www.ferc.gov using the link called “eLibrary.” For instructions on connecting to eLibrary, refer to the last page of this notice. For assistance, contact FERC at FERCOnlineSupport@ferc.gov or call toll free, (886) 208-3676 or TTY (202) 502-8659.

² For instructions on connecting to eLibrary, refer to the last page of this notice.

(<https://www.ferc.gov/industries-data/natural-gas/environment/environmental-documents>). If eSubscribed, you will receive instant email notification when the environmental document is issued.

With this notice, the Commission is asking agencies with jurisdiction by law and/or special expertise with respect to the environmental issues of this project to formally cooperate in the preparation of the environmental document.³ Agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the *Public Participation* section of this notice.

Consultation Under Section 106 of the National Historic Preservation Act

In accordance with the Advisory Council on Historic Preservation’s implementing regulations for section 106 of the National Historic Preservation Act, the Commission is using this notice to initiate (as necessary) and continue consultation with the Colorado State Historic Preservation Office, and to solicit their views and those of other government agencies, interested Indian tribes, and the public on the project’s potential effects on historic properties.⁴ The environmental document for this project will document findings on the impacts on historic properties and summarize the status of consultations under section 106.

Environmental Mailing List

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American Tribes; other interested parties; and local libraries and newspapers. This list also includes all affected landowners (as defined in the Commission’s regulations) who are potential right-of-way grantors, whose property may be used temporarily for project purposes, or who own homes within certain distances of aboveground facilities, and anyone who submits comments on the project and includes a mailing address with their comments. Commission staff has updated the environmental mailing list to account for the proposed amended facilities, and

³ Cooperating agency responsibilities are addressed in Section 107(a)(3) of NEPA (42 U.S.C. 4336(a)(3)).

⁴ The Advisory Council on Historic Preservation’s regulations are at Title 36, Code of Federal Regulations, Part 800. Those regulations define historic properties as any prehistoric or historic district, site, building, structure, or object included in or eligible for inclusion in the National Register of Historic Places.

will continue to do so as the analysis proceeds to ensure that Commission notices related to this environmental review are sent to all individuals, organizations, and government entities interested in and/or potentially affected by the proposed project.

If you need to make changes to your name/address, or if you would like to remove your name from the mailing list, please complete one of the following steps:

(1) Send an email to GasProjectAddressChange@ferc.gov stating your request. You must include the docket number CP25–539–000 or –001 in your request. If you are requesting a change to your address, please be sure to include your name and the correct address. If you are requesting to delete your address from the mailing list, please include your name and address as it appeared on this notice. This email address is unable to accept comments.

OR

(2) Return the attached “Mailing List Update Form” (appendix 2).

Additional Information

Additional information about the project is available from the Commission’s Office of External Affairs, at (866) 208–FERC, or on the FERC website at www.ferc.gov using the eLibrary link. Click on the eLibrary link, click on “General Search” and enter the docket number in the “Docket Number” field. Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or (866) 208–3676, or for TTY, contact (202) 502–8659. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings. Public sessions or site visits will be posted on the Commission’s calendar located at <https://www.ferc.gov/news-events/events> along with other related information.

(Authority: 18 CFR 2.1)

Dated: June 17, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12637 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 5000–000]

Ampersand Kayuta Lake Hydro, LLC; Notice of Authorization for Continued Project Operation

The license for the Kayuta Lake Hydroelectric Project No. 5000 was issued for a period ending May 31, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project’s prior license waived the applicability of section 15 of the FPA, then, based on section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 5000 is issued to the Ampersand Kayuta Lake Hydro, LLC for a period effective June 1, 2026, through May 31, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before May 31, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that the Pacific Gas and Electric Company is authorized to continue operation of the Kayuta Lake Hydroelectric Project under the terms and conditions of the prior license until

the issuance of a subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or OPP@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: June 18, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12713 Filed 6–23–26; 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 exempt wholesale generator filings:

Docket Numbers: EG26–259–000.

Applicants: Border Basin, LLC.

Description: Border Basin, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 6/17/26.

Accession Number: 20260617–5063.

Comment Date: 5 p.m. ET 7/8/26.

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER10–2732–023;

ER19–2096–006; ER10–2736–023;

ER10–2737–023; ER10–2741–023;

ER10–2749–024; ER10–2752–023;

ER12–2492–019; ER12–2493–019;

ER12–2494–019; ER12–2495–019;

ER12–2496–019; ER16–2455–013;

ER16–2456–013; ER16–2457–013;

ER16–2459–013; ER18–1404–009.

Applicants: NS Power Energy Marketing Inc., Emera Energy, Services Subsidiary No. 15 LLC, Emera Energy Services, Subsidiary No. 13 LLC, Emera Energy Services, Subsidiary No. 12 LLC, Emera Energy Services, Subsidiary No. 11 LLC, Emera Energy Services Subsidiary No. 10 LLC, Emera Energy Services Subsidiary No. 9 LLC, Emera Energy Services Subsidiary No. 8 LLC, Emera Energy Services, Subsidiary No. 7 LLC, Emera Energy Services, Subsidiary No. 6 LLC, Emera Energy Services, Subsidiary No. 5 LLC, Emera Energy Services, Subsidiary No. 4 LLC, Emera Energy Services, Subsidiary No. 3 LLC, Emera Energy Services, Subsidiary No. 2 LLC, Emera Energy Services, Subsidiary No. 1 LLC, Emera Energy LNG, LLC, Emera Energy Services, Inc.

Description: Triennial Market Power Analysis for Northeast Region of Emera Energy Services, Inc., et al.
Filed Date: 6/16/26.

Accession Number: 20260616–5137.

Comment Date: 5 p.m. ET 8/17/26.

Docket Numbers: ER13–342–022.

Applicants: CPV Shore, LLC.

Description: Triennial Market Power Analysis for Northeast Region of CPV Shore, LLC.

Filed Date: 6/16/26.

Accession Number: 20260616–5136.

Comment Date: 5 p.m. ET 8/17/26.

Docket Numbers: ER13–343–018.

Applicants: CPV Maryland, LLC.

Description: Triennial Market Power Analysis and Notice of Change in Status for Northeast Region of CPV Maryland, LLC.

Filed Date: 6/16/26.

Accession Number: 20260616–5135.

Comment Date: 5 p.m. ET 8/17/26.

Docket Numbers: ER26–1683–001.

Applicants: Commonwealth Edison Company.

Description: Tariff Amendment: Answer to Deficiency Letter to be effective 6/1/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5055.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2347–001.

Applicants: Public Service Company of Oklahoma.

Description: Tariff Amendment: Amendment to Pending PSO-Western Farmers EC (Coombs) Delivery Point Agreement to be effective 3/31/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5057.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2856–000.

Applicants: Baldy Mesa C, LLC.

Description: 205(d) Rate Filing: Baldy Mesa C, LLC Amended Shared Facilities Agreement to be effective 6/18/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5000.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2857–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: 607R52 Evergy Kansas Central, Inc. NITSA NOA to be effective 6/1/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5021.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2858–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: 276R41 Evergy Metro NITSA NOA to be effective 6/1/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5027.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2859–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: Revisions to Attachment X to Establish Requirements for Foreign Guaranties to be effective 8/17/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5037.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2860–000.

Applicants: Duke Energy Carolinas, LLC.

Description: 205(d) Rate Filing: DEC—Amended Interconnection Agreement with Dominion Energy South Carolina, Inc to be effective 8/17/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5053.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2861–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: 4889 Grant Plains Wind GIA to be effective 5/21/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5086.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2862–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: 4891 Twelvemile Energy II Surplus Interconnection GIA to be effective 8/17/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5089.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2863–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: 4892 Sternwheeler Solar Project GIA to be effective 5/27/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5096.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2864–000.

Applicants: PJM Interconnection, L.L.C.

Description: Tariff Amendment: Notice of Cancellation of GIA, SA No. 7640; AE2–305/AF1–053/AF1–054 re: withdraw to be effective 8/17/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5101.

Comment Date: 5 p.m. ET 7/8/26.

Docket Numbers: ER26–2865–000.

Applicants: Southwest Power Pool, Inc.

Description: 205(d) Rate Filing: 4893 Clark County Storage Project Surplus GIA to be effective 8/17/2026.

Filed Date: 6/17/26.

Accession Number: 20260617–5105.

Comment Date: 5 p.m. ET 7/8/26.

Take notice that the Commission received the following qualifying facility filings:

Docket Numbers: QF14–355–003.

Applicants: Conyers Renewable Power, LLC.

Description: Refund Report of Conyers Renewable Power, LLC.

Filed Date: 6/16/26.

Accession Number: 20260616–5115.

Comment Date: 5 p.m. ET 7/7/26.

Docket Numbers: QF26–1176–000.

Applicants: EQX042.Z PROJECTCO, LLC.

Description: Form 556 of EQX042.Z PROJECTCO, LLC.

Filed Date: 6/16/26.

Accession Number: 20260616–5127.

Comment Date: 5 p.m. ET 7/7/26.

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 17, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–12632 Filed 6–23–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 3255–000]

Lyonsdale Associates, LLC; Notice of Authorization for Continued Project Operation

The license for the Lyonsdale Hydroelectric Project No. 3255 was

issued for a period ending May 31, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of section 15 of the FPA, then, based on section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 3255 is issued to Lyonsdale Associates, LLC for a period effective June 1, 2026, through May 31, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before May 31, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that the Lyonsdale Associates, LLC is authorized to continue operation of the Lyonsdale Hydroelectric Project under the terms and conditions of the prior license until the issuance of a subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: June 18, 2026.
Debbie-Anne A. Reese,
Secretary.
[FR Doc. 2026-12723 Filed 6-23-26; 8:45 am]
BILLING CODE 6717-01-P

FEDERAL DEPOSIT INSURANCE CORPORATION

[OMB No. 3064-0029 and -0177]

Agency Information Collection Activities: Proposed Collection Renewal; Comment Request

AGENCY: Federal Deposit Insurance Corporation (FDIC).
ACTION: Notice and request for comment.

SUMMARY: The FDIC, as part of its obligations under the Paperwork Reduction Act of 1995, invites the general public and other Federal agencies to take this opportunity to comment on the request to renew the existing information collections described below (OMB Control No. 3064-0029, and -0177). The notices of proposed renewal for these information collections were previously published in the **Federal Register** on April 21, 2026, allowing for a 60-day comment period. No comments were received.

DATES: Comments must be submitted on or before July 24, 2026.

ADDRESSES: Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- *Agency Website:* <https://www.fdic.gov/resources/regulations/federal-register-publications/>.
- *Email:* comments@fdic.gov. Include the name and number of the collection in the subject line of the message.
- *Mail:* Robert Meiers, Regulatory Attorney, MB-3013, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17th Street NW building (located on F Street NW), on business days between 7 a.m. and 5 p.m.

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 these information collections by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT: Robert Meiers, Regulatory Attorney, Romeiers@fdic.gov, MB-3013, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION: Proposal to renew the following currently approved collection of information:

1. *Title:* Notification of Performance of Bank Services.
OMB Number: 3064-0029.
Form Number: 6120/06.
Affected Public: Insured state nonmember banks and state savings associations.
Burden Estimate:

SUMMARY OF ESTIMATED ANNUAL BURDEN (OMB No. 3064-0029)

Information collection (IC) (obligation to respond)	Type of burden (frequency of response)	Number of respondents	Number of responses per respondent	Average time per response (HH:MM)	Annual burden (hours)
1. Notification of Performance of Bank Services, 12 CFR 304.3 (Mandatory).	Reporting (On Occasion)	308	2.03	00:30	313
Total Annual Burden (Hours) ....	.....	.....	.....	.....	313

Source: FDIC.
Note: The estimated annual IC time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB's consolidated information system.

General Description of Collection: Insured state nonmember banks are required to notify the FDIC, under section 7 of the Bank Service Company Act (12 U.S.C. 1867), of the relationship with a bank service company. The Form FDIC 6120/06, Notification of Performance of Bank Services, may be used by banks to satisfy the notification requirement. There is no change in the

method or substance of the collection. The estimated annual burden has decreased by 12 hours, from 325 hours in 2023 to 313 hours in this ICR. This decrease is attributable to a reduction in the estimated number of responses. The time and frequency of responses remain unchanged.

2. **Title:** Treatment by the FDIC as Conservator or Receiver of Financial

Assets Transferred by an Insured Depository Institution in Connection With a Securitization or Participation After September 30, 2010.

OMB Number: 3064–0177.

Affected Public: Insured Depository Institutions.

Burden Estimate:

SUMMARY OF ESTIMATED ANNUAL BURDEN (OMB No. 3064–0177)

Information collection (IC) (obligation to respond)	Type of burden (frequency of response)	Number of respondents	Number of responses per respondent	Average time per response (HH:MM)	Annual burden (hours)
1. Credit performance and changes to compensation arrangements, 12 CFR 360.6(b)(2)(i)(C) & (D) (Mandatory).	Disclosure (Monthly)	22	135.273	02:00	5,952
2. Securitization structure and initial compensation arrangements, 12 CFR 360.6(b)(2)(i)(B) & (D) (Mandatory).	Disclosure (On Occasion)	22	11.273	03:00	744
3. Residential mortgages: loan-level information and sponsor's disclosure of third-party due diligence report on compliance with 360.6(b)(2)(ii)(B), 12 CFR 360.6(b)(2)(ii)(A) & (B) (Mandatory).	Disclosure (On Occasion)	4	4.667	02:00	38
4. Residential mortgages: servicer or affiliate ownership interests, 12 CFR 360.6(b)(2)(ii)(C) (Mandatory).	Disclosure (On Occasion)	9	2.926	01:00	26
5. Securitization documents, 12 CFR 360.6(c)(7) (Mandatory).	Recordkeeping (On Occasion)	22	11.273	01:00	248
Total Annual Burden (Hours) .....	.....	.....	.....	.....	7,008

Source: FDIC.

Note: The estimated annual IC time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB's consolidated information system.

General Description of Collection: Part 360.6 of the FDIC's regulations sets forth certain conditions that must be satisfied for a securitization transaction sponsored by an insured depository institution to be eligible for special treatment in the event that the FDIC is appointed receiver or conservator. As part of these conditions, securitization documents must include certain disclosure and recordkeeping requirements. There is no change in the method or substance of the collection. The estimated annual burden remains unchanged from the 2023 estimate.

Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the

methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, June 22, 2026.

Jennifer M. Jones,
Deputy Executive Secretary.

[FR Doc. 2026–12690 Filed 6–23–26; 8:45 am]

BILLING CODE 6714–01–P

FEDERAL MARITIME COMMISSION

Notice of Agreements Filed

The Commission hereby gives notice of filing of the following agreements under the Shipping Act of 1984.

Interested parties may submit comments, relevant information, or documents regarding the agreement to the Secretary by email at Secretary@fmc.gov, or by mail, Federal Maritime Commission, 800 North Capitol Street, Washington, DC 20573. Comments will be most helpful to the Commission if received within 12 days of the date this notice appears in the **Federal Register**, and the Commission requests that comments be submitted within 7 days on agreements that request expedited review. Copies of agreements are available through the Commission's website (www.fmc.gov) or by contacting the Office of General Counsel at (202) 523–5740 or GeneralCounsel@fmc.gov.

Agreement No.: 011463–015.

Agreement Name: East Coast North America to West Coast South America and Caribbean Cooperative Working Agreement.

Parties: Maersk A/S; and Hapag Lloyd AG.

Filing Party: Wayne Rohde, Cozen O'Connor.

Synopsis: The amendment would add a new Article 5.1(b)(ii) to provide for a structural provision of slots. It would also revise Article 9, including the addition of a new Article 9.5. It updates address and contact information in Article 3 and 11, and revises the governing law (Article 10) and arbitration (Article 13). The amendment also restates the agreement.

Proposed Effective Date: 8/1/2026.

Location: <https://www2.fmc.gov/FMC.Agreements.Web/Public/AgreementHistory/809>.

Agreement No.: 201436–006.

Agreement Name: MSC/ZIM Cooperative Working Agreement.

Parties: Mediterranean Shipping Company S.A.; and Zim Integrated Shipping Services.

Filing Party: Wayne Rohde, Cozen O'Connor.

Synopsis: The amendment would revise the geographic scope of the Agreement by deleting Taiwan and adding India.

Proposed Effective Date: 7/30/2026.

Location: <https://www2.fmc.gov/FMC.Agreements.Web/Public/AgreementHistory/86581>.

Agreement No.: 201471.

Agreement Name: Maersk/Hapag-Lloyd NAE Space Charter.

Parties: Maersk A/S; and Hapag Lloyd AG.

Filing Party: Wayne Rohde, Cozen O'Connor.

Synopsis: The agreement would authorize the chartering of space in the trade between ports on the U.S. East Coast, on the one hand, and ports in Colombia and Panama, on the other hand.

Proposed Effective Date: 8/1/2026.

Location: <https://www2.fmc.gov/FMC.Agreements.Web/Public/AgreementHistory/92676>.

Dated: June 18, 2026.

Jennifer Everling,

Assistant Secretary.

[FR Doc. 2026–12630 Filed 6–23–26; 8:45 am]

BILLING CODE 6730–02–P

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisitions of Shares of a Bank or Bank Holding Company

The notificants listed below have applied under the Change in Bank Control Act (Act) (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire shares of a bank or bank holding company. The factors

that are considered in acting on the applications are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

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 paragraph 7 of the Act.

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

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 9, 2026.

A. Federal Reserve Bank of St. Louis (Holly A. Rieser, Senior Manager) P.O. Box 442, St. Louis, Missouri 63166–2034. Comments can also be sent electronically to Comments.applications@stls.frb.org:

1. John H. Garrett, individually and as trustee of each of the Filip J. Garrett Bank Trust u/a/d March 20, 2024, Sara E. Garrett Bank Trust u/a/d March 20, 2024, John H. Garrett Bank Trust u/a/d March 20, 2024, and Ida M. Garrett Bank Trust u/a/d March 20, 2024, all of Southport, North Carolina; Jeffrey S. Scott, individually and as trustee of each of the Hayden Scott Trust created under the Sharon K. Garrett Revocable Trust dated November 1, 2000, as amended, and the Avery Scott Trust created under the Sharon K. Garrett Revocable Trust dated November 1, 2000, as amended, Tyler Scott, Shelby McCaffrey, Richard W. Scott, all of Purdy, Missouri; Sara E. Garrett, Ida M. Garrett, and Filip J. Garrett, all of Springfield, Missouri; as a group acting in concert, to acquire voting shares of Purdy Bancshares, Inc., Monett, Missouri, and thereby indirectly acquire

voting shares of First State Bank of the Ozarks, Purdy, Missouri.

B. Federal Reserve Bank of San Francisco (Keith Dudley, Vice President) 101 Market Street, San Francisco, California 94105–1579.

Comments can also be sent electronically to SF.Supervision.Comments.Applications@sf.frb.org:

1. The Stanton Washington Trust Bank Voting Trust, Peter F. Stanton, as trustee, both of Spokane, Washington; to acquire voting shares of W.T.B. Financial Corporation, and thereby indirectly acquire voting shares of Washington Trust Bank, both of Spokane, Washington.

Board of Governors of the Federal Reserve System.

Yao-Chin Chao,

Associate Secretary of the Board.

[FR Doc. 2026–12697 Filed 6–23–26; 8:45 am]

BILLING CODE P

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–XXXX; Docket No. 2026–0232; Sequence No. 1]

Information Collection; Accessibility Conformance Report (ACR) Repository

AGENCY: Office of Governmentwide Policy, General Services Administration (GSA).

ACTION: Notice; request for comments.

SUMMARY: Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat Division will be submitting to the Office of Management and Budget (OMB) a request to review and approve a new information collection requirement regarding the Accessibility Conformance Report (ACR) Repository.

DATES: Submit comments on or before August 24, 2026.

ADDRESSES:

Submit comments identified by Information Collection 3090–XXXX; Accessibility Conformance Report (ACR) Repository to <https://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for “Information Collection 3090–XXXX; Accessibility Conformance Report (ACR) Repository”. Select the link “Submit a Comment” that corresponds with “Information Collection 3090–XXXX; Accessibility Conformance Report (ACR) Repository”. Follow the instructions provided at the “Submit a Comment” screen. Please include your name, company name (if any), and “Information Collection 3090–XXXX; Accessibility Conformance

Report (ACR) Repository” on your attached document. If your comment cannot be submitted using *regulations.gov*, call or email the points of contact in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions.

Instructions: Please submit comments only and cite Information Collection 3090-XXXX; Accessibility Conformance Report (ACR) Repository, in all correspondence related to this collection. Comments received generally will be posted without change to *regulations.gov*, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check *regulations.gov*, approximately two-to-three business days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: Andrew Nielson, Director of the Government-wide IT Accessibility Program, Office of Government-wide Policy, GSA, at telephone 202-330-3036 or via email to andrew.nielson@gsa.gov for clarification of content.

SUPPLEMENTARY INFORMATION:

A. Purpose

GSA's Office of Governmentwide Policy (OGP) is in the process of developing an application to facilitate and provide a centralized repository of Accessibility Conformance Reports (ACRs) for information and communication technology (ICT) products.

Our ACR Repository is also in response to a requirement from OMB in M-24-08 to “explore options for establishing a standardized accessibility conformance reporting process for government procurement of ICT, which should include a central repository of vendor accessibility conformance reports.”

Federal agencies often require submission of ACRs as part of quotes/bids in response to procurement solicitations. We intend to encourage product vendors to list/upload their ACRs into the repository to make it easier and more efficient for Federal employees involved in the acquisition and implementation of ICT and interested members of the public to locate ACRs when considering accessibility in the procurement process (as required by Section 508 and in the Federal Acquisition Regulation).

B. Annual Reporting Burden

There is no obligation for product owners to submit ACRs for any product. The total number of annual responses would be at the product owner's discretion.

Vendor Admin Respondents: 2500.
Vendor User Respondents: 1500.
Hours per Vendor Profile Creation: 10 mins.

Hours per Vendor User Creation: 3 mins.

ACRs per Vendor Account: 2.

Total ACRs Uploaded: 5000.

Hours per ACR Upload: 5 mins.

Total Burden Hours: 907 hours.

C. Public Comments

Public comments are particularly invited on: Whether this collection of information is necessary, whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

Obtaining Copies Of Proposals: Requesters may obtain a watermarked “DRAFT” copy of the supporting statement via the Federal eRulemaking portal at *regulations.gov* by searching for Docket ID “GSA-GSA-2026-0232.” Select the document titled “Supporting Statement: 3090-XXXX, Accessibility Conformance Report (ACR) Repository—DRAFT” located under Supporting and Related Material.”

Richard Speidel,

Deputy Chief Data Officer, General Services Administration.

[FR Doc. 2026-12667 Filed 6-23-26; 8:45 am]

BILLING CODE 6820-WY-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2022-D-1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics; General Recommendations; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance for industry (GFI) #90 entitled

“Effectiveness of Anthelmintics: General Recommendations.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA–2022–D–1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: General Recommendations.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug

Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240–402–0601, aimée.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #90 (VICH GL7) entitled “Effectiveness of Anthelmintics: General Recommendations.” FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of

documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49853), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: General Recommendations (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: General Recommendations. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance->

documents, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12678 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Equines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance for industry (GFI) #109 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Equines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to equines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES:

You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your

comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA–2022–D–1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Equines.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on

<https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240–402–0601, aimee.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #109 (VICH GL15) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Equines.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific equine issues not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90

(VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49854), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Equines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the

guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Equines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12682 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Canines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance for industry (GFI) #111 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Canines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to canines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your

comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA-2022-D-1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Canines.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- *Confidential Submissions—*To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed

except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0601, aimée.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #111 (VICH GL19) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Canines.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific canine issues not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then

reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49860), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Canines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated

effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Canines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12684 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Chickens—Gallus Gallus; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final

guidance for industry (GFI) #114 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Chickens—Gallus gallus.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to chickens that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as

well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA–2022–D–1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Chickens—Gallus gallus.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0601, aimée.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #114 (VICH GL21) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Chickens—Gallus gallus.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific issues for chickens not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United

States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49857), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Chickens—Gallus gallus (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Chickens—Gallus gallus. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12686 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Bovines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance for industry (GFI) #95 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Bovines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to bovines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the

national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see "Written/Paper Submissions" and "Instructions").

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in "Instructions."

Instructions: All submissions received must include the Docket No. [FDA-2022-D-1494] for "International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics; Specific Recommendations for Bovines." Received comments will be placed in the docket and, except for those submitted as "Confidential

Submissions," publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states "THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION." The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as "confidential." Any information marked as "confidential" will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the "Search" box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT: Aimée Phillippi-Taylor, Center for

Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0601, aimee.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #95 (VICH GL12) entitled "Effectiveness of Anthelmintics: Specific Recommendations for Bovines." It should be read in conjunction with GFI #90 (VICH GL7), "Effectiveness of Anthelmintics: General Recommendations," which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific bovine issues not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from

industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49861), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Bovines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Bovines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>,

<https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12679 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2023–D–5259]

Master Protocols for Drug and Biological Product Development; Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a draft guidance for industry entitled “Master Protocols for Drug and Biological Product Development.” This draft guidance revises and replaces the previous draft guidance for industry of the same name issued on December 22, 2023. The draft guidance provides recommendations on the design and analysis of trials conducted under a master protocol as well as guidance on submissions to support regulatory review. The primary focus is on randomized trials utilizing a master protocol that are intended to contribute to a demonstration of safety and substantial evidence of effectiveness. The considerations in this guidance apply to a range of therapeutic areas. The draft guidance is intended to clarify the Agency’s thinking on the use of master protocols in drug and biological product development.

DATES: Submit either electronic or written comments on the draft guidance by August 24, 2026 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to

the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. FDA–2023–D–5259 for “Master Protocols for Drug and Biological Product Development.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit

both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the draft guidance to the Division of Drug Information, Center for Drug Evaluation and Research, Food and Drug Administration, 10001 New Hampshire Ave., Hillandale Building, 4th Floor, Silver Spring, MD 20993–0002. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the draft guidance document.

FOR FURTHER INFORMATION CONTACT: Scott N. Goldie, Center for Drug Evaluation and Research, Office of Biostatistics, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 21, Rm. 3557, Silver Spring, MD 20993–0002, 301–796–2055, or Phillip Kurs, Center for Biologics Evaluation and Research, Food and Drug Administration, 240–402–7911.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of a draft guidance for industry entitled “Master Protocols for Drug and Biological Product Development.” This draft guidance revises and replaces the previous draft guidance for industry of the same name issued on December 22, 2023, and reflects FDA’s consideration of public comments on the draft guidance. The draft guidance provides recommendations on the design and analysis of trials conducted under a

master protocol as well as guidance on submissions to support regulatory review. The primary focus of this guidance is on randomized trials utilizing a master protocol that are intended to contribute to a demonstration of safety and substantial evidence of effectiveness. The concepts discussed may also be useful to consider for early-phase or exploratory trials under a master protocol as well as those conducted to satisfy post-marketing commitments or requirements. The considerations in this guidance apply to a range of therapeutic areas.

Well-designed and -conducted trials using master protocols can accelerate drug development by maximizing the amount of information obtained from the research effort. Compared with stand-alone trials under separate protocols, a master protocol may offer logistical advantages by leveraging shared protocol elements (e.g., visit schedule, measurement procedures), shared infrastructure (e.g., network of clinical sites, central facilities, central randomization system, data management systems), and shared oversight (e.g., steering committee, data review committee). Some master protocols may also improve efficiency by leveraging a shared control arm in evaluating multiple drugs or by leveraging information on drug effects across multiple related diseases, conditions, or disease subtypes. At the same time, master protocols add elements of complexity, which can increase start-up time and can lead to design challenges such as ensuring adequate blinding to treatment assignment. Additionally, master protocols involving multiple interested parties will require a high degree of coordination.

The draft guidance is intended to clarify the Agency’s thinking on the use of master protocols in drug and biological product development.

The guidance discusses important considerations for master protocols related to the following design and analysis topics: randomization, control group, informed consent, blinding to treatment assignment, adaptive design, comparisons between drugs, approaches for evaluating drug effects in multiple diseases, conditions, or disease subtypes, multiplicity, and safety. The guidance also discusses considerations on trial oversight, data sharing, dissemination of information, and submissions to support regulatory review.

FDA is issuing a revised draft guidance in response to public comments received on the original draft requesting that FDA provide additional

recommendations on basket trials. Changes from the original draft include more detailed recommendations regarding basket trials and minor changes for clarity on topics such as randomization, choice of control, and informed consent.

FDA is issuing this revised draft guidance to satisfy, in part, a mandate under section 3607(b)(2)(C–F) of the Food and Drug Omnibus Reform Act of 2022 (FDORA) found in Title III, Subtitle F of the Consolidated Appropriations Act, 2023. Consistent with the FDORA mandate, this guidance discusses recommendations for clinical trials to streamline logistics and facilitate the efficient collection and analysis of data, as well as important principles for the evaluation of effectiveness, recommendations for communication between sponsors and the FDA, and considerations related to ensuring participant safety and data integrity in such trials.

This draft guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The draft guidance, when finalized, will represent the current thinking of FDA on “Master Protocols for Drug and Biological Product Development.” It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 312 relating to the submission of investigational new drug applications, including protocols, protocol amendments, and information amendments, as well as the information collection in FDA’s guidance for industry entitled “Establishment and Operation of Clinical Trial Data Monitoring Committees” and “Oversight of Clinical Investigations—A Risk-Based Approach to Monitoring”, have been approved under OMB control number 0910–0014. The collections of information in 21 CFR part 314 pertaining to new drug applications including abbreviated new drug applications and related guidances have been approved under OMB control number 0910–0001. The collections of information in 21 CFR part 601 relating

to biologics license applications have been approved under OMB control number 0910–0338. The collections of information in 21 CFR parts 50 and 56 relating to the protection of human subjects and institutional review boards have been approved under OMB control number 0910–0130. The collections of information in 45 CFR part 46 relating to the protection of human subjects and IRB recordkeeping have been approved under OMB control number 0990–0260. The collections of information in 21 CFR part 11 relating to electronic records and signatures have been approved under OMB control number 0910–0303. The collections of information in 21 CFR part 312, subpart E relating to FDA’s guidance for industry entitled “Expedited Programs for Serious Conditions—Drugs and Biologics” have been approved under OMB control number 0910–0765.

As we develop final guidance on this topic, FDA will consider comments on costs or cost savings the guidance may generate, relevant for Executive Order 14192.

III. Electronic Access

Persons with access to the internet may obtain the draft guidance at <https://www.fda.gov/drugs/guidance-compliance-regulatory-information/guidances-drugs>, <https://www.fda.gov/vaccines-blood-biologics/guidance-compliance-regulatory-information-biologics/biologics-guidances>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12620 Filed 6–22–26; 11:15 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics; Specific Recommendations for Caprines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is

announcing the availability of a final guidance for industry (GFI) #97 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Caprines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to caprines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as

well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA–2022–D–1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics; Specific Recommendations for Caprines.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0601, aimee.phillippi-taylor@fda.hhs.gov

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #97 (VICH GL14) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Caprines.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific caprine issues not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United

States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49864), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Caprines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Caprines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to

previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12681 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2019–D–4964]

Demonstrating Substantial Evidence of Effectiveness for Human Drug and Biological Products; Revised Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) is announcing the availability of a revised draft guidance for industry titled “Demonstrating Substantial Evidence of Effectiveness for Human Drug and Biological Products.” FDA has revised and is reissuing this draft guidance in response to public comments and to changes in drug development by focusing on generating rigorous scientific evidence in the most efficient manner. Advances in our understanding of biological processes and the increasing availability of high-quality data have transformed the evidentiary landscape for drug development. Given these advances, the draft guidance discusses the many factors that can impact the strength of evidence of effectiveness for a drug and clarifies how sponsors can rely on one adequate and well-controlled clinical investigation with confirmatory evidence to satisfy the substantial evidence of effectiveness standard.

When final, this guidance will replace the 1998 guidance titled “Providing Clinical Evidence of Effectiveness for Human Drug and Biological Products.”

DATES: Submit either electronic or written comments on the draft guidance by September 22, 2026 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. FDA-2019-D-4964 for “Demonstrating Substantial Evidence of Effectiveness for Human Drug and Biological Products.” Received comments will be placed in the docket and, except for those submitted as “Confidential

Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the draft guidance to the Office of Communication, Outreach and Development, Center for Biologics Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 71, Rm. 3128, Silver Spring, MD 20993-0002 or Division of Drug Information, Center for Drug Evaluation and Research, Food and Drug Administration, 10001 New Hampshire Ave., Hillandale Building, 4th Floor, Silver Spring, MD 20993-0002. Send one self-addressed adhesive

label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the draft guidance document.

FOR FURTHER INFORMATION CONTACT:

Scott N. Goldie, Center for Drug Evaluation and Research, Food and Drug Administration, 301-796-2055, or Philip Kurs, Center for Biologics Evaluation and Research, Food and Drug Administration, 240-402-1279.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of a revised draft guidance for industry titled “Demonstrating Substantial Evidence of Effectiveness for Human Drug and Biological Products.” This draft guidance revises the draft guidance of the same name, which was announced in the **Federal Register** on December 20, 2019 (84 FR 70196) (the 2019 draft guidance). The substantial evidence of effectiveness standard ensures that the clinical evidence supporting a marketing application comes from clinical investigations that are adequate and well-controlled and from which FDA can conclude that the drug has its intended effect.

In 1998, FDA issued the seminal guidance titled “Providing Clinical Evidence of Effectiveness for Human Drug and Biological Products” (the 1998 guidance). The 1998 guidance was issued in response to the Food and Drug Administration Modernization Act of 1997 (FDAMA) (Pub. L. 105-115), which stated that the substantial evidence requirement for effectiveness, which had generally been interpreted as calling for two adequate and well-controlled clinical investigations, could also be met by a single adequate and well-controlled clinical investigation plus confirmatory evidence. The 1998 guidance, among other things, provides examples of the types of evidence that could be considered confirmatory evidence, as well as a number of illustrations of a single adequate and well-controlled trial supported by confirmatory evidence.

Although the statutory standard for effectiveness had not changed, evolution in drug development and analytical methods since FDA issued the 1998 guidance called for additional guidance to reflect this evolution. Therefore, in 2019, FDA issued the draft guidance titled “Demonstrating Substantial Evidence of Effectiveness for Human Drug and Biological Products” (2019 draft guidance). The 2019 draft guidance complemented and expanded on the 1998 guidance by, among other things, providing more

recommendations for development programs targeting diseases that lack effective treatment, rare diseases, and therapies targeting disease subsets where regulatory flexibility in the amount and type of evidence is warranted to meet the substantial evidence standard.

In 2023, FDA issued a draft guidance titled “Demonstrating Substantial Evidence of Effectiveness Based on One Adequate and Well-Controlled Clinical Investigation and Confirmatory Evidence” (2023 draft guidance). The 2023 draft guidance provides a more comprehensive discussion of meeting the substantial evidence of effectiveness standard with one adequate and well-controlled clinical investigation plus confirmatory evidence, with an emphasis on the quantity and quality of confirmatory evidence.

Advances in our understanding of biological processes and the increasing availability of high-quality data have again transformed the evidentiary landscape for drug development. FDA believes that revising the 2019 draft guidance to reflect these advances is warranted with a focus on approaches to drug development that can yield substantial evidence of effectiveness in the most efficient manner. The revised guidance clarifies how programs across disease areas can rely on one scientifically rigorous adequate and well-controlled clinical investigation with confirmatory evidence to satisfy the substantial evidence of effectiveness standard. It highlights that there are various ways to provide substantial evidence and emphasizes the many factors that can impact the strength of evidence of effectiveness for a drug. These include important elements of the design, conduct, and analysis of the adequate and well-controlled clinical investigation(s), the clinical and statistical persuasiveness of results, and the characteristics of the overall development program. Whether sponsors have demonstrated substantial evidence will depend on the strength of the evidence provided.

The revised draft guidance retains discussion regarding regulatory flexibility in applying the substantial evidence of effectiveness standard in certain critical settings. FDA’s application of flexibility reflects the awareness that somewhat greater uncertainty about effectiveness may be warranted in such critical settings when balanced against the risk of rejecting or delaying the marketing of an effective therapy.

FDA considered comments received on the 2019 draft guidance when revising it. Changes from the 2019 draft

guidance include: (1) Streamlining discussion of the history of the substantial evidence of effectiveness standard to focus on current statutory and regulatory requirements. (2) Removing discussion about one trial being the legal and scientific equivalent of two trials, which may have caused confusion about the regulatory status of a clinical investigation. Per the statutory requirements, sponsors relying on one adequate and well-controlled clinical investigation to establish substantial evidence of effectiveness must provide confirmatory evidence. The guidance addresses how such confirmatory evidence may vary depending on the strength of the single adequate and well-controlled clinical investigation. (3) Providing more discussion of meeting the substantial evidence of effectiveness standard with one adequate and well-controlled clinical investigation plus confirmatory evidence across the breadth of development programs.

After finalizing this revised draft guidance, FDA plans to withdraw the 1998 guidance to avoid confusion regarding the Agency’s recommendations for meeting the substantial evidence of effectiveness standard. FDA is soliciting comments on any aspects of the 1998 guidance that are not captured in the revised draft guidance and should be captured in the final guidance. The Agency will also consider comments received on the revised draft guidance to inform future action, which may include further action regarding the 2023 draft guidance. Comments specifically addressing the content of the 2023 draft guidance may be submitted at any time to Docket No. FDA–2023–D–2318. For more instructions on submitting comments to that draft guidance, please refer to the **Federal Register** notice announcing its availability (88 FR 64445).

This draft guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The draft guidance, when finalized, will represent the current thinking of FDA on “Demonstrating Substantial Evidence of Effectiveness for Human Drug and Biological Products.” It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

As we develop final guidance on this topic, FDA will consider comments on costs or cost savings the guidance may generate, relevant for Executive Order 14192.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 312 relating to the investigational new drug applications pathway, which includes clinical trials and clinical trial designs, have been approved under OMB control number 0910–0014. The collections of information in 21 CFR part 314 relating to new drug applications have been approved under OMB control number 0910–0001. The collections of information in 21 CFR part 601 relating to biologic license applications have been approved under OMB control number 0910–0338.

III. Electronic Access

Persons with access to the internet may obtain the draft guidance at <https://www.fda.gov/drugs/guidance-compliance-regulatory-information/guidances-drugs>, <https://www.fda.gov/vaccines-blood-biologics/guidance-compliance-regulatory-information-biologics/biologics-guidances>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12622 Filed 6–22–26; 11:15 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–N–4699]

Expedited Investigational New Drug Pilot Program; Request for Information

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice; request for information; establishment of a public docket.

SUMMARY: The Food and Drug Administration (FDA or the Agency) is opening a public docket to solicit input and comments on a proposal to establish a pilot program, the Expedited Investigational New Drug (IND) pilot program, to shorten the time it takes from drug identification to first-in-human (FIH) study, while protecting clinical trial participants. FDA is

requesting information on the potential pilot program which would establish a network of qualified research institutions, such as academic medical centers (AMCs), healthcare networks (HNs), contract research organizations (CROs), regulatory advisors, and/or other research or third-party review organizations (collectively called Qualified Research Institutions, or “QRIs”), who would partner with sponsors to develop and review protocols for FIH clinical trials intended for a IND submission to FDA. Information provided through this public docket will help the Agency refine our approach and consider other opportunities to accelerate time to FIH clinical trials.

DATES: Either electronic or written comments, data, or information must be received by July 22, 2026.

ADDRESSES: You may submit comments, data, and information as follows. Please note that late, untimely filed comments will not be considered. The <https://www.regulations.gov> electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of July 22, 2026. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are received on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include Docket No. FDA-2026-N-4699 for “Expedited Investigational New Drug Pilot Program; Request for Information.” Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

FOR FURTHER INFORMATION CONTACT: Benjamin Cook, Office of the Commissioner, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 2, Rm. 2114, Silver Spring, MD 20993-0002, 240-338-4685, benjamin.cook@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is committed to accelerating development of therapies and cures for the American people. In 2025, 70 percent of novel drugs were approved in the U.S. before any other country, meaning American patients and health care providers had access first.¹ However, other countries are focusing on increasing early-stage biomedical research and rapidly advancing in technical ability. For example, in 2021 China surpassed the U.S. in global share of phase 1 clinical trials, and from 2020 to 2025, 11 of the largest pharmaceutical companies spent over \$150 billion to access early drug assets developed in China.² Given the public health importance of access to novel therapies, FDA is committed to streamlining requirements and innovating processes to advance our global regulatory leadership and facilitate early-stage research to continue in the U.S.

Biopharmaceutical companies able to accelerate FIH milestones have a material advantage in creating a successful novel therapy that reaches patients, which may be because the FIH milestone assists in securing partnerships, investment, and ultimately approved therapies. Early human clinical data represents the first value inflection point, and unlocks the additional investment required for late-stage development critical to the marketing of safe and effective drugs. It is imperative for the U.S. to foster early clinical development that ultimately provides patients with access to novel therapies, and partnering with the innovation ecosystems and streamlining regulatory requirements may help achieve that goal.

FDA reviewers manage substantial portfolios of INDs, New Drug Applications (NDAs)/Biologics License Application (BLAs), and postmarket

¹ <https://www.fda.gov/media/190705/download?attachment>.

² <https://www.nature.com/articles/d43747-025-00065-7>.

responsibilities. FDA aims to provide a regulatory environment for sponsors to accelerate early clinical development while maintaining rigorous oversight and safety protections for clinical trial participants. This requires reimagining the IND process to address regulatory considerations that account for pressures facing U.S. innovators who seek to develop safe and effective drugs and longstanding resource constraints facing FDA reviewers. The proposed pilot program is being designed to test the feasibility of helping to address overall time to the first in human trials. Specifically, the pilot aims to test whether it is possible to improve the quality of IND submissions such that there are fewer instances where it is necessary to impose phase 1 clinical holds; reduce FDA review time through a rolling submission process; and test whether clinical trial initiation activities, such as Institutional Review Board (IRB) review and site contracting, can be conducted in parallel with IND development and review, thereby accelerating the time from when FDA permits a clinical investigation to begin to FIH study initiation.

The role of third parties during the initial pilot program will be restricted to providing advice and preliminary review, not engaging in regulatory decision-making. FDA will remain solely responsible for making decisions about whether a clinical investigation can begin or whether a clinical hold may be imposed. Participation in the pilot is voluntary. Sponsors may continue to submit INDs to FDA without participating in the pilot.

A. Proposed Expedited IND Pilot Program Structure

FDA proposes leveraging America's world-class research institutions as collaborative partners in early clinical development for drugs intended for commercial distribution. The proposed expedited IND pilot program will serve to identify a network of qualified research institutions, such as AMCs, HNs, CROs, regulatory advisors, and/or other research organizations (collectively called QRIs), who will partner with sponsors to develop and review protocols for FIH clinical trials in the U.S. intended for IND submission to FDA. These QRIs would specifically assess and make recommendations for the pharmacology and toxicology, clinical, and chemistry, manufacturing and controls (CMC) components of the Phase 1 FIH IND submission. QRIs are intended to serve as expert partners to sponsors in developing higher-quality submissions that will expedite the timeframe to FIH trials and QRI

recommendations are, by nature, advisory. Sponsors will maintain ownership over the IND submission. Throughout the proposed pilot, FDA will maintain full oversight of IND submissions, retaining full authority to make regulatory determinations, including the ability to issue a clinical hold, disqualify investigators, and conduct inspections.

As part of the proposed pilot, FDA is exploring the use of a rolling submission platform that would allow FDA to review QRI recommendations regarding completed components of the IND submission on a rolling basis. Similar to the rolling review of an NDA or BLA under FDA's expedited review programs, this approach would facilitate FDA review of completed individual IND components prior to formal IND submission. Once the last component of the Phase 1 IND is submitted, the IND would be considered submitted such that the 30-day IND review clock starts. Since all the IND submission components would have been reviewed by FDA on a rolling basis, the sponsor may receive a safe to proceed notification before the 30-day IND review period ends. The rolling review could minimize the need for FDA to impose a clinical hold because it would provide an earlier opportunity for FDA to identify deficiencies, prior to the 30-day review period starting. Similarly, the rolling review could minimize the need for FDA to issue a clinical hold or information request. The pilot aims to test whether these processes may accelerate Phase 1 FIH study initiation.

Additionally, FDA intends to work with sponsors and QRIs to review and refine QRI performance objectives and key deliverables as part of the pilot, with the goal of gathering information that could inform a potential process for establishing a process for QRI certification by FDA. FDA will monitor and evaluate QRI performance through clearly defined metrics. FDA will implement a new technology platform to perform a rolling IND submission by submitting individual IND components and receiving FDA feedback in real time. Using this platform, FDA will maintain oversight of recommendations regarding the program's clinical protocol, pharmacology and toxicology package, or CMC package, and ultimately provide FDA with the necessary information to expedite IND submission review. FDA would retain full regulatory authority including:

- Authority to disqualify an investigator from conducting clinical research;

- Authority to disqualify or impose other administrative restrictions on an IRB or its parent institution;
- Current Good Clinical Practice clinical trial inspection program;
- Requirements for safety reporting;
- Ability to issue a clinical hold.

The goal of this new pilot program is to accelerate the time from nonclinical research to FIH studies while maintaining full FDA oversight and regulatory authority. FDA seeks stakeholder input on the processes, operational requirements, structural factors, and other considerations that may impact pilot implementation. At the conclusion of the pilot, FDA intends to use learnings from the pilot to further provide regulatory oversight that facilitates early-stage, first in human research in the U.S., and potentially refine its IND review process broadly going forward. Following the pilot, FDA expects that sponsors will pay fees directly to QRIs. FDA will not be involved in the setting or collection of any fees.

B. QRI Responsibilities

FDA is considering the following responsibilities for QRIs participating in the proposed pilot. FDA is seeking input on the appropriate scope and structure of these responsibilities through questions outlined in Section II. For the purpose of the pilot, QRI responsibilities would include:

- Conducting conflict of interest screening and establishing a formal engagement agreement with the sponsor;
- Conducting regular meetings with the sponsor and appropriate subject matter experts to discuss IND development progress, and maintaining comprehensive documentation of discussions and recommendations;
- Providing expert consultation and written recommendations to sponsors on nonclinical, clinical, and CMC components of the IND submission on a rolling basis;
- Maintaining documentation of recommendations and sponsor interactions and sharing with FDA through the rolling submission platform;
- Supporting parallel activities such as IRB review and clinical trial site activation to facilitate timely trial initiation upon FDA IND review; and
- Participating in pilot evaluation activities, including providing metrics and lessons learned to FDA.

C. QRI Qualification Criteria

The following reflects FDA's current thinking on eligibility criteria for consideration for participating in the proposed pilot program as a QRI. For

the purposes of the proposed pilot, QRIs would be expected to demonstrate:

- Comprehensive expertise across nonclinical (pharmacology/toxicology), clinical, and CMC disciplines relevant to first-in-human IND submissions;
- Clinical trial infrastructure supporting Phase 1 studies, including IRB and clinical trial site capabilities, either through direct ownership and operation or through established partnerships;
- Leadership and personnel with suitable drug development and first-in-human IND execution expertise across relevant disciplines, including pharmacology-toxicology, clinical, CMC, and regulatory affairs; and
- A track record of success in regulatory affairs, including supporting IND submissions across relevant therapeutic areas and product modalities.

FDA will encourage pilot applicants to describe their capabilities based on the qualifications outlined above. Additional capabilities may be described if they advance applicants' ability to support IND development.

II. Considerations for Pilot Development

FDA seeks input on these topics from sponsors, contract research organizations, academic institutions, health networks/systems, institutional review boards, patient advocacy organizations, investors, and other interested parties. To help FDA review comments efficiently, please identify the question to which you are responding by its associated category and number. If you are responding to more than one question, please identify each question to which you are responding, and categorize each response by question. After reviewing input provided on these topics, FDA intends to provide additional information about how QRIs can request to participate in the pilot.

A. Pilot Program Design and Implementation

1. QRI Qualification and Capabilities

- i. What specific changes, if any, would you recommend regarding FDA's thinking on the capabilities, infrastructure, and/or leadership expertise research institutions must demonstrate to qualify for the pilot program?
- ii. Are there additional required capabilities FDA should assess across clinical and translational science expertise, CMC capabilities, or therapy/domain area knowledge?

- iii. Are any of the listed QRI qualification considerations unfeasible or unattainable by potential QRIs?
- iv. Should different specializations exist based on QRI therapeutic area focus or therapeutic modality expertise?
- v. To ensure faster FIH initiation, should QRIs be required to have a self-owned and operated IRB and/or clinical trial site? If not, would a partnership with an IRB and/or trial site network be sufficient?
- vi. If the QRI serves in a dual capacity as both an IRB and regulatory advisor, are there additional considerations or reporting that would be helpful to prevent potential conflicts of interest and ensure QRIs are objective and reliable?

2. Pre-IND and IND Review Process

- i. What changes, if any, would you recommend regarding QRI responsibilities and expected tasks during the pilot? Are any tasks unfeasible or should be undertaken by the sponsor rather than the QRI?
- ii. What should be the output of QRI advice and review? What information from this review should be submitted to FDA?

- iii. How can the pilot ensure QRIs provide independent, objective review while partnering with sponsors?
- iv. How should expedited INDs during the pilot differ in requirement from standard IND submission, if at all?

3. Drug Eligibility and Participation

- i. Should all drug products be considered in the pilot or are there specific types of drug products and/or specific disease or conditions that are better suited for the pilot (e.g., small molecules, large molecules, cellular & gene therapies, nucleic acid-based therapies, combination products, etc.)?
- ii. How should drug products be prioritized for participation in the pilot and why?

4. Pilot Scope and Scale

- i. How many QRIs and therapeutic areas/modalities be included in the pilot to represent industry research and different public health needs?
- ii. What duration or volume of participation is appropriate for the pilot phase before evaluation?

5. Implementation and Feasibility

- i. What resources would QRIs need to develop and maintain IND review and recommendation capabilities (staff, quality systems, technology infrastructure, estimated costs)?
- ii. Are there existing models, research networks, pilot programs, or international examples that could

inform implementation? Please describe relevant examples and lessons learned.

B. Risks, Oversight, and Evaluation

1. Risks and Safeguards

- i. Are there any risks worth noting associated with the proposed pilot program?
- ii. Could the pilot inadvertently compromise clinical trial participants' safety, scientific rigor, or ethical standards, and if so, what suggestions does the commenter have for mitigating such an outcome?
- iii. Could this pilot create inequitable access favoring well-resourced sponsors over smaller companies?
- iv. Please include how identified risks can be mitigated.

2. Oversight and Accountability

- i. In the case of disagreement between FDA and QRIs/sponsors on recommendations, what processes, timeline, discussion forums, or mitigation should be used to quickly reach a resolution?
- ii. What oversight and compliance mechanisms should apply if QRIs fail to meet performance standards? What performance thresholds or other events should trigger FDA intervention or removal of QRIs?
- iii. How can the pilot ensure transparency while safeguarding the sponsor's confidential commercial, trade secrets, and other sensitive information?

3. Success Metrics and Evaluation

- i. What data should be collected throughout the pilot to enable evaluation? Who should collect this data (FDA, QRIs, sponsors, third party evaluators)?
- ii. What metrics should define pilot success? Please address time, quality, safety, and specify any others.
- iii. At what point is the pilot deemed successful (i.e., after the first successful IND submission, after the entire pilot cohort is finished with IND submission, etc.)?
- iv. If successful, how should the pilot expand? How can innovation from the pilot be scaled to maximize impact for the FIH clinical trial ecosystem?

C. Additional Considerations

1. What additional/alternative approaches could achieve similar goals of accelerating Phase 1 FIH IND study initiation in the U.S.?
2. What are the advantages and disadvantages of the proposed pilot compared to these alternatives?
3. How should FDA take into account the information submitted, and should

that be different depending on the risk of the product under investigation?

4. Are there important considerations or concerns not addressed in the questions above?

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12621 Filed 6–22–26; 11:15 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics; Specific Recommendations for Ovines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance for industry (GFI) #96 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Ovines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to ovines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submission

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are

solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA–2022–D–1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Ovines.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available

for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240–402–0601, aimee.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #96 (VICH GL13) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Ovines.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific ovine issues not discussed in GFI #90 (VICH GL7); (2) to

highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49858), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Ovines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions

to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Ovines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12680 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Porcines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance for industry (GFI) #110 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Porcines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to porcines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your

comments, that information will be posted on <https://www.regulations.gov>.

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- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA-2022-D-1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Porcines.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- *Confidential Submissions*—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed

except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0601, aimee.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #110 (VICH GL16) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Porcines.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific porcine issues not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then

reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49851), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Porcines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated

effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Porcines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12683 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–D–1494]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Felines; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final

guidance for industry (GFI) #113 entitled “Effectiveness of Anthelmintics: Specific Recommendations for Felines.” This guidance has been developed for veterinary use by the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). The objective of this guidance is to provide study design recommendations specific to felines that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

DATES: The announcement of the guidance is published in the **Federal Register** on June 24, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as

well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. [FDA–2022–D–1494] for “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Felines.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT:

Aimée Phillippi-Taylor, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0601, aimee.phillippi-taylor@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of final GFI #113 (VICH GL20) entitled “Effectiveness of Anthelmintics: Specific Recommendations for Felines.” It should be read in conjunction with GFI #90 (VICH GL7), “Effectiveness of Anthelmintics: General Recommendations,” which should be referred to for discussion of broad aspects for providing pivotal data to demonstrate product anthelmintic effectiveness. The purpose of this guidance is: (1) to be more specific for certain specific feline issues not discussed in GFI #90 (VICH GL7); (2) to highlight differences with GFI #90 (VICH GL7) on effectiveness data recommendations; and (3) to give explanations for disparities with GFI #90 (VICH GL7). FDA has participated in efforts to enhance international harmonization and is committed to seeking scientifically based harmonized technical procedures for pharmaceutical development. One of the goals of harmonization is to identify, and then reduce, differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United

States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of founding member representatives from the European Commission and European Medicines Agency; AnimalhealthEurope; FDA—Center for Veterinary Medicine and U.S. Department of Agriculture—Center for Veterinary Biologics; the U.S. Animal Health Institute; the Japanese Ministry of Agriculture, Forestry and Fisheries; and the Japanese Veterinary Products Association. There are 10 standing members to the VICH Steering Committee: One representative from government and one representative from industry of Australia, New Zealand, Canada, South Africa, and the United Kingdom. The World Organisation for Animal Health is an associate member of the VICH. The VICH Secretariat, which coordinates the preparation of documentation, is provided by HealthforAnimals.

In the **Federal Register** of August 12, 2022 (87 FR 49855), FDA published the notice of availability for a draft guidance entitled “International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Effectiveness of Anthelmintics: Specific Recommendations for Felines (Revision 1); Draft Guidance for Industry; Availability” giving interested persons until October 11, 2022, to comment on the draft guidance. After consideration of the comments received and revisions to the guideline, a final draft of the guideline was submitted to the VICH Steering Committee and endorsed by the regulatory agencies in October 2024. The guidance announced in this notice finalizes the draft guidance dated August 2022.

This VICH guidance document is intended to provide study design recommendations that will facilitate the universal acceptance of the generated effectiveness data to fulfill the national/regional requirements for anthelmintic drugs in animal species.

This guidance is being issued consistent with FDA’s good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on Effectiveness of Anthelmintics: Specific Recommendations for Felines. It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to

previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 514 have been approved under OMB control number 0910–0032.

III. Electronic Access

Persons with access to the internet may obtain the guidance at <https://www.fda.gov/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/default.htm>, <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12685 Filed 6–23–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–D–6539]

Quantitative Systems Pharmacology (QSP)-Based Dose Selection for Minimum Anticipated Biological Effect Level (MABEL) in First-in-Human (FIH) Trials; Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) is announcing the availability of a draft guidance for industry entitled “Quantitative Systems Pharmacology (QSP)-Based Dose Selection for Minimum Anticipated Biological Effect Level (MABEL) in First-in-Human (FIH) Trials.” The guidance is intended to provide recommendations in the application of quantitative systems pharmacology (QSP) modeling when a minimum anticipated biological effect level (MABEL) in first-in-human (FIH), phase 1 trials for drugs and biological products is recommended. This guidance focuses on drugs and biological products for which the MABEL approach can be used to guide starting doses for FIH trials. This includes, but is not limited to, drugs and biological products that may cause cytokine release, T-cell activation, or other potent pharmacological reactions.

DATES: Submit either electronic or written comments on the draft guidance by July 24, 2026 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see "Written/Paper Submissions" and "Instructions").

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in "Instructions."

Instructions: All submissions received must include the Docket No. FDA-2026-D-6539 for "Quantitative Systems Pharmacology (QSP)-Based Dose Selection for Minimum Anticipated Biological Effect Level (MABEL) in First-in-Human (FIH) Trials." Received comments will be placed in the docket and, except for those submitted as "Confidential Submissions," publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff

between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states "THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION." The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as "confidential." Any information marked as "confidential" will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the "Search" box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the draft guidance to the Division of Drug Information, Center for Drug Evaluation and Research, Food and Drug Administration, 10001 New Hampshire Ave., Hillandale Building, 4th Floor, Silver Spring, MD 20993-0002. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the draft guidance document.

FOR FURTHER INFORMATION CONTACT: Qi Liu, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire

Ave., Bldg. 51, Silver Spring, MD 20993, Qi.Liu@fda.hhs.gov, 301-796-1568.

SUPPLEMENTARY INFORMATION:

I. Background

Historically, FIH starting doses were often derived from animal toxicology studies and have been based on the highest non-adverse effect level observed in animals (NOAEL), highest severely toxic doses in 10% of rodents (STD10), or highest non-severely toxic doses in non-rodent species (HNSTD), converted to a human equivalent dose. Although these approaches have been appropriate for many drugs and biological products, there are limitations for certain high-risk products (e.g., immunostimulatory monoclonal antibodies). In response, the concept of MABEL was developed. MABEL is defined as a dose expected to produce a minimal biological effect in humans. Determining MABEL typically involves using pharmacologic activity and receptor binding data (human cell lines), while also integrating any other relevant data (e.g., animal safety and pharmacokinetic data), as appropriate, to predict a dose that is just at the onset of biological activity.

QSP has emerged as a tool to model disease progression and complex drug-biological system interactions. QSP merges an understanding of biological systems and a drug's exposure-response, enabling modeling and simulation of how a drug engages its target and triggers downstream biological responses in a mechanistic, quantitative manner. Over the past decade, there has been a notable increase in regulatory submissions (e.g., investigational new drug applications (INDs), biologics license applications (BLAs), and new drug applications (NDAs)) that include QSP modeling to support various decisions, such as informing FIH dose selection, particularly for drugs and biological products where traditional methods may fall short. For example, certain drugs and biological products have highly specific targets that only exist in humans and can elicit steep pharmacodynamic responses (e.g., cytokine release or T-cell activation) that are difficult to predict from animal studies alone. In many cases, the relevant target may be absent or differently expressed in animal species, limiting the translational relevance of animal toxicity data. Standard allometric scaling of doses also might not account for such pharmacological differences. Therefore, a model-based approach that considers all available data (e.g., in vitro, in vivo, disease progression, clinical experience from

compounds with both similar structure and similar mechanism of action, and in silico) may be more appropriate to estimate a starting dose in the FIH trial. In addition, QSP modeling may derive potential efficacy- and safety-related information and balance them in a quantitative manner to inform FIH dose selection. This guidance specifically addresses those needs by outlining how QSP models can be developed and used to estimate a MABEL for drugs and biological products entering FIH trials.

This guidance is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The draft guidance, when finalized, will represent the current thinking of FDA on "Quantitative Systems Pharmacology (QSP)-Based Dose Selection for Minimum Anticipated Biological Effect Level (MABEL) in First-in-Human (FIH) Trials." It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

As we develop final guidance on this topic, FDA will consider comments on costs or cost savings the guidance may generate, relevant for Executive Order 14192.

II. Paperwork Reduction Act of 1995

While this guidance document contains no new collections of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 312, including the submission of rationale and dose determination, as set forth in part 312.23; the submission of detailed technical information, as set forth in part 312.31; and the submission of meeting requests and supporting documentation, as set forth in part 312.47, have been approved under OMB control number 0910–0014.

III. Electronic Access

Persons with access to the internet may obtain the draft guidance at <https://www.fda.gov/drugs/guidance-compliance-regulatory-information/guidances-drugs>, <https://www.fda.gov/regulatory-information/search-fda>

[guidance-documents](https://www.regulations.gov), or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–12619 Filed 6–22–26; 11:15 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Office of the Director, National Institutes of Health; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the Council of Councils.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Council of Councils.

Date: July 13, 2026.

Time: 03:00 p.m. to 04:00 p.m.

Agenda: To review and evaluate grant applications.

Address: Division of Program Coordination, Planning, and Strategic Initiatives, Office of the Director, National Institutes of Health, Building 1, Room 260, 1 Center Drive, Bethesda, MD 20892.

Meeting Format: Virtual.

Contact Person: Robin I. Kawazoe, Deputy Director, Division of Program Coordination, Planning, and Strategic Initiatives, Office of the Director, National Institutes of Health, Building 1, Room 260, 1 Center Drive, Bethesda, MD 20892, 301–402–9852, kawazoer@mail.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 Council of Council's home page: <http://dpcpsi.nih.gov/council/> where an agenda and any additional information for the meeting will be posted when available.

(Catalogue of Federal Domestic Assistance Program Nos. 93.14, Intramural Research Training Award; 93.22, Clinical Research Loan Repayment Program for Individuals from Disadvantaged Backgrounds; 93.232, Loan Repayment Program for Research Generally; 93.39, Academic Research

Enhancement Award; 93.936, NIH Acquired Immunodeficiency Syndrome Research Loan Repayment Program; 93.187, Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds, National Institutes of Health, HHS)

Dated: June 18, 2026.

Bruce A. George,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–12617 Filed 6–23–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Fiscal Year (FY) 2026 Notice of Supplemental Funding Opportunity

AGENCY: Substance Abuse and Mental Health Services Administration, Department of Health and Human Services (HHS).

ACTION: Notice of intent to award supplemental funding.

SUMMARY: This notice is to inform the public that the Substance Abuse and Mental Health Services Administration (SAMHSA) is supporting an administrative supplement in scope of the parent award for one eligible grant recipient funded in FY 2024 under the Prevention Technology Transfer Centers Cooperative Agreements, Notice of Funding Opportunity (NOFO) SP–24–002. The recipient may receive up to \$1,198,000. The recipient has a project end date of September 29, 2029. The supplemental funding supports the implementation of a substance use prevention fellowship program. The program will be developed in collaboration with national-level state and community organizations and aims to develop and sustain a highly trained and knowledgeable workforce of prevention professionals drawn from communities that have faced challenges in maintaining sufficient prevention staffing to meet the full scope of community needs. Fellows will be equipped to understand, apply, and exemplify the core principles and evidence-based best practices of substance use prevention. This program will support a state level fellowship program and a community level program. This program will also prepare fellows to achieve certification from the International Certification and Reciprocity Consortium (IC&RC). The supplemental funding will support fellows in the following areas: hands-on experience working in state agencies and community organizations while

supported by agency mentors; virtual and in-person training in professional development and prevention; acquiring proficiency in appropriate core competencies in preparation for the Certified Prevention Specialist exam; developing management and leadership skills; and preparing for potential employment opportunities within the prevention field.

FOR FURTHER INFORMATION CONTACT: Dr. Thia Walker, Substance Abuse and Mental Health Services Administration, 5600 Fishers Lane, Rockville, MD 20857, telephone 240-276-1835; email: thia.walker@samhsa.hhs.gov.

SUPPLEMENTARY INFORMATION:

Funding Opportunity Title: FY 2024 Prevention Technology Transfer Centers Cooperative Agreements SP-24-002.

Assistance Listing Number: 93.492.

Authority: Section 516(a)(2) of the Public Health Service Act, as amended.

Justification: The PTTC Network provides training and technical assistance services to the substance use prevention field including professionals/pre-professionals, organizations, and others in the prevention community that serve and support children, young adults, families, parents, and other adults. They are the lead training and technical assistance authority for substance use prevention services nationally. The NCC is charged with the development and implementation of a coordinated and integrated Network approach for the identification of national, state, and local technical assistance needs and delivery of training and technical assistance by the ten PTTC Regional Centers to strengthen the impact of the overall program and prevent duplication of efforts. The NCC serves as the focal point for the PTTC network and provides leadership, infrastructure, and support for the ten PTTC Regional Centers in identifying and facilitating cross-network and regional-wide activities. In this capacity, they are well-situated to coordinate with substance use prevention associations to implement and execute a national-level fellowship program that will span all 10 regions.

This will be a single source supplement to the PTTC National Coordinator Center (NCC) to implement a state and community level fellowship program in populations with prevention workforce shortages. The NCC oversees national-level program implementation unlike the other grant recipients allowing them the ability to implement this type of program.

This is not a formal request for application. Assistance will only be

provided to the one National Coordinating Center grant recipient funded in FY 2024 under the Prevention Technology Transfer Centers Cooperative Agreements SP-24-002 based on the receipt of a satisfactory application and associated budget that is approved by a review group.

Ann Ferrero,

Public Health Analyst.

[FR Doc. 2026-12646 Filed 6-23-26; 8:45 am]

BILLING CODE 4162-20-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Test of the New Electronic Informal Entry Process for Mail

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that U.S. Customs and Border Protection (CBP) is conducting a test of a new electronic informal entry type for merchandise entering the United States through the international mail process. This notice provides a description of the new informal entry type 13—Informal Mail Entry, the eligible participants, and the requirements for filing the new informal entry type.

DATES: The test will commence on September 22, 2026 and will continue until concluded by an announcement published in the **Federal Register**. Comments will be accepted throughout the duration of the test.

ADDRESSES: Written comments concerning this notice and any aspect of the test may be submitted at any time during the test period via email to cbpdm@cbp.dhs.gov. In the subject line of the email, please write “Comments on the Entry Type 13 Test.”

FOR FURTHER INFORMATION CONTACT: Christopher Mabelitini, Director, Intellectual Property Rights & E-Commerce Division, Office of Trade, U.S. Customs and Border Protection, 202-325-6915, ecommerce@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

U.S. Customs and Border Protection (CBP) has indefinitely suspended the duty-free *de minimis* administrative exemption for mail under 19 U.S.C. 1321(a)(2)(C) for articles valued at \$800 or less and imported by one person on one day, as implemented by the

Indefinite Suspension of the De Minimis Exemption for Mail Shipments and New Postal Informal Entry Process interim final rule (IFR), and consistent with 19 U.S.C. 1321 and Executive Order (E.O.) 14324 of July 30, 2025 (Suspending Duty-Free De Minimis Treatment For All Countries)¹ and E.O. 14388 of February 20, 2026 (Continuing the Suspension of Duty-Free De Minimis Treatment for All Countries).² Please see the Indefinite Suspension of the De Minimis Exemption for Mail Shipments and New Postal Informal Entry Process IFR for more details on CBP’s decision to suspend the duty-free *de minimis* administrative exemption for international mail shipments.

Because international mail shipments are no longer eligible for this *de minimis* administrative exemption, filers are unable to use the special informal entry procedures for shipments claiming the *de minimis* administrative exemption, and must instead use an appropriate existing entry type.³ This includes formal entry, which is generally applicable to shipments of merchandise valued in excess of \$2,500, or shipments valued at \$2,500 or less that are not qualified for informal entry procedures because they are subject to additional requirements and/or duties. The formal entry procedures, as established by 19 U.S.C. 1484 and 1485, are set forth in part 142 of title 19 of the Code of Federal Regulations (CFR) (19 CFR part 142), with additional formal entry provisions for international mail contained in 19 CFR 145.12(a). For qualifying international mail shipments valued at \$2,500 or less, CBP has established a new interim process for informal mail entries (*see* 19 CFR 145.12(b)) to replace the provisional process for international mail shipments formerly eligible for the *de minimis* administrative exemption, as established pursuant to E.O. 14324, as amended by E.O. 14388. However, international mail shipments valued at \$2,500 or less subject to Partner Government Agency (PGA) data requirements, antidumping and countervailing duties (AD/CVD), quotas, or duties other than those set forth in Chapters 1–97 of the Harmonized Tariff Schedule of the United States (HTSUS), including duties under Chapters 98 or 99 of the HTSUS, are not eligible for entry under the new interim process for informal mail entries, as set forth in 19

¹ 90 FR 37775 (Aug. 5, 2025).

² 91 FR 9433 (Feb. 25, 2026).

³ The suspension of the duty-free *de minimis* administrative exemption under 19 U.S.C. 1321(a)(2)(C) does not impact the availability of the *de minimis* exemption for qualifying bona fide gifts under 19 U.S.C. 1321(a)(2)(A) and 19 CFR 10.152.

CFR part 145, and, instead, such shipments must be entered under the formal entry process. Please refer to 19 CFR part 145 and the Indefinite Suspension of the De Minimis Exemption for Mail Shipments and New Postal Informal Entry Process IFR for further details on this new interim process for informal mail entries.

II. Test of New Informal Entry Type for International Mail

This document announces that CBP is conducting a test for a new electronic informal entry process for international mail in the Automated Commercial Environment (ACE) through the development of new informal entry type 13—Informal Mail Entry (Entry Type 13 Test). The new informal entry type 13 is available for international mail shipments valued at \$2,500 or less, including those shipments that would previously have been eligible for the *de minimis* exemption, that are sent to the United States through the international postal network (“international mail”). The Entry Type 13 Test provides an alternative to the new interim process for informal mail entries, as set forth in 19 CFR 145.12(b), and allows filers to file informal entry for qualified international mail shipments electronically in ACE. This test also temporarily creates an informal entry pathway for low-value international mail shipments subject to PGA data requirements or duties other than those set forth in Chapters 1–97 of the HTSUS,⁴ which are ineligible for the interim process for informal mail entries, as set forth in 19 CFR part 145. Shipments subject to AD/CVD or quotas remain ineligible for informal entry under the Entry Type 13 Test and must be entered under the formal entry procedures set forth in 19 CFR 145.12(a).

CBP believes that the development of the new electronic informal entry type 13 facilitates legitimate trade while allowing CBP to effectively automate the collection of informal entry data for international mail. The new entry type 13 will also allow CBP to ensure compliance with the applicable PGA and additional duty data requirements. CBP plans to replace the new interim process for informal mail entries with an automated informal entry process,

and this voluntary test will let CBP test the capabilities of the new entry type in the international mail environment. Additionally, the test will allow CBP to determine if the new electronic informal entry process effectively addresses the risks and complexities present in the international mail environment, particularly in light of the large volume of mail that was formerly eligible for the *de minimis* administrative exemption.

The test is open to owners and purchasers of merchandise being mailed to the United States through the international postal network and licensed customs brokers properly appointed by the owner, purchaser, or consignee of the merchandise being mailed to the United States. Consignees using licensed customs brokers include foreign postal operators, the United States Postal Service (USPS), freight forwarders, and carriers. The test is also open to carriers transporting mail that is sent to the United States through the international postal network, to transmit the postal tracking number as part of their manifest filing, as described below. CBP encourages all eligible parties to participate in this test to assess the functionality of this new entry type and to proactively adapt their operations to an automated informal mail entry process.

Process To File Entry Type 13

To file an entry type 13 entry, a party with the right to make entry will have the option to properly file the entry electronically on their own in ACE or use a properly appointed licensed customs broker.⁵ The right to make entry, and thus to file an entry type 13, is limited to an owner or purchaser of the merchandise being mailed to the United States, or a licensed broker properly appointed by the owner, purchaser, or consignee. A consignee who is not an owner or purchaser, such as a foreign postal operator, USPS, a freight forwarder, or a carrier, must obtain the services of a licensed broker who will act as the importer of record (IOR) for the entry.

Participation in this voluntary test does not require a separate application. To participate in this voluntary test, the IOR, who is the owner, purchaser, or the licensed broker properly appointed by the owner, purchaser, or consignee, will file an informal entry type 13 electronically in ACE. When filing an entry type 13 entry, a basic importation and entry bond (either a single

transaction bond (STB) or a continuous bond), with the terms and conditions set forth in 19 CFR 113.62, is required, pursuant to CBP’s broad authority to require bonds in 19 U.S.C. 1623 and 19 CFR 113.1. If a consignee appoints a broker to file a type 13 entry, the broker, as the IOR, will have their bond obligated. The bond is necessary to ensure that the revenue is protected, guarantee the payment of the duties, taxes, and fees owed, and obligate the IOR to correct non-compliance with an applicable law or regulation pertaining to admissibility, thereby safeguarding the safety and security of American consumers.

An entry type 13 requires the IOR to electronically transmit the following data elements to CBP:

- (1) Filer code;
- (2) IOR number;
- (3) Description of merchandise;
- (4) Country of origin;
- (5) All applicable 10-digit HTSUS classification(s), including both primary classifications in Chapters 1–97 as well as any applicable secondary classifications in Chapters 98 and/or 99 of the HTSUS;
- (6) Quantity and weight, if using specific duty rates;
- (7) Duty rate;
- (8) Value;
- (9) Total duty owed;
- (10) Carrier name;
- (11) Tracking number generated by the foreign post operator; and
- (12) Arrival port.

The quantity and weight are conditional Entry Type 13 Test data elements that are only required under the conditions specified. In addition to the above Entry Type 13 Test data elements, shipments subject to PGA data requirements and/or duties other than those set forth in Chapters 1–97 of the HTSUS, such as Section 201, 232, or 301 duties, must transmit the additional data mandated by those requirements, as applicable. The technical requirements for transmission are set forth in the CBP and Trade Automated Interface Requirements (CATAIR) guidelines for ACE, which may be found at <https://www.cbp.gov/trade/ace/catair>. Please note that CBP may require formal entry of any international mail shipment regardless of value if it is necessary to protect the revenue. See 19 CFR 145.12(a)(1).

Carrier Participation and Manifest Data Requirement

Carriers transporting international mail to the United States may also elect to participate in the Entry Type 13 Test. Under current regulations, CBP is only provided with the weight of any mail arriving into the United States by these

⁴ For example, goods subject to trade remedies, such as Section 232 duties (Section 232 of the Trade Expansion Act of 1962, as amended; 19 U.S.C. 1862, Public Law 87–794, 76 Stat. 872), Section 201 duties (Section 201 of the Trade Act of 1974; 19 U.S.C. 2251 *et seq.*, Public Law 93–618, 88 Stat. 1978), or Section 301 duties (Title III of the Trade Act of 1974; 19 U.S.C. 2411–2420, Public Law 93–618, 88 Stat. 1978 (as amended)).

⁵ For more information regarding ACE, including information on the Automated Broker Interface (ABI) and ACE Portal application, please see <https://www.cbp.gov/trade/automated>.

carriers,⁶ which fails to sufficiently address the risks in this environment and inhibits CBP from verifying that a specific mail article has been entered in accordance with all applicable requirements. Carriers voluntarily participating in this test will report the tracking number generated by a foreign postal operator for each arriving international mail shipment on a manifest. Regardless of whether the entry filer opts to participate in the Entry Type 13 Test, CBP encourages carriers transporting mail to the United States to voluntarily participate in this test. If both the carrier and the filer choose to participate in this test, CBP will be able to match the tracking number reported by the carrier to the tracking number reported on the entry filing, which will allow CBP to determine the precise time of arrival for each shipment and confirm that an entry has been timely filed for an imported mail article.

III. Authorization for the Test

The Entry Type 13 Test is authorized pursuant to 19 CFR 101.9(a), which grants the Commissioner of CBP the authority to impose requirements different from those specified in the CBP regulations for purposes of conducting a test program or procedure designed to evaluate the effectiveness of new technology or operational procedures regarding the processing of passengers, vessels, or merchandise. The Entry Type 13 Test will allow CBP to test ACE functionality and operational procedures related to this new entry type.

IV. Waiver of Regulations Under the Test

For purposes of this test, the formal entry requirement in 19 CFR 145.12(a)(2)(v), for goods subject to PGA requirements, and 19 CFR 145.12(a)(2)(vi), for goods subject to duties under Chapters 98 and 99, HTSUS, will be waived for test participants. In addition, 19 CFR 145.12(b) will be waived for test participants only insofar as those informal entry procedures are inconsistent with the requirements in this notice. Additionally, the provisions in 19 CFR parts 143, subpart C, and 145, insofar as they are inconsistent with the terms of this test, are waived for test participants but only for entries filed as entry type 13 under this test. This test

does not waive the remaining informal entry regulations found in 19 CFR part 143, subpart C, or the specific procedures for shipments imported by mail set forth in 19 CFR part 145.

V. Misconduct Under the Test

If a test participant fails to follow the rules, requirements, terms, and conditions of this test, fails to exercise reasonable care in the execution of participant obligations, fails to abide by applicable laws and regulations that have not been waived, or fails to pay duties, taxes, or fees in a timely manner, the participant may be subject to civil and criminal penalties, administrative sanctions, liquidated damages, and/or other applicable enforcement action. Participation in this test does not affect a participant's obligations to comply with any other applicable statutory and regulatory requirements.

VI. Comments

All interested parties are invited to comment on any aspect of this test at any time. CBP requests comments and feedback on all aspects of this test, including the design, conduct, and implementation of the test, in order to determine whether to modify, alter, expand, limit, continue, end, or fully implement this new entry type. Throughout the test, CBP will take into consideration any comments or feedback that is received from the test participants.

Susan S. Thomas,

Executive Assistant Commissioner, Office of Trade.

[FR Doc. 2026-12668 Filed 6-23-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6614-N-01]

Notice of Intent To Relocate and Consolidate the Kansas City, Missouri Field Office Into the Kansas City, Kansas Regional Office

AGENCY: Office of the Assistant Secretary for Administration, HUD.

ACTION: Notice.

SUMMARY: This notice advises the public that HUD is proposing to consolidate the Kansas City, Missouri Field Office (KCMFO), into the Kansas City Regional Office (KCRO), which is located approximately 5.2 miles away from the current Missouri office location just across the Kansas-Missouri state line in Kansas City, Kansas. HUD provides this notice in accordance with section 7(p)

of the Department of Housing and Urban Development Act.

FOR FURTHER INFORMATION CONTACT:

Jacqueline Watson, Director of Field Support Services, Office of the Administration, Department of Housing and Urban Development, 77 Forsyth St, Atlanta, GA 30303; telephone 202-436-6778. (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 and 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. Legal Requirements for This Notice

In accordance with section 7(p) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(p)), a plan for the reorganization of any HUD regional, area, insuring, or other field office may take effect only upon the expiration of 90 days after publication in the **Federal Register** of a cost-benefit analysis of the effect of the plan on each HUD office involved. Such cost-benefit analysis shall include, but not be limited to (1) an estimate of cost savings supported by background information detailing the source and substantiating the amount of the savings; (2) an estimate of the additional cost which will result from the reorganization; (3) a study of the impact on the local economy; and (4) an estimate of the effect of the reorganization on the availability, accessibility, and quality of services provided for recipients of those services. Where any of the factors cannot be quantified, the Secretary shall provide a statement on the nature and extent of those factors in the cost-benefit analysis.

II. Required Statutory Cost-Benefit Analysis

A. Background

HUD is proposing to move the KCMFO, currently operating from a leased space of 11,465 rentable square feet (RSF) with 25 staff, into the leased KCRO, which occupies about 69,437 square feet and houses 107 staff. The two locations are separated by approximately 5.2 miles and across the Kansas-Missouri state line, minimizing potential disruption.

The objectives of this consolidation are to achieve measurable cost savings, enhance operational efficiency and optimize utilization of federally leased space. The KCRO has sufficient capacity to absorb the incoming staff. IT

⁶ Although CBP receives additional data for mail pursuant to the regulations implementing 19 U.S.C. 1415(a)(3)(K), that information cannot be used "for any commercial enforcement purposes, including for determining merchandise entry." See 19 U.S.C. 1415(a)(3)(F).

transition costs are anticipated to be negligible due to HUD’s standardized national network and laptop-based workforce.
This analysis finds that the consolidation yields immediate net savings in the first year, a payback

period of approximately two weeks, and substantial multi-year cost avoidance through elimination of lease expenses and associated overhead. Risks to program delivery, community access, and workforce continuity are minimal and short-term in nature.

At present, the following facilities are in use by HUD staff in Kansas City, Missouri and Kansas City, Kansas, despite their close proximity and the presence of another HUD field office in St. Louis, Missouri.

Category	Kansas City, MO (departing)	Kansas City, KS (receiving)
Building Name	MBL/IBM	Gateway Tower II.
Address	2345 Grand Blvd, Kansas City, MO 64108–2663.	400 State Avenue, Kansas City, KS 66101–2406.
OA/Lease Number	AMO06054	AKS02005.
Lease Type	GSA-Leased (Owner Serviced)	GSA-Leased (Owner Serviced).
Security Level	Level 2	Level 4.
Congressional District	MO–5 (Emanuel Cleaver)	KS–2 (Derek Schmidt).
Building Floors	N/A (single tenant)	4 floors.
OA/Lease Expiration	July 31, 2028	February 2027 (Capital Plan; renewed 2024—new term TBC).
Termination Rights	Active—90-day notice required	N/A (receiving facility).
Total Personnel	25	107 (pre-consolidation).
HUD Occupied RSF	11,465 RSF	69,437 RSF.
HUD Occupied USF	9,969 USF	59,127 USF.
Available Capacity	N/A (departing)	Substantial—sufficient to absorb 25 incoming staff.
Allocated Parking	1 Space	On-site and adjacent structured parking.

B. Estimate of Cost Savings

The expected Cost Savings associated with this consolidation can be loosely described in terms of Rent and other costs associated with the leasing of the KCMFO that would be avoided, the Reimbursable Work Authorization (RWA) and infrastructure costs of operating the KCMFO, and additional efficiencies of operation created by the consolidation of these offices.

1. Annual Lease Cost Avoidance

HUD is presently paying a Shell Rent amount of \$160,051.44 annually for the KCMFO, with additional lease related operating costs of \$110,181.24 and Public Building Service (PBS) Fees of \$18,916.32. With the consolidation of KCMFO into existing space at the KCRO, HUD will be able to avoid these costs moving forward, saving \$289,149.00 annually.

2. Elimination of Reimbursable Work Authorization (RWA) Costs

In connection with the operation and maintenance of the KCMFO facility, HUD expends \$298,827 annually, which includes approximately \$9,678 relating to the maintenance of the facility’s technical infrastructure. With the consolidation of KCMFO into existing space at the KCRO, HUD will be able to avoid these costs moving forward.

3. Non-Quantifiable Operational Efficiencies

In addition, HUD will also realize important non-quantifiable cost savings. Because HUD currently operates two separate facilities, it bears two distinct costs of facility overhead and administrative burdens associated with their operation. The consolidation of the KCMFO into the KCRO will allow HUD to increase efficiencies and reduce cost by eliminating duplicative facility overhead and consolidating administrative functions. Additionally, HUD is currently underutilizing space in both the KCMFO and KCRO, with significant unused, excess space being funded with taxpayer dollars. This proposed consolidation will allow the existing leased footprint of the KCRO to be more fully utilized and excess space to be decommissioned and released from HUD’s space management.

C. Estimate of the Additional Costs

While significant, long-term cost savings are anticipated from this consolidation, there will be minimal, one-time costs associated with this effort. These include the costs of the physical relocation of staff and resources from the KCMFO to the KCRO and the minor modifications of the space in the KCRO to incorporate the KCMFO staff into the space.

1. Relocation Expenses

Based on a fixed-price quote, HUD estimates the one-time relocation cost of

\$11,639.28, will be incurred in moving the KCMFO, which includes packing, transport, and project management of the relocation.

2. IT Infrastructure Transition

No material costs are anticipated due to existing standardized infrastructure.

3. Lease Termination

No penalties will be incurred due to active 90-day termination rights.

4. Facility Modifications

Only minor reconfigurations are anticipated and are not expected to result in material cost increases.

5. Indirect/Transitional Costs

Indirect costs such as temporary productivity impacts, administrative transition efforts, and minor employee commute adjustments are expected to be minimal and short-term in nature and do not materially affect the overall cost-benefit outcome.

D. Summary of Financial Analysis

Category	Amount
Total Annual Cost Avoidance	\$298,827
One-Time Relocation Cost ...	\$11,639.28
Net Year-One Savings	\$287,187.72
Payback Period	~14 days
3-Year Savings	\$896,481
Net Present Value (3-Year, 3.7%)	\$845,435

Note: Net present value is calculated using the OMB Circular A–94 nominal discount rate of 3.7% for a 3-year period.

Year	Gross savings	Discount factor (3.7%)	Present value
Year 1	\$298,827.00	0.964320	\$288,164.90
Year 2	298,827.00	0.929913	277,883.22
Year 3	298,827.00	0.896734	267,968.39
Sum of PVs			834,016.51
Less: One Time Cost			– 11,639.28
Net Present Value			22,377.23

The one-time relocation cost is treated as a Year 0 outflow (paid immediately), while the annual savings are treated as end-of-year inflows for Years 1, 2, and 3.

The consolidation therefore represents a high-confidence, low-risk investment in long-term fiscal efficiency, fully consistent with federal objectives to reduce underutilized real estate.

E. Study of the Impact on the Local Economy

The consolidation will have distinct, albeit localized, economic and community impacts on both Kansas City, MO, and Kansas City, KS, with a largely net-neutral effect on the broader Kansas City Metropolitan Statistical Area (MSA). As noted above, the physical location of these offices is only 5.2 miles apart.

1. Kansas City, Missouri (Departure)

With the relocation of the HUD staff in the KCMFO, approximately 25 federal employees will be removed from the downtown Kansas City, Missouri workforce. This may result in a small decrease in the patronage of businesses located near the KCMFO. The relatively small footprint of the KCMFO will be returned to the commercial leased space available, which could lead to a minor reduction in demand for commercial office space in the city.

2. Kansas City, Kansas (Arrival)

With the relocation of the HUD staff to the KCRO, approximately 25 federal employees will be added to the existing utilization of the Kansas City, Kansas Federal Building. This will result in a better utilization rate within the Federal Building. This may also result in a small increase in the patronage of businesses located near the KCRO. It is not anticipated that such a small number of employees will create any appreciable strain on infrastructure due to the current availability of capacity in the area.

3. Overall Metropolitan Impact

The Kansas City metropolitan area will experience a net-neutral economic impact, as jobs and economic activity

remain within the same regional economy. The relocation represents a redistribution rather than a loss of federal presence.

F. Estimate of the Effect of the Reorganization

1. Impact on Availability, Accessibility and Quality of Services

The consolidation is designed to maintain, if not enhance, the quality and continuity of services provided to the public, stakeholders, and program beneficiaries. Several factors contribute to this objective.

a. Continuity of Program Delivery

The availability of HUD's services will remain unchanged. Currently, the KCMFO staff provide specialized Financial Management Center (FMC) with a national scope, which may be accomplished effectively from any location. In fact, integrating the FMC into the larger KCRO is expected to centralize expertise and potentially improve coordination for financial management activities across Region VII and beyond.

Additionally, all programs and staffing levels will be retained through the relocation, and no reductions in Full-Time Equivalents (FTEs) are planned. HUD's core programs, including those related to Federal Housing Administration (FHA) mortgage insurance, Public and Indian Housing (PIH), and Community Planning and Development (CPD), which are critical for housing stability and community development, will continue to provide uninterrupted delivery of services. The physical proximity of the two offices (5.2 miles apart) means the operational transition should have minimal impact on staff's ability to continue their work.

b. Accessibility for Stakeholders, Housing Authorities, and the General Public

Concerns regarding accessibility for local housing authorities, community partners, and the general public are paramount in any office consolidation. Accessibility will not be materially impacted due to the short relocation

distance (approximately 5.2 miles) within the same metropolitan area. Stakeholders will continue to access services through in-person visits, as well as established virtual channels including phone, email, and online platforms.

c. Quality

Service quality is expected to be maintained or modestly improved by this relocation. Co-location within a larger regional office enhances coordination, allows for shared expertise, and improves access to centralized administrative and technical resources.

2. Impact on HUD Employees

The consolidation is expected to have only minimal impacts on HUD staff and is not expected to result in workforce reductions.

a. Commute Impact

The short relocation distance is unlikely to significantly affect commute times for most employees. The distance between the KCMFO and the KCRO is approximately 5.2 miles, making it a relatively short commute across the state line. For most of the 25 employees, this change is unlikely to significantly alter their daily commute time or cost, especially for those already residing in the broader Kansas City metropolitan area.

b. Transit Support

No relocation assistance is required; however, HUD may adjust transit guidance or commuter support resources as appropriate.

c. Tax Considerations

Employees may experience changes in state tax obligations due to cross-state commuting. These impacts are modest and vary by residency status.

i. *Employees Residing in Missouri:* Most affected employees will now be subject to Kansas non-resident income tax withholding wages earned at the new KS facility. For 2025, the top marginal tax rate in Kansas (5.58%) is slightly higher than Missouri's flat rate (4.70%). These employees must file a Kansas nonresident return and a

Missouri resident return. To prevent double taxation, Missouri allows a resident credit (Form MO-CR) for taxes paid to Kansas. The net effect is that Missouri residents will pay the higher of the two state rates (effectively the KS 5.58% rate), resulting in a modest increase in their overall state tax burden (approximately 0.88% of their wages).

ii. *Employees Residing in Kansas:* Employees who already live in Kansas and currently commute to Missouri will experience a simplification of their tax filing. They will no longer need to file a Missouri nonresident return or claim credit for taxes paid to another state. Their wages will be taxed solely by their home state of Kansas, resulting in a net-neutral financial impact but reduced administrative burden.

iii. *Kansas City, MO Earnings Tax (E-Tax):* Kansas City, MO levies a 1% earnings tax on all its residents, regardless of where they work, and on all nonresidents who work within the city limits. Employees who live in KCMO will continue to pay this 1% tax even after their workplace moves to Kansas. However, employees who live outside KCMO but currently work at the departing MO facility will experience a financial benefit: by moving their workplace to Kansas, they will no longer be subject to the 1% KCMO earnings tax as nonresidents.

iv. *No Relocation-related taxes:* Because the physical relocation costs are borne directly by the agency through a fixed-price vendor contract, individual employees will not receive taxable moving expense reimbursements. Therefore, federal Relocation Income Tax Allowance (RITA) or Withholding Tax Allowance (WTA) provisions are not triggered by this consolidation.

G. Conclusion

The proposed consolidation of the KCMFO into the KCRO is a financially and operationally sound decision that aligns with federal real property optimization goals. It generates significant and immediate cost savings, minimizes duplication of resources, and maintains continuity of services. The cost-benefit analysis demonstrates that this consolidation results in substantial net cost savings, minimal additional and indirect costs, negligible localized economic disruption, and no adverse impact on service availability, accessibility, or quality. Moreover, the integration of the KCMFO into the KCRO, particularly the integration of the Financial Management Center into a larger regional office, is expected to enhance operational synergies and overall efficiency.

III. Finding of No Significant Impact

A Finding of No Significant Impact with respect to the environment has been completed in accordance with HUD regulations in 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding is available for public inspection during regular business hours in the Regulations Division, Office of General Counsel; Department of Housing and Urban Development; 2415 Eisenhower Avenue, Alexandria, VA 22314. Due to security measures at the HUD building, please schedule an appointment to review the Finding by calling the Regulations Division at 202-402-3055 (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 and 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>.

Chad Cowan,

Principal Deputy Assistant Secretary for Administration.

[FR Doc. 2026-12655 Filed 6-23-26; 8:45 am]

BILLING CODE 4210-67-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1491]

Certain Vehicle Parts and Components Thereof; Notice of a Commission Determination Not To Review an Initial Determination Granting an Unopposed Motion To Amend the Complaint and Notice of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review the presiding administrative law judge's ("ALJ") initial determination ("ID") (Order No. 14) granting an unopposed motion to amend the complaint and notice of investigation ("NOI") to: (1) add the following 16 entities as additional respondents: Changzhou Gete Vehicle Parts Co. LTD ("Changzhou Gete"), Changzhou Huirui Car Industry Co. LTD ("Changzhou Huirui"), Changzhou Pulis Auto Parts Co. LTD ("Changzhou Pulis"), Danyang Jiatuo Auto Parts Co. LTD ("Danyang Jiatuo"), Danyang Klay Gold Auto Parts

Co. LTD ("Danyang Klay"), Fortress Auto International LTD ("Fortress Auto"), Global Net Automotive Co. LTD ("Global Net"), Jiangsu AoTePa Autoparts Co. LTD ("Jiangsu AoTePa"), Jiangsu Juncheng Vehicle Industry Co. LTD ("Jiangsu Juncheng"), MMF Trading Industries Co. LTD ("MMF Trading"), Yangzhou Aierfu Auto Parts Co. LTD ("Yangzhou Aierfu"), Yangzhou Deerma Vehicle Industry Co. LTD ("Yangzhou Deerma"), Kong Peng Enterprise Co. LTD ("Kong Peng"), Fa Yi Enterprise Co. LTD ("Fa Yi"), Yih Sheng Auto Parts Ind. Co. LTD ("Yih Sheng"), and Golden Legion Automotive Corp. ("Golden Legion"); (2) allege infringement of U.S. Patent No. D792,816 ("the 'D816 patent") against existing Respondent ANTRC Industrial Corp. ("ANTRC") of Taoyuan City, Taiwan; (3) allege infringement of U.S. Patent No. D826,803 ("the 'D803 patent") and U.S. Patent No. D856,874 ("the 'D874 patent") against existing Respondent Jiangsu Srumto Auto Parts Co., Ltd. ("Jiangsu Srumto") of Jiangsu Province, China; and (4) allege infringement of the 'D803 patent against existing Respondents Quality Collision Parts, Inc. ("Quality Collision") of Warren, Michigan, Power Auto Parts Inc. ("Power Auto") of Warren, Michigan, and Tong Yang Industry Co. Ltd. ("Tong Yang") of Tainan, Taiwan.

FOR FURTHER INFORMATION CONTACT:

Panyin A. Hughes, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205-3042. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its internet server at <https://www.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone (202) 205-1810.

SUPPLEMENTARY INFORMATION: On March 12, 2026, the Commission instituted this investigation based on a complaint filed by General Motors LLC of Detroit, Michigan and GM Global Technology Operations LLC of Detroit, Michigan (collectively, "GM"). 91 FR 12218-19 (Mar. 12, 2026). The complaint alleged violations of section 337 based on the importation into the United States, the sale for importation, or the sale within the United States after importation of certain vehicle parts and components

thereof by reason of infringement of the claims of U.S. Patent No. D749,997; U.S. Patent No. D792,815; the 'D816 patent; U.S. Patent No. D793,301; U.S. Patent No. D828,247; U.S. Patent No. D828,248; U.S. Patent No. D828,256; U.S. Patent No. D847,703; U.S. Patent No. D848,318; the 'D874 patent; U.S. Patent No. D818,406; U.S. Patent No. D826,114; U.S. Patent No. D843,025; U.S. Patent No. D883,155; U.S. Patent No. D902,807; U.S. Patent No. D930,533; U.S. Patent No. D955,939; U.S. Patent No. D859,239; U.S. Patent No. D848,647; and the 'D803 patent. *Id.* The Commission's NOI named the following as respondents: AP Auto Parts Industrial Ltd. of Taoyuan City, Taiwan; ANTRC; Auto Power Co., Ltd. of Taoyuan City, Taiwan; Best Value Auto Body Supply ("Best Value") of Melrose Park, Illinois; CCC Intelligent Solutions Holdings Inc. of Chicago, Illinois; CCC Intelligent Solutions Inc. of Chicago, Illinois; DEPO Auto Parts Ind. Co., Ltd. of Chang Hua Shien, Taiwan; Forerunner Automotive Industrial Corp. of Taoyuan City, Taiwan; Gordon Auto Body Parts Co., Ltd. of Taoyuan City, Taiwan; Grand HC Auto Tooling Corp. of Taipei City, Taiwan; Jiangsu Srumto; Keystone Automotive Industries, Inc. of Antioch, Tennessee; LKQ Corporation of Antioch, Tennessee; Maxzone Vehicle Lighting Corp. of Fontana, California; Mitchell International, Inc. of San Diego, California; Pro Fortune Industrial Co., Ltd. of New Taipei City, Taiwan; Power Auto; Quality Collision; Tong Yang; and Y.C.C. Parts Mfg. Co., Ltd., of Chung Hua Hsien, Taiwan. The Office of Unfair Import Investigations ("OUII") is participating in this investigation. *Id.*

On June 3, 2026, the Commission terminated the investigation as to Best Value based on issuance of a consent order. Order No. 11 (May 4, 2026), *unreviewed by Comm'n Notice* (June 3, 2026).

On May 1, 2026, GM moved under 19 CFR 210.14 to amend the complaint and NOI to: (1) add the following 16 entities as additional respondents: Changzhou Gete, Changzhou Huirui, Changzhou Pulis, Danyang Jiatuo, Danyang Klay, Fortress Auto, Global Net, Jiangsu AoTePa, Jiangsu Juncheng, MMF Trading, YangZhou Aierfu, Yangzhou Deerma, Kong Peng, Fa Yi, Yih Sheng, and Golden Legion; (2) allege infringement of the 'D816 patent against existing Respondent ANTRC; (3) allege infringement of the 'D803 patent and the 'D874 patent against existing Respondent Jiangsu Srumto; and (4) allege infringement of the 'D803 patent against existing Respondents Quality Collision, Power Auto, and Tong Yang. ID at 1–2. GM argued that good cause exists for this amendment because "it

did not have the information necessary for the allegations until it received information during discovery." *Id.* at 6. On May 13, 2026, OUII filed a response in support of the motion. OUII noted that "the information gained during discovery about the Proposed Respondents was not known prior to institution of this Investigation" and that "without discovery, GM cannot exhaustively identify all product imported into the United States, sold for importation into the United States, and/or sold within the United States after importation that infringe the Asserted Patents." *Id.* at 3. On May 18, 2026, Respondents ANTRC, Auto Power Co., Ltd.; CCC Intelligent Solutions Holdings Inc. and CCC Intelligent Solutions Inc. (collectively, "CCC") filed a response, which while not opposing the amendments, expressed concerns about maintaining the timeline of the scheduled 5-day hearing. *Id.* at 4–5.

On May 21, 2026, the ALJ issued the subject ID, granting the motion. The ID observed that Commission Rule 210.14(b) provides that:

[a]fter an investigation has been instituted, the complaint and notice of investigation may be amended only by leave of the Commission for good cause shown and upon such conditions as are necessary to avoid prejudicing the public interest and the rights of the parties to the investigation

Id. at 5 (citing 19 CFR 210.14(b)(1)). The ID found that good cause exists to amend the complaint and NOI, noting that "the additional allegations that are the subject of the amendments requested in GM's Motion is that Complainants did not have the information necessary for the allegations until it received information during discovery." *Id.* at 6. The ID further noted that "[t]he Complaint was filed less than four (4) months before GM filed its Motion, on February 5, 2026" and that "[t]here are four (4) months remaining in fact discovery." *Id.* at 6. The ID added that "[a]t such an early stage, there is time for the Parties to seek discovery and/or develop claim(s) and defense(s) related to the amendments requested in GM's Motion" and so "granting the Motion does not prejudice the Parties." *Id.* The ID stated that "it is more efficient to adjudicate all of GM's claims in a single Investigation" as doing so would "conserve public and private resources." *Id.* Regarding CCC's concern about the schedule, the ID stated that "[i]f the Parties believe additional Hearing time will be needed, they should notify Chambers as soon as possible since Courtroom space is taken early. Even if the Parties are not certain

they will need the time, they should request it sooner than later." *Id.*

The Commission has determined not to review the subject ID. The complaint and NOI are hereby amended to: (1) add the following 16 entities as respondents: Changzhou Gete, Changzhou Huirui, Changzhou Pulis, Danyang Jiatuo, Danyang Klay, Fortress Auto, Global Net, Jiangsu AoTePa, Jiangsu Juncheng, MMF Trading, YangZhou Aierfu, Yangzhou Deerma, Kong Peng, Fa Yi, Yih Sheng, and Golden Legion; (2) allege infringement of the 'D816 patent against existing Respondent ANTRC; (3) allege infringement of the 'D803 patent and the 'D874 patent against existing Respondent Jiangsu Srumto; and (4) allege infringement of the 'D803 patent against existing Respondents Quality Collision, Power Auto, and Tong Yang.

The Commission vote for this determination took place on June 22, 2026. The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: June 22, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–12722 Filed 6–23–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–636 and 731–TA–1470 (Review)]

Wood Mouldings and Millwork Products From China

Determinations

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the antidumping and countervailing duty orders on wood mouldings and millwork products from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Background

The Commission instituted these reviews on January 2, 2026 (91 FR 151)

¹ The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

and determined on April 7, 2026 that it would conduct expedited reviews (91 FR 21312, April 21, 2026).

The Commission made these determinations pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)). It completed and filed its determinations in these reviews on June 22, 2026. The views of the Commission are contained in USITC Publication 5755 (June 2026), entitled *Wood Mouldings and Millwork Products from China: Investigation Nos. 701-TA-636 and 731-TA-1470 (Review)*.

By order of the Commission.

Issued: June 22, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026-12748 Filed 6-23-26; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

Agency Information Collection Activities: Submission for OMB Review; Renewal of Generic Clearance; Comment Request

AGENCY: United States International Trade Commission.

ACTION: Notice and comment request.

SUMMARY: Consistent with the Paperwork Reduction Act of 1995, the U.S. International Trade Commission (Commission) has submitted a proposal for the collection of information to the Office of Management and Budget (OMB) for approval. The proposed information collection is a three-year extension of the current generic clearance (approved by OMB under Control No. 3117-0016) under which the Commission can issue information collections for investigations and reviews that it is required to conduct under the Tariff Act of 1930, the Trade Act of 1974, and other trade remedy statutes that require or authorize the Commission to make findings or determinations. These investigations and reviews include: antidumping duty, countervailing duty, safeguards, other import competition, market disruption, interference with programs of the U.S. Department of Agriculture, and cross-border long-haul trucking. A full list of all the investigations and reviews associated with this generic clearance and their associated statutory authorities is available in the Commission's supporting statement to this **Federal Register** notice. Any comments submitted to OMB on the proposed information collection should be specific, indicating which part of the questionnaires or study plan are

objectionable, describing the issue in detail, and including specific revisions or language changes.

DATES: Comments solicited under this notice must be submitted on or before July 24, 2026.

Comments: Comments about the proposal should be provided to the Office of Management and Budget, Office of Information and Regulatory Affairs through the Information Collection Review Dashboard at <https://www.reginfo.gov>. All comments should be specific, indicating which part of the renewal request is objectionable, describing the concern in detail, and including specific suggested revisions or language changes. Provide copies of any comments that you submit to OMB to Maureen Letostak, Director, Office of Analysis and Research Services, U.S. International Trade Commission at Maureen.Letostak@usitc.gov and Nannette Christ, Director, Office of Investigations, U.S. International Trade Commission at Nannette.Christ@usitc.gov.

FOR FURTHER INFORMATION CONTACT: You may obtain copies of the proposed collection of information and supporting documentation from Peter Stebbins, Office of Investigations, U.S. International Trade Commission at Peter.Stebbins@usitc.gov, 202-205-2039, or Zachary Coughlin, Statistical and Data Services Division, U.S. International Trade Commission, at Zachary.Coughlin@usitc.gov, 202-205-3435. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal at 202-205-1810. You may also obtain general information concerning the Commission by accessing its website (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

(1) The generic clearance generally covers the collections of six types of forms, as follows: U.S. producers' questionnaire; U.S. importers' questionnaire; U.S. purchasers' questionnaire; Foreign producers'/exporters' questionnaire; Administrative Protective Order (APO) application form; and Notice of Institution (NOI) for five-year reviews.

(2) The types of items contained within actual information collections issued under this generic clearance are largely determined by statute; however, questions are modified to match the specific facts of each investigation or review. Case-specific factors such as the nature of the industry, the relevant economic and legal issues, the ability of respondents to supply the data, as well as the availability of data from

secondary sources are all taken into consideration in each investigation and review.

(3) Once the data are collected from the relevant entities in an information collection under this generic clearance, Commission staff consolidates the information collected into compilations, summaries, and statistical aggregations that are then used as the basis for the Commission's determinations or recommendations in the investigation or review. Affirmative Commission determinations in antidumping and countervailing duty investigations result in the imposition of duties on imports entering the United States, as determined by the U.S. Department of Commerce, which are in addition to any normal customs duties. If the Commission makes an affirmative determination in a five-year review, the existing antidumping or countervailing duty order remains in place. The President or the U.S. Trade Representative may use the data developed in global and bilateral safeguard, market disruption, interference with U.S. Department of Agriculture program, and cross-border long-haul trucking investigations to determine the type of relief, if any, to be provided to domestic industries.

Parties' submissions of the Commission's APO application form for inclusion on the APO are the basis for determining whether those parties are granted access to business proprietary or confidential business information. The submissions made to the Commission in response to the notices of institution of five-year reviews are the basis for the Commission's determination whether to conduct a full or expedited review.

(4) Likely respondents are businesses (including foreign businesses) or farms that produce, import, purchase, or sell products under investigation. The Commission estimates that information collections issued under the requested generic clearance will impose an average annual burden of 409,250 hours on 12,935 respondents over the next three-year generic clearance period.

(5) No new record keeping burden is known to result from the proposed collection of information.

(6) Note that, in addition to the generic clearance public comment process, for every individual antidumping and countervailing duty final investigation or full five-year review, Commission questionnaires are made available to the public on the Commission's Electronic Document Information System (EDIS) and parties specifically subject to the Commission investigation or review are requested to comment on the case-specific

information collections prior to their issuance as part of the Commission's investigatory procedures.

By order of the Commission.
Issued: June 22, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–12710 Filed 6–23–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–1012 (Fourth Review)]

Certain Frozen Fish Fillets From Vietnam; Determination

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on certain frozen fish fillets from Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Background

The Commission instituted this review on November 3, 2025 (90 FR 55176, December 1, 2025)² and determined on March 6, 2026 that it would conduct an expedited review (91 FR 19202, April 14, 2026).

The Commission made this determination pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)). It completed and filed its determination in this review on June 18, 2026. The views of the Commission are contained in USITC Publication 5754 (June 2026), entitled *Certain Frozen Fish Fillets from Vietnam: Investigation No. 731–TA–1012 (Fourth Review)*.

By order of the Commission.
Issued: June 18, 2026.

Susan Orndoff,

Supervisory Attorney.

[FR Doc. 2026–12651 Filed 6–23–26; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Amanda Ward, N.D.; Decision and Order

On September 19, 2025, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to Amanda Marie Ward, N.D., of Encinitas, CA (Registrant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 1, at 1, 4. The OSC proposed the revocation of Registrant's Certificate of Registration No. MW1889534, alleging that Registrant's registration should be revoked because Registrant is “currently without authority to prescribe, administer, dispense, or otherwise handle controlled substances in the State of California, the state in which [she is] registered with DEA.” *Id.* at 2 (citing 21 U.S.C. 824(a)(3)).¹

The OSC notified Registrant of her right to file a written request for hearing, and that if she failed to file such a request, she would be deemed to have waived her right to a hearing and be in default. *Id.* at 2–3 (citing 21 CFR 1301.43). Here, Registrant did not request a hearing, and the Agency finds her to be in default. RFAA, at 2.² “A

¹ According to Agency records, Registrant's registration expired on May 31, 2026. The fact that a registrant allows her registration to expire during the pendency of an OSC does not impact the Agency's jurisdiction or prerogative under the Controlled Substances Act (CSA) to adjudicate the OSC to finality. *Jeffrey D. Olsen, M.D.*, 84 FR 68474, 68476–68479 (2019).

² Based on the Government's submissions in its RFAA dated February 12, 2026, the Agency finds that service of the OSC on Registrant was adequate. The included declaration from a DEA Diversion Investigator (DI) indicates that on November 6, 2025, the DI, along with other DEA personnel, called the phone number associated with Registrant's DEA registration, as well as additional phone numbers linked to Registrant, and left multiple voicemail messages. RFAAX 2, at 1. Registrant did not answer any of the calls or respond to any of the voicemails. *Id.* On the same day, DEA personnel traveled to Registrant's registered address and observed that the location was vacant with an “Available” sign in the window. *Id.* at 2. On November 7, 2025, the DI, along with other DEA personnel, traveled to Registrant's residence, but observed that the house appeared vacant, was locked from the exterior, and had no vehicles in the driveway. *Id.* DEA personnel knocked on the front door of this residence, but there was no answer. *Id.* On November 10, 2025, the DI emailed a copy of the OSC to the email address associated with Registrant's registration, and the email was not returned as undelivered. *Id.*; see also RFAAX 2, Attachment A. Here, the Agency finds that Registrant was successfully served the OSC by email and that the DI's efforts to serve Registrant by other means were “‘reasonably calculated, under all the circumstances, to apprise [Registrant] of the pendency of the action.’” *Jones v. Flowers*, 547 U.S. 220, 226 (2006) (quoting *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950)). Therefore, due process notice requirements have been satisfied. See *Mohammed*

default, unless excused, shall be deemed to constitute a waiver of the registrant's/applicant's right to a hearing and an admission of the factual allegations of the [OSC].” 21 CFR 1301.43(e).

Further, “[i]n the event that a registrant . . . is deemed to be in default . . . DEA may then file a request for final agency action with the Administrator, along with a record to support its request. In such circumstances, the Administrator may enter a default final order pursuant to [21 CFR] 1316.67.” *Id.* at 1301.43(f)(1). Here, the Government has requested final agency action based on Registrant's default pursuant to 21 CFR 1301.43(c), (f), 1301.46.³ RFAA, at 1; see also 21 CFR 1316.67.

Findings of Fact

The Agency finds that, in light of Registrant's default, the factual allegations in the OSC are deemed admitted. According to the OSC, effective April 23, 2024, Registrant surrendered her California naturopathic doctor's license. RFAAX 1, at 2. Further, according to the OSC, Registrant's California naturopathic doctor's license expired by its own terms on August 31, 2025. *Id.* at 1. According to California online records, of which the Agency takes official notice,⁴ Registrant's California naturopathic doctor's license has a primary status of “Voluntary Surrender.” California DCA License Search, <https://search.dca.ca.gov> (last visited date of signature of this Order). Registrant's California naturopathic doctor's license also has a listed expiration date of August 31, 2025. *Id.* Accordingly, the Agency finds that Registrant is not licensed to practice as a naturopathic doctor in California, the state in which she is registered with DEA.⁵

S. Aljanaby, M.D., 82 FR 34552, 34552 (2017) (finding that service by email satisfies due process where the email is not returned as undeliverable and other methods have been unsuccessful); *Emilio Luna, M.D.*, 77 FR 4829, 4830 (2012) (same).

³ The RFAA states that “the Administrator is authorized to render the Agency's final order, without . . . making a finding of fact in this matter.” RFAA, at 4 (citing 21 CFR 1301.43(c), (f), and 1301.46). However, 21 CFR 1316.67 requires that the Administrator's final order “set forth the final rule and the findings of fact and conclusions of law upon which the rule is based.” See *JYA LLC d/b/a Webb's Square Pharmacy*, 90 FR 31244, 31246 n.7 (2025).

⁴ Under the Administrative Procedure Act, an agency “may take official notice of facts at any stage in a proceeding—even in the final decision.” United States Department of Justice, Attorney General's Manual on the Administrative Procedure Act 80 (1947) (Wm. W. Gaunt & Sons, Inc., Reprint 1979).

⁵ Pursuant to 5 U.S.C. 556(e), “[w]hen an agency decision rests on official notice of a material fact

Continued

¹ The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

² Due to the lapse in appropriations and ensuing cessation of Commission operations, the Commission tolled its schedule for this proceeding.

Discussion

Pursuant to 21 U.S.C. 824(a)(3), the Attorney General is authorized to suspend or revoke a registration issued under 21 U.S.C. 823 “upon a finding that the registrant . . . has had his State license or registration suspended . . . [or] revoked . . . by competent State authority and is no longer authorized by State law to engage in the . . . dispensing of controlled substances.” With respect to a practitioner, DEA has also long held that the possession of authority to dispense controlled substances under the laws of the state in which a practitioner engages in professional practice is a fundamental condition for obtaining and maintaining a practitioner’s registration. *Gonzales v. Oregon*, 546 U.S. 243, 270 (2006). (“The Attorney General can register a physician to dispense controlled substances ‘if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.’ . . . The very definition of a ‘practitioner’ eligible to prescribe includes physicians ‘licensed, registered, or otherwise permitted, by the United States or the jurisdiction in which he practices’ to dispense controlled substances. § 802(21).”). The Agency has applied these principles consistently. *See, e.g., James L. Hooper, M.D.*, 76 FR 71371, 71372 (2011), *pet. for rev. denied*, 481 F. App’x 826 (4th Cir. 2012); *Rachel Jackson, P.A.*, 90 FR 13198, 13198–13199 (2025); *Merry Alice Troupe, N.P.*, 89 FR 81549, 81549–81550 (2024); *Frederick Marsh Blanton, M.D.*, 43 FR 27616, 27617 (1978).⁶

not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.” The material fact here is that Registrant, as of the date of this Order, is not licensed to practice medicine in California. Accordingly, Registrant may dispute the Agency’s finding by filing a properly supported motion for reconsideration of findings of fact within fifteen calendar days of the date of this Order. Any such motion and response shall be filed and served by email to the other party and to the Office of the Administrator, Drug Enforcement Administration, at dea.addo.attorneys@dea.gov.

⁶ This rule derives from the text of two provisions of the CSA. First, Congress defined the term “practitioner” to mean “a physician . . . or other person licensed, registered, or otherwise permitted, by . . . the jurisdiction in which he practices . . . , to distribute, dispense, . . . [or] administer . . . a controlled substance in the course of professional practice.” 21 U.S.C. 802(21). Second, in setting the requirements for obtaining a practitioner’s registration, Congress directed that “[t]he Attorney General shall register practitioners . . . if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.” 21 U.S.C. 823(g)(1). Because Congress has clearly mandated that a practitioner possess state authority in order to be deemed a practitioner under the CSA, DEA has held repeatedly that revocation of a practitioner’s registration is the appropriate sanction whenever he is no longer

According to California statute, “dispense” means “to deliver a controlled substance to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing, furnishing, packaging, labeling, or compounding necessary to prepare the substance for that delivery.” Cal. Health & Safety Code § 11010 (2026). Further, a “practitioner” means a person “licensed, registered, or otherwise permitted, to distribute, dispense, conduct research with respect to, or administer, a controlled substance in the course of professional practice or research in [the] state.” *Id.* at § 11026(c).

Here, the undisputed evidence in the record is that Registrant currently lacks authority to practice medicine in California. As discussed above, an individual must be a licensed practitioner to dispense a controlled substance in California. Thus, because Registrant currently lacks authority to practice medicine in California and, therefore, is not authorized to handle controlled substances in California, Registrant is not eligible to maintain a DEA registration. Accordingly, the Agency will order that Registrant’s DEA registration be revoked.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 824(a), I hereby revoke DEA Certificate of Registration No. MW1889534 issued to Amanda Ward, N.D. Further, pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823(g)(1), I hereby deny any pending applications of Amanda Ward, N.D., to renew or modify this registration, as well as any other pending application of Amanda Ward, N.D., for additional registration in California. This Order is effective July 24, 2026.

Signing Authority

This document of the Drug Enforcement Administration was signed on June 12, 2026, by DEA Administrator Terrance C. Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for

authorized to dispense controlled substances under the laws of the state in which he practices. *See, e.g., James L. Hooper, M.D.*, 76 FR at 71371–72; *Sheran Arden Yeates, M.D.*, 71 FR 39130, 39131 (2006); *Dominick A. Ricci, M.D.*, 58 FR 51104, 51105 (1993); *Bobby Watts, M.D.*, 53 FR 11919, 11920 (1988); *Frederick Marsh Blanton, M.D.*, 43 FR at 27617.

publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2026–12652 Filed 6–23–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Irina Gross, D.P.M.; Decision and Order

On November 17, 2025, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to Irina Gross, D.P.M., of Chagrin Falls, Ohio (Registrant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 1, at 1, 4. The OSC proposed the revocation of Registrant’s Certificate of Registration No. FG2593487, alleging that Registrant’s registration should be revoked because Registrant is “currently without authority to prescribe, administer, dispense, or otherwise handle controlled substances in the State of Ohio, the state in which [she is] registered with DEA.” *Id.* at 2 (citing 21 U.S.C. 824(a)(3)).

The OSC notified Registrant of her right to file a written request for hearing, and that if she failed to file such a request, she would be deemed to have waived her right to a hearing and be in default. RFAAX 1, at 2–3 (citing 21 CFR 1301.43). Here, Registrant did not request a hearing, and the Agency finds her to be in default. RFAA, at 1.¹ “A default, unless excused, shall be

¹ Based on the Government’s submissions in its RFAA dated February 5, 2026, the Agency finds that service of the OSC on Registrant was adequate. The included declaration from a DEA Diversion Investigator (DI) indicates that shortly after the DI received a copy of the OSC, the DI attempted to locate Registrant for personal service, however, the DI was unsuccessful. RFAAX, at 2. On or about November 24, 2025, the DI emailed a copy of the OSC to two different registered email addresses for Registrant, and the delivery of those emails was successful. *Id.*; *see also* RFAAX 3, at 2–3 (notifications of successful delivery of both emails). Here, the Agency finds that Registrant was successfully served the OSC by email and that the DI’s efforts to serve Registrant by other means were “reasonably calculated, under all the circumstances, to apprise [Registrant] of the pendency of the action.” *Jones v. Flowers*, 547 U.S. 220, 226 (2006) (quoting *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950)); *see also* *Mohammed S. Aljanaby, M.D.*, 82 FR 34552, 34552 (2017) (finding that service by email satisfies due process where the email is not returned as undeliverable and other methods have been unsuccessful).

deemed to constitute a waiver of the registrant's/applicant's right to a hearing and an admission of the factual allegations of the [OSC]." 21 CFR 1301.43(e).

Further, "[i]n the event that a registrant . . . is deemed to be in default . . . DEA may then file a request for final agency action with the Administrator, along with a record to support its request. In such circumstances, the Administrator may enter a default final order pursuant to [21 CFR] 1316.67." *Id.* 1301.43(f)(1). Here, the Government has requested final agency action based on Registrant's default pursuant to 21 CFR 1301.43(c), (f), 1301.46. RFAA, at 1; *see also* 21 CFR 1316.67.

Findings of Fact

The Agency finds that, in light of Registrant's default, the factual allegations in the OSC are deemed admitted. According to the OSC, effective June 11, 2025, the State Medical Board of Ohio suspended Registrant's Ohio Doctor of Podiatric Medicine (DPM) license and Registrant's Ohio Respiratory Care Professional (RCP) license. RFAAX 1, at 2.

According to Ohio online records, of which the Agency takes official notice, both Registrant's Ohio DPM license and Ohio RCP license are permanently revoked.² eLicense Ohio Professional Licensure License Lookup, https://elicense.ohio/oh_verifylicense (last visited date of signature of this Order). Accordingly, the Agency finds that Registrant is not licensed to practice podiatric medicine nor respiratory care in Ohio, the state in which she is registered with DEA.³

Discussion

Pursuant to 21 U.S.C. 824(a)(3), the Attorney General is authorized to suspend or revoke a registration issued

under 21 U.S.C. 823 "upon a finding that the registrant . . . has had his State license or registration suspended . . . [or] revoked . . . by competent State authority and is no longer authorized by State law to engage in the . . . dispensing of controlled substances."

With respect to a practitioner, DEA has also long held that the possession of authority to dispense controlled substances under the laws of the state in which a practitioner engages in professional practice is a fundamental condition for obtaining and maintaining a practitioner's registration. *Gonzales v. Oregon*, 546 U.S. 243, 270 (2006) ("The Attorney General can register a physician to dispense controlled substances 'if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.' . . . The very definition of a 'practitioner' eligible to prescribe includes physicians 'licensed, registered, or otherwise permitted, by the United States or the jurisdiction in which he practices' to dispense controlled substances. 802(21).")⁴ The Agency has applied these principles consistently. *See, e.g., James L. Hooper, M.D.*, 76 FR 71371, 71372 (2011), *pet. for rev. denied*, 481 F. App'x 826 (4th Cir. 2012); *Frederick Marsh Blanton, M.D.*, 43 FR 27616, 27617 (1978).

According to Ohio statute, "[n]o person shall knowingly obtain, possess, or use a controlled substance or a controlled substance analog," except "pursuant to a prescription issued by a licensed health professional authorized to prescribe drugs if the prescription was issued for a legitimate medical purpose." Ohio Rev. Code Ann. § 2925.11(A), (B)(1)(d) (West 2025). Further, a "[l]icensed health

professional authorized to prescribe drugs' or 'prescriber' means an individual who is authorized by law to prescribe drugs or dangerous drugs or drug therapy related devices in the course of the individual's professional practice." *Id.* § 4729.01(I). Ohio statute further defines an authorized prescriber as "[a] physician authorized under Chapter 4731. of the [Ohio] Revised Code to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery." *Id.* § 4729.01(I)(5). Additionally, Ohio law permits "[a] licensed health professional authorized to prescribe drugs, if acting in the course of professional practice, in accordance with the laws regulating the professional's practice" to prescribe or administer schedule II, III, IV, and V controlled substances to patients. *Id.* § 3719.06(A)(1)(a)–(b).

Here, the undisputed evidence in the record is that Registrant lacks authority to practice podiatric medicine and respiratory care in Ohio. As discussed above, an individual must be a licensed health professional authorized to prescribe drugs in order to handle controlled substances in Ohio. Thus, because Registrant is not a licensed health professional authorized to prescribe drugs in Ohio and, therefore, is not authorized to handle controlled substances in Ohio, Registrant is not eligible to maintain a DEA registration. Accordingly, the Agency will order that Registrant's DEA registration be revoked.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 824(a), I hereby revoke DEA Certificate of Registration No. FG2593487 issued to Irina Gross, D.P.M. Further, pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823(g)(1), I hereby deny any pending applications of Irina Gross, D.P.M., to renew or modify this registration, as well as any other pending application of Irina Gross, D.P.M., for additional registration in Ohio. This Order is effective July 24, 2026.

Signing Authority

This document of the Drug Enforcement Administration was signed on June 16, 2026, by DEA Administrator Terrance C. Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for

² Under the Administrative Procedure Act, an agency "may take official notice of facts at any stage in a proceeding—even in the final decision." United States Department of Justice, Attorney General's Manual on the Administrative Procedure Act 80 (1947) (Wm. W. Gaunt & Sons, Inc., Reprint 1979).

³ Pursuant to 5 U.S.C. 556(e), "[w]hen an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary." The material fact here is that Registrant, as of the date of this decision, is not licensed to practice podiatric medicine nor respiratory care in Ohio. Accordingly, Registrant may dispute the Agency's finding by filing a properly supported motion for reconsideration of findings of fact within fifteen calendar days of the date of this Order. Any such motion and response shall be filed and served by email to the other party and to the DEA Office of the Administrator, Drug Enforcement Administration at dea.addo.attorneys@dea.gov.

⁴ This rule derives from the text of two provisions of the Controlled Substances Act (CSA). First, Congress defined the term "practitioner" to mean "a physician . . . or other person licensed, registered, or otherwise permitted, by . . . the jurisdiction in which he practices . . . , to distribute, dispense, . . . [or] administer . . . a controlled substance in the course of professional practice." 21 U.S.C. 823(g)(1). Because Congress has clearly mandated that a practitioner possess state authority in order to be deemed a practitioner under the CSA, DEA has held repeatedly that revocation of a practitioner's registration is the appropriate sanction whenever he is no longer authorized to dispense controlled substances under the laws of the state in which he practices. *See, e.g., James L. Hooper, M.D.*, 76 FR at 71371–72; *Sheran Arden Yeates, M.D.*, 71 FR 39130, 39131 (2006); *Dominick A. Ricci, M.D.*, 58 FR 51104, 51105 (1993); *Bobby Watts, M.D.*, 53 FR 11919, 11920 (1988); *Frederick Marsh Blanton, M.D.*, 43 FR at 27617.

publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2026-12650 Filed 6-23-26; 8:45 am]

BILLING CODE 4410-09-P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health Administration (MSHA) by Paramont Contura, LLC.

DATES: All comments on the petition must be received by MSHA's Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA-2026-0529 by any of the following methods:

1. *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA-2026-0529.

2. *Fax:* 202-693-9441.

3. *Email:* petitioncomments@dol.gov.

4. *Regular Mail or Hand Delivery:*

MSHA, Office of Standards, Regulations, and Variances, Room C3522, 200 Constitution Ave. NW, Washington, DC 20210.

Attention: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202-693-9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT: Jessica D. Senk, Office of Standards, Regulations, and Variances at 202-693-9440 (voice), Petitionsformodification@dol.gov (email), or 202-693-9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 and Title 30 of the Code of Federal Regulations (CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine Act) allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M-2026-013-C

Petitioner: Paramont Contura, LLC, 7045 Dante Mountain Road, Dante Virginia, 24327.

Mine: Deep Mine 46, MSHA ID No. 44-07433, located in Dickenson County, Virginia.

Regulation Affected: 30 CFR 75-1700, Oil and gas wells.

Modification Request: The petitioner requests modification of 30 CFR 75.1700 to permit an alternative method of compliance with the standard with respect to gas wells.

The petitioner states that:

(a) Paramont's Deep Mine 46 is located in Virginia with an official address of record of 7045 Dante Mountain Road, Dante Virginia, 24327. Paramont desires to plug vertically drilled degasification boreholes with or without horizontal laterals to permit mining through the boreholes.

(b) The alternative method will at all times guarantee no less than the same measure of protection afforded the miners under the mandatory standard.

The petitioner proposes the following alternative method:

(a) Scope.

(1) The petition applies to all wells to be mined through located within the mineable reserve at Paramont Contura, LLC—Deep Mine 46.

(b) District Manager Approval Required.

(1) A safety barrier of 300 feet in diameter (150 between any mined area and a well) shall be maintained around all wells (defined herein to include all active, inactive, abandoned, shut-in, and previously plugged oil and gas wells, and including water injection wells) until approval to proceed with mining has been obtained from the District

Manager. Wells that were drilled into potential oil or gas producing formations that did not produce commercial quantities of either gas or oil (wildcat wells or dry holes) are also defined as oil or gas wells.

(2) Prior to mining within the safety barrier around any well that is intended to be mined through, the mine operator shall provide to the District Manager a sworn affidavit or declaration executed by a company official stating that all mandatory procedures for cleaning out, preparing, and plugging each gas or oil well have been completed as described by the terms and conditions of the Proposed Decision and Order (PDO) granted by MSHA. The affidavit or declaration shall be accompanied by all logs described in subparagraphs (c)(1)(ii) and (c)(1)(iv) below and any other records described in those subparagraphs which the District Manager may request. The District Manager shall review the affidavit or declaration, the logs and any other records that have been requested, and may inspect the well itself, and shall then determine if the operator has complied with the procedures for cleaning out, preparing and plugging each well as described by the terms and conditions of the PDO granted by MSHA. If the District Manager determines that the procedures have been complied with, he shall provide his approval and the mine operator may then mine within the safety barrier of the well, subject to the terms of the PDO granted by MSHA.

(3) The terms and conditions of the PDO granted by MSHA apply to all types of coal mining.

(c) Mandatory Procedures for Cleaning Out, Preparing, Plugging, and Replugging Oil or Gas Wells.

(1) Mandatory procedures for cleaning out and preparing vertical oil and gas wells prior to plugging or replugging.

(i) If the total depth of the well is less than 4,000 feet, the operator shall completely clean out the well from the surface to at least 200 feet below the base of the lowest mineable coal seam, unless the District Manager requires cleaning to a greater depth based on his judgment as to what is required due to the geological strata, or due to the pressure within the well (the operator shall provide the District Manager with all information it possesses concerning the geological nature of the strata and the pressure of the well). If the total depth of the well is 4,000 feet or greater, the operator shall completely clean out the well from the surface to at least 400 feet below the base of the lowest mineable coal seam. The operator shall

remove all material from the entire diameter of the well, wall to wall.

(ii) The operator shall prepare down-hole logs for each well. They shall consist of a caliper survey and log(s) suitable for determining the top, bottom, and thickness of all coal seams and potential hydrocarbon producing strata and the location for a bridge plug. The District Manager may approve the use of a down-hole camera survey in lieu of down-hole logs. In addition, a journal shall be maintained describing the depth of each material encountered, the nature of each material encountered, bit size and type used to drill each portion of the hole, length and type of each material used to plug the well, length of casing(s) removed, perforated or ripped or left in place, any sections where casing was cut or milled, and other pertinent information concerning cleaning and sealing the well. Invoices, work-orders, and other records relating to all work on the well shall be maintained as part of this journal and provided to MSHA upon request.

(iii) When cleaning out the well as provided for in subparagraph (1)(i), the operator shall make a diligent effort to remove all of the casing in the well. If it is not possible to remove all of the casing, then the operator shall take appropriate steps to ensure that the annulus between the casing and between the casings and the well walls are filled with expanding (minimum 0.5 percent expansion upon setting) cement and contain no voids. If the casing cannot be removed, it shall be cut or milled at all mineable coal seam levels. Any casing which remains shall be perforated or ripped. Perforations or rips are required at least every 50 feet, from 200 feet (400 feet if the total well depth is 4,000 feet or greater) below the base of the lowest mineable coal seam up to 100 feet above the uppermost mineable coal seam. If the operator, using a casing bond log, can demonstrate to the satisfaction of the District Manager that all annuli in the well are already adequately sealed with cement, then the operator shall not be required to perforate or rip the casing for that particular well. When multiple casing and tubing strings are present in the coal horizon(s), any casing which remains shall be ripped or perforated and filled with expanding cement as indicated above. An acceptable casing bond log for each casing and tubing string is needed infused in lieu of ripping or perforating multiple strings.

(iv) If the District Manager concludes that the cleaned-out well is emitting excessive amounts of gas, a mechanical bridge plug shall be placed in the borehole in a competent stratum at least

200 feet (400 feet if the total well depth is 4,000 feet or greater) below the lowest mineable coal seam but above the top of the uppermost hydrocarbon-producing stratum, unless the District Manager requires a greater distance based on his judgment that it is required due to the geological strata or due to the pressure within the well (the operator shall provide the District Manager with all information it possesses concerning the geological nature of the strata and the pressure of the well). If it is not possible to set a mechanical bridge plug, an appropriately sized packer may be used.

(v) If the uppermost gas-producing stratum is within 300 feet of the base of the lowest mineable coal seam, the operator shall properly place mechanical bridge plugs or cap seal plugs or a suitable brush plug shall be used to isolate the hydrocarbon-producing stratum from the expanding cement plug. Nevertheless, the operator shall place a minimum of 200 feet (400 feet if the total well depth is 4,000 feet or greater) of expanding cement below the lowest mineable coal seam, unless the District Manager requires a greater distance based on his judgment that it is required due to the geological strata, or due to the pressure within the well.

(2) Mandatory procedures for plugging or replugging oil or gas wells to the surface.

After completely cleaning out the well as specified in paragraph (c)(1)(i) above, the following procedures shall be used to plug or replug gas or oil wells to the surface:

(i) The operator shall pump expanding cement slurry down the well to form a plug which runs from at least 200 feet (400 feet if the total well depth is 4,000 feet or greater) below the base of the lowest mineable coal seam (or lower if required by the District Manager based on his judgment that a lower depth is required due to the geological strata, or due to the pressure within the well) to the surface. The expanding cement shall be placed in the well under a pressure of at least 200 pounds per square inch. Portland cement or a lightweight cement mixture may be used to fill the area from 100 feet above the top of the uppermost mineable coal seam (or higher if required by the District Manager based on his judgment that a higher distance is required due to the geological strata, or due to the pressure within the well) to the surface.

(ii) The operator shall embed steel turnings or other small magnetic particles in the top of the cement near the surface to serve as a permanent magnetic monument of the well. In the alternative, a 4½ inch or larger casing,

set in cement, shall extend at least 36 inches above the ground level with the API well number engraved or welded on the casing. When the hole cannot be marked with a physical monument (*i.e.*, prime farmland), high-resolution GPS coordinates (one-half meter resolution) are required.

(3) Mandatory procedures for plugging or replugging oil and gas wells for use as degasification boreholes.

After completely cleaning out the well as specified in paragraph c(i)(l) above, the following procedures shall be utilized when plugging or replugging oil or gas wells that are used as degasification boreholes:

(i) The operator shall set a cement plug in the well by pumping an expanding cement slurry down the tubing to provide at least 200 feet of expanding cement below the lowest mineable coal seam, unless the District Manager requires a greater depth based on his judgment that a greater depth is required due to the geological strata, or due to the pressure within the well. The expanding cement shall be placed in the well under a pressure of at least 200 pounds per square inch. The top of the expanding cement shall extend at least 100 feet above the top of the coal seam being mined, unless the District Manager requires a greater distance based on his judgment that a greater distance is required due to the geological strata, or due to the pressure within the well.

(ii) The operator shall securely grout into the bedrock of the upper portion of the degasification well a suitable casing. In order to protect it, the remainder of this well may be cased or uncased.

(iii) The operator shall fit the top of the degasification casing with a wellhead equipped as required by the District Manager in the approved ventilation plan. Such equipment may include check valves, shut-in valves, sampling ports, flame arrestor equipment, and security fencing.

(iv) Operation of the degasification well shall be addressed in the approved ventilation plan. This may include periodic tests of methane levels and limits on the minimum methane concentrations that may be extracted.

(v) After the area of the coal mine that is degassed by a well is sealed or the coal mine is abandoned, the operator shall seal degas holes using the following procedures:

(A) The operator shall insert a tube to the bottom of the drill hole or, if not possible, to at least 100 feet above the coal seam being mined. Any blockage shall be removed to ensure that the tube can be inserted to this depth.

(B) The operator shall set a cement plug in the well by pumping Portland cement or a lightweight cement mixture down the tubing until the well is filled to the surface.

(C) The operator shall embed steel turnings or other small magnetic particles in the top of the cement near the surface to serve as a permanent magnetic monument of the well. In the alternative, a 4 in or larger casing, set in cement, shall extend at least 36 inches above the ground level with the API well number engraved or welded on the casing.

(4) Mandatory alternative procedures for preparing and plugging or replugging oil or gas wells.

The following provisions shall apply to all wells which the operator determines, and the MSHA District Manager agrees, cannot be completely cleaned out due to damage to the well caused by subsidence, caving or other factors.

(i) The operator shall drill a hole adjacent and parallel to the well, to a depth of at least 200 feet below the lowest mineable coal seam, unless the District Manager requires a greater depth based on his judgment that a greater depth is required due to the geological strata, or due to the pressure within the well.

(ii) The operator shall use a geophysical sensing device to locate any casing which may remain in the well.

(iii) If the well contains casing(s), the operator shall drill into the well from the parallel hole. From 10 feet below the coal seam to 10 feet above the coal seam, the operator shall perforate or rip all casings at intervals of at least 5 feet. Beyond this distance, the operator shall perforate or rip at least every 50 feet from at least 200 feet below the base of the lowest mineable coal seam up to 100 feet above the seam being mined, unless the District Manager requires a greater distance based on his judgment that a greater distance is required due to the geological strata, or due to the pressure within the well. The operator shall fill the annulus between the casings and between the casings and the well wall with expanding (minimum 0.5 percent expansion upon setting) cement, and shall ensure that these areas contain no voids. If the operator, using a casing bond log, can demonstrate to the satisfaction of the District Manager that the annulus of the well is adequately sealed with cement, then the operator shall not be required to perforate or rip the casing for that particular well, or fill these areas with cement. When multiple casing and tubing strings are present in the coal horizon(s), any casing which remains shall be ripped or perforated

and filled with expanding cement as indicated above. An acceptable casing bond log for each casing and tubing string is needed if used in lieu of ripping or perforating multiple strings.

(iv) Where the operator determines, and the District Manager agrees, that there is insufficient casing in the well to allow the method outlined in subparagraph (4)(iii) to be used, then the operator shall use a horizontal hydraulic fracturing technique to intercept the original well. From at least 200 feet below the base of the lowest mineable coal seam to a point at least 50 feet above the seam being mined, the operator shall fracture in at least six places, at intervals to be agreed upon by the operator and the District Manager after considering the geological strata and the pressure within the well. The operator shall then pump expanding cement into the fractured well in sufficient quantities and in a manner which fills all intercepted voids.

(v) The operator shall prepare down-hole logs for each well. They shall consist of a caliper survey and log(s) suitable for determining the top, bottom, and thickness of all coal seams and potential hydrocarbon producing strata and the location for the bridge plug. The operator may obtain the logs from the adjacent hole rather than the well if the condition of the well makes it impractical to insert the equipment necessary to obtain the log. The District Manager may approve the use of a down-hole camera survey in lieu of downhole logs if in his judgment such logs would not be suitable for obtaining the above-listed data or are impractical to obtain due to the condition of the drill hole. A journal shall be maintained describing the depth of each material encountered, the nature of each material encountered, bit size and type used to drill each portion of the hole, length and type of each material used to plug the well, length of casing(s) removed, perforated or ripped or left in place, and other pertinent information concerning sealing the well. Invoices, work-orders, and other records relating to all work on the well shall be maintained as part of this journal and provided to MSHA upon request.

(vi) After the operator has plugged the well as described in subparagraphs (4)(iii) and/or (4)(iv), the operator shall plug the adjacent hole, from the bottom to the surface, with Portland cement or a lightweight cement mixture. The operator shall embed steel turnings or other small magnetic particles in the top of the cement near the surface to serve as a permanent magnetic monument of the well. In the alternative, a 4½ inch or larger casing, set in cement, shall

extend at least 36 inches above the ground level. A combination of the methods outlined in subparagraphs (4)(iii) and (4)(iv) may have to be used in a single well, depending upon the conditions of the hole and the presence of casings. The operator and the District Manager should discuss the nature of each hole. The District Manager may require that more than one method be utilized.

(d) Mandatory Procedures After Approval Has been Granted by the District Manager To Mine Within the Safety Barrier, or To Mine Through a Plugged or Replugged Well.

(1) A representative of the operator, a representative of the miners, the appropriate State agency, or the MSHA District Manager may request that a conference be conducted prior to mining through any plugged or replugged well. Upon receipt of any such request, the District Manager shall schedule such a conference. The party requesting the conference shall notify all other parties listed above within a reasonable time prior to the conference to provide opportunity for participation. The purpose of the conference shall be to review, evaluate, and accommodate any abnormal or unusual circumstance(s) related to the condition of the well or surrounding strata when such conditions are encountered.

(2) The operator shall mine through a well on a shift approved by the District Manager. The operator shall notify the District Manager and the miners' representative in sufficient time prior to mining-through a well in order to provide an opportunity to have representatives present.

(3) When using continuous mining methods, drilage sights shall be installed at the last open crosscut near the place to be mined to ensure intersection of the well. The drilage sites shall not be more than 50 feet from the well. When using longwall-mining methods, drilage sights shall be installed on 10-foot centers for a distance of 50 feet in advance of the well bore. The drilage sights shall be installed in the headgate and tailgate.

(4) The operator shall ensure that fire-fighting equipment including fire extinguishers, rock dust, and sufficient fire hose to reach the working face area of the well intersection (when either the conventional or continuous mining method is used) is available and operable during all well intersections. The fire hose shall be located in the last open crosscut of the entry or room. The operator shall maintain the water line to the belt conveyor tailpiece along with a sufficient amount of fire hose to reach the farthest point of penetration on the

section. When the longwall mining method is used, a hose to the longwall water supply is sufficient.

(5) The operator shall ensure that sufficient supplies of roof support and ventilation materials shall be available and located at the last open crosscut. In addition, emergency plugs and suitable sealing materials shall be available in the immediate area of the well intersection.

(6) On the shift prior to mining through the well, the operator shall service all equipment and check it for permissibility. Water sprays, water pressures and water flow rates used for dust and spark suppression shall be examined and any deficiencies corrected.

(7) The operator shall calibrate the methane monitor(s) on the longwall, continuous mining machine, or cutting machine and loading machine on the shift prior to mining through the well.

(8) When mining is in progress, the operator shall perform tests for methane with a handheld methane detector at least every 10 minutes from the time that mining with the continuous mining machine or longwall face is within 30 feet of the well until the well is intersected and immediately prior to mining through it. During the actual cutting process, no individual shall be allowed on the return side until the well intersection has been completed, the area has been examined and has been declared safe. All workplace examinations shall be conducted on the return side of the shearer while the shearer is idle.

(9) When using continuous or conventional mining methods, the working place shall be free from accumulations of coal dust and coal spillages, and rock dust shall be placed on the roof, rib and floor to within 20 feet of the face when mining through the well. On longwall sections, rock dusting shall be conducted and placed on the roof, rib and floor up to both the headgate and tailgate gob.

(10) When the well is intersected, the operator shall deenergize all equipment and thoroughly examine and determine they are safe before mining is resumed.

(11) When a well has been intersected and the working place determined safe, mining shall continue in by the well a sufficient distance to permit adequate ventilation around the area of the well.

(12) If the casing is cut or milled at the coal seam level, the use of torches should not be necessary. However, in rare instances, torches may be used for inadequately or inaccurately cut or milled casings. No open flame shall be permitted in the area until adequate ventilation has been established around

the wellbore and methane levels of less than 1.0 percent are present in all areas that will be exposed to flames and sparks from the torch. The operator shall apply a thick layer of rock dust to the roof, face, floor, ribs and any exposed coal within 20 feet of the casing prior to any use of torches.

(13) Non-sparking (brass) tools shall be located on the working section and shall be used to expose and examine cased walls.

(14) No person shall be permitted in the area of the mine through operation except those actually engaged in the operation, company personnel, representatives of the miners, personnel from MSHA, and personnel from the appropriate State agency.

(15) The operator shall alert all personnel in the mine to the planned intersection of the well prior to their going underground if the planned intersection is to occur during their shift. This warning shall be repeated for all shifts until the well has been mined through.

(16) The well intersection shall be under the direct supervision of a certified official. Instructions concerning the mine through operation shall be issued only by the certified official in charge.

(17) The provisions of the PDO granted by MSHA do not impair the authority of representatives of MSHA to interrupt or halt the well intersection, and to issue a withdrawal order, when they deem it necessary for the safety of the miners. MSHA may order an interruption or cessation of the well intersection and/or a withdrawal of personnel by issuing either a verbal or written order to that effect to a representative of the operator, which order shall include the basis for the order. Operations in the affected area of the mine may not resume until a representative of MSHA permits resumption. The mine operator and miners shall comply with verbal or written MSHA orders immediately. All verbal orders shall be committed to writing within a reasonable time as conditions permit.

(18) A copy of the PDO granted by MSHA shall be maintained at the mine and be available to the miners.

(19) Within 30 days after the PDO granted by MSHA becomes final, the operator shall submit proposed revisions for its approved 30 CFR part 48 training plan to the District Manager. The proposed revisions shall include initial and refresher training regarding compliance with the terms and conditions stated in the PDO granted by MSHA. The operator shall provide all miners involved in the well intersection

with training regarding the requirements of the PDO granted by MSHA prior to mining within 150 feet of the next well intended to be mined through.

(20) The responsible-person required under 30 CFR 75.1501 is responsible for well intersection emergencies. The well intersection procedures should be reviewed by the responsible-person prior to any planned intersection.

(21) Within 30 days after the PDO granted by MSHA becomes final, the operator shall submit proposed revisions for its approved mine emergency evacuation and firefighting plan required by 30 CFR 75.1501. The operator shall revise the plans to include the hazards and evacuation procedures to be used for well intersections. All underground miners shall be trained in this revised plan within 30 days of the submittal of the revised evacuation plan.

(22) The miners at Deep Mine 46 are not represented by a labor organization and the petition for modification has been posted on the mine bulletin board on May 8, 2026, and shall remain in place until such time as a ruling on this petition becomes final.

In support of the petition, the petitioner provided additional information including a mine map showing the oil and gas wells, existing mine workings, and proposed future mining areas.

The petitioner asserts that the alternative method will guarantee no less than the same measure of protection afforded the miners under the mandatory standard.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026-12658 Filed 6-23-26; 8:45 am]

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DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health Administration (MSHA) by Iron Cumberland, LLC.

DATES: All comments on the petition must be received by MSHA's Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA–2026–0233 by any of the following methods:

1. *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA–2026–0233.

2. *Fax:* 202–693–9441.

3. *Email:* petitioncomments@dol.gov.

4. *Regular Mail or Hand Delivery:*

MSHA, Office of Standards, Regulations, and Variances, Room C3522, 200 Constitution Ave. NW, Washington, DC 20210.

Attention: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT: Jessica D. Senk, Office of Standards, Regulations, and Variances at 202–693–9440 (voice), Petitionsformodification@dol.gov (email), or 202–693–9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 and Title 30 of the Code of Federal Regulations (CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine Act) allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M–2026–008–C.

Petitioner: Iron Cumberland, LLC, 576 Maple Run Road, Waynesburg, Pennsylvania 15370.

Mine: Cumberland Mine, MSHA ID No. 36–05018, located in Greene County, Pennsylvania.

Regulation Affected: 30 CFR 75–1700, Oil and gas wells.

Modification Request: The petitioner requests modification of standard 30 CFR 75.1700 to permit mining within the 300 feet diameter safety barrier of six unconventional gas wells.

The petitioner states that:

(a) Cumberland is a large coal mine that produces coal from the Pittsburgh No. 8 seam. It utilizes continuous miners to develop panels for retreat mining by longwall equipment.

(b) The Cumberland Mine employs approximately 632 miners and produces approximately 32,000 tons of bituminous coal per day from the Pittsburgh #8 coal seam with an average height of 96 inches. At this time, there are no coal seams being mined stratigraphically down section from the Pittsburgh seam. The mine is accessed through one slope and five airshafts. The mine operates one longwall, two advancing gate sections, and a mains section utilizing continuous mining machines. The mine liberates 6,378,632 cubic feet of methane per day.

(c) The planning for the layout of a longwall mining panel and district is a complex one that must take into account various factors related to ventilation, roof control, coal quality and production.

(d) The petition is necessary to facilitate mining of the No. 86 longwall panel. The longwall shearer will mine through and intersect the Daddy Long Legs Marcellus gas wells. Altering mining projections to avoid the Daddy Long Legs gas wells would require a “longwall move” in the middle of a panel. This would require driving an additional set up face and could potentially create adverse ventilation and roof control conditions. It would also require an additional longwall “move” which has certain inherent hazards related to moving longwall equipment through the mine.

(e) The Cumberland Mine desires to plug six unconventional gas wells in the Marcellus shale so that mining may occur within the 300-foot diameter that they may be mined through. These are:

(1) The Daddy Long Legs Marcellus Gas Well American Petroleum Institute (API) #: 37–059–26887(1H),

(2) The Daddy Long Legs Marcellus Gas Well API #: 37–059–26888(3H),

(3) The Daddy Long Legs Marcellus Gas Well API #: 37–059–26889(5H),

(4) The Daddy Long Legs Marcellus Gas Well API #: 37–059–26890(7H),

(5) The Daddy Long Legs Marcellus Gas Well API #: 37–059–26891(9H), and

(6) The Daddy Long Legs Marcellus Gas Well API #: 37–059–26892(11H).

(f) The alternative method will at all times guarantee no less than the same

measure of protection afforded the miners under the mandatory standard.

The petitioner proposes the following alternative method:

(a) The following shall require District Manager approval.

(1) A safety barrier of 300 feet in diameter shall be maintained around the Daddy Long Legs 1H, 3H, 5H, 7H, 9H and 11H gas wells until the District Manager approves to proceed with mining.

(2) A sworn affidavit or declaration executed by the company official who is in charge of health and safety at the mine stating that all mandatory procedures in the Proposed Decision and Order (PDO) granted by MSHA for cleaning out, preparing, and plugging each gas well have been completed shall be provided to the District Manager prior to mining within the safety barrier around these wells. The affidavit or declaration shall be accompanied by all logs, electronic or otherwise, described in section (b)(7) and any other records the District Manager requires.

(3) This petition applies to all types of underground coal mining at the mine.

(b) The following mandatory procedures shall be followed when cleaning out and preparing the Daddy Long Legs 1H, 3H, 5H, 7H, 9H and 11H gas wells prior to plugging:

(1) Tests for gas emissions inside the hole before cleaning out, preparing, and plugging gas wells. The District Manager shall be contacted if the well is actively producing gas.

(2) Since these wells are unconventional and greater than 4,000 feet in depth, a diligent effort shall be made to remove all the casing in the well and clean the well down to the original arrowset packer installed just above the “kick off point” in the well. The well shall be completely cleaned from the surface to at least the same arrowset packer originally installed. The District Manager shall be provided with all information it possesses concerning the geological nature of the strata and the pressure of the well. A diligent effort shall be made to remove all material from the entire diameter of the well, wall to wall.

(3) Since these wells are no longer producing and are being cleaned and prepared subject to the PDO granted by MSHA, an attempt to remove all of the casing using a diligent effort and comply with all other applicable provisions of the PDO shall be made.

(4) A diligent effort to remove the casing shall require a minimum of 150 percent of the casing string weight and/or at least three attempts to spear the casing for the required minimum pull effort. A record of these efforts,

including casing length and weight shall be kept and made available for MSHA review.

(5) Perforations or rips shall be made at least every 50 feet from 400 feet below the base of the coal seam up to 100 feet above the uppermost mineable coal seam. Appropriate steps shall be taken to ensure that the annulus between the casing and the well walls are filled with expanding (minimum 0.5 percent expansion upon setting) cement and contain no voids.

(6) Jet/sand cutting is one method for cutting, ripping, or perforating the casing with three or more strings of casing in the coal seam in preparation for mining. This method uses compressed nitrogen gas and sand to cut the well casings. On active wells, cuts start at 200 feet above the bottom of the casing at 200 feet intervals, to 200 feet below the bottom of the coal seam.

(7) Down-hole logs shall be prepared for each well. Logs shall consist of a caliper survey, a bond log if appropriate, a deviation survey, and a gamma survey for determining the top, bottom, and thickness of all coal seams down to the coal seam to be mined or the lowest mineable coal seam, whichever is lower, potential hydrocarbon producing strata, and the location of any existing bridge plug. In addition, a log shall be maintained describing: the depth of each material encountered; the nature of each material encountered; bit size and type used to drill each portion of the hole; length and type of each material used to plug the well; length of casings removed, perforated or ripped, or left in place; any sections where casing was cut or milled; and other pertinent information concerning cleaning and sealing the well. Invoices, work-orders, and other records relating to all work on the well shall be maintained as part of this journal and provided to MSHA upon request.

(8) A diligent effort shall be made to remove the casing down to the arrowset packer installed just above the "kick off point" (where the well transitions from vertical to horizontal). If the entire vertical casing above the existing packer can be removed, the well shall be prepared for plugging and sealed and using seals described in section (b)(10).

(9) If the District Manager concludes that the completely cleaned out well is emitting excessive amounts of gas, additional mechanical bridge plug shall be placed in the well.

(10) The mechanical bridge plug shall be placed in a competent stratum at least 400 feet below the base of the lowest mineable coal seam, but above the top of the uppermost hydrocarbon-producing stratum, unless the District

Manager requires a greater distance based on the geological strata or the pressure within the well. The District Manager shall be provided with all available information concerning the geological nature of the strata and the pressure of the well. If it is not possible to set a mechanical bridge plug, an appropriately sized packer may be used. The measures taken to "kill the well" and plug the hydrocarbon producing strata shall be documented.

(11) If the upper-most hydrocarbon-producing stratum is within 300 feet of the base of the coal seam, mechanical bridge plugs as described in section (b)(10) shall be properly placed to isolate the hydrocarbon-producing stratum from the expanding cement plug.

(12) A minimum of 400 feet of expanding cement shall be placed below the coal seam, unless the District Manager requires a greater distance based on the geological strata or the pressure within the well.

(c) The following mandatory procedures shall be followed for plugging the Daddy Long Legs 1H, 3H, 5H, 7H, 9H and 11H gas wells to the surface, after completely cleaning out the well:

(1) Cement shall be used as a plugging material.

(2) The mine operator shall pump cement slurry down the well to form a plug which runs from the original arrowset packer installed just above the "kick off point" in the well to 400 feet below the Pittsburgh #8 coal seam. The cement shall be placed in the well under a pressure of at least 200 pounds per square inch. The mine operator shall pump expanding cement slurry down the well to form a plug which runs from 400 feet below the coal seam to the surface. The District Manager can modify the cementing plan based on the geological strata or the pressure within the well.

(3) The mine operator shall embed steel turnings or other small magnetic particles in the top of the cement near the surface to serve as a permanent magnetic monument of the well. In the alternative, a 4-inch or larger diameter casing, set in cement, shall extend at least 36 inches above the ground level with the API well number engraved or welded on the casing. When the hole cannot be marked with a physical monument (e.g., prime farmland), high-resolution GPS coordinates (one-half meter resolution) are required.

(d) The following alternate procedures shall be followed for preparing and plugging or replugging the Daddy Long Legs 1H, 3H, 5H, 7H, 9H and 11H gas wells:

(1) If it is not possible to remove all the casing, the District Manager shall be notified before any other work is performed.

(2) If the well cannot be cleaned out or the casing removed, the well shall be prepared from the surface to at least 400 feet below the base of the Pittsburgh #8 coal seam, unless the District Manager requires cleaning out and removal of casing to a greater depth based on the geological strata or the pressure within the well.

(3) If the casing cannot be removed from the total depth, the well shall be filled with cement from the lowest possible depth to 400 feet below the Pittsburgh #8 coal seam, and the other applicable provisions in the PDO granted by MSHA shall apply.

(4) If the casing cannot be removed, the casing shall be perforated from 400 feet below the Pittsburgh #8 coal seam, the annuli shall be cemented or otherwise filled, and the other applicable provisions in the PDO granted by MSHA shall apply.

(5) If the casing cannot be removed, the casing shall be cut, milled, perforated, or ripped at sufficient intervals to facilitate the removal of any remaining casing in the coal seam by the mining equipment. Any casing which remains shall be cut, perforated, or ripped to permit the injection of cement into voids within and around the well. All casing remaining at the Pittsburgh #8 coal seam shall be cut, perforated, or ripped at least every 5 feet from 10 feet below the coal seam to 10 feet above the coal seam.

(e) The following mandatory procedures shall be followed when mining within a 100-foot diameter barrier around the Daddy Long Legs 1H, 3H, 5H, 7H, 9H and 11H gas wells:

(1) A representative of the mine operator, a representative of the miners, the appropriate State agency, or the MSHA District Manager may request that a conference be conducted prior to intersecting any plugged well. The party requesting the conference shall notify all other parties listed above within a reasonable time prior to the conference to provide opportunity for participation. The purpose of the conference shall be to review, evaluate, and accommodate any abnormal or unusual circumstance related to the condition of the well or surrounding strata when such conditions are encountered.

(2) Each well shall be intersected on a shift approved by the District Manager. The District Manager and the miners' representative shall be notified in sufficient time prior to intersecting a well to provide an opportunity to have representatives present.

(3) Drivage sites shall be installed at the last open crosscut near the place to be mined to ensure intersection of the well when using continuous mining methods. The drivage sites shall not be more than 50 feet from the well. When using longwall-mining methods, distance markers shall be installed on 5-foot centers for a distance of 50 feet in advance of the well in the head gate entry and in the tailgate entry.

(4) When either the conventional or continuous mining method is used, fire-fighting equipment including fire extinguishers, rock dust, and sufficient fire hose to reach the working face area of the well intersection shall be available and operable during all well intersections. The fire hose shall be located in the last open crosscut of the entry or room. Water line shall be maintained to the belt conveyor tailpiece along with a sufficient amount of fire hose to reach the farthest point of penetration on the section. When the longwall mining method is used, a hose to the longwall water supply is sufficient.

(5) Sufficient supplies of roof support and ventilation materials shall be available and located at the last open crosscut. In addition, emergency plugs and suitable sealing materials shall be available in the immediate area of the well intersection.

(6) Testing and permissibility examinations of all equipment shall be made on the shift prior to intersecting the well. Water sprays, water pressures, and water flow rates used for dust and spark suppression shall be examined and any deficiencies corrected.

(7) The methane monitor(s) on the longwall, continuous mining machine, or cutting machine and loading machine shall be calibrated on the shift prior to intersecting the well.

(8) When mining is in progress, tests for methane shall be made with a handheld methane detector at least every 10 minutes from when mining with the continuous mining machine or longwall face is within 30 feet of the well until the well is intersected. During the actual cutting process, no individual shall be allowed on the return side until the well intersection has been completed and the area has been examined and declared safe. All workplace examinations on the return side of the shearer shall be conducted while the shearer is idle. Our most current Approved Ventilation Plan shall be followed at all times unless the District Manager requires a greater air velocity for the intersect.

(9) When using continuous or conventional mining methods, the working place shall be free from

accumulations of coal dust and coal spillages. Rock dust shall be placed on the roof, rib, and floor to within 20 feet of the face when intersecting the well. On longwall sections, rock dusting shall be conducted and placed on the roof, rib, and floor up to both the headgate and tailgate gob.

(10) When the well is intersected, all equipment shall be de-energized and thoroughly examined and the area determined to be safe before permitting mining to resume.

(11) After a well has been intersected and the working place determined to be safe, mining shall continue in by the well a sufficient distance to permit adequate ventilation around the area of the well.

(12) If the casing is cut or milled at the coal seam level, the use of torches should not be necessary. When necessary, torches shall be used for inadequately or inaccurately cut or milled casings. No open flame shall be permitted in the area until adequate ventilation has been established around the well bore and methane levels of less than 1.0 percent are present in all areas that will be exposed to flames and sparks from the torch. A thick layer of rock dust shall be applied to the roof, face, floor, ribs, and any exposed coal within 20 feet of the casing prior to the use of torches.

(13) Non-sparking (brass) tools shall be available and used exclusively to expose and examine cased wells.

(14) No person shall be permitted in the area of the well intersection except those actually engaged in the operation, including company personnel, representatives of the miners, personnel from MSHA, and personnel from the appropriate State agency.

(15) All personnel in the mine shall be alerted to the planned intersection of the well prior to their going underground if the planned intersection is to occur during their shift. This warning shall be repeated for all shifts until the well has been mined through.

(16) The well intersection shall be under the direct supervision of a certified individual. Instructions concerning the well intersection shall be issued only by the certified individual in charge.

(17) If the well in the longwall panel cannot be located or if a development section misses the anticipated intersection, mining shall cease, and an examination for hazardous conditions at the projected location of the well shall be conducted, the District Manager shall be notified, and reasonable measures shall be taken to locate the well, including visual observation/inspection or through survey data. Mining may

resume if the well is located, and no hazardous conditions exist. If the well cannot be located, the mine operator shall work with the District Manager to resolve any issues before mining resumes.

(18) The provisions of the requested petition do not impair the authority of representatives of MSHA to interrupt or halt the well intersection and to issue a withdrawal order when they deem it necessary for the safety of the miners. MSHA may order an interruption or cessation of the well intersection and/or a withdrawal of personnel by issuing either a verbal or written order to that effect to a representative of the mine operator. Operations in the affected area of the mine shall not resume until a representative of MSHA permits resumption. The mine operator and miners shall comply with verbal or written MSHA orders immediately. All verbal orders shall be committed to writing within a reasonable time as conditions permit.

(19) A copy of the PDO granted by MSHA shall be maintained at the mine and available to the miners.

(20) If the well is not plugged to the total depth of all minable coal seams identified in the core hole logs, any coal seams beneath the lowest plug shall remain subject to the barrier requirements of 30 CFR 75.1700, should those coal seams be developed in the future.

(21) All necessary safety precautions and safe practices according to industry standards and required by MSHA regulations and State regulatory agencies having jurisdiction over the plugging site shall be followed to provide the upmost protection to the miners involved in the process.

(22) All miners involved in the plugging or re-plugging operations shall be trained on the contents of the PDO granted by MSHA prior to starting the process. A copy of the PDO granted by MSHA shall be posted at the well site until the plugging or re-plugging has been completed.

(23) Mechanical bridge plugs shall incorporate the best available technologies that are either required or recognized by the State regulatory agency and/or oil and gas industry.

(24) Within 30 days after the PDO granted by MSHA becomes final, proposed revisions for the approved 30 CFR part 48 training plan shall be submitted to the District Manager. These proposed revisions shall include initial and refresher training on compliance with the terms and conditions stated in the PDO granted by MSHA. All miners involved in well intersection shall be provided with training on the

requirements of the PDO granted by MSHA prior to mining within 150 feet of the well intended to be mined through.

(25) The responsible person required under 30 CFR 75.1501, shall be responsible for well intersection emergencies. The well intersection procedures shall be reviewed by the responsible person prior to any planned intersection.

(26) Within 30 days after the PDO granted by MSHA becomes final, proposed revisions shall be submitted for the approved mine emergency evacuation and firefighting program of instruction required under 30 CFR 75.1502. The program of instruction shall be revised to include the hazards and evacuation procedures to be used for well intersections. All underground miners shall be trained in this revised plan within 30 days of submittal.

(f) The miners at Cumberland Mine are represented by a miners representative and the petition for modification has been served to the miners representative on February 18, 2026.

In support of the Petition, the petitioner provided additional information including: a schematic showing the cutting, milling, perforating, or ripping well casing above and below the Pittsburgh #8 coal seam; a general proposed permanent plugging schematic for a gas well; mine information including construction details, pressures, production history, site-specific geology, gas-producing formations locations, and relevant logging information; surface location well plat; mine map with gas well location; and well record and competition report for the Daddy Long Legs 1H, 3H, 5H, 7H, 9H and 11H wells.

The petitioner asserts that the alternative method will guarantee no less than the same measure of protection afforded the miners under the mandatory standard.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026-12662 Filed 6-23-26; 8:45 am]

BILLING CODE 4520-43-P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health Administration (MSHA) by Fossil Rock Resources, LLC.

DATES: All comments on the petition must be received by MSHA's Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA-2026-0364 by any of the following methods:

1. *Federal eRulemaking Portal:*

<https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA-2026-0364.

2. *Fax:* 202-693-9441.

3. *Email:* petitioncomments@dol.gov.

4. *Regular Mail or Hand Delivery:*

MSHA, Office of Standards, Regulations, and Variances, Room C3522, 200 Constitution Ave NW, Washington, DC 20210.

Attention: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202-693-9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT:

Jessica D. Senk, Office of Standards, Regulations, and Variances at 202-693-9440 (voice), *Petitionsformodification@dol.gov* (email), or 202-693-9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 and Title 30 of the Code of Federal Regulations (CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine Act) allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M-2026-009-C.

Petitioner: Fossil Rock Resources, LLC, 5125 N Cottonwood Road, Orangeville, UT 84537.

Mine: Fossil Rock Mine, MSHA ID No. 42-01211, located in Emery County, Utah.

Regulation Affected: 30 CFR 75-500(d), Permissible electric equipment.

Modification Request: The petitioner requests modification of standard 30 CFR 75.500(d) to permit the use of intrinsically safe powered air-purifying respirators (PAPRs) and specified full-face respirators taken into or used in the last open crosscut at the Fossil Rock Mine.

The petitioner states that:

(a) The petitioner seeks this modification because PAPRs that meet MSHA permissibility requirements for use in gassy underground coal mines are no longer manufactured or commercially available. Fossil Rock Mine has determined that currently available respiratory protection devices that provide equivalent or greater protection from respirable coal mine dust exposure are limited to intrinsically safe PAPRs that meet internationally recognized hazardous-location safety standards rather than MSHA permissibility approvals. Fossil Rock Mine has evaluated available respiratory protection equipment and determined that the devices identified in the petition incorporate intrinsic safety protections and are certified to recognize hazardous-location standards such as ANSI/UL 60079-11. These devices provide positive-pressure respiratory protection and are designed for use in environments where ignition hazards may exist. Because MSHA-approved permissible PAPRs for underground coal mines are discontinued or unavailable, and because the identified intrinsically safe devices provide comparable protection while meeting modern hazardous-location electrical safety standards, the petitioner seeks modification of § 75.500(d) to permit their use under the safeguards described in the petition.

(b) Equipment to be used:

(1) CleanSpace EX—Full-face or half-mask configuration (NIOSH-approved; intrinsically safe).

(2) 3M Versaflo TR-800 PAPR—UL classified to ANSI/UL 60079-11; intrinsically safe.

(3) 3M Ultimate FX Full-Facepiece Respirator—Non-battery-powered.

(c) The proposed respiratory protection devices are designed for use in hazardous underground coal mine environments and incorporate intrinsic

safety protections to prevent ignition hazards. The safeguards outlined ensure operational control consistent with the intent of 30 CFR 75.500(d). The requested modification enhances miner protection against respirable dust exposure while maintaining compliance with permissibility principles. The devices provide positive pressure respiratory protection and meet recognized hazardous-location electrical safety standards that ensure protection against ignition hazards.

(d) MSHA has previously granted petitions for modification permitting the use of the 3M Versaflo TR-800 PAPR and the CleanSpace intrinsically safe respiratory protection devices in the last open crosscut at affiliated underground coal mines operated by Wolverine Fuels, including Skyline Mine and SUFCO Mine. The safeguards and operational limitations proposed in this petition are consistent with those previously approved by MSHA for those operations. The petitioner respectfully requests that MSHA consider these prior approvals when evaluating this petition.

(e) The petitioner asserts that the proposed alternative method will at all times guarantee no less than the same measure of protection afforded by the existing standard.

The petitioner proposes the following alternative method:

(a) All PAPR battery charging shall occur outby the last open crosscut.

(b) Only manufacturer-approved charging equipment shall be used.

(c) The 3M Versaflo TR-800 shall operate solely with the TR-830 battery pack.

(d) All affected miners shall receive training consistent with the mine's respiratory protection program.

(e) Each unit shall be examined prior to use to ensure housing integrity and operational readiness.

(f) If methane concentrations reach 1.0 percent or greater, actions shall be taken in accordance with 30 CFR part 75.

(g) The proposed devices shall supplement, not replace, required engineering and administrative dust controls.

(h) Any damaged or malfunctioning respiratory protection equipment shall be immediately removed from service and repaired or replaced in accordance with manufacturer recommendations.

(i) Fossil Rock Mine does not currently have a designated representative of miners and a copies of the petitions for modification have been posted on the official mine bulletin board at Fossil Rock Mine on April 7, 2026.

In support of the petition, the petitioner provided additional information including equipment specifications, intrinsic safety classifications/certifications, operating instructions, and component compatibility for the respiratory protection systems proposed for use at Fossil Rock Mine.

The petitioner asserts that the alternative method will guarantee no less than the same measure of protection afforded the miners under the mandatory standard.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026-12665 Filed 6-23-26; 8:45 am]

BILLING CODE 4520-43-P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health Administration (MSHA) by ICG Beckley, LLC.

DATES: All comments on the petition must be received by MSHA's Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA-2026-0430 by any of the following methods:

1. *Federal eRulemaking Portal:*

<https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA-2026-0430.

2. *Fax:* 202-693-9441.

3. *Email:* petitioncomments@dol.gov.

4. *Regular Mail or Hand Delivery:*

Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances, MSHA, Room C3522, 200 Constitution Ave NW, Washington, DC 20210. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202-693-9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT:

Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances at 202-693-9440 (voice), Petitionsformodification@dol.gov (email), or 202-693-9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine Act) and Title 30 of the Code of Federal Regulations (30 CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Mine Act allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M-2026-011-C.

Petitioner: ICG Beckley, LLC, P.O.

Box. 49, Eccles, West Virginia 25836.

Mine: Beckley Pocahontas Mine, MSHA Mine ID No. 46-05252, located in Raleigh County, West Virginia.

Regulation Affected: 30 CFR 75.351(h), Atmospheric monitoring systems, Location of sensors—electrical installations.

Modification Request: The petitioner requests modification of standard 30 CFR 75.351(h) to install an atmospheric monitoring system (AMS) within 50 feet downwind of each electrical installation in certain areas of the Beckley Pocahontas Mine.

The petitioner states that:

(a) The Beckley Pocahontas Mine extracts coal from the Pocahontas No. 3 coal seam. The mine has three shafts, one slope, and operates five continuous miner sections which produce coal five to six days per week.

(b) Miners primarily access the mine via the Hunt Intake/Elevator Shaft to the "Bottom Area." The Bottom Area houses diesel powered personnel carriers which are utilized to transport miners to the working sections and other inby areas of the mine; mine supplies; diesel powered supply motors; a personnel carrier repair shop; and the No. 1 belt head.

(c) Approximately five to seven miners work exclusively in the Bottom Area and along the Nos. 1 and 2 belts each working shift.

(d) The No. 1 belt traverses 21 breaks inby along the North Mains and is

ventilated with Belt Intake Air from the Hunt Slope. The No. 2 belt joins at the Northeast Mains and shares the same ventilation source, as do the adjacent travel ways along the Nos. 1 and 2 belts.

(e) There are approximately 18 electrical installations located at the Bottom Area and along the Nos. 1 and 2 belts which are subject to the AMS requirements set forth in 30 CFR 75.351(h). Three electrical installations located further inby along the No. 2 belt are not subject to this petition and will have AMS sensors located within 50 feet. This petition applies only to those installations located in the Belt Intake Air Course in the Bottom Area, No. 1 belt.

(f) The Bottom Area and travel ways along the Nos. 1 and 2 belt experience frequent utilization of diesel-powered equipment. The current placement of AMS units within 50 feet of each electrical installation in these areas has historically resulted in nuisance CO alarms unrelated to detection of fire conditions.

(g) Miners frequently work and travel in this area operating equipment, monitoring and examining the belt and belt structure, and working in and around the diesel shop. The Bottom Area is not a remote location that primarily relies on atmospheric monitoring to detect combustion.

(h) On January 29, 2026, ICG Beckley, LLC submitted a proposed revision to its approved ventilation plan to the MSHA Beckley District Office. The revised ventilation plan would permit the utilization of Belt Intake Air to ventilate certain working sections of the mine. The proposed revision underwent two District reviews and final approval was obtained on February 19, 2026.

(i) The proposed alternative method for atmospheric monitoring of outby electrical installations guarantees no less than the same measure of protection and early fire detection afforded by the existing standard.

The petitioner proposes the following alternative method:

(a) Install five AMS units at strategic locations based upon ventilation modeling and CO transport time analysis to allow for continuous monitoring of CO levels at or below existing MSHA-approved alarm setpoints.

(b) Airflow volume in the petition area is approximately 108,297 cubic feet per minute, with average air velocities of 505 feet per minute. At this velocity, the CO detection time at the strategically placed AMS units would be:

(1) Longest—128 seconds (from electrical installation at the elevator air lock doors); and

(2) Shortest—9 seconds (from the electrical installations at 9 break to the AMS units at 10 break).

(c) The five AMS units create overlapping coverage zones which cover all electrical installations in the Bottom Area, the Nos. 1 and 2 belt, and associated travel ways. Ventilation models show no dead air zones exist between any electrical installation and proposed AMS unit location.

(d) The proposed AMS unit configuration will reduce nuisance alarms while maintaining early fire detection capability, enhancing AMS alarm reliability, improving miner confidence in alarm signals, and promoting prompt and effective response to fire conditions.

(e) The AMS units will continue to comply with applicable fire detection, suppression, examination, and response requirements including immediate alarm transmission to the surface monitoring station, identical fire response procedures, and reevaluation of AMS placement upon any material change in ventilation quantity, direction, or electrical installation location.

(f) In support of the proposed alternative method, ICG Beckley, LLC has also submitted a table that depicts air flow volume under the approved ventilation change and a map of the proposed locations of the five AMS units in the Bottom Area, No. 1 belt.

(g) A copy of the petition was mailed to the miners' representative on April 15, 2026. A copy of the petition was also posted on the mine bulletin board on April 6, 2026.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026-12657 Filed 6-23-26; 8:45 am]

BILLING CODE 4520-43-P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health Administration (MSHA) by Sally Ann Coal Company, Inc.

DATES: All comments on the petition must be received by MSHA's Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA-2026-0232 by any of the following methods:

1. *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA-2026-0232.

2. *Fax:* 202-693-9441.

3. *Email:* petitioncomments@dol.gov.

4. *Regular Mail or Hand Delivery:* MSHA, Office of Standards, Regulations, and Variances, Room C3522, 200 Constitution Ave. NW, Washington, DC 20210.

Attention: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202-693-9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT:

Jessica D. Senk, Office of Standards, Regulations, and Variances at 202-693-9440 (voice), Petitionsformodification@dol.gov (email), or 202-693-9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 and Title 30 of the Code of Federal Regulations (CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine Act) allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M-2026-007-C.

Petitioner: Sally Ann Coal Company, Inc., 356 South College Drive, Bluefield, VA 24605.

Mine: No. 1 Mine, MSHA ID No. 46–07366, located in McDowell County, West Virginia.

Regulation Affected: 30 CFR 75–1101–1(b), Deluge-type water spray systems.

Modification Request: The petitioner seeks a petition for modification of standard 30 CFR 75.1101–1(b) to modify the requirement that nozzles be provided with blow-off dust covers on their deluge-type water spray systems.

The petitioner states that:

(a) 30 CFR 75.1101–1(b) provides that “Nozzles attached to the branch lines shall be full core, corrosion resistant and provided with blow-off dust covers.”

(b) Sections 75.1101–1 through 75.1101–4 set forth various requirements regarding deluge-type water spray systems; among those requirements there is no mandate to inspect and functionally test such systems. Nevertheless, Sally Ann Coal Company conducts a weekly inspection and functional test of its complete deluge-type water spray system.

(c) Currently, Sally Ann Coal Company complies with the requirements of 75.1101–1(b) by providing each nozzle with a blow-off dust cover. In view of the frequent inspections and functional testing of the system, the dust covers are not necessary because the nozzles can be maintained in an unclogged condition through weekly use. Further, it is burdensome to recap the large number of covers weekly after each inspection and functional test.

(d) The alternative method will at all times guarantee no less than the same measure of protection afforded the miners employed at No. 1 Mine by the standard.

The petitioner proposes the following alternative method:

(a) Sally Ann Coal Company proposes the following alternative method of achieving the result of the standard set forth in section 75.1101–1(b), insofar as it requires that nozzles be provided with blow-off dust covers.

(1) Sally Ann Coal Company proposes to continue its weekly inspection and functional testing of the complete deluge-type water spray system.

(2) Sally Coal Company proposes to remove blow-off dust covers from the nozzles.

(b) The miners at No. 1 Mine are not represented by a miners representative and the petition for modification is posted on the mine bulletin board as of February 19, 2026.

The petitioner asserts that the alternative method will guarantee no less than the same measure of protection

afforded the miners under the mandatory standard.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026–12663 Filed 6–23–26; 8:45 am]

BILLING CODE 4520–43–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health Administration (MSHA) by Fossil Rock Resources, LLC.

DATES: All comments on the petition must be received by MSHA’s Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA–2026–0496 by any of the following methods:

1. *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA–2026–0496.
2. *Fax:* 202–693–9441.
3. *Email:* petitioncomments@dol.gov.
4. *Regular Mail or Hand Delivery:*

MSHA, Office of Standards, Regulations, and Variances, Room C3522, 200 Constitution Ave NW, Washington, DC 20210.

Attention: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT:

Jessica D. Senk, Office of Standards, Regulations, and Variances at 202–693–9440 (voice), Petitionsformodification@dol.gov (email), or 202–693–9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 and Title 30 of the Code of Federal Regulations (CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine

Act) allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M–2026–012–C.

Petitioner: Fossil Rock Resources, LLC, 5125 N Cottonwood Road Orangeville UT 84537.

Mine: Fossil Rock Mine, MSHA ID No. 42–01211, located in Emery County, Utah.

Regulation Affected: 30 CFR 75–507–1, Electric equipment other than power-connection points; outby the last open crosscut; return air; permissibility requirements.

Modification Request: The petitioner requests modification of standard 30 CFR 75.507–1 to permit the use of intrinsically safe powered air-purifying respirators (PAPRs) and specified full-face respirators in return air outby the last open crosscut at the Fossil Rock Mine.

The petitioner states that:

(a) The petitioner seeks this modification because PAPRs that meet MSHA permissibility requirements for use in gassy underground coal mines are no longer manufactured or commercially available. Fossil Rock Mine has determined that currently available respiratory protection devices that provide equivalent or greater protection from respirable coal mine dust exposure are limited to intrinsically safe PAPRs that meet internationally recognized hazardous-location safety standards rather than MSHA permissibility approvals. Fossil Rock Mine has evaluated available respiratory protection equipment and determined that the devices identified in the petition incorporate intrinsic safety protections and are certified to recognize hazardous-location standards such as ANSI/UL 60079–11. These devices provide positive-pressure respiratory protection and are designed for use in environments where ignition hazards may exist. Because MSHA-approved permissible PAPRs for underground coal mines are

discontinued or unavailable, and because the identified intrinsically safe devices provide comparable protection while meeting modern hazardous-location electrical safety standards, the petitioner seeks modification of § 75.507–1 to permit their use under the safeguards described in the petition.

(b) Equipment to be used:

(1) CleanSpace EX—Full-face or half-mask configuration (NIOSH-approved; intrinsically safe).

(2) 3M Versaflo TR–800 PAPR—UL classified to ANSI/UL 60079–11; intrinsically safe.

(3) 3M Ultimate FX Full-Facepiece Respirator—Non-battery-powered respirator component.

(c) The proposed respiratory protection devices are designed for use in hazardous underground coal mine environments and incorporate intrinsic safety protections to prevent ignition hazards. The safeguards outlined ensure operational control consistent with the intent of 30 CFR 75.507–1. The requested modification enhances miner protection against respirable dust exposure while maintaining protection against ignition hazards in return air outby the last open crosscut. The devices provide positive pressure respiratory protection and meet recognized hazardous-location electrical safety standards intended to control ignition risk.

(d) MSHA has previously granted petitions for modification permitting the use of the 3M Versaflo TR–800 PAPR and the CleanSpace intrinsically safe respiratory protection devices at affiliated underground coal mines operated by Wolverine Fuels, including Skyline Mine and SUFCO Mine. The safeguards and operational limitations proposed in this petition are consistent with those previously approved by MSHA for those operations. The petitioner respectfully requests that MSHA consider these prior approvals when evaluating this petition.

(e) The petitioner asserts that the proposed alternative method will at all times guarantee no less than the same measure of protection afforded by the existing standard.

The petitioner proposes the following alternative method:

(a) PAPR units permitted under this petition shall be limited to the identified devices and manufacturer-approved components.

(b) All PAPR battery charging shall occur on the surface or in another location outby the last open crosscut and outside return air courses. No batteries or charging equipment shall be charged, repaired, or serviced in return air courses.

(c) Only manufacturer-approved charging equipment shall be used.

(d) The 3M Versaflo TR–800 shall operate solely with the TR–830 battery pack.

(e) All affected miners shall receive training consistent with the mine's respiratory protection program.

(f) Each unit shall be examined prior to use to ensure housing integrity and operational readiness.

(g) If methane concentrations reach 1.0 percent or greater, actions shall be taken in accordance with 30 CFR part 75.

(h) The proposed devices shall supplement, not replace, required engineering and administrative dust controls.

(i) Any damaged or malfunctioning respiratory protection equipment shall be immediately removed from service and repaired or replaced in accordance with manufacturer recommendations.

(i) Fossil Rock Mine does not currently have a designated representative of miners. A copy of this petition for modification has been posted on the official mine bulletin board on May 7, 2026, at Fossil Rock Mine for review by miners and will remain posted until the ruling on this petition becomes final.

In support of the petition, the petitioner provided additional information including equipment specifications, intrinsic safety classifications/certifications, operating instructions, and component compatibility for the respiratory protection systems proposed for use at Fossil Rock Mine.

The petitioner asserts that the alternative method will guarantee no less than the same measure of protection afforded the miners under the mandatory standard.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026–12661 Filed 6–23–26; 8:45 am]

BILLING CODE 4520–43–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

Petition for Modification of Application of Existing Mandatory Safety Standards

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Notice.

SUMMARY: This notice is a summary of a petition for modification submitted to the Mine Safety and Health

Administration (MSHA) by Fossil Rock Resources, LLC.

DATES: All comments on the petition must be received by MSHA's Office of Standards, Regulations, and Variances on or before July 24, 2026.

ADDRESSES: You may submit comments identified by Docket No. MSHA–2026–0365 by any of the following methods:

1. *Federal eRulemaking Portal:*

<https://www.regulations.gov>. Follow the instructions for submitting comments for MSHA–2026–0365.

2. *Fax:* 202–693–9441.

3. *Email:* petitioncomments@dol.gov.

4. *Regular Mail or Hand Delivery:*

MSHA, Office of Standards, Regulations, and Variances, Room C3522, 200 Constitution Ave. NW, Washington, DC 20210.

Attention: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances. Individuals may inspect copies of the petition and comments during normal business hours at the address listed above. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

FOR FURTHER INFORMATION CONTACT:

Jessica D. Senk, Office of Standards, Regulations, and Variances at 202–693–9440 (voice), Petitionsformodification@dol.gov (email), or 202–693–9441 (fax). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: Section 101(c) of the Federal Mine Safety and Health Act of 1977 and Title 30 of the Code of Federal Regulations (CFR) part 44 govern the application, processing, and disposition of petitions for modification.

I. Background

Section 101(c) of the Federal Mine Safety and Health Act of 1977 (Mine Act) allows the mine operator or representative of miners to file a petition to modify the application of any mandatory safety standard to a coal or other mine if the Secretary of Labor determines that:

1. An alternative method of achieving the result of such standard exists which will at all times guarantee no less than the same measure of protection afforded the miners of such mine by such standard; or

2. The application of such standard to such mine will result in a diminution of safety to the miners in such mine.

In addition, sections 44.10 and 44.11 of 30 CFR establish the requirements for filing petitions for modification.

II. Petition for Modification

Docket Number: M–2026–010–C.

Petitioner: Fossil Rock Resources, LLC, 5125 N Cottonwood Road Orangeville UT 84537.

Mine: Fossil Rock Mine, MSHA ID No. 42–01211, located in Emery County, Utah.

Regulation Affected: 30 CFR 75–1002(a), Installation of electric equipment and conductors; permissibility.

Modification Request: The petitioner requests modification of standard 30 CFR 75.1002(a) to permit the use of intrinsically safe powered air-purifying respirators (PAPRs) and specified full face respirators within 150 feet of pillar workings or longwall faces at the Fossil Rock Mine.

The petitioner states that:

(a) The petitioner seeks this modification because PAPRs that meet MSHA permissibility requirements for use in gassy underground coal mines are no longer manufactured or commercially available. Fossil Rock Mine has determined that currently available respiratory protection devices that provide equivalent or greater protection from respirable coal mine dust exposure are limited to intrinsically safe PAPRs that meet internationally recognized hazardous-location safety standards rather than MSHA permissibility approvals. Fossil Rock Mine has evaluated available respiratory protection equipment and determined that the devices identified in the petition incorporate intrinsic safety protections and are certified to recognize hazardous-location standards such as ANSI/UL 60079–11. These devices provide positive-pressure respiratory protection and are designed for use in environments where ignition hazards may exist. Because MSHA-approved permissible PAPRs for underground coal mines are discontinued or unavailable, and because the identified intrinsically safe devices provide comparable protection while meeting modern hazardous-location electrical safety standards, the petitioner seeks modification of § 75.1002(a) to permit their use under the safeguards described in the petition.

(b) Equipment to be used:

(1) CleanSpace EX—Full-face or half-mask configuration (NIOSH-approved; intrinsically safe).

(2) 3M Versaflo TR–800 PAPR—UL classified to ANSI/UL 60079–11; intrinsically safe.

(3) 3M Ultimate FX Full–Facepiece Respirator—Non-battery-powered.

(c) The proposed respiratory protection devices are designed for use in hazardous underground coal mine environments and incorporate intrinsic safety protections to prevent ignition hazards. The safeguards outlined ensure operational control consistent with the intent of 30 CFR 75.1002(a). The

requested modification enhances miner protection against respirable dust exposure while maintaining compliance with permissibility principles. The devices provide positive pressure respiratory protection and meet recognized hazardous-location electrical safety standards that ensure protection against ignition hazards.

(d) MSHA has previously granted petitions for modification permitting the use of the 3M Versaflo TR–800 PAPR and the CleanSpace intrinsically safe respiratory protection devices in the last open crosscut at affiliated underground coal mines operated by Wolverine Fuels, including Skyline Mine and SUFCO Mine. The safeguards and operational limitations proposed in this petition are consistent with those previously approved by MSHA for those operations. The petitioner respectfully requests that MSHA consider these prior approvals when evaluating this petition.

(e) The petitioner asserts that the proposed alternative method will at all times guarantee no less than the same measure of protection afforded by the existing standard.

The petitioner proposes the following alternative method:

(a) All PAPR battery charging shall occur outby the last open crosscut.

(b) Only manufacturer-approved charging equipment shall be used.

(c) The 3M Versaflo TR–800 shall operate solely with the TR–830 battery pack.

(d) All affected miners shall receive training consistent with the mine's respiratory protection program.

(e) Each unit shall be examined prior to use to ensure housing integrity and operational readiness.

(f) If methane concentrations reach 1.0 percent or greater, actions shall be taken in accordance with 30 CFR Part 75.

(g) The proposed devices shall supplement, not replace, required engineering and administrative dust controls.

(h) Any damaged or malfunctioning respiratory protection equipment shall be immediately removed from service and repaired or replaced in accordance with manufacturer recommendations.

(i) Fossil Rock Mine does not currently have a designated representative of miners and a copy of the petitions for modification have been posted on the official mine bulletin board at Fossil Rock Mine on April 7, 2026.

In support of the petition, the petitioner provided additional information including equipment specifications, intrinsic safety classifications/certifications, operating instructions, and component

compatibility for the respiratory protection systems proposed for use at Fossil Rock Mine.

The petitioner asserts that the alternative method will guarantee no less than the same measure of protection afforded the miners under the mandatory standard.

Jessica D. Senk,

Acting Director, Office of Standards, Regulations, and Variances.

[FR Doc. 2026–12656 Filed 6–23–26; 8:45 am]

BILLING CODE 4520–43–P

NATIONAL SCIENCE FOUNDATION

[Docket No. NSF–2026–OTR–0001]

Agency Information Collection Activities: Comment Request; National Science Foundation Proposal/Award Information—NSF Guidance on Financial Assistance

AGENCY: National Science Foundation.

ACTION: Notice.

SUMMARY: The U.S. National Science Foundation (NSF) is announcing plans to renew and revise its collection for its financial assistance policies and procedures. In accordance with the requirements of the Paperwork Reduction Act of 1995, NSF is providing the opportunity for public comment on this action. After obtaining and considering public comment, NSF will prepare the submission requesting Office of Management and Budget (OMB) clearance of this collection for no longer than three years.

DATES: Written comments on this notice must be submitted by August 24, 2026 to be considered.

ADDRESSES: Interested parties are invited to electronically submit written comments identified by information collection 3145–0058 through the Federal eRulemaking portal: <https://regulations.gov> under the docket no. NSF–2026–OTR–0001.

Instructions: Please submit comments only and cite Information Collection 3145–0058 in all correspondence related to this collection. To confirm receipt of your comment(s), please check regulations.gov, approximately two-to-three business days after submission to verify posting. In general, all in-scope comments received will be included in the public docket without change including any personal information provided, unless the comment includes threats. Please do not include any confidential business information or sensitive personal privacy information in your comments.

FOR FURTHER INFORMATION CONTACT:

Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, Randolph Building, 401 Delany Street, Alexandria, Virginia 22314; telephone (703) 292-7556; or send email to fafrcomments@nsf.gov. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339, which is accessible 24 hours a day, 7 days a week, 365 days a year (including Federal holidays).

SUPPLEMENTARY INFORMATION:

Abstract: The primary purpose of this revision is to update NSF policies through the development of the U.S. NSF *Proposal and Award Policies and Procedures Guide* (PAPPG), now to be renamed the NSF *Guidance on Financial Assistance* (GFA), to incorporate plain language, clarify language, separate policies from procedures, remove policies no longer relevant, incorporate mandated statutory, regulatory, Executive Order, and policy-related changes. The GFA directs users to originating statutes, guidance, and regulations, where practicable. The draft NSF GFA is available in the docket no. NSF-2026-OTR-0001.

Title of Collection: “U.S. National Science Foundation Proposal/Award Information—NSF Guidance on Financial Assistance.”

OMB Approval Number: 3145-0058.

Expiration Date of Approval: November 30, 2026.

Type of Request: The U.S. NSF intends to seek approval to extend with revision an information collection for three years.

Proposed Project: The National Science Foundation Act of 1950 (Pub. L. 81-507) sets forth NSF’s mission and purpose:

“To promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense. . . .”

Use of the Information: The regular submission of proposals to the Foundation is part of the collection of information and is used to help NSF fulfill this responsibility by initiating and supporting merit-selected research and education projects in all the scientific and engineering disciplines. NSF receives more than 43,000 proposals annually for new projects and makes approximately 8,300 financial assistance awards, including grants and cooperative agreements.

NSF funding is primarily made through issuance of grants, cooperative agreements awarded to approximately 3,000 institutions of higher education,

non-profit organizations, tribal nations, for-profit organizations, and state and local governments. The awards are based primarily on the merit review of proposals submitted to the Foundation.

Burden on the Public: The Foundation estimates that an average of 120 hours is expended for each proposal submitted. An estimated 43,000 proposals are expected to be received during the course of one year for a total of 5,160,000 public burden hours annually.

Comments: Comments are invited on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information shall have practical utility; (b) the accuracy of the Agency’s estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information on respondents, including through the use of automated collection techniques or other forms of information technology; and (d) ways to minimize the burden of the collection of information on those who are to respond including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology; and (e) feedback on the new design and display of information for users. Comments, including attachments to regulations.gov, will be posted publicly to the docket unchanged. Commenters are encouraged to provide clarity as to the guide number and section that each comment is referencing by beginning each comment with the relevant section number in brackets. For example; if the comment is on Guide 2, Section A. Term and Definition 2. Dear Colleague Letters (DCLs), include the following before the comment [G2.A.Term 2].

Dated: June 22, 2026..

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026-12725 Filed 6-23-26; 8:45 am]

BILLING CODE 7555-01-P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-293; 72-1044; 50-003; 50-247; 50-286; 72-051; 50-219; 72-15; 50-155; 72-043; NRC-2026-2774]

Holtec Decommissioning International, LLC; Holtec Pilgrim, LLC; Holtec Indian Point 2, LLC; Holtec Indian Point 3, LLC; Oyster Creek Environmental Protection, LLC; Holtec Big Rock Point, LLC; Pilgrim Nuclear Power Station; Indian Point Nuclear Generating Stations 1, 2, and 3; Oyster Creek Nuclear Generating Station; Big Rock Point Consideration of Approval of Transfer of Licenses

AGENCY: Nuclear Regulatory Commission.

ACTION: Application for indirect transfer of control of licenses; opportunity to comment, request a hearing, and petition for leave to intervene; order imposing procedures.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) received and is considering approval of an application filed by Holtec Decommissioning International, LLC (HDI), on behalf of Holtec Pilgrim, LLC; Holtec Indian Point 2, LLC; Holtec Indian Point 3, LLC; Oyster Creek Environmental Protection, LLC; and Holtec Big Rock Point, LLC (collectively, the licensees) on May 14, 2026. The application seeks NRC approval of the indirect transfer of control of the NRC licenses associated with the Pilgrim Nuclear Power Station (DPR-35), Indian Point Units 1, 2, and 3 (DPR-5, DPR-26, and DPR-64), Oyster Creek Nuclear Generating Station (DPR-16), and Big Rock Point (DPR-6). The application describes a corporate reorganization in which the membership interests of the licensees will be transferred from their current immediate upstream parent, Nuclear Asset Management Company, LLC (NAMCO), to a newly created affiliate, Decommissioning Asset Management Company, LLC (DEAMCO). HDI will remain the licensed operator and no physical changes to the sites are proposed. Because this indirect license transfer request contains sensitive unclassified non-safeguards information (SUNSI), an order imposes procedures to obtain access to SUNSI for contention preparation.

DATES: Submit comments by July 24, 2026. Comments received after this date will be considered if it is practical to do so, but the NRC is able to ensure consideration only for comments received on or before this date. Requests for a hearing or petition for leave to intervene must be filed by July 14, 2026.

Any potential party as defined in section 2.4 of title 10 of the *Code of Federal Regulations* (10 CFR) who believes access to SUNSI is necessary to respond to this notice must request document access by July 6, 2026.

ADDRESSES: You may submit comments by any of the following methods; however, the NRC encourages electronic comment submission through the Federal rulemaking website:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC–2026–2774. 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.

- *Email comments to:* Hearing.Docket@nrc.gov. If you do not receive an automatic email reply confirming receipt, then contact us at 301–415–1677.

- *Fax comments to:* Secretary, U.S. Nuclear Regulatory Commission at 301–415–1101.

- *Mail comments to:* Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, ATTN: Rulemakings and Adjudications Staff.

- *Hand deliver comments to:* 11555 Rockville Pike, Rockville, Maryland 20852, between 7:30 a.m. and 4:15 p.m. eastern time (ET) Federal workdays; telephone: 301–415–1677.

For additional direction on obtaining information and submitting comments, see “Obtaining Information and Submitting Comments” in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Marlayna Doell, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, telephone: 301–415–3178; email: Marlayna.Doell@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2026–2774 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Go to <https://www.regulations.gov> and search for Docket ID NRC–2026–2774.

- *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 license transfer application dated May 14, 2026, is available in ADAMS under Accession No. ML26134A394. A supplement dated June 17, 2026, is available at ML26168A421.

- *NRC’s PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

B. Submitting Comments

The NRC encourages electronic comment submission through the Federal rulemaking website (<https://www.regulations.gov>). Please include Docket ID NRC–2026–2774 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at <https://www.regulations.gov> as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Introduction

A. Background

Pilgrim Nuclear Power Station, Indian Point Nuclear Generating Stations 1, 2, and 3, Oyster Creek Nuclear Generating Station, and Big Rock Point are permanently shut down nuclear power reactors undergoing decommissioning. All spent nuclear fuel is stored at

independent spent fuel storage installations (ISFSIs) located at each site.

B. Transfer Request

The NRC is considering the issuance of an order under 10 CFR 50.80 and 10 CFR 72.50 approving an indirect transfer of control of the licenses listed in this notice from NAMCO to DEAMCO. According to the application for approval filed by the licensees, the licensees will continue to own their respective facilities and hold the associated licenses; the facilities will continue to be operated by HDI. No physical changes to the facilities or operational changes are being proposed in the application. [Because the same legal entities will remain the licensees for the subject facilities and operations, and their names will not change, no conforming license amendments are necessary.]

The application states that the indirect transfer would occur through a corporate reorganization whereby DEAMCO becomes the upstream owner of the licensees and an independent manager is appointed with specific fiduciary authorities over decommissioning budgets and schedules, nuclear decommissioning trust investment strategy, and other reserved matters. HDI will remain the licensed operator with plenary authority over nuclear safety, and no physical changes to any site are proposed in the application. The request does not propose changes that would adversely affect the terms of the licenses or the licensees’ or HDI’s technical and financial qualifications.

The NRC’s regulations at 10 CFR 50.80 and 10 CFR 72.50 state that no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed transfer of responsibility will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

III. Opportunity To Comment

Within 30 days from the date of publication of this notice, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such

comments will not otherwise constitute part of the decisional record. Comments should be submitted as described in the **ADDRESSES** section of this document.

IV. Opportunity To Request a Hearing and Petition for Leave To Intervene

Within 20 days after the date of publication of this notice, any person (petitioner) whose interest may be affected by this action may file a request for a hearing and petition for leave to intervene (petition) with respect to the action. Petitions shall be filed in accordance with the Commission's "Agency Rules of Practice and Procedure," in 10 CFR part 2. Interested persons should consult 10 CFR 2.309. If a petition is filed, the presiding officer will rule on the petition and, if appropriate, a notice of a hearing will be issued.

Petitions must be filed no later than 20 days from the date of publication of this notice in accordance with the filing instructions in the "Electronic Submissions (E-Filing)" section of this document. Petitions and motions for leave to file new or amended contentions that are filed after the deadline will not be entertained absent a determination by the presiding officer that the filing demonstrates good cause by satisfying the three factors in 10 CFR 2.309(c)(1)(i) through (iii).

A State, local governmental body, Federally recognized Indian Tribe, or designated agency thereof, may submit a petition to the Commission to participate as a party under 10 CFR 2.309(h) no later than 20 days from the date of publication of this notice. Alternatively, a State, local governmental body, Federally recognized Indian Tribe, or agency thereof may participate as a non-party under 10 CFR 2.315(c).

For information about filing a petition and about participation by a person not a party under 10 CFR 2.315, see ADAMS Accession No. ML20340A053 (<https://adamswebsearch2.nrc.gov/webSearch2/main.jsp?AccessionNumber=ML20340A053>) and on the NRC's public website at <https://www.nrc.gov/about-nrc/regulatory/adjudicatory/hearing.html#participate>.

V. Electronic Submissions (E-Filing)

All documents filed in NRC adjudicatory proceedings, including documents filed by an interested State, local governmental body, Federally recognized Indian Tribe, or designated agency thereof that requests to participate under 10 CFR 2.315(c), must be filed in accordance with 10 CFR 2.302. The E-Filing process requires participants to submit and serve all

adjudicatory documents over the internet, or in some cases, to mail copies on electronic storage media, unless an exemption permitting an alternative filing method, as further discussed, is granted. Detailed guidance on electronic submissions in adjudicatory proceedings is located in the "Electronic Information Exchange System Adjudicatory User's Guide" (ADAMS Accession No. ML23150A083) and on the NRC's public website at <https://www.nrc.gov/site-help/e-submittals.html>.

To comply with the procedural requirements of E-Filing, at least 10 days prior to the filing deadline, the participant should contact the Office of the Secretary by email at Hearing.Docket@nrc.gov, or by telephone at 301-415-1677, to (1) request a digital identification (ID) certificate, which allows the participant (or its counsel or representative) to digitally sign submissions and access the E-Filing system for any proceeding in which it is participating; and (2) advise the Secretary that the participant will be submitting a petition or other adjudicatory document (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on the NRC's public website at <https://www.nrc.gov/site-help/e-submittals/getting-started.html>. After a digital ID certificate is obtained and a docket created, the participant must submit adjudicatory documents in Portable Document Format. Guidance on submissions is available on the NRC's public website at <https://www.nrc.gov/site-help/electronic-sub-ref-mat.html>. A filing is considered complete at the time the document is submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. ET on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an email confirming receipt of the document. The E-Filing system also distributes an email that provides access to the document to the NRC's Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the document on those participants separately. Therefore, applicants and other participants (or

their counsel or representative) must apply for and receive a digital ID certificate before adjudicatory documents are filed to obtain access to the documents via the E-Filing system.

A person filing electronically using the NRC's adjudicatory E-Filing system may seek assistance by contacting the NRC's Electronic Filing Help Desk through the "Contact Us" link located on the NRC's public website at <https://www.nrc.gov/site-help/e-submittals.html>, by email to MSHD.Resource@nrc.gov, or by a toll-free call at 1-866-672-7640. The NRC Electronic Filing Help Desk is available between 9 a.m. and 6 p.m., ET, Monday through Friday, except Federal holidays.

Participants who believe that they have good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing stating why there is good cause for not filing electronically and requesting authorization to continue to submit documents in paper format. Such filings must be submitted in accordance with 10 CFR 2.302(b)-(d). Participants filing adjudicatory documents in this manner are responsible for serving their documents on all other participants. Participants granted an exemption under 10 CFR 2.302(g)(2) must still meet the electronic formatting requirement in 10 CFR 2.302(g)(1), unless the participant also seeks and is granted an exemption from 10 CFR 2.302(g)(1).

Documents submitted in adjudicatory proceedings will appear in the NRC's electronic hearing docket, which is publicly available at <https://adams.nrc.gov/ehd>, unless excluded pursuant to an order of the presiding officer. If you do not have an NRC-issued digital ID certificate as previously described, click "cancel" when the link requests certificates and you will be automatically directed to the NRC's electronic hearing docket where you will be able to access any publicly available documents in a particular hearing docket. Participants are requested not to include personal privacy information such as social security numbers, home addresses, or personal phone numbers in their filings unless an NRC regulation or other law requires submission of such information. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants should not include copyrighted materials in their submission.

The Commission will issue a notice or order granting or denying a hearing

request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

For further details with respect to this application, see the application dated May 14, 2026 (ADAMS Accession No. ML26134A394).

Attorney for licensee: Jason Day, One Holtec Boulevard, Camden, New Jersey 08104.

NRC Branch Chief: Michelle Sutherland.

Order Imposing Procedures for Access to Sensitive Unclassified Non-Safeguards Information for Contention Preparation

A. This Order contains instructions regarding how potential parties to this proceeding may request access to documents containing Sensitive Unclassified Non-Safeguards Information (SUNSI).

B. Within 10 days after publication of this notice of opportunity for hearing, any potential party who believes access to SUNSI is necessary to respond to this notice may request such access. A "potential party" is any person who intends to participate as a party by demonstrating standing and filing an admissible contention under 10 CFR 2.309. Requests for access to SUNSI submitted later than 10 days after publication will not be considered absent a showing of good cause for the late filing, addressing why the request could not have been filed earlier.

C. The requestor shall submit a letter requesting permission to access SUNSI to the Office of the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and provide a copy to the Deputy General Counsel for Licensing, Hearings, and Enforcement, Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. The expedited delivery or courier mail address for both offices is: U.S. Nuclear Regulatory Commission, 11555 Rockville Pike, Rockville, Maryland 20852. The email addresses for the Office of the Secretary and the Office of the General Counsel are Hearing.Docket@nrc.gov and RidsOgcMailCenter.Resource@nrc.gov, respectively.¹ The request must include the following information:

(1) A description of the licensing action with a citation to this **Federal Register** notice.

(2) The name and address of the potential party and a description of the potential party's particularized interest that could be harmed by the action identified in C.(1).

(3) The identity of the individual or entity requesting access to SUNSI and the requestor's basis for the need for the information in order to meaningfully participate in this adjudicatory proceeding. In particular, the request must explain why publicly available versions of the information requested would not be sufficient to provide the basis and specificity for a proffered contention.

D. To avoid delays in processing requests for access to SUNSI, the requestor should review all submitted materials for completeness and accuracy (including legibility) before submitting them to the NRC. The NRC will return incomplete packages to the sender without processing.

E. Based on an evaluation of the information submitted under paragraph C.(3), the NRC staff will determine within 10 days of receipt of the request whether:

(1) There is a reasonable basis to believe the petitioner is likely to establish standing to participate in this NRC proceeding; and

(2) The requestor has established a legitimate need for access to the SUNSI requested.

F. If the NRC staff determines that the requestor has satisfied both E.(1) and E.(2), the NRC staff will notify the requestor in writing that access to SUNSI has been granted. The written notification will contain instructions on how the requestor may obtain copies of the requested documents, and any other conditions that may apply to access to those documents. These conditions may include, but are not limited to, the signing of a Non-Disclosure Agreement or Affidavit, or Protective Order² setting forth terms and conditions to prevent the unauthorized or inadvertent disclosure of SUNSI by each individual who will be granted access to SUNSI.

G. Filing of Contentions. Any contentions in these proceedings that are based upon the information received as a result of the request made for SUNSI must be filed by the requestor no

procedures should be submitted as described in this paragraph.

² Any motion for Protective Order or draft Non-Disclosure Affidavit or Agreement for SUNSI must be filed with the presiding officer, or the Chief Administrative Judge if the presiding officer has not yet been designated, within 30 days of the deadline for the receipt of the written access request.

later than 25 days after receipt of (or access to) that information. However, if more than 25 days remain between the petitioner's receipt of (or access to) the information and the deadline for filing all other contentions (as established in the notice of opportunity for hearing), the petitioner may file its SUNSI contentions by that later deadline.

H. Review of Denials of Access.

(1) If the request for access to SUNSI is denied by the NRC staff after a determination on standing and requisite need, the NRC staff shall immediately notify the requestor in writing, briefly stating the reason or reasons for the denial.

(2) The requestor may challenge the NRC staff's adverse determination regarding access to SUNSI by filing a challenge within 5 days of receipt of that determination with: (a) the presiding officer designated in this proceeding; (b) if no presiding officer has been appointed, the Chief Administrative Judge, or if this individual is unavailable, another administrative judge or an Administrative Law Judge with jurisdiction pursuant to 10 CFR 2.318(a); or (c) if another officer has been designated to rule on information access issues, with that officer.

(3) Further appeals of decisions under this paragraph must be made pursuant to 10 CFR 2.311.

I. Review of Grants of Access. A party other than the requestor may challenge an NRC staff determination granting access to SUNSI whose release would harm that party's interest independent of the proceeding. Such a challenge must be filed within 5 days of the notification by the NRC staff of its grant of access and must be filed with: (a) the presiding officer designated in this proceeding; (b) if no presiding officer has been appointed, the Chief Administrative Judge, or if this individual is unavailable, another administrative judge or an Administrative Law Judge with jurisdiction pursuant to 10 CFR 2.318(a); or (c) if another officer has been designated to rule on information access issues, with that officer.

If challenges to the NRC staff determinations are filed, these procedures give way to the normal process for litigating disputes concerning access to information. The availability of interlocutory review by the Commission of orders ruling on such NRC staff determinations (whether granting or denying access) is governed by 10 CFR 2.311.³

³ Requestors should note that the filing requirements of the NRC's E-Filing Rule (72 FR

¹ While a request for hearing or petition to intervene in this proceeding must comply with the filing requirements of the NRC's "E-Filing Rule," the initial request to access SUNSI under these

J. The Commission expects that the NRC staff and presiding officers (and any other reviewing officers) will consider and resolve requests for access to SUNSI, and motions for protective orders, in a timely fashion in order to minimize any unnecessary delays in identifying those petitioners who have standing and who have propounded

contentions meeting the specificity and basis requirements in 10 CFR part 2. The attachment to this Order summarizes the general target schedule for processing and resolving requests under these procedures.

It is so ordered.

Authority: 42 U.S.C. 2011 *et seq.*

Dated: June 22, 2026.

For the Nuclear Regulatory Commission.
Carrie Safford,
Secretary of the Commission.

Attachment 1—General Target Schedule for Processing and Resolving Requests for Access to Sensitive Unclassified Non-Safeguards Information in This Proceeding

Day	Event/activity
0	Publication of Federal Register notice of opportunity for hearing, including order with instructions for access requests.
10	Deadline for submitting requests for access to Sensitive Unclassified Non-Safeguards Information (SUNSI). SUNSI requests should include information: (i) supporting the standing of a potential party identified by name and address and (ii) describing the requestor's need for the information in order for the potential party to participate meaningfully in an adjudicatory proceeding.
60	Deadline for submitting petition for intervention containing: (i) demonstration of standing and (ii) all contentions whose formulation does not require access to SUNSI (+25 Answers to petition for intervention; +7 requestor/petitioner reply).
20	U.S. Nuclear Regulatory Commission (NRC) staff informs the requestor of the staff's determination whether the request for access provides a reasonable basis to believe standing can be established and shows need for SUNSI. (For SUNSI, NRC staff also informs any party to the proceeding whose interest independent of the proceeding would be harmed by the release of the information.) If NRC staff makes the finding of need for SUNSI and likelihood of standing, NRC staff begins document processing (preparation of redactions or review of redacted documents).
25	If NRC staff finds no "need" for SUNSI or no likelihood of standing, the deadline for requestor/petitioner to file a motion seeking a ruling to reverse the NRC staff's denial of access; NRC staff files copy of access determination with the presiding officer (or Chief Administrative Judge or other designated officer, as appropriate). If NRC staff finds "need" for SUNSI, the deadline for any party to the proceeding whose interest independent of the proceeding would be harmed by the release of the information to file a motion seeking a ruling to reverse the NRC staff's grant of access.
30	Deadline for NRC staff reply to motions to reverse NRC staff determination(s).
40	(Receipt +30) If NRC staff finds standing and need for SUNSI, deadline for NRC staff to complete information processing and file motion for Protective Order and draft Non-Disclosure Agreement or Affidavit. Deadline for applicant/licensee to file Non-Disclosure Agreement or Affidavit for SUNSI.
A	If access granted: issuance of presiding officer or other designated officer decision on motion for protective order for access to sensitive information (including schedule for providing access and submission of contentions) or decision reversing a final adverse determination by the NRC staff.
A + 3	Deadline for filing executed Non-Disclosure Agreements or Affidavits. Access provided to SUNSI consistent with decision issuing the protective order.
A + 28	Deadline for submission of contentions whose development depends upon access to SUNSI. However, if more than 25 days remain between the petitioner's receipt of (or access to) the information and the deadline for filing all other contentions (as established in the notice of opportunity for hearing), the petitioner may file its SUNSI contentions by that later deadline.
A + 53	(Contention receipt +25) Answers to contentions whose development depends upon access to SUNSI.
A + 60	(Answer receipt +7) Petitioner/Intervenor reply to answers.
>A + 60	Decision on contention admission.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-255; NRC-2026-3136]

Palisades Energy, LLC; Palisades Nuclear Plant; Exemption

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has issued an exemption in response to a request dated May 27, 2026, as supplemented on June 4, 2026, and June 13, 2026, from Palisades Energy, LLC. The exemption authorizes a one-time exemption for the Palisades Nuclear Plant to allow the use

of the less restrictive work hour limitations described in the NRC regulations until 9 days before the start of the unit's initial fuel load into the reactor for various covered individuals as described in the exemption.

DATES: The exemption was issued on June 18, 2026.

ADDRESSES: Please refer to Docket ID NRC-2026-3136 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-2026-3136. 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 individuals 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 exemption is available in ADAMS under Accession No. ML26147A163, and the supplements are available at ML26155A278 and ML26167A029, respectively.

49139; August 28, 2007, as amended at 77 FR 46562, August 3, 2012) apply to appeals of NRC

staff determinations (because they must be served on a presiding officer or the Commission, as

applicable), but not to the initial SUNSI request submitted to the NRC staff under these procedures.

• *NRC's PDR*: The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Marlayna V. Doell, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-3178; email: Marlayna.Doell@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the exemption is attached.

Authority: 42 U.S.C. 2011 *et seq.*

Dated: June 18, 2026.

For the Nuclear Regulatory Commission.

Marlayna Doell,

Project Manager, Operating Reactor Licensing Branch 3, Division of Licensing Projects 1, Office of Nuclear Reactor Regulation.

Attachment—Exemption

NUCLEAR REGULATORY COMMISSION

Docket No. 50-255

Palisades Energy, LLC; Palisades Nuclear Plant; Exemption

I. Background

Palisades Energy, LLC (Palisades Energy, the licensee), is the holder of Renewed Facility Operating License No. DPR-20, which authorizes operation of the Palisades Nuclear Plant (Palisades). The license provides, among other things, that the facility is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC, the Commission) now or hereafter in effect. The facility consists of one pressurized-water reactor located in Van Buren County, Michigan.

Palisades Energy became subject to the work hour requirements in Title 10 of the *Code of Federal Regulations* (10 CFR) Part 26, "Fitness for Duty Programs," Section 26.205, "Work hours," after Palisades entered an outage status on August 25, 2025. The regulatory history of the Palisades restart effort as it relates to the work hours requirements is presented in the exemption issued on March 18, 2026 (91 **Federal Register** [FR] 13073). In summary, pursuant to 10 CFR 26.205(d)(4), during the first 60 days of a unit outage licenses are permitted to use the work hours controls specified in 10 CFR 26.205(d)(4) in lieu of the normal work hour controls in 10 CFR 26.205(d)(3) and (d)(7). Following the initial 60-day outage period, Palisades Energy submitted three sequential exemptions from the work hour requirements in 10 CFR 26.205(d)(3) and (d)(7). Each exemption requested the NRC grant an exemption for an additional 60-day period, such that the licensee could continue to use the outage work hours controls specified in 10 CFR 26.205(d)(4) in lieu of the normal work hour controls in 10 CFR

26.205(d)(3) and (d)(7). The licensee asserted that the reason for the previously requested exemptions was to support completion of restart activities for the plant.

The NRC approved the previous exemptions to permit the use of the less restrictive outage work hour limits, as supplemented, each time. The initial less restrictive work hour limits period at Palisades started on August 25, 2025, and lasted until October 23, 2025, followed by the first exemption period lasting from November 3, 2025, to January 1, 2026, subsequently followed by the second exemption period lasting from January 6, 2026, to March 6, 2026, and lastly followed by the third exemption period lasting from April 4, 2026, to June 2, 2026. However, between each successive exemption the licensee committed to increasingly more mitigative actions to minimize the cumulative fatigue in the workforce over the 9-month period since August 2025. In the issuance for each exemption, the NRC staff stressed that the Palisades restart project is a first-of-a-kind activity, and the exemptions were granted with specific consideration of the hours worked by each work group prior to the issuance of each exemption. In addition, the staff noted that fatigue is cumulative, and each request for an exemption was evaluated on a case-by-case basis specific to the circumstances of the facility in light of the mitigation measures proposed to manage acute and cumulative fatigue, the timing between outage work hour schedules, and the hours worked by individuals.

The third exemption was extended by letter dated June 5, 2026 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML26156A112), and concludes upon the NRC staff's final determination on this exemption request.

II. Request/Action

By letter dated May 27, 2026 (ML26147A163), the licensee requested a one-time exemption from the Fitness for Duty (FFD) Program requirements in Paragraph (a) of 10 CFR 26.3, "Scope," pursuant to 10 CFR 26.9, "Specific exemptions." Specifically, the licensee requested a schedular exemption from the requirements of 10 CFR 26.3(a) to allow Palisades Energy to defer implementation of the work hour controls in Subpart I, "Managing Fatigue," of 10 CFR part 26 until 9 calendar days before the start of the unit's initial fuel load into the reactor with several mitigating measures that are proposed in the exemption request. The exemption is requested to apply to individuals performing duties specified in 10 CFR 26.4(a)(1) Operations, (a)(2) Health Physics or Chemistry, (a)(3) Fire Brigade, and (a)(4) Maintenance starting on the day the exemption is issued and terminating 9 calendar days prior to initial fuel load. Based on the mitigating measures proposed, the NRC staff determined that the licensee was requesting a limited exemption from the work hour requirements specified in 10 CFR 26.205(d)(3) and (d)(7). The licensee clarified and confirmed in an email to the NRC on June 13, 2026 (ML26167A029), that the proposed exemption would be a tailored

exemption from the work hour requirements specified in 10 CFR 26.205(d)(3) and (d)(7). Palisades Energy stated that they will continue to comply with the remaining provisions and requirements of 10 CFR part 26 for the duration of the exemption period.

The licensee is subject to the work hour requirements in 10 CFR part 26, subpart I. Previously, the licensee submitted a series of licensing and regulatory actions to restore the plant's licensing basis to the one in effect just prior to permanent shutdown, including an exemption (ML23271A140) to rescind the certifications of permanent cessation of operations and permanent removal of fuel from the reactor vessel. The NRC approved these actions concurrently on July 24, 2025, including the exemption (ML25196A089) to reauthorize power operations at Palisades. The licensee implemented the exemption (ML25237A317) on August 25, 2025, to obtain the authority to operate. The authority to operate, combined with the presence of fuel assemblies on site, subjects a 10 CFR part 50 licensee to more rigorous FFD requirements. Palisades Energy is currently in possession of both new fuel assemblies and spent fuel located in the spent fuel pool (SFP), which increases the radiological risk associated with the plant when compared to a plant with only new fuel assemblies on site or a site under construction. Furthermore, there is activated material containing residual radioactivity in the controlled area from prior nuclear operations at Palisades. Palisades Energy has submitted the current exemption to support the remaining outage and restart activities, which the licensee states need to be completed before initial fuel load.

III. Discussion

Pursuant to 10 CFR 26.9, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR part 26 when the exemptions are authorized by law and will not endanger life or property or the common defense and security; and are otherwise in the public interest.

A. The Exemption Is Authorized by Law

The exemption, as tailored, would authorize a one-time exemption from the requirements of 10 CFR 26.205(d)(3) and (d)(7) for personnel performing duties under 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4) for the duration of the exemption period until 9 days before the start of the unit's initial fuel load into the reactor to allow completion of restart activities at Palisades without violating NRC regulations. The exemption is applicable to individuals performing duties specified in 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4). As stated, 10 CFR 26.9 allows the NRC to grant exemptions from the requirements of 10 CFR part 26. After reviewing the exemption, the NRC staff has determined that granting the proposed exemption will not result in a violation of the Atomic Energy Act of 1954, as amended, other laws, or the Commission's regulations. Therefore, the exemption is authorized by law.

B. The Exemption Will Not Endanger Life or Property

The exemption would authorize a tailored one-time exemption from the requirements of 10 CFR 26.205(d)(3) and (d)(7) for personnel performing duties under 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4) for the duration of the exemption period until 9 days before the start of the unit's initial fuel load into the reactor to support final restart activities. The proposed exemption from the requirement in 10 CFR 26.3(a) would allow Palisades Energy to defer implementation of their FFD program until 9 calendar days before the start of the unit's initial fuel load into the reactor. In the submittal, the licensee re-evaluated the duration necessary to support the remaining restart and outage activities, determining that a fourth exemption would be required. Palisades Energy asserted that "the requested exemption period will provide necessary flexibility in scheduling covered work activities and personnel resources during the final stages of pre-fuel-load restart work." The licensee stated that the flexibility provided during the exemption would support effective management of cumulative fatigue while allowing critical restoration, testing, and configuration activities to be completed safely and efficiently. Furthermore, the licensee asserted that the "proposed exemption supports maintaining the ability of covered individuals to perform their duties safely, competently, and with appropriate attention to human performance considerations."

Based on the initial submittal, the NRC staff understood Palisades Energy's proposed deferral of its implementation of the FFD program at Palisades, as described in the proposed exemption request, to refer specifically to the implementation of the work hour control requirements in Subpart I of 10 CFR part 26. However, the staff issued a request for confirmatory information (RCI) on June 4, 2026, to be sure that no other 10 CFR part 26 requirements were requested to be deferred in this exemption (ML26159A267). The licensee confirmed the staff's understanding in a response to the RCI on June 4, 2026, stating that "the one-time exemption would allow Palisades Energy to defer implementation of the work hour controls contained in 10 CFR part 26, subpart I, until 9 calendar days before the start of initial fuel load into the reactor, in lieu of implementing those requirements before receipt of special nuclear material in the form of fuel assemblies as specified in 10 CFR 26.3(a)" (ML26155A278). Additionally, Palisades Energy confirmed that the scheduled exemption does not request a relaxation in the other FFD program requirements specified in 10 CFR part 26 Subparts A through H, N, and O. Palisades personnel in this exemption who receive unescorted access per 10 CFR 26.4, "FFD program applicability to categories of individuals," will continue to comply with the applicable regulations in 10 CFR part 26, except for Subpart I, which will ensure that individuals remain fit for duty and free of any substance or cause that adversely affects or degrades alertness for individuals' abilities to safely and competently perform their duties.

On June 12, 2026, the NRC staff requested further clarification from the licensee to understand the intent of the exemption request. Specifically, the staff asked the licensee if 10 CFR 26.3(a) would be the appropriate requirement from which to grant an exemption. Based on the mitigation measures proposed in the initial exemption, it is the staff's understanding that it was the licensee's intention to obtain a similar exemption to the previous exemptions that provided exemption from the requirements of 10 CFR 26.205(d)(3) and (d)(7). In contrast to the previous exemptions, the licensee requested to extend the duration of the current exemption until 9 calendar days before initial fuel load in the unit's reactor. The licensee provided a response electronically to the NRC on June 13, 2026, stating that they understand that the exemption would be reviewed as a tailored exemption from work hour requirements specified in 10 CFR 26.205(d)(3) and (d)(7) rather than the entirety of 10 CFR 26, Subpart I. Palisades Energy stated that they will continue to comply with the remaining provisions and requirements of 10 CFR part 26 for the duration of the exemption period.

The exemption allows the licensee to continue to use the outage work hour controls in Subpart I of 10 CFR part 26 until 9 calendar days before the start of the unit's initial fuel load into the reactor for specific personnel. The exemption request will apply to personnel performing duties described in 10 CFR 26.4(a)(1) Operations, (a)(2) Health Physics or Chemistry, (a)(3) Fire Brigade, and (a)(4) Maintenance. Palisades Energy stated that these personnel would support remaining work activities to support safe restart including equipment restoration, integrated testing, configuration management, emergent corrective activities, inspections, troubleshooting, post-maintenance testing, and system turnover activities. In addition, the licensee noted that these activities are inherently difficult to schedule with precision and that the exact duration necessary to complete the remaining pre-fuel-load activities cannot be accurately predicted due to the potential for discovery of emergent conditions.

Palisades Energy stated that the major remaining work prior to fuel load includes instrument air compressor replacement, main feed pump turbine rotor replacement, fuel handling system upgrades, switchyard restoration activities, and valve maintenance and restoration work. Palisades Energy stated that these activities often require discovery and resolution of previously unidentified conditions. In addition, the licensee noted that completion of one activity can establish prerequisites for subsequent testing or restoration activities; this may lead to schedule uncertainty that cannot be fully resolved in advance.

The licensee stated that the requested exemption period is limited to pre-fuel-load restart activities while the reactor remains defueled and the plant is not operating in a licensed operating mode. During the requested exemption, the licensee noted that there will be no fuel loaded into the reactor vessel. Palisades Energy asserted that, as a result of there being no fuel in the reactor

vessel, there was no risk associated with reactor criticality, power operation, or fuel damage resulting from reactor operations. As described earlier, the remaining activities to be completed are primarily focused on maintenance, restoration, modification, testing, and equipment turnover activities. The licensee noted that these activities continue to require appropriate human performance and supervisory controls. However, Palisades Energy asserted that the plant condition during the requested exemption period presents "substantially lower nuclear safety risk than fueled or operating conditions."

The NRC staff note that repetitive successive exemptions from the 10 CFR part 26 work hour requirements is not common practice. The staff previously assessed the safety basis of work hour exemptions requested for Palisades as having the same risk of an operating plant in an outage. The NRC staff evaluated each successive exemption based on the escalating mitigative measures to address the risk profile of workers at an operating plant accumulating significant cumulative fatigue. However, after the third exemption, the staff reconsidered the nuclear safety risk of these exemptions. Therefore, the NRC staff conducted a risk assessment for the current exemption using supporting data from the U.S. NRC Level 3 Probabilistic Risk Assessment (L3PRA) Project (ML26078A044), currently in draft, to evaluate the risk profile of the current fuel configuration and plant status at Palisades. While the L3PRA project is in draft, its underlying data is sufficient to support the staff's analysis of this exemption.

The NRC staff considered that restart activities at a previously decommissioning power reactor have an increased radiological risk compared to a site under construction because there may be spent fuel in the SFP or residual radioactivity in various structures, systems, and components (SSCs) that were in use during the plant's operation. The staff note that there are unique radiological risks associated with restart operations at previously decommissioning nuclear power reactors; however, the nuclear safety risk to the public health and safety as it relates to offsite consequences is considerably lower when compared to operating reactors because the core is not loaded, the spent fuel at Palisades has not been recently irradiated, and the spent fuel has had considerable time to cool. The staff note that the NRC considers spent fuel to be typically cooled for at least five years before transfer to dry storage (ML050110277). At the time of this exemption request, the Palisades spent fuel has been cooling for at least 4 years since the NRC docketed the licensee's 10 CFR 50.82(a) decommissioning certifications. The NRC staff determined that because the spent fuel has been cooling for at least 4 years, it represents a lower risk to public health and safety than recently irradiated fuel.

Paragraph 26.3(a) of 10 CFR, states, in part, that licensees who are authorized to operate a nuclear power reactor shall comply with the requirements of this part and implement the FFD program before the receipt of fuel assemblies. In the section-by-section analysis

for the 2008 final rule establishing the requirements in 10 CFR 26.3(a), the NRC stated that “once fuel assemblies have arrived on site, the full range of potential risks to public health and safety and the common defense and security that Part 26 is designed to avert are possible. Therefore, the NRC believes that a more rigorous FFD program must be in place at this time” (73 FR 16966; March 31, 2008). Because Palisades has a combination of irradiated nuclear fuel on site, residual radioactivity from prior operations, and the present authority to operate, the risk to public health and safety is higher compared to a licensee engaging in construction or decommissioning individually.

Under the current regulatory framework for 10 CFR part 26, certain licensees or entities may not have to comply with Subpart I or Subpart K, “FFD Program for Construction.” Licensees or entities who do not have to comply with Subpart I include combined license (COL) applicants with a limited work authorization, COL holders before the Commission has made a finding under Paragraph (g) of 10 CFR 52.103, “Operation under a combined license,” construction permit (CP) applicants, CP holders, and early site permit holders as described in 10 CFR 26.3(c). Additionally, individuals with unescorted access specified in 10 CFR 26.4(a) do not comply with Subpart I until the licensee receives the authority to operate and has receipt of fuel assemblies, except for security personnel in 10 CFR 26.4(a)(5) who comply with Subpart I upon receipt of fuel assemblies. In addition, licensees who fall under 10 CFR part 70, “Domestic Licensing of Special Nuclear Material,” do not have to comply with either Subpart I or K as described in 10 CFR 26.3(b). Licensees or entities who do not have to comply with Subpart K include those who receive authority to operate or have a COL where the Commission has made a finding under 10 CFR 52.103(g).

Palisades was a decommissioning nuclear power plant that did not have the authority to operate after the licensee certified permanent cessation of operations and permanent removal of fuel from the reactor vessel in 2022 (ML22164A067), which meant the plant no longer fell under the scope requirements of 10 CFR 26.3(a). Decommissioning reactors do not have the authority to operate, meaning they also do not have to comply with the work hour controls in 10 CFR part 26, subpart I. However, upon reactivation of the Palisades power operations license on August 25, 2025, the licensee had both fuel assemblies and the authority to operate. Therefore, the regulations in Subpart I of 10 CFR part 26 immediately applied.

Based on the plant configuration of Palisades, the most significant immediate nuclear safety risk to the public health and safety is associated with the SFP. The plant currently has both spent fuel and new fuel assemblies in the spent fuel pool. The introduction of irradiated nuclear fuel that is placed in a configuration and environment that enables reactor operation, such as placing the fuel into the reactor vessel, introduces further nuclear safety risks from

the current plant configuration. In the supporting data used by the staff for the exemption, the U.S. NRC L3PRA project determined that the Spent Fuel Uncovery Frequency is $6.1\text{E-}7$ for a two-unit pressurized-water reactor reference plant, which is a much larger reactor footprint than the single unit Palisades facility. This frequency represents a very low probability that the spent fuel will uncover within a year for an operating reactor. Furthermore, because the spent fuel at Palisades has had significant time to cool, the time needed for a potential release from an initiating event would be much longer and the potential release would be significantly lower than what was considered in the L3PRA data. Compared to a plant under construction, this is an increase in radiological risk, but the risk level is significantly lower than a reactor at power or in a refueling outage.

The NRC staff also note that because Palisades was an operating nuclear power reactor prior to decommissioning, the radiological risk to personnel engaging in restart activities is not zero because irradiated material may remain in existing SSCs. The irradiated material in existing SSCs at Palisades is equivalent to the level of irradiated material during decommissioning, in which there are no work hour control requirements. However, the activities and the scope of work associated with the restart effort is different from decommissioning. At Palisades, the personnel engaging in restart activities are actively working to return these existing and irradiated SSCs to service, which may cause the plant personnel to be exposed to radiation while performing restoration of SSCs in a different manner than during decommissioning activities. While performing the restoration of SSCs, plant personnel may be required to enter into high radiation environments that they would not enter during either operations, refueling, or decommissioning activities. Furthermore, these restoration activities have the potential to introduce latent defects that could become operational issues.

The combination of the risks associated with refurbishment activities in support of restart while working among SSCs that may have residual radioactivity causes the radiological risks to be cumulatively higher than both decommissioning and construction activities individually. The NRC staff notes that the continued applicability of the 10 CFR part 26, subpart I work hours controls requirements with a tailored exemption to the requirements in 10 CFR 26.206(d)(3) and (d)(7) is more restrictive than would be present during either decommissioning or construction.

Through the staff's risk assessment, the NRC determined that there is no risk from reactor criticality, power operations, or fuel damage as a result of power operations. However, within the SFP, the risk of fuel damage is not zero. Spent fuel continues to have some level of radiation, which is a risk for the personnel on site but represents a lower risk to the public health and safety due to the duration of cooling. Similarly, spent fuel or new fuel can be damaged as a result of being moved or dropped if manipulated

inappropriately within the SFP. However, the risk to the public health and safety is considerably lower given the duration of time the spent fuel has cooled. Based on these considerations, the NRC staff determined that due to the plant configuration and risk considerations for Palisades, the exemption presents substantially less nuclear safety risk to the public health and safety than an operating reactor because the spent fuel at Palisades has had considerable time to cool and is not recently irradiated.

Palisades Energy provided a mitigation strategy containing several mitigating actions and three commitments in the exemption request. The licensee asserted that Palisades Energy will “reasonably manage acute and cumulative fatigue during the restart period through administrative controls, supervisory oversight, work management processes, and fitness for duty program implementation.” For managing acute and cumulative fatigue during restart activities, the licensee proposed three commitments for the duration of the exemption: (1) individuals performing duties in 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (4) will remain subject to the requirements specified in 10 CFR 26.205(d)(1), (d)(2), and (d)(4), (2) individuals in 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4) will transition to compliance with 10 CFR part 26, subpart I 9 calendar days prior to initial fuel loading, and (3) Palisades Energy will dedicate a portion of weekly supervisory observations to fatigue awareness, fatigue indicators, fitness-for-duty behaviors, and worker readiness. The other mitigating actions in the licensee's submittal include: scheduling practices intended to provide reasonable opportunities for restorative sleep; monitoring of extended work durations, consecutive workdays, and shift rotations; periodic management assessment of organizational workload and staffing adequacy; use of additional qualified personnel and supplemental resources as necessary; evaluation of fatigue-related concerns entered into the corrective action program; and continued use of established procedures and programs.

The licensee has also provided behavioral observation program enhancements during the period of the exemption to “compensate for the temporary absence of work hour controls” under certain portions of 10 CFR part 26, subpart I. These enhancements include: a commitment to dedicate a portion of weekly supervisory observations to fatigue awareness, fatigue indicators, FFD behaviors, and worker readiness; increased supervisory and management engagement in the field; reinforcement of individual responsibility to identify and report signs of fatigue; and reinforcement of stop-work authority and conservative decision making. Palisades Energy stated that when fatigue concerns are identified, supervisors will take actions commensurate with the observed condition. Actions may include additional monitoring, temporary work restrictions, removal from safety-significant activities, schedule modification, or time off to obtain restorative sleep prior to returning to duty. Lastly, regarding scheduling, the licensee asserted that it will continue to maintain work hours for covered individuals as low as reasonably achievable.

The NRC staff evaluated the content of the exemption request, the unique conditions of the activities to restart a reactor previously in decommissioning status, and mitigating actions. The staff notes that the mitigating actions, as stated, indicated that the licensee intends to continue to comply with 10 CFR part 26, subpart I. Based on this, the licensee confirmed it was only seeking an exemption from 10 CFR 26.205(d)(3) and (d)(7) and that it was not seeking an exemption from the remainder of 10 CFR part 26, subpart I. Based on the information provided in the submittal and the continued applicability of 10 CFR part 26, subpart I, individuals identified in 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4) will, at a minimum, continue to perform restart activities until 9 days before initial fuel load using the outage work hour controls in 10 CFR 26.205(d)(4), the maximum work hour limitations in 10 CFR 26.205(d)(1), and the rest breaks in 10 CFR 26.205(d)(2).

The licensee indicated that initial fuel loading is scheduled for September 2026. However, as Palisades Energy has indicated, scheduling with precision is difficult, thus it is possible that the scheduled date may be modified based on the progress of restart activities, which could lead to a shorter or longer exemption period.

The NRC staff reviewed the mitigating actions and evaluated them against the risk profile of Palisades. The commitments which Palisades Energy intends to address fatigue management concerns during the exemption period are: (1) a commitment to comply with 10 CFR 26.205(d)(1), (d)(2), and (d)(4); (2) a commitment to dedicate a portion of weekly supervisory observations to fatigue; and (3) the commitment to return to compliance with normal work hour controls 9 calendar days prior to initial fuel load. The first two mitigating actions are a requirement for all licensees subject to Subpart I of 10 CFR part 26, which Palisades Energy will continue to be subject to during this exemption period. The third mitigating action is a requirement that provides a limited exception from 10 CFR 26.205(d)(3) or (d)(7) for 60-days, usually for unit outages. The NRC staff notes that, because these commitments are existing requirements in 10 CF Part 26 for operating reactors, compliance with the NRC regulations provides reasonable assurance in normal operating conditions.

However, while Palisades is not in normal operating conditions, the licensee recognized the need for the ongoing restart activities to have an appropriate level of human performance and supervisory controls provided by the Subpart I requirements in 10 CFR part 26. Palisades Energy therefore requested a new exemption to extend the duration of the 10 CFR 26.205(d)(4) outage work hours controls until 9 days before initial fuel loading. During the 9 days before initial fuel loading, the licensee has committed to a mitigating action that aligns with the 9-day lookback period in 10 CFR 26.205(d)(2)(ii), which requires individuals to receive a minimum 34-hour break in any 9-day period. By complying with the 10 CFR part 26, subpart I work hour controls in full at least 9 days before initial fuel load, the licensee ensures that individuals performing safety-significant work have adequate rest

immediately prior to fuel load, whereupon plant risk increases.

In considering the question of risk level and the commensurate level of mitigating actions appropriate to the unique plant circumstances at Palisades, the NRC staff considered a CP holder, a CP holder after fuel has been received, a decommissioning power reactor, a power reactor in a refueling outage, and an operating reactor. The Subpart I work hour controls do not apply to licensees with a CP, who fall under Subpart K of 10 CFR part 26. CP holders who receive fuel assemblies begin to comply with work hour controls, but only for security personnel. When Palisades entered decommissioning, it no longer fell under the requirements of 10 CFR part 26; however, upon reactivating the power operations licensing basis, 10 CFR part 26, subpart I immediately applied. The staff determined that the potential nuclear safety risk to public health and safety was lower when compared to an operating reactor but higher than during decommissioning and construction. The risk level is significantly low enough to reasonably consider that the risk posed to public health and safety can be adequately managed by the licensee through its compliance with the requirements applicable for outage work hour controls in 10 CFR part 26, subpart I for the duration of the exemption for the covered individuals. The continued applicability of the 10 CFR part 26, subpart I work hour requirements, with this tailored exemption, is more restrictive than a licensee with a CP after receiving fuel would have to comply with, or a nuclear power reactor in decommissioning. However, because Palisades is a licensed 10 CFR part 50 operating reactor, 10 CFR part 26, subpart I still applies in full to all personnel outside the scope of the proposed exemption.

Based on the unique circumstances associated with restarting a decommissioning power reactor and the NRC's risk assessment given the fuel configuration, the staff conclude that the resulting fatigue during the exemption period and the potential for human error as a result of fatigue has a minimal likelihood of resulting in immediate radiological consequences that could impact offsite public health and safety.

The Palisades exemption request is a tailored and limited exemption to specific requirements in 10 CFR part 26, subpart I to use the outage work hour controls. The continued applicability of the remainder of 10 CFR part 26, subpart I provides assurance that Palisades Energy will reasonably manage acute and cumulative fatigue to ensure individuals are able to safely and competently perform their duties commensurate with the risk specific to the Palisades restart and their importance to public health and safety. Therefore, based on the staff's risk assessment, continued applicability of the remainder of Subpart I to 10 CFR part 26, and the unique circumstances of restarting a decommissioning power reactor, the NRC determined that fatigue will be adequately managed for all specified personnel in the exemption request based on the risk profile of the plant during restart activities prior to fuel load and the requested one-time exemption will not endanger life or property.

C. The Exemption Will Not Endanger the Common Defense and Security

The exemption would authorize a tailored one-time exemption from the requirements of 10 CFR 26.205(d)(3) and (d)(7) for the duration of the exemption period until 9 days before the start of the unit's initial fuel load into the reactor. The licensee noted that individuals performing duties in 10 CFR 26.4(a)(5) are not within the scope of the exemption request. In response to the NRC staff's RCI, Palisades Energy confirmed there will be no change to compliance with 10 CFR part 26, subparts A through H, N and O. Furthermore, the licensee will remain subject to all other requirements in 10 CFR part 26, subpart I not included in this exemption. Nor does the request have any relation to, or impact on, security issues. Therefore, the exemption will not endanger the common defense and security.

D. The Exemption is Otherwise in the Public Interest.

The proposed, and appropriately tailored, exemption would authorize a one-time exemption from the requirements of 10 CFR 26.205(d)(3) and (d)(7) for personnel performing duties under 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4) for the duration of the exemption period until 9 days before the start of the unit's initial fuel load into the reactor to support final restart activities. In considering whether the requested exemption would be in the public interest, the NRC considered several factors including:

- the nature of the licensee's unique situation transitioning from decommissioning back to a power operations licensing basis, which requires restoration of safety-related equipment, among other plant restart activities; and
- the public health and safety interests of the communities that are impacted by the safe restart of the plant.

The NRC staff considered the nature of the licensee's unique situation as a first-of-a-kind project involving the transition of a nuclear power reactor from decommissioning status to power operations. Palisades Energy indicated that the remaining work activities prior to fuel load include equipment restoration, integrated testing, configuration management, and emergent corrective maintenance activities. The licensee asserted that the approval of the exemption would be in the public interest "because it supports the safe and orderly completion of remaining pre-fuel-load restart activities while maintaining appropriate fatigue management controls and experienced work teams." In addition, Palisades Energy stated the scheduling flexibility would support continuity of work activities and allow plant management to more effectively manage cumulative fatigue during the final stages of restart preparation.

Additionally, Palisades Energy asserted that maintaining limited flexibility under the less restrictive outage work hour controls described in 10 CFR 26.205(d)(4) is necessary to safely complete the remaining restart work and respond appropriately to emergent conditions without introducing unnecessary schedule-driven risk. The licensee stated that imposing online work hour controls during

this period could “require additional personnel turnover, reduced schedule continuity, or reassignment of experienced workers during critical restoration and testing activities.” Palisades Energy also asserted that the imposition of online work hour controls could adversely affect human performance, configuration control, work coordination, and troubleshooting effectiveness during final plant restoration activities.

Under the proposed exemption, personnel would be able to continue to utilize the outage work hour controls in 10 CFR 26.205(d)(4) until 9 days before initial fuel load. The licensee considers that the “scheduling flexibility” provided by the outage work controls supports more effective management of cumulative fatigue. The NRC staff disagrees that further use of the outage work hour controls support the intent and purpose of 10 CFR part 26, subpart I. However, the nature and associated risk of returning a decommissioning plant to power operations was not considered during the development of the 2008 final rule for 10 CFR part 26. Palisades is in the unique position of being a licensed nuclear power reactor but falling into a risk profile somewhere between a construction site, a decommissioning site, a refueling outage, and an operating reactor. While Palisades is not a construction site, the NRC staff’s risk assessment found that the risk of offsite consequences to public health and safety from a decommissioning plant being actively returned to power operations is considerably lower than an operating reactor. For personnel on site, the possibility of radiological exposure is higher than compared to a site under construction or in decommissioning because there are irradiated materials on site from prior operations, but for the public health and safety around the plant the radiological risk is substantially lower when compared to an operating plant.

The NRC staff also considered the balance of public interest considerations, including the potential impacts of not granting the fourth exemption, which could result in the delay of restarting the Palisades Nuclear Plant and could potentially delay the amount of energy available to the surrounding area.

The FFD requirements in 10 CFR part 26 take a graded approach by imposing requirements that are commensurate with maintaining public health and safety and the common defense and security. The underlying purpose of the work hour requirements in 10 CFR part 26, subpart I, as they apply to an operating reactor, such as Palisades, is to ensure that individuals performing duties that could affect public health and safety or the common defense and security obtain adequate rest, and that their fatigue is adequately managed to reduce the incidence of human errors. For these operating power plants, reliable human performance is necessary to mitigate the potential for an accident across a range of plant conditions including recently and highly irradiated fuel either in the reactor core or in the SFP. However, even though Palisades is an operating reactor, the NRC staff has analyzed the risk profile of the

current configuration of the plant and determined that the granting of this exemption would not endanger life or property in Section III.B of this exemption.

Unlike an operating reactor, the reactor vessel at Palisades is still defueled and the irradiated spent fuel held in the SFP has cooled since the docketed certifications for permanent cessation of operations and permanent removal of fuel from the reactor vessel on May 20, 2022, and June 10, 2022, respectively. As the spent fuel has not been recently irradiated, the spent fuel on site has a significantly lower nuclear safety risk to public health and safety. Specifically, the NRC staff notes that the risk posed to the public health and safety is greater than a CP holder upon receipt of fuel assemblies and a nuclear power reactor in decommissioning, but lower than an operating reactor because the spent fuel has had significant time to cool and the reactor is not fueled. Additionally, because there is activated material at Palisades from previous operations, there are unique risks associated with returning SSCs to an operable status while working in areas with various levels of radioactivity. The staff evaluated the unique nature of the Palisades restart project, the continued applicability of the remaining requirements of 10 CFR 26, Subpart I, and the remaining work activities against the risk profile of the plant and the balance of public interest considerations. The NRC determined that applying a graded approach to FFD requirements that accounts for the nuclear safety risk of the plant configuration would be in the public interest until 9 days before fuel load. Therefore, the NRC staff finds that approval of the requested exemption is otherwise in the public interest.

E. Environmental Considerations

This action relates to changes to scheduling requirements. The NRC staff has determined that any ground disturbance is limited to previously disturbed areas. Additionally, the NRC staff has determined that the action involves no significant change in the types or significant increase in the amounts of any effluents that may be released offsite, no significant increase in individual or cumulative public or occupational radiation exposure, and no significant increase in the potential for or consequences from radiological accidents. Finally, the NRC staff has determined that a categorical exclusion applies and that special circumstances under 10 CFR 51.22, “Categorical exclusions,” are not present that would preclude reliance on the categorical exclusion. Accordingly, this action meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(d)(5). Pursuant to 10 CFR 51.22, no environmental impact statement or environmental assessment need be prepared in connection with the action.

IV. Conclusions

Accordingly, the Commission has determined that, pursuant to 10 CFR 26.9, the exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Therefore, the Commission hereby grants Palisades Energy, LLC a tailored one-time exemption from 10 CFR

26.205(d)(3) and (d)(7) for personnel performing duties under 10 CFR 26.4(a)(1), (a)(2), (a)(3), and (a)(4) for the duration of the exemption period until 9 days before the start of the unit’s initial fuel load into the reactor. For the personnel specified, Palisades Energy will ensure that individuals comply with the work hour control requirements specified in 10 CFR 26.205(d)(1), (d)(2), and (d)(4) for the duration of the exemption. In addition, Palisades Energy will comply with the three commitments in Attachment 2 of the Enclosure to the May 27, 2026, submittal and all mitigating actions listed under the section titled “Mitigating Strategy” for the duration of the exemption period.

The Palisades restart project is a first-of-a-kind activity where a nuclear power plant in decommissioning status is being returned to operational status. The current exemption from the requirements of 10 CFR 26.205(d)(3) and (d)(7) directly supports activities unique to the Palisades restart project for specific groups of personnel, with particular consideration for the potential risk level of the plant to the public health and safety. Each request for an exemption from the requirements specified in 10 CFR 26.205(d)(3) or (d)(7) are evaluated on a case-by-case basis specific to the circumstances of the facility, the risk level to public health and safety, and the mitigation measures.

Dated: June 18, 2026.

For the Nuclear Regulatory Commission.

/RA/

Hipolito Gonzalez, Acting Director, Division of Licensing Projects 1, Office of Nuclear Reactor Regulation.

[FR Doc. 2026–12660 Filed 6–23–26; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[NRC–2026–0364]

Information Collection: NRC Form 536, Operator Licensing Examination Data

AGENCY: Nuclear Regulatory Commission.

ACTION: Renewal of existing information collection; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) invites public comment on the renewal of Office of Management and Budget (OMB) approval for an existing collection of information. The information collection is entitled, NRC Form 536, “Operator Licensing Examination Data.”

DATES: Submit comments by August 24, 2026. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

ADDRESSES: You may submit comments by any of the following methods; however, the NRC encourages electronic

comment submission through the Federal rulemaking website:

- *Federal Rulemaking Website*: Go to <https://www.regulations.gov> and search for Docket ID NRC–2026–0364. Address questions about Docket IDs in *Regulations.gov* to Bridget.Curran@nrc.gov. For technical questions, contact the individual(s) listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

FOR FURTHER INFORMATION CONTACT: Kristen Benney, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–6355; email: Infocollects.Resource@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2026–0364 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website*: Go to <https://www.regulations.gov> and search for Docket ID NRC–2026–0364. A copy of the collection of information and related instructions may be obtained without charge by accessing Docket ID NRC–2026–0364 on this website.

- *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. A copy of the collection of information and related instructions may be obtained without charge by accessing ADAMS Accession No. ML26103A232. The supporting statement is available in ADAMS under Accession Nos. ML26163A190.

- *NRC's PDR*: The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

- *NRC's Clearance Officer*: A copy of the collection of information and related instructions may be obtained without

charge by contacting the NRC's Clearance Officer, Kristen Benney, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, telephone: 301–415–6355; email: Infocollects.Resource@nrc.gov.

B. Submitting Comments

The NRC encourages electronic comment submission through the Federal rulemaking website (<https://www.regulations.gov>). Please include Docket ID NRC–2026–0364, in your comment submission.

The NRC cautions you not to include identifying or contact information in comment submissions that you do not want to be publicly disclosed in your comment submission. All comment submissions are posted at <https://www.regulations.gov> and entered into ADAMS. Comment submissions are not routinely edited to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the OMB, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that comment submissions are not routinely edited to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Background

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the NRC is requesting public comment on its intention to request the OMB's approval for the information collection summarized below.

1. *The title of the information collection*: NRC Form 536, "Operator Licensing Examination Data."
2. *OMB approval number*: 3150–0131.
3. *Type of submission*: Extension.
4. *The form number, if applicable*: Form 536.

5. *How often the collection is required or requested*: Annually.

6. *Who will be required or asked to respond*: (a) All holders of operating licenses for nuclear power reactors under the provision of part 50 of title 10 of the *Code of Federal Regulations* (10 CFR), "Domestic Licensing of Production and Utilization Facilities," except those that have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel, (b) All holders of, or applicants for, a limited work authorization, early site permit, or combined licenses issued under 10 CFR

part 52, "Licenses, Certifications and Approval for Nuclear Power Plants," (c) All holders of, or applicants for, operating licenses for advanced power reactors under the provision of title 10 CFR part 53, "Risk-Informed, Technology-Inclusive Regulatory Framework for Commercial Nuclear Plants."

7. *The estimated number of annual responses*: 53.

8. *The estimated number of annual respondents*: 53.

9. *The estimated number of hours needed annually to comply with the information collection requirement or request*: 39.75.

10. *Abstract*: The NRC is requesting renewal of its clearance to annually request all commercial power reactor licensees and applicants for an operating license to voluntarily send to the NRC: (1) Their projected number of candidates for initial operator licensing examinations; (2) the estimated dates of the examinations, and (3) if the examinations will be facility developed or NRC developed. This information is used to plan budgets and resources in regard to operator examination scheduling in order to meet the needs of the nuclear power industry.

III. Specific Requests for Comments

The NRC is seeking comments that address the following questions:

1. Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility? Please explain your answer.

2. Is the estimate of the burden of the information collection accurate? Please explain your answer.

3. Is there a way to enhance the quality, utility, and clarity of the information to be collected?

4. How can the burden of the information collection on respondents be minimized, including the use of automated collection techniques or other forms of information technology?

(Authority: 42 U.S.C. 2011 *et seq.*)

Dated: June 22, 2026.

For the Nuclear Regulatory Commission.

Kristen Benney, NRC Clearance Officer,
Office of the Chief Information Officer.

[FR Doc. 2026–12688 Filed 6–23–26; 8:45 am]

BILLING CODE 7590–01–P

PENSION BENEFIT GUARANTY CORPORATION

Submission of Information Collections for OMB Review; Comment Request; Direct Express Enrollment Form

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of request for extension of OMB approval of information collection.

SUMMARY: The Pension Benefit Guaranty Corporation (PBGC) is requesting that the Office of Management and Budget (OMB) approve, under the Paperwork Reduction Act, a new collection of information. The purpose of the information collection is to obtain information necessary to enroll individuals in the Direct Express debit card program. This notice informs the public of PBGC's request and solicits public comment on the collections of information.

DATES: Comments must be received on or before July 24, 2026 to be assured of consideration.

ADDRESSES: Written comments and recommendations for the proposed information collections should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find these particular information collections by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. All comments received will be posted without change to PBGC's website, www.pbgc.gov, including any personal information provided. Do not submit comments that include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. Comments may be submitted anonymously.

A copy of the request will be posted on PBGC's website at www.pbgc.gov/employers-practitioners/federal-register. It may also be obtained without charge by writing to the Disclosure Division (disclosure@pbgc.gov), Office of the General Counsel of PBGC, 445 12th Street SW, Washington, DC 20024–2101, or, calling 202–229–4040 during normal business hours. If you are deaf or hard of hearing or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

FOR FURTHER INFORMATION CONTACT: Joseph Krettek (krettek.joseph@pbgc.gov), Attorney, Office of the General Counsel, Pension Benefit Guaranty Corporation, 445 12th Street

SW, Washington, DC 20024–2101; 202–229–5507. If you are deaf or hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION: The Direct Express card is a prepaid debit card that federal benefit recipients can use to receive their benefits electronically and is administered by the U.S. Department of the Treasury ("Treasury"). Federal benefit recipients do not need a bank account to sign up for the Direct Express card, and there is no credit check or minimum balance requirement.

Executive Order 14247 ("Modernizing Payments To and From America's Bank Account"), signed on March 25, 2025, requires the transition to electronic payments for all Federal disbursements and collections by digitizing payments to the extent permissible under the law. To comply with Executive Order 14247, PBGC is transitioning its recipients receiving paper checks to receive their benefits electronically. These recipients can do so by providing their bank or credit union information or through using a Direct Express card.

For PBGC to enroll its payees currently receiving paper checks with the Direct Express card, PBGC must collect identifying information needed to set up the account. Those wishing to enroll also must certify that the information provided can be used to establish the Direct Express card account to receive benefit payments. PBGC will use the information it receives and coordinate with Treasury to set up the accounts. Treasury will issue the card authorized to receive PBGC payments to the benefit recipient, and then PBGC will use that account number to pay benefits electronically.

On March 18, 2026, PBGC published in the **Federal Register** (at 91 FR 13081) a notice informing the public of its intent to request approval of this new collection of information. No comments were received in response to this notice. PBGC intends to request that OMB approve PBGC's use of this form for 3 years. 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.

PBGC estimates that it will receive enrollment forms from approximately 10,000 benefit recipients in the first year, and approximately 2,000 per year in the following years, leading to an average of 4,667 forms per year over the next 3 years. PBGC estimates that it will take 10 minutes and \$0 for interested enrollees to complete this form. Therefore, the total annual burden

associated with this collection of information is estimated to be 778 hours and \$0 each year for the next 3 years.

Joseph Krettek,
Assistant General Counsel, Pension Benefit Guaranty Corporation.

[FR Doc. 2026–12648 Filed 6–23–26; 8:45 am]

BILLING CODE 7709–02–P

POSTAL REGULATORY COMMISSION

[Docket Nos. PI2021–1; Order No. 9616]

Public Inquiry on the Universal Service Obligation Valuation Methodology

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is extending the comment deadline to respond to Order No. 9594.

DATES: Comments responsive to Order No. 9594 are due August 6, 2026.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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- I. Discussion
- II. Ordering Paragraphs

I. Discussion

In Order No. 9594, the Commission set July 7, 2026 as the deadline for comments on the current methodology used by the Commission to value the Postal Service's universal service obligation (USO).¹ On June 18, 2026, the Postal Service filed a motion for extension of time of 30 days until August 6, 2026, to file comments in response to Order No. 9594.² The Postal Service states that it requests additional time "due to the magnitude of data requiring review" and it needs additional time to analyze that information and prepare its comments. Motion at 1. Because extending the comment deadline to August 6, 2026 is unlikely to have any adverse impact on other participants and on the procedural schedule of this docket, the Motion is granted. 39 CFR 3010.162(c).

II. Ordering Paragraphs

It is ordered:

1. The Motion for Extension of Time to File Comments Responsive to Order No. 9594, filed June 18, 2026, is granted.

¹ Notice of Filing the Commission's Explanation of the Current Universal Service Obligation Valuation Methodology and Order Setting Comment Deadline, June 2, 2026, at 14 (Order No. 9594).

² Motion for Extension of Time to File Comments Responsive to Order No. 9594, June 18, 2026 (Motion).

2. Comments responsive to Order No. 9594 are due August 6, 2026.

3. This Order, or an abstract thereof, shall be published in the **Federal Register**.

By the Commission.

Sarah Wessel,

Senior Paralegal Specialist.

[FR Doc. 2026–12615 Filed 6–23–26; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL SERVICE

Product Change—Priority Mail, and USPS Ground Advantage Negotiated Service Agreements

AGENCY: Postal Service.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service

Agreements in the Mail Classification Schedule's Competitive Products List.

DATES: *Date of required notice:* June 24, 2026.

FOR FURTHER INFORMATION CONTACT:

Sean C. Robinson, 202–268–8405.

SUPPLEMENTARY INFORMATION: The United States Postal Service hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), it filed with the Postal Regulatory Commission the following requests:

Date filed with postal regulatory commission	Negotiated service agreement product category and No.	MC docket No.	K docket No.
06/11/26	PM-GA 1012	MC2026–272	K2026–269
06/12/26	PM-GA 1013	MC2026–273	K2026–270
06/12/26	PM-GA 1014	MC2026–274	K2026–271
06/15/26	PM-GA 1015	MC2026–275	K2026–272
06/15/26	PM-GA 1016	MC2026–276	K2026–273
06/16/26	PM-GA 1017	MC2026–277	K2026–274
06/16/26	PM-GA 1018	MC2026–278	K2026–275
06/16/26	PM-GA 1019	MC2026–279	K2026–276

Documents are available at www.prc.gov.

Sean C. Robinson,

Attorney, Corporate and Postal Business Law.

[FR Doc. 2026–12618 Filed 6–23–26; 8:45 am]

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105727; File No. SR–CboeBYX–2026–014]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend Rule 11.25 To Introduce an Optional, Contingent Instruction Applicable to Periodic Auction Only Orders, Introduce a Time-in-Force of Auction or Cancel, and Make Conforming Changes to Its Periodic Auction Processing Behavior To Support the Proposed Contingent Instruction

June 18, 2026.

On April 28, 2026, Cboe BYX Exchange, Inc. (the “Exchange” or “BYX”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² a proposed rule change to introduce an optional, Contingent Instruction

applicable to Periodic Auction Only Orders, introduce a time-in-force of Auction or Cancel, and make conforming changes to its Periodic Auction processing behavior to support the proposed Contingent Instruction. The proposed rule change was published for comment in the **Federal Register** on May 14, 2026.³

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is June 28, 2026. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates August

12, 2026 as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–CboeBYX–2026–014).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–12629 Filed 6–23–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission Small Business Capital Formation Advisory Committee will hold a public meeting on Tuesday, July 21, 2026. The meeting will begin at 10:00 a.m. (ET) and will be open to the public.

PLACE: The meeting will be conducted at the Commission's headquarters, 100 F Street NE, Washington, DC 20549, and by remote means (videoconference). Members of the public may attend in-person or watch the webcast of the meeting on the Commission's website at www.sec.gov.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 105436 (May 11, 2026), 91 FR 27406 (“Notice”).

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

⁶ 17 CFR 200.30–3(a)(31).

STATUS: This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

MATTERS TO BE CONSIDERED: The agenda for the meeting includes matters relating to rules and regulations affecting small and emerging businesses and their investors under the federal securities laws.

CONTACT PERSON FOR MORE INFORMATION: For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Authority: 5 U.S.C. 552b.

Dated: June 22, 2026.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026-12755 Filed 6-22-26; 4:15 pm]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105728; File No. SR-NASDAQ-2026-054]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Make Technical Corrections To Its Rulebook at Equity 4

June 18, 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 June 10, 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 make technical corrections to its rulebook at Equity 4.

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 make several technical corrections to its rulebook at Equity 4. The Exchange is not proposing to make any substantive changes in this filing. Instead, all changes are technical in nature.

Cross-References Corrections: The Exchange proposes to correct several cross-references in Equity 4, Rules 4120 and 4763.

1. Equity 4, Rule 4120(a)(12), refers to “[t]he determination that the price of a stock is equal to or greater than \$1 under paragraph (a)(11)(B) above or less than \$1 under paragraph (a)(11)(C) above.” However, these cross-references should be to “paragraph (a)(12)(B) above” and “paragraph (a)(12)(C) above,” respectively.

2. Equity 4, Rule 4120(a)(13)(E)(6), refers to “the Permitted Price, as defined in Rule 4763(b).” However, this cross-reference should be to “Rule 4763(e).”

3. Equity 4, Rule 4120(c)(11)(A), refers to “[t]he process for halting and initial pricing of a Nasdaq-listed ETP that is the subject of an Initial ETP Open pursuant to Rule 4120(a)(15) . . . provided that the conditions in Rule 4120(a)(15)(i) and (ii) above are met.” However, these cross-references should be to “Rule 4120(a)(16)” and “Rule 4120(a)(16)(i) and (ii) above,” respectively.

4. Equity 4, Rule 4120(c)(11)(B), refers to “[a] trading halt initiated under Rule 4120(a)(15).” However, this cross-reference should be to “Rule 4120(a)(16).”

5. Equity 4, Rule 4763(e)(2), refers to “Limit-on-Open and Market-on-Open Orders defined in Nasdaq Rule 4752(a)(3) and (a)(4).” However, these cross-references should be to “Nasdaq Rule 4752(a)(4) and (a)(5).”

Technical Correction: The Exchange proposes to make a technical correction to Equity 4, Rule 4753(b). Rule 4753 concerns the Nasdaq Halt Cross, which is the process for determining the price at which eligible interest shall be executed at the open of trading for a halted security, and for executing that eligible interest. Rule 4753(b) provides that “[f]or Nasdaq-listed securities that are the subject of a trading halt or pause initiated pursuant to Rule 4120(a)(1), (4), (5), (6), (7), (11), (14), or (15), the Nasdaq Halt Cross shall occur at the time specified by Nasdaq pursuant to Rule 4120, and Regular Market Hours trading shall commence when the Nasdaq Halt Cross concludes.” However, this rule text is left over from before the Exchange allowed for trading during Pre-Market Hours and Post-Market Hours. Rule 4753(b), as currently formulated, only foresees that trading following a Nasdaq Halt Cross could occur during Regular Market Hours. Therefore, this obsolete rule text does not allow for the possibility of a Nasdaq Halt Cross occurring either during Pre-Market Hours or during Post-Market Hours. To correct this omission and to ensure that the text of Rule 4753(b) matches the current behavior of trading following a Nasdaq Halt Cross, the Exchange proposes to remove the reference to “Regular Market Hours” in Rule 4753(b) and, instead, add the phrase “in the security” between the word “trading” and the phrase “shall commence when the Nasdaq Halt Cross concludes.” Thus, pursuant to this proposed rule change, this portion of Rule 4753(b) will provide that “[f]or Nasdaq-listed securities that are the subject of a trading halt or pause initiated pursuant to Rule 4120(a)(1), (4), (5), (6), (7), (11), (14), or (15), the Nasdaq Halt Cross shall occur at the time specified by Nasdaq pursuant to Rule 4120, and trading in the security shall commence when the Nasdaq Halt Cross concludes.”

Removal of Rule Text Regarding the Tick Size Pilot. On May 6, 2015, the Commission approved the National Market System Plan to Implement a Tick Size Pilot.³ The Tick Size Pilot ran

³ See Securities Exchange Act Release No. 74892 (May 6, 2015), 80 FR 27514 (May 13, 2015) (“Order Approving the National Market System Plan To Implement a Tick Size Pilot Program by BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, The Nasdaq Stock Market LLC, New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc., as Modified by the Commission, for a Two-Year Period”).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

for two years, starting in October 2016.⁴ In order to implement the Tick Size Pilot, the Exchange adopted Equity 4, Rule 4770, which is titled “Compliance with Regulation NMS Plan to Implement a Tick Size Pilot.”⁵ Given that the Tick Size Pilot has long since concluded, the Exchange proposes to delete this obsolete rule text, and instead reserve Rule 4770.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ 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 the proposed rule change is designed to promote just and equitable principles of trade because correcting cross-references in Equity 4, updating obsolete rule text regarding the Nasdaq Halt Cross, and removing obsolete rule text regarding the Tick Size Pilot, will serve to avoid confusion and provide clarity to market participants. Additionally, it is necessary and consistent with the public interest and the protection of investors to make these technical corrections to the Exchange’s rulebook at Equity 4 in order to avoid confusing the investing public with incorrect cross-references in Rules 4120 and 4763, outdated rule text in Rule 4753, and obsolete rule text in Rule 4770.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issue; instead, its purpose is to ensure that the Exchange’s rulebook remains accurate and up to date.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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 Act⁸ and subparagraph (f)(6) of Rule 19b–4 thereunder.⁹

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–2026–054 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.
- All submissions should refer to file number SR–NASDAQ–2026–054. 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–2026–054 and should be submitted on or before July 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–12634 Filed 6–23–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105725; File No. SR–CboeEDGA–2026–022]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 11.8(c) To Permit an Intermarket Sweep Order (“ISO”) To Be Entered as a Non-Displayed Order and To Establish the Price Level at Which the System Will Consider an ISO Available for Other Orders To Be Entered

June 18, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on June 5, 2026, Cboe EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹⁰ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

⁴ See <https://www.sec.gov/data-research/tick-size-pilot-program>.

⁵ See Securities Exchange Act Release No. 77456 (Mar. 28, 2016), 81 FR 18925 (Apr. 1, 2016) (“Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Rule 4770 To Implement the Regulation NMS Plan To Implement a Tick Size Pilot Program”) (File No. SR–NASDAQ–2016–043).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 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.

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 amend Rule 11.8(c) to: (i) permit an Intermarket Sweep Order to be entered as a Non-Displayed Order and (ii) to establish the price level at which the System will consider an Intermarket Sweep Order available for other orders to be entered. The Exchange also proposes to amend Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price to more aggressive prices. 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.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

As part of its suite of order types, EDGA currently offers Users the ability to enter Intermarket Sweep Orders ("ISOs"), which are limit orders for an NMS stock that meet the following requirements: (i) when routed to a trading center, the limit order is identified as an ISO; (ii) simultaneously with the routing of the limit order identified as an ISO, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the NMS stock with a price that is superior to the limit price of the limit order as identified as an ISO (and these additional routed orders also must be

marked as ISOs).³ Currently, the Exchange does not specify that ISOs may be entered with a Non-Displayed instruction⁴ ("Non-Displayed Orders"). Based on User⁵ feedback, the Exchange proposes to amend Rule 11.8(c) to permit ISOs to be entered as Non-Displayed Orders ("Non-Displayed ISOs"). In addition to the proposed introduction of Non-Displayed ISOs, the Exchange also proposes to amend Rule 11.8(c) to establish the price level at which the System⁶ will consider an ISO available for other orders to be entered. Lastly, in conjunction with the proposed amendment to Rule 11.8(c) to allow for Non-Displayed ISOs, the Exchange also proposes to amend Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price to more aggressive prices.

Intermarket Sweep Orders

The Exchange currently permits Users to submit ISOs pursuant to Rule 11.8(c). In order to be eligible for treatment as an ISO, the limit order must be marked ISO and the User entering the order must simultaneously route one or more additional limit orders marked "ISO," as necessary, to away markets to execute against the full displayed size of any Protected Quotation⁷ for the security with a price that is superior to the limit price of the ISO entered in the System.⁸ Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the system without regard to Protected Quotations at away markets consistent with Regulation NMS (*i.e.*, may trade through such quotations).⁹ The Exchange relies on the marking of an order as an ISO order when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS as it relates to ISOs.¹⁰

³ See Regulation NMS Rule 600(a)(47).

⁴ See Exchange Rule 11.6(e)(2). A Non-Displayed instruction is an instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGA Book.

⁵ See Exchange Rule 1.5(ee). The term "User" shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

⁶ See Exchange Rule 1.5(cc). The term "System" shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

⁷ See Rule 1.5(v). The term "Protected Quotation" shall mean a quotation that is a Protected Bid or Protected Offer.

⁸ See Exchange Rule 11.8(c).

⁹ *Id.*

¹⁰ *Id.*

ISOs are not eligible for routing pursuant to Rule 11.11.¹¹

The Exchange now proposes to add a sentence to Rule 11.8(c) that states that an ISO may be entered as a displayed order or as a Non-Displayed Order (a "Non-Displayed ISO"). The Exchange notes that at least one other exchange¹² offers the ability to submit ISOs containing a Non-Displayed instruction and does not believe that its proposal introduces a novel order type.

In addition to permitting an ISO to be entered as a Non-Displayed Order, the Exchange also proposes to introduce Rules 11.8(c)(8)(A)–(C) that establish the price level at which the System will consider an ISO available for other orders to be entered.

Proposed Rule 11.8(c)(8)(A) would provide that upon receipt of an ISO during Regular Trading Hours,¹³ the System will consider the limit price of the ISO to be available for new orders to be entered at that price level. Resting orders would re-price to the limit price of the ISO based on User instruction, unless the ISO is not itself accepted at that price level (for example, an order with a Post Only instruction¹⁴ that was cancelled to avoid executing against an order on the EDGA Book¹⁵) or the ISO contains a Non-Displayed instruction.

Proposed Rule 11.8(c)(8)(B) would provide that upon receipt of an ISO during the Early Trading Session,¹⁶ Pre-Opening Session,¹⁷ or Post-Closing Session,¹⁸ the System will not consider the limit price of an ISO to be available for new orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.

Proposed Rule 11.8(c)(8)(C) would provide that notwithstanding subparagraphs (A) and (B), the System will consider the limit price of an ISO entered during Regular Trading Hours to

¹¹ *Id.*

¹² See, e.g., Nasdaq Equity 4, Rule 4702(b)(3)(C) and Nasdaq Equity 4, Rule 4703(j).

¹³ See Rule 1.5(y). The term "Regular Trading Hours" means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

¹⁴ See Rule 11.6(n)(4). Post Only is an instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGA Book, except as described in Rule 11.6(n)(4).

¹⁵ See Rule 1.5(d). The term "EDGA Book" shall mean the System's electronic file of orders.

¹⁶ See Rule 1.5(jj). The term "Early Trading Session" shall mean the time between 4:00 a.m. and 8:00 a.m. Eastern Time.

¹⁷ See Rule 1.5(s). The term "Pre-Opening Session" shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

¹⁸ See Rule 1.5(r). The term "Post-Closing Session" shall mean the time between 4:00 p.m. and 8:00 p.m. Eastern Time.

remain available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during the Post-Closing Session. The System will not consider the limit price of an ISO entered during the Early Trading Session or Pre-Opening Session to be available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during Regular Trading Hours or during the Post-Closing Session. The Exchange has provided examples below to demonstrate how proposed Rules 11.8(c)(8)(A)–(C) would operate.

Example 1¹⁹

Upon receipt of an ISO during Regular Trading Hours, the System will consider the limit price of an ISO to be available for new orders to be entered at that price level and resting orders would re-price to the limit price of the ISO.²⁰

NBBO: \$10.00 × \$10.05 (assume EDGA not on the NBO).

Order 1: Buy 1,000 at \$10.06—Displayed, price slide. Order 1 is posted to the EDGA Book ranked at the locking price of \$10.05 and displayed at a price of \$10.04 pursuant to Rule 11.6(l)(1)(B)(i).

Order 2: Buy 100 at \$10.05—Displayed, Day, ISO. Order 2 is posted to the EDGA Book and displayed at a price of \$10.05 as there is no contra-side liquidity on the EDGA Book to execute against upon entry.

Result: Upon the receipt of Order 2, pursuant to Rule 11.6(l)(1)(B)(i) and User instruction, Order 1 is displayed and ranked at a price of \$10.05. Order 1 is permitted to join the price level of the ISO pursuant to proposed Rule 11.8(c)(8)(A) as the User submitting the ISO is required to simultaneously route one or more additional limit orders marked ISO, as necessary, to away markets to execute against the full displayed size of any locked or crossed Protected Quotation.²¹

Example 2²²

Upon receipt of an ISO during the Early Trading Session, Pre-Opening Session, or Post-Closing Session, the System will not consider the limit price of an ISO to be available for other orders to be entered at that price, and resting

orders will not re-price based on the limit price of the ISO.²³

NBBO: \$10.00 × \$10.05 (assume EDGA not on the NBO).

Order 1: Buy 10,000 at \$10.06—Displayed; Multiple Price Slide. Order 1 is posted to the EDGA Book ranked at the Locking Price of \$10.05 and displayed at a price of \$10.04, pursuant to Rule 11.6(l)(1)(B)(i).

Order 2: Buy 100 @ \$10.06—Displayed, Day, ISO.

Result: Upon entry, Order 2 is posted to the EDGA Book as there is no contra-side liquidity on the EDGA Book to execute against. Order 2 is ranked and displayed at \$10.06 pursuant to Rule 11.8(c). Pursuant to proposed Rule 11.8(c)(8)(B), Order 1 remains ranked at the Locking Price of \$10.05 and displayed at a price of \$10.04 upon receipt of Order 2.²⁴ As Rule 611 of Regulation NMS does not apply outside of Regular Trading Hours, Order 2 is not required to simultaneously route additional ISOs, as necessary, to execute against the full displayed size of any protected offer. Therefore, the Exchange believes it would be inappropriate to use the limit price of Order 2 as a reference point for the re-pricing of Order 1.

Example 3

Upon receipt of an ISO during the Early Trading Session, Pre-Opening Session, or After Hours Trading Session, the System will not consider the limit price of an ISO to be available for other orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.²⁵

NBBO: \$10.00 × \$10.05 (assume EDGA not on the NBO).

Order 1: Buy 10,000 at \$10.06—Displayed; Multiple Price Slide. Order 1 is posted to the EDGA Book ranked at the locking price of \$10.05 and displayed at a price of \$10.04, pursuant to Rule 11.6(l)(1)(B)(i).

Order 2: Buy 100 @ \$10.06—Non-Displayed, Day, ISO.

Result: Upon entry, Order 2 is posted to the EDGA Book as there is no contra-side liquidity on the EDGA Book to execute against. Order 2 is ranked at the locking price of \$10.05 pursuant to proposed Rule 11.8(c)(8)(B). Order 1 remains ranked at the locking price of \$10.05 and displayed at a price of \$10.04 upon receipt of Order 2 pursuant to Rule 11.6(l)(1)(B)(i).

Example 4

The System will consider the limit price of an ISO entered during Regular Trading Hours to remain available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during the Post-Closing Session.

NBBO: \$10.00 × \$10.05 (assume EDGA not on the NBO).

Order 1: Buy 100 at \$10.06—Displayed, Day, ISO. Order 1 is ranked and displayed at \$10.06 pursuant to Rule 11.8(c) as there is no contra-side liquidity on the EDGA Book to execute against upon entry. Order 1 is entered during Regular Trading Hours and persists into the Post-Closing Session.

Order 2: Buy 10,000 at \$10.06—Displayed, Multiple Price Slide. Order 2 is entered during the Post-Closing Session.

Result: Order 2 is posted and displayed at \$10.06 because Order 1 established the \$10.06 price level during Regular Trading Hours pursuant to proposed Rule 11.8(c)(8)(C).

Non-Displayed Order Sliding

In addition to the proposed changes to permit an ISO to be entered as a Non-Displayed Order, the Exchange also proposes to amend Rule 11.6(l)(3) (“Re-Pricing of Non-Displayed Orders”) to permit Users to elect multiple price sliding for Non-Displayed Orders. Currently, a Non-Displayed Order containing a Display Price Slide instruction²⁶ that would cross the Protected Quotation of an external market will receive a new timestamp and will be ranked by the System at the Locking Price.²⁷ Once a Non-Displayed Order has been re-priced due to crossing the Protected Quotation of an away market, the Non-Displayed Order will not be re-priced by the System unless it is again crossing a Protected Quotation of an away market.²⁸ The Exchange now proposes to amend Rule 11.6(l)(3) to allow a User to elect to have a Non-Displayed Order re-price each time the NBBO changes that would permit the

¹⁹ For this example, assume that all orders are sent during Regular Trading Hours.

²⁰ See proposed Rule 11.8(c)(8)(A).

²¹ See Rule 11.10(f)(3)(iii).

²² For this example, assume that all orders are sent during the Early Trading Session or Pre-Opening Session.

²³ See proposed Rule 11.8(c)(8)(B).

²⁴ Under current Exchange Rules, Order 1 would be re-priced and displayed at \$10.06 pursuant to Rule 11.6(l)(1)(B)(iii) as Rule 610(d) of Regulation NMS is not violated during the Early Trading Session or Pre-Opening Session.

²⁵ See proposed Rule 11.8(c)(8)(B).

²⁶ See Rule 11.6(l)(1)(B). A “Display Price Slide” instruction requires that where an order would be a Locking Quotation or Crossing Quotation of an external market if displayed by the System on the EDGA Book at the time of entry, the order will be ranked at the Locking Price in the EDGA Book and displayed by the System at one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell).

²⁷ *Id.* See also Rule 11.6(f). The “Locking Price” is the price at which an order to buy (sell), that if displayed by the System on the EDGA Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.

²⁸ *Id.*

order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market and to clarify that a Non-Displayed Order will retain its original limit price irrespective of the price at which such Non-Displayed Order is ranked.

The Exchange proposes to delete the following language in Rule 11.6(l)(3): “Similarly, in the event the NBBO changes such that an order with a Non-Displayed instruction subject to the Display-Price Sliding or Price Adjust instruction would cross a Protected Quotation of an external market, the order will receive a new timestamp, and will be ranked by the System at the Locking Price. In the event an order with a Non-Displayed Instruction has been re-priced by the System pursuant to this sub-paragraph (3), such order with a Non-Displayed instruction is not re-priced by the System unless it would again cross a Protected Quotation of an external market.”

The proposed revised language of Rule 11.6(l)(3) is as follows:

In order to avoid potentially trading through Protected Quotations of external markets, the Exchange offers price sliding for orders with a Non-Displayed instruction that upon entry would cross a Protected Quotation of an external market that is functionally equivalent to the handling of displayable orders pursuant to the Display-Price Sliding instruction except that such orders will not have a displayed price. Orders with a Non-Displayed instruction that upon entry would cross the Protected Quotation of an external market and are subject to the Display-Price Sliding or Price Adjust instruction are ranked at the Locking Price on entry. By default, an order with a Non-Displayed instruction that has been re-priced pursuant to this sub-paragraph (3) shall not be re-priced again unless the order's ranked price would again cross the Protected Quotation of an external market. Notwithstanding the foregoing, a User may elect to have the System re-rank and re-price an order with a Non-Displayed instruction each time the NBBO changes that would permit the order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market, in which case the order shall be re-ranked at the most aggressive permissible price. Each time an order with a Non-Displayed instruction is re-priced, the order shall receive a new timestamp. An order with a Non-Displayed instruction will retain its original limit price irrespective of the price at which such order is ranked.

The Exchange has provided examples below of how a Non-Displayed Order subject to the proposed price sliding text would behave.

Example 5

The System will slide a Non-Displayed Order pursuant to proposed Rule 11.6(l)(3) based on User instruction.

NBBO: \$10.00 × \$10.05 (assume EDGA not at NBO).

Order 1: Sell 100 at \$10.06—Non-Displayed.

Order 2: Sell 100 at \$10.07—Non-Displayed.

Order 3: Buy 600 at \$10.07—Non-Displayed, Day, Multiple Price Slide. Pursuant to proposed Rule 11.6(l)(3), Order 3's shares are posted to the EDGA Book and ranked at a price of \$10.05. Order 3's shares are not displayed.

NBBO Updated: \$10.03 × \$10.07.

Result: When Order 3 arrives, its limit price of \$10.07 crosses the Protected Quotation (offer at \$10.05). Pursuant to current and proposed Rule 11.6(l)(3), Order 3 is therefore ranked at the Locking Price (\$10.05) upon entry. After the change to the NBBO, the non-displayed nature of Order 3 allows it to lock the NBBO. Since Order 3 contains an instruction to slide multiple times, Order 3 is slid to a ranked price of \$10.07 pursuant to proposed Rule 11.6(l)(3). Order 3 then trades 100 shares at \$10.06 against Order 1 and 100 shares at \$10.07 against Order 2. Order 3's remaining 400 shares are then posted to the EDGA Book at a price of \$10.07 pursuant to proposed Rule 11.6(l)(3).

Example 6

Non-Displayed Orders containing an ISO instruction will be permitted to execute up to their limit prices upon entry pursuant to proposed Rule 11.8(c) and then will re-price based on User instruction pursuant to proposed Rule 11.6(l)(3).

NBBO: \$10.00 × \$10.05 (assume EDGA not at NBO).

Order 1: Sell 100 at \$10.06—Displayed.

Order 2: Buy 600 at \$10.07—Non-Displayed, Day, ISO, Multiple Price Slide.

Result: Order 2 trades 100 shares with Order 1 at a price of \$10.06 pursuant to proposed Rule 11.8(c), which permits an ISO to be entered with a Non-Displayed instruction. Order 2's remaining 500 shares post to the EDGA Book at the Locking Price of \$10.05 pursuant to proposed Rule 11.6(l)(3). Assume the NBBO then updates to \$10.03 × \$10.07. Since Order 2 contained an instruction to re-price to more aggressive prices, the remaining 500 shares of Order 2 are

then re-priced to the Locking Price of \$10.07 pursuant to proposed Rule 11.6(l)(3).

The Exchange believes that the proposed changes, when viewed individually and holistically, serve to create a more valuable trading experience for market participants. In particular, the proposal expands the utility of an existing, well-established order type in a manner that is consistent with the regulatory framework underlying ISOs while also providing clear, transparent, and predictable rules governing the interaction between ISOs, other resting orders on the EDGA Book, and new orders arriving to the EDGA Book. Additionally, the Exchange's proposal to permit Non-Displayed Orders to re-price to more aggressive prices complements the Exchange's proposal to introduce Non-Displayed ISOs as it allows for Users to submit ISOs with a Non-Displayed instruction and allow such orders to react to changing market conditions should those orders post to the EDGA Book. Together, the proposed rule changes seek to provide additional options for market participants seeking to employ non-displayed trading strategies on the Exchange and provide additional clarity regarding the interaction between ISOs, resting orders on the EDGA Book, and new orders arriving to the EDGA Book.

Implementation

The Exchange proposes to implement the proposed functionality during the second half of 2026 and will announce the date via Trade Desk Notice.

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.²⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)³⁰ 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.

²⁹ 15 U.S.C. 78f(b).

³⁰ 15 U.S.C. 78f(b)(5).

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)³¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposal expands the utility of an existing, well-established order type in a manner that is consistent with the regulatory framework underlying ISOs. Under Regulation NMS, a User submitting an ISO represents that it has simultaneously routed one or more additional limit orders to execute against the full displayed size of any Protected Quotation at prices superior to the limit price of the ISO. The Exchange's reliance on that representation is longstanding and well-understood. Permitting Users to enter ISOs with a non-displayed instruction does not alter or undermine that representation—Users remain fully responsible for their compliance with the requirements of Regulation NMS relating to ISOs. Rather, the proposal simply affords Users greater flexibility in the manner in which they choose to interact with the marketplace, consistent with the spirit and requirements of fair and orderly trading.

Additionally, a wide variety of trading strategies depend upon the ability to manage order flow in a non-displayed capacity. Many institutional and professional market participants have legitimate, lawful reasons to conceal the full extent of their trading interest, including to minimize market impact and to facilitate the efficient execution of large orders over time. The Exchange's current framework, which does not permit ISOs to be entered as Non-Displayed Orders, unnecessarily constrains Users who wish to employ such strategies. By removing this limitation, the Exchange promotes just and equitable principles of trade by enabling Users to more effectively implement their trading strategies across market centers in a manner that is consistent with applicable law.

The introduction of Non-Displayed ISOs directly enables Users to implement cross-market trading strategies that require both the Regulation NMS ISO framework and the ability to post residual order interest in a non-displayed capacity. Under the current rule framework, Users who wish to employ such strategies are unable to do so on the Exchange and may be required to route order flow to competing venues that already offer comparable functionality. The inability to offer a Non-Displayed ISO order type

thus creates a structural impediment—both to Users seeking to execute their strategies efficiently and to the Exchange's ability to compete effectively within the national market system. The Exchange notes that at least one other national securities exchange currently offers the ability to submit ISOs with a non-displayed instruction.³² The Exchange's proposal to introduce Non-Displayed ISOs is therefore a competitive response that is consistent with the architecture of the national market system and does not introduce a novel order type.

The introduction of Non-Displayed ISOs is designed to protect investors and the public interest because the proposal enhances the ability of institutional and professional investors to efficiently execute large orders across multiple market centers without unduly signaling their trading interest to the market. The ability to manage market impact is an important dimension of best execution for investors with substantial order flow, and the Exchange's proposal promotes investor protection by affording these participants a tool that is already available on competing venues, thereby providing an equal opportunity for Users who trade on the Exchange to use a comparable order type.

The Exchange believes that its proposal to introduce Rules 11.8(c)(8)(A) through (C), which describe the price level at which the System will consider an ISO available for other orders to be entered, similarly promotes just and equitable principles of trade and protects investors and the public interest by providing Users with clear, transparent, and predictable rules governing the interaction between ISOs, other resting orders on the EDGA Book, and new orders arriving to the EDGA Book.

Specifically, the delineation between Regular Trading Hours (during which the limit price of a displayed ISO will be considered available for both new orders to join and for resting orders to re-price based on User instruction) and off-hours sessions (during which the limit price of an ISO will not be considered available for new orders to join or for such re-pricing) reflects the materially different regulatory and market structure dynamics that apply during those sessions. During Regular Trading Hours, a User submitting a displayed ISO has represented compliance with Regulation NMS trade-through obligations with respect to Protected Quotations, thereby establishing a reliable price level to

which resting orders may join. Outside of Regular Trading Hours, the absence of this same regulatory framework makes it inappropriate to use the ISO limit price as a reference point for resting order re-pricing. This distinction promotes just and equitable principles of trade by ensuring that order re-pricing behavior is tied to well-defined, appropriate, and lawful market conditions. By contrast, the Exchange's proposal that a Non-Displayed ISO will not trigger re-pricing of resting orders further promotes just and equitable principles of trade and protects investors and the public interest, as it would be inappropriate for a price level that is not publicly disseminated to serve as the basis for resting orders to obtain a new, more aggressive ranked price.

The Exchange further believes that its proposal to codify Rules 11.8(c)(8)(A) through (C) removes impediments to and perfects the mechanism of a free and open market and national market system by providing explicit, rule-based transparency around the operation of ISOs on the EDGA Book. Prior to this proposal, the Exchange's rules did not expressly address the price level at which an ISO would be considered available for new orders to be entered or for resting orders to re-price. By codifying these rules with clear distinctions based on trading session and order type—including the treatment of ISOs during Regular Trading Hours versus off-hours sessions and the handling of Non-Displayed ISOs—the Exchange removes ambiguity that could otherwise impede Users' ability to structure and implement their trading strategies effectively. Clear and predictable rules governing how ISOs interact with the EDGA Book are fundamental to the proper functioning of a free and open market, as they allow market participants to understand with certainty how their orders will be handled and to make informed routing and execution decisions accordingly.

The Exchange believes that its proposal to amend Rule 11.6(l)(3) to permit orders with a Non-Displayed instruction to re-price multiple times based on User instruction promotes just and equitable principles of trade and protects investors and the public interest by providing Users with greater control over how their Non-Displayed Orders interact with the prevailing NBBO over time. Under current Rule 11.6(l)(3), an order with a Non-Displayed instruction that has been re-priced due to crossing a Protected Quotation of an away market may not be re-priced again unless it would again cross a Protected Quotation. This restriction limits the ability of Non-

³¹ *Id.*

³² *Supra* note 12.

Displayed Orders to respond dynamically to changing market conditions, potentially resulting in those orders being ranked at prices that no longer reflect optimal execution opportunities. By removing this limitation and permitting Non-Displayed Orders to receive a new timestamp and be ranked at the most aggressive permissible price following NBBO movement—subject to User instruction—the Exchange promotes just and equitable principles of trade and protects investors and the public interest by enabling more efficient price discovery and facilitating the execution of orders at prices that are consistent with current market conditions.

The Exchange further notes that the proposed Non-Displayed Order re-pricing behavior is consistent with the existing price sliding framework applicable to displayed orders and extends established principles to Non-Displayed Orders in a logical and equitable manner. Allowing Non-Displayed Orders to slide multiple times does not confer any unfair advantage on Users who employ such orders; rather, it ensures that Non-Displayed Orders are handled in a manner that is commensurate with the flexibility already available to displayed orders. The Exchange also notes that the proposed re-pricing behavior for Non-Displayed Orders will be available to all Users on an equal and non-discriminatory basis, consistent with the requirements of Section 6(b)(5) of the Act.

The Exchange further believes that permitting Non-Displayed Orders to re-price multiple times removes impediments to and perfects the mechanism of a free and open market and national market system by allowing Non-Displayed Orders to respond more dynamically to changing NBBO conditions in a manner that maximizes execution opportunities for Users.

Under the current framework, a Non-Displayed Order that has been re-priced once will not be re-priced again until it would again cross a Protected Quotation of an external market. This limitation means that, even as market conditions change and the NBBO moves in a direction that would permit the Non-Displayed Order to be ranked at a more aggressive permissible price, the order remains statically ranked at a potentially suboptimal price level. The proposed amendment—which allows Non-Displayed Orders to re-price multiple times following NBBO movement subject to User instruction—removes this impediment by ensuring that Non-Displayed Orders are always ranked at the most aggressive

permissible price consistent with the prevailing NBBO and the User's order instructions. This enhances the liquidity available on the EDGA Book, promotes more efficient price discovery, and contributes to the overall quality of the national market system.

All aspects of the proposed rule change—including the ability to enter Non-Displayed ISOs, the codified rules governing the price level at which an ISO is considered available for other orders to be entered, and the expansion of Non-Displayed Order re-pricing to allow multiple re-pricings—are available to all Users of the Exchange on an equal and non-discriminatory basis. No User or class of Users is afforded preferential access to the proposed functionalities, and no User or class of Users is disadvantaged or excluded from utilizing the proposed order types and instructions.

Further, participation in any of the proposed functionalities is entirely voluntary. No User is required to enter ISOs as Non-Displayed Orders or to designate Non-Displayed Orders with the ability to re-price multiple times. The decision to utilize any of the proposed features is left entirely to the discretion of individual Users, who are in the best position to determine which order types and instructions are appropriate for their given trading strategies. Because the proposed functionalities are uniformly available to all Users on the same terms and conditions, and because participation is wholly optional, the proposed rule change does not permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange further notes that the proposed rule change does not impose any new requirements or obligations on Users who do not wish to utilize the proposed functionalities. Users who prefer to continue entering ISOs with Displayed instructions, or who prefer to continue submitting Non-Displayed Orders without a multiple re-price instruction, may do so without any change to their current order handling. The proposed rule change thus expands the range of choices available to all Users on an equal basis without restricting or altering the rights of any User who elects not to take advantage of the proposed features.

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 intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange's

proposal to introduce a Non-Displayed ISO is a competitive response to a similar order type offered on at least one other exchange. As with other national securities exchanges, the Exchange must continually assess and improve its offerings to compete with other exchanges and market centers. The proposed rule change is indicative of this competition. The Exchange does not believe that its proposal to codify Rules 11.8(c)(8)(A) through (C), which describe the price level at which the System will consider an ISO available for other orders to be entered, imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. These rules are operational and clarifying in nature and are not being introduced for competitive purposes. Further, the Exchange does not believe that the proposal to amend Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price multiple times based on User instruction imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Permitting Non-Displayed Orders to respond dynamically to changing NBBO conditions—by re-pricing to the most aggressive permissible price following each relevant NBBO movement, subject to User instruction—improves the execution quality available on the Exchange for Non-Displayed Orders, making the Exchange a more attractive venue for market participants who rely upon such orders.

Additionally, the Exchange does not believe that the proposed rule changes would implicate any intramarket competitive concerns with respect to its Users. The proposed rule change to permit Users to enter an ISO with a non-displayed instruction and proposed rule change to enable Users to elect to permit Non-Displayed Orders to re-price multiple times are completely voluntary and available to all Users on an equal and non-discriminatory basis. Rather than impede competition, the proposed rule changes would provide an additional order type and order instruction for Users to facilitate their trading goals. Furthermore, the proposed rule change to codify Rules 11.8(c)(8)(A)–(C) is not being introduced for competitive reasons and serves only to provide additional details about the price levels at which orders may be accepted and re-price.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeEDGA-2026-022 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-2026-022. 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-2026-022 and should be submitted on or before July 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105729; File No. SR-IEX-2026-17]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend IEX Rule 22.100 To Allow Market Makers To Submit Immediate-or-Cancel Bulk Message Quotes

June 18, 2026.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (the "Act") ² and Rule 19b-4 thereunder, ³ notice is hereby given that, on June 10, 2026, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) under the Act, ⁴ and Rule 19b-4 thereunder, ⁵ the Exchange is filing with the Commission a proposed rule change to amend Rule 22.100 to allow an Options Market Maker to submit a quote with the time-in-force ("TIF") instruction of Immediate-or-Cancel ("IOC") as a bulk message on IEX Options. The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act ⁶ and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder. ⁷

³³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings> and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and the 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 22.100 to allow Options Market Makers ⁸ to submit a quote with the TIF instruction of IOC as a bulk message. ⁹ A TIF of IOC instructs that an order or quote message is to be executed in whole or in part as soon as such order is received. ¹⁰ Any IOC order or quote (or portion thereof) that is not immediately executed on the Exchange will be canceled and does not post to the IEX Options Book. ¹¹

Options Market Makers may submit quotes as well as orders. Quotes may only be submitted by Market Makers and only as bulk messages. A bulk message is a single electronic message a Market Maker submits to the Exchange through a logical port in which the Market Maker may enter, modify, or cancel up to an Exchange-specified number of bids and offers. ¹² Under

⁸ The terms "Market Makers" and Options Market Makers refer collectively to Options Members registered, pursuant to Rule 23.100, as either a "Registered Market Maker" or a "Specialist." See Rule 17.100.

⁹ The term "bulk message" means a single electronic message a Market Maker submits to the Exchange, in which the Market Maker may enter, modify, or cancel up to an Exchange-specified number of bids and offers (which number the Exchange announces via Exchange notice and publicly available technical specifications). See Rule 22.100(l). A handling instruction, such as a TIF, that is applied to a bulk message will apply to each bid and offer within that bulk message.

¹⁰ See Rule 22.100(g)(1).

¹¹ See *id.*

¹² See Rule 22.100(l).

current IEX Rules,¹³ Market Makers may only submit quotes¹⁴ as bulk messages with a TIF of Day.¹⁵ As proposed, a Market Maker would have the option to submit a single quote with a TIF of IOC in a bulk message.¹⁶

Based on informal feedback from options market participants, IEX believes that it would facilitate Market Makers' risk management and satisfaction of applicable IEX quoting obligations¹⁷ to also permit Market Makers to enter a quote as a bulk message with a TIF of IOC.¹⁸ The Exchange believes that allowing Market Makers to designate IOC quotes as bulk messages will facilitate their ability to manage their interactions with resting liquidity through the same bulk message functionality that they will use to satisfy their quoting obligations and provide liquidity. Several other options exchanges offer market makers the ability to select a TIF of IOC for quotes in bulk messages.¹⁹

¹³ IEX anticipates launching its options market in October 2026. On September 18, 2025, the Commission approved IEX's proposed rules to govern the trading of options contracts on IEX. See Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025).

¹⁴ The terms "quote" or "quotation" means a bid or offer entered by a Market Maker as a firm order that updates the Market Maker's previous bid or offer, if any. When the term order is used in these Rules and a bid or offer is entered by the Market Maker in the options series to which such Market Maker is registered, such order shall, as applicable, constitute a quote or quotation for purposes of these Rules. A quote or quotation may be canceled or repriced in accordance with Rules 22.250, 22.260, or 23.150, if so designated by the Market Maker to assist in its risk management. See Rule 17.100.

¹⁵ For an order so designated, the term "Day" means an order to buy or sell which, if not executed, expires at market close. See Rule 22.100(g)(2).

¹⁶ See proposed Rule 22.100(l).

¹⁷ See Rule 23.150(e).

¹⁸ Current Rule 22.100(l)(2) provides that Market Makers may only submit bulk messages for a class in which the Market Maker has an appointment in that class. The Exchange is not proposing any changes to this provision. An IOC quote would not count toward satisfying a Market Maker's continuous quoting obligations. Because an IOC quote is either immediately matched or cancelled, it never becomes resting displayed liquidity and thus would not contribute to a Market Maker's quoting presence or satisfy its continuous quoting obligations.

¹⁹ Cboe Options, C2, EDGX, BZX, and the MEMX Options exchanges (MEMX, M2) permit market makers to submit IOC quotes as bulk messages. See Cboe Option Rules 5.5(c)(3)(A)(i) and 5.6(d) (Exchange Act Rel. No. 92988 (September 15, 2021), 86 FR 52521 (September 21, 2021)); C2 Rules 5.5(c)(3)(A)(i) and 5.6(d); EDGX Rules 21.1(f)(2) and 21.1(j)(3)(A)(i); BZX Rules 21.1(f)(2) and 21.1(l)(3)(A)(i); MEMX Options Rules 21.1(g)(1) and 21.1(l); M2 Rules 21.1(g)(1) and 21.1(l). In addition, MIA Options and MIA Emerald support an IOC eQuote through their Market Maker Protocols which, while not bulk messages, are a quote message type that is only available to market makers and allows them to select a TIF of IOC. See

In certain circumstances, a Market Maker may wish to take liquidity resting on the IEX Options Book, for example, to avoid locking or crossing an order on the Book, by removing interest on the Book in order to subsequently post updated quotes at potentially tighter spreads, or to reduce their inventory risk. In such circumstances, current IEX Rules would require a Market Maker to (i) enter a bulk message quote at a price that is executable against the resting interest, and (ii) in order to avoid any unexecuted portion thereof remaining displayed on the Book, immediately follow with another bulk message quote to cancel the original quote. In contrast, as proposed, the Market Maker would only need to enter one IOC quote. Thus, enabling Market Makers to enter IOC quotes as bulk messages would provide enhanced efficiency for the Market Maker by enabling it to accomplish the same objective with fewer steps and would result in less message traffic for the System to process.

The Exchange, however, proposes to limit Market Makers' use of IOC quotes to execute against resting non-Market Maker interest.²⁰ The Exchange believes it is appropriate to only permit this functionality for the limited purpose described above in view of a Market Maker's core obligation to provide liquidity to the market.²¹

Accordingly, the Exchange proposes to amend IEX rules as follows:

- Add "subject to the restrictions set forth in paragraph (l) below with respect to bulk messages" to Rule 22.100(g);
- Amend the definition of "IOC" in Rule 22.100(g)(1) to state that Market Makers may designate bulk messages as IOC;
- Amend the definition of "bulk message" in Rule 22.100(l)(1) to state that Market Makers may only submit a

MIA Options Rule 517(a)(2)(iv); MIA Emerald Rule 517(a)(2)(iii).

²⁰ See proposed Rule 22.100(g)(1).

²¹ Cboe Options, C2, and EDGX allow IOC bulk messages but do not permit their use to execute against resting market maker interest. See Cboe Titanium Binary Order Entry, version 3 Specifications—BOE Bulk Quoting Ports, available at <https://www.cboe.com/document/tech-spec/document/technical-specifications/cboe-titanium-u.s.-options-boev3-specification>. BZX does permit market makers to use IOC quotes to execute against market maker interest. See *id.* Similarly, MEMX, M2, MIA Options, and MIA Emerald allow market makers to submit IOC quotes as bulk messages and have no express prohibition against using IOC quotes against market maker interest. See MEMX Options and M2 Rulebooks, available at <https://info.memxtrading.com/regulation/memx-rules/>; MIA Options Exchange Rulebook, available at <https://www.miaxglobal.com/markets/us-options/miax-options/rulebooks>; MIA Emerald Options Exchange Rulebook, available at <https://www.miaxglobal.com/markets/us-options/emerald-options/rulebooks>.

single quote with a Time-in-Force of IOC, and that an IOC quote will not execute against resting Market Maker interest;

- Amend Rule 22.100(l)(1) to state that bulk messages must have a Time-in-Force of Day or IOC;
- Amend Rule 22.100(l)(3) to state that any bulk messages with a Time-in-Force of Day will be implicitly designated as Post Only;
- Amend Rule 22.100(l)(4) to make clear that the System cancels, rejects, or reprices a bulk message that does not have a Time-in-Force of IOC and has a bid (offer) with a price that locks or crosses the Exchange best offer (bid) or ABO (ABB); and
- Change "enter" to "rest" in the second sentence of Rule 22.150(a) (Entry of Orders) to make clear that the limit set forth in the Rule (*i.e.*, that Market Makers may only rest one bid and one offer for a series per MPID using bulk messages) which would not apply to IOC quotes, which by definition do not rest on the book.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act²² in general, and furthers the objectives of Section 6(b)(5) of the Act²³ in particular, 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 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.

The Exchange believes that the proposed rule change allowing Market Makers to submit quotes as bulk messages with a TIF of IOC will remove impediments to and perfect the mechanism of a free and open market and national market system and benefit investors by permitting Market Makers to more effectively and efficiently manage their interactions with resting liquidity through the same bulk message functionality that they use to manage their market making obligations, as described in the Purpose section. The proposed rule change is also designed to reduce unnecessary message traffic and thereby benefit market participants generally consistent with the protection of investors and the public interest.

²² 15 U.S.C. 78f(b).

²³ 15 U.S.C. 78f(b)(5).

The Exchange also believes that the proposed rule change is consistent with the Act because it is designed to provide added flexibility for Market Makers in removing interest on the Book to avoid locking or crossing an order on the Book and thereby could potentially result in Market Makers updating their quotes at potentially tighter spreads. This, in turn, would provide all market participants with additional execution opportunities on the Exchange at potentially improved prices and thereby attract additional order flow to the Exchange, for the benefit of all Members of the Exchange.

In addition, the Exchange does not believe that the proposed rule change would permit unfair discrimination. As set forth in the Purpose section above, Market Makers have an essential role in providing liquidity on the Exchange and are subject to quoting obligations that other market participants do not have, including competing with other Market Makers in all series of options classes to which the Market Maker is appointed; making markets in all series of options classes to which the Market Maker is appointed; and continuously updating its quotations throughout the trading day. Bulk message functionality supports Market Makers' ability to satisfy their market making obligations. The Exchange believes that adding the option of IOC quotes to the existing bulk message function does not unfairly discriminate against non-Market Makers because they do not use the bulk message functionality and have no affirmative quoting obligations.

Finally, as discussed in the Purpose section above, the proposed rule change is based on existing rules of other options exchanges.²⁴ Accordingly, the Exchange does not believe that the proposed rule change raises any new or novel issues that have not already been considered by the Commission.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to allow a Market Maker to more efficiently manage its ability to execute against specific interest on the Book with its ongoing market making obligations by providing the option of

designating an IOC quote as a bulk message. While the Exchange expects the proposed rule change will result in lower message traffic for the System to process, the Exchange does not believe this amounts to a burden on intermarket competition that would frustrate the purposes of the Act. Competing exchanges have and can continue to adopt comparable IOC bulk message functionality, subject to the SEC rule filing process, as discussed in the Purpose section.

The Exchange also does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. IOC quote bulk messages would be voluntary and available to any Market Maker wishing to designate their quotes as such. Market Makers who wish to execute against resting interest on the Book using multiple, sequential bulk messages designated as Day—as the current Rules provide—may continue to do so. While the use of bulk messages is limited to Market Makers, for the reasons set forth in the Statutory Basis section above, the Exchange believes this is appropriate, given the unique obligations and role of Market Makers in providing liquidity. In addition, non-Market Maker Members will continue to be able to use the IOC instruction for their own orders, subject to all applicable IEX Rules.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)²⁵ of the Act and Rule 19b-4(f)(6)²⁶ thereunder. 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, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

The Exchange believes that the proposed rule change meets the criteria

of subparagraph (f)(6) of Rule 19b-4²⁷ because it would not significantly affect the protection of investors or the public interest. Rather, the proposed rule change is designed to give Market Makers the ability to select a TIF of IOC for quotes in bulk messages. Moreover, as described in the Purpose and Statutory Basis sections, the proposed rule change is substantially similar to the rules of Cboe Options, C2, and EDGX, with differences based on different rule structures of those exchanges. Accordingly, the Exchange believes that this proposed rule change is non-controversial because it raises no new or novel issues not already considered by the Commission.

Accordingly, the Exchange believes that the proposed rule change is eligible for immediate effectiveness.²⁸

Furthermore, 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.²⁹

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 under Section 19(b)(2)(B)³⁰ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-IEX-2026-17 on the subject line.

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008) (concerning 17 CFR 200 and 241).

²⁹ 17 CFR 240.19b-4(f)(6)(iii).

³⁰ 15 U.S.C. 78s(b)(2)(B).

²⁴ See *supra*, note 19.

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(6).

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-IEX-2026-17. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-IEX-2026-17 and should be submitted on or before July 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³¹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-12638 Filed 6-23-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105726; File No. SR-CboeEDGX-2026-045]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 11.8(c) To Permit an Intermarket Sweep Order ("ISO") To Be Entered as a Non-Displayed Order and To Establish the Price Level at Which the System Will Consider an ISO Available for Other Orders To Be Entered

June 18, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 5, 2026, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The

Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") proposes to amend Rule 11.8(c) to: (i) permit an Intermarket Sweep Order to be entered as a Non-Displayed Order and (ii) to establish the price level at which the System will consider an Intermarket Sweep Order available for other orders to be entered. The Exchange also proposes to amend Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price to more aggressive prices. 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

As part of its suite of order types, EDGX currently offers Users the ability to enter Intermarket Sweep Orders ("ISOs"), which are limit orders for an NMS stock that meet the following requirements: (i) when routed to a trading center, the limit order is identified as an ISO; (ii) simultaneously with the routing of the limit order identified as an ISO, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the NMS stock with a price that is

superior to the limit price of the limit order as identified as an ISO (and these additional routed orders also must be marked as ISOs).³ Currently, the Exchange does not specify that ISOs may be entered with a Non-Displayed instruction⁴ ("Non-Displayed Orders"). Based on User⁵ feedback, the Exchange proposes to amend Rule 11.8(c) to permit ISOs to be entered as Non-Displayed Orders ("Non-Displayed ISOs"). In addition to the proposed introduction of Non-Displayed ISOs, the Exchange also proposes to amend Rule 11.8(c) to establish the price level at which the System⁶ will consider an ISO available for other orders to be entered. Lastly, in conjunction with the proposed amendment to Rule 11.8(c) to allow for Non-Displayed ISOs, the Exchange also proposes to amend Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price to more aggressive prices.

Intermarket Sweep Orders

The Exchange currently permits Users to submit ISOs pursuant to Rule 11.8(c). In order to be eligible for treatment as an ISO, the limit order must be marked ISO and the User entering the order must simultaneously route one or more additional limit orders marked "ISO," as necessary, to away markets to execute against the full displayed size of any Protected Quotation⁷ for the security with a price that is superior to the limit price of the ISO entered in the System.⁸ Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the system without regard to Protected Quotations at away markets consistent with Regulation NMS (*i.e.*, may trade through such quotations).⁹ The Exchange relies on the marking of an order as an ISO order when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of

³ See Regulation NMS Rule 600(a)(47).

⁴ See Exchange Rule 11.6(e)(2). A Non-Displayed instruction is an instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGX Book.

⁵ See Exchange Rule 1.5(ee). The term "User" shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

⁶ See Exchange Rule 1.5(cc). The term "System" shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

⁷ See Rule 1.5(v). The term "Protected Quotation" shall mean a quotation that is a Protected Bid or Protected Offer.

⁸ See Exchange Rule 11.8(c).

⁹ *Id.*

³¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Regulation NMS as it relates to ISOs.¹⁰ ISOs are not eligible for routing pursuant to Rule 11.11.¹¹

The Exchange now proposes to add a sentence to Rule 11.8(c) that states that an ISO may be entered as a displayed order or as a Non-Displayed Order (a “Non-Displayed ISO”). The Exchange notes that at least one other exchange¹² offers the ability to submit ISOs containing a Non-Displayed instruction and does not believe that its proposal introduces a novel order type.

In addition to permitting an ISO to be entered as a Non-Displayed Order, the Exchange also proposes to introduce Rules 11.8(c)(8)(A)–(C) that establish the price level at which the System will consider an ISO available for other orders to be entered.

Proposed Rule 11.8(c)(8)(A) would provide that upon receipt of an ISO during Regular Trading Hours,¹³ the System will consider the limit price of the ISO to be available for new orders to be entered at that price level. Resting orders would re-price to the limit price of the ISO based on User instruction, unless the ISO is not itself accepted at that price level (for example, an order with a Post Only instruction¹⁴ that was cancelled to avoid executing against an order on the EDGX Book¹⁵) or the ISO contains a Non-Displayed instruction.

Proposed Rule 11.8(c)(8)(B) would provide that upon receipt of an ISO during the Early Trading Session,¹⁶ Pre-Opening Session,¹⁷ or Post-Closing Session,¹⁸ the System will not consider the limit price of an ISO to be available for new orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.

Proposed Rule 11.8(c)(8)(C) would provide that notwithstanding subparagraphs (A) and (B), the System

will consider the limit price of an ISO entered during Regular Trading Hours to remain available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during the Post-Closing Session. The System will not consider the limit price of an ISO entered during the Early Trading Session or Pre-Opening Session to be available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during Regular Trading Hours or during the Post-Closing Session. The Exchange has provided examples below to demonstrate how proposed Rules 11.8(c)(8)(A)–(C) would operate.

Example 1¹⁹

Upon receipt of an ISO during Regular Trading Hours, the System will consider the limit price of an ISO to be available for new orders to be entered at that price level and resting orders would re-price to the limit price of the ISO.²⁰

NBBO: \$10.00 × \$10.05 (assume EDGX not on the NBO).

Order 1: Buy 1,000 at \$10.06—Displayed, price slide. Order 1 is posted to the EDGX Book ranked at the locking price of \$10.05 and displayed at a price of \$10.04 pursuant to Rule 11.6(l)(1)(B)(i).

Order 2: Buy 100 at \$10.05—Displayed, Day, ISO. Order 2 is posted to the EDGX Book and displayed at a price of \$10.05 as there is no contra-side liquidity on the EDGX Book to execute against upon entry.

Result: Upon the receipt of Order 2, pursuant to Rule 11.6(l)(1)(B)(i) and User instruction, Order 1 is displayed and ranked at a price of \$10.05. Order 1 is permitted to join the price level of the ISO pursuant to proposed Rule 11.8(c)(8)(A) as the User submitting the ISO is required to simultaneously route one or more additional limit orders marked ISO, as necessary, to away markets to execute against the full displayed size of any locked or crossed Protected Quotation.²¹

Example 2²²

Upon receipt of an ISO during the Early Trading Session, Pre-Opening Session, or Post-Closing Session, the System will not consider the limit price of an ISO to be available for other orders to be entered at that price, and resting

orders will not re-price based on the limit price of the ISO.²³

NBBO: \$10.00 × \$10.05 (assume EDGX not on the NBO).

Order 1: Buy 10,000 at \$10.06—Displayed; Multiple Price Slide. Order 1 is posted to the EDGX Book ranked at the Locking Price of \$10.05 and displayed at a price of \$10.04, pursuant to Rule 11.6(l)(1)(B)(i).

Order 2: Buy 100 @ \$10.06—Displayed, Day, ISO.

Result: Upon entry, Order 2 is posted to the EDGX Book as there is no contra-side liquidity on the EDGX Book to execute against. Order 2 is ranked and displayed at \$10.06 pursuant to Rule 11.8(c). Pursuant to proposed Rule 11.8(c)(8)(B), Order 1 remains ranked at the Locking Price of \$10.05 and displayed at a price of \$10.04 upon receipt of Order 2.²⁴ As Rule 611 of Regulation NMS does not apply outside of Regular Trading Hours, Order 2 is not required to simultaneously route additional ISOs, as necessary, to execute against the full displayed size of any protected offer. Therefore, the Exchange believes it would be inappropriate to use the limit price of Order 2 as a reference point for the re-pricing of Order 1.

Example 3

Upon receipt of an ISO during the Early Trading Session, Pre-Opening Session, or After Hours Trading Session, the System will not consider the limit price of an ISO to be available for other orders to be entered at that price, and resting orders will not re-price based on the limit price of the ISO.²⁵

NBBO: \$10.00 × \$10.05 (assume EDGX not on the NBO).

Order 1: Buy 10,000 at \$10.06—Displayed; Multiple Price Slide. Order 1 is posted to the EDGX Book ranked at the locking price of \$10.05 and displayed at a price of \$10.04, pursuant to Rule 11.6(l)(1)(B)(i).

Order 2: Buy 100 @ \$10.06—Non-Displayed, Day, ISO.

Result: Upon entry, Order 2 is posted to the EDGX Book as there is no contra-side liquidity on the EDGX Book to execute against. Order 2 is ranked at the locking price of \$10.05 pursuant to proposed Rule 11.8(c)(8)(B). Order 1 remains ranked at the locking price of \$10.05 and displayed at a price of \$10.04 upon receipt of Order 2 pursuant to Rule 11.6(l)(1)(B)(i).

²³ See proposed Rule 11.8(c)(8)(B).

²⁴ Under current Exchange Rules, Order 1 would be re-priced and displayed at \$10.06 pursuant to Rule 11.6(l)(1)(B)(iii) as Rule 610(d) of Regulation NMS is not violated during the Early Trading Session or Pre-Opening Session.

²⁵ See proposed Rule 11.8(c)(8)(B).

¹⁰ *Id.*

¹¹ *Id.*

¹² See, e.g., Nasdaq Equity 4, Rule 4702(b)(3)(C) and Nasdaq Equity 4, Rule 4703(j).

¹³ See Rule 1.5(y). The term “Regular Trading Hours” means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

¹⁴ See Rule 11.6(n)(4). Post Only is an instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book, except as described in Rule 11.6(n)(4).

¹⁵ See Rule 1.5(d). The term “EDGX Book” shall mean the System’s electronic file of orders.

¹⁶ See Rule 1.5(jj). The term “Early Trading Session” shall mean the time between 4:00 a.m. and 8:00 a.m. Eastern Time.

¹⁷ See Rule 1.5(s). The term “Pre-Opening Session” shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

¹⁸ See Rule 1.5(r). The term “Post-Closing Session” shall mean the time between 4:00 p.m. and 8:00 p.m. Eastern Time.

¹⁹ For this example, assume that all orders are sent during Regular Trading Hours.

²⁰ See proposed Rule 11.8(c)(8)(A).

²¹ See Rule 11.10(f)(3)(iii).

²² For this example, assume that all orders are sent during the Early Trading Session or Pre-Opening Session.

Example 4

The System will consider the limit price of an ISO entered during Regular Trading Hours to remain available for new orders to be entered or resting orders to re-price based on User instruction if such order remains eligible for execution during the Post-Closing Session.

NBBO: \$10.00 × \$10.05 (assume EDGX not at the NBO).

Order 1: Buy 100 at \$10.06—Displayed, Day, ISO. Order 1 is ranked and displayed at \$10.06 pursuant to Rule 11.8(c) as there is no contra-side liquidity on the EDGX Book to execute against upon entry. Order 1 is entered during Regular Trading Hours and persists into the Post-Closing Session.

Order 2: Buy 10,000 at \$10.06—Displayed, Multiple Price Slide. Order 2 is entered during the Post-Closing Session.

Result: Order 2 is posted and displayed at \$10.06 because Order 1 established the \$10.06 price level during Regular Trading Hours pursuant to proposed Rule 11.8(c)(8)(C).

Non-Displayed Order Sliding

In addition to the proposed changes to permit an ISO to be entered as a Non-Displayed Order, the Exchange also proposes to amend Rule 11.6(l)(3) (“Re-Pricing of Non-Displayed Orders”) to permit Users to elect multiple price sliding for Non-Displayed Orders. Currently, a Non-Displayed Order containing a Display Price Slide instruction²⁶ that would cross the Protected Quotation of an external market will receive a new timestamp and will be ranked by the System at the Locking Price.²⁷ Once a Non-Displayed Order has been re-priced due to crossing the Protected Quotation of an away market, the Non-Displayed Order will not be re-priced by the System unless it is again crossing a Protected Quotation of an away market.²⁸ The Exchange now proposes to amend Rule 11.6(l)(3) to allow a User to elect to have a Non-Displayed Order re-price each time the NBBO changes that would permit the

order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market and to clarify that a Non-Displayed Order will retain its original limit price irrespective of the price at which such Non-Displayed Order is ranked.

The Exchange proposes to delete the following language in Rule 11.6(l)(3): “Similarly, in the event the NBBO changes such that an order with a Non-Displayed instruction subject to the Display-Price Sliding or Price Adjust instruction would cross a Protected Quotation of an external market, the order will receive a new timestamp, and will be ranked by the System at the Locking Price. In the event an order with a Non-Displayed Instruction has been re-priced by the System pursuant to this sub-paragraph (3), such order with a Non-Displayed instruction is not re-priced by the System unless it would again cross a Protected Quotation of an external market.”

The proposed revised language of Rule 11.6(l)(3) is as follows:

In order to avoid potentially trading through Protected Quotations of external markets, the Exchange offers price sliding for orders with a Non-Displayed instruction that upon entry would cross a Protected Quotation of an external market that is functionally equivalent to the handling of displayable orders pursuant to the Display-Price Sliding instruction except that such orders will not have a displayed price. Orders with a Non-Displayed instruction that upon entry would cross the Protected Quotation of an external market and are subject to the Display-Price Sliding or Price Adjust instruction are ranked at the Locking Price on entry. By default, an order with a Non-Displayed instruction that has been re-priced pursuant to this sub-paragraph (3) shall not be re-priced again unless the order's ranked price would again cross the Protected Quotation of an external market. Notwithstanding the foregoing, a User may elect to have the System re-rank and re-price an order with a Non-Displayed instruction each time the NBBO changes that would permit the order to be ranked at a more aggressive price without crossing a Protected Quotation of an external market, in which case the order shall be re-ranked at the most aggressive permissible price. Each time an order with a Non-Displayed instruction is re-priced, the order shall receive a new timestamp. An order with a Non-Displayed instruction will retain its original limit price irrespective of the price at which such order is ranked.

The Exchange has provided examples below of how a Non-Displayed Order subject to the proposed price sliding text would behave.

Example 5

The System will slide a Non-Displayed Order pursuant to proposed Rule 11.6(l)(3) based on User instruction.

NBBO: \$10.00 × \$10.05 (assume EDGX not at NBO).

Order 1: Sell 100 at \$10.06—Non-Displayed.

Order 2: Sell 100 at \$10.07—Non-Displayed.

Order 3: Buy 600 at \$10.07—Non-Displayed, Day, Multiple Price Slide. Pursuant to proposed Rule 11.6(l)(3), Order 3's shares are posted to the EDGX Book and ranked at a price of \$10.05. Order 3's shares are not displayed.

NBBO Updated: \$10.03 × \$10.07.

Result: When Order 3 arrives, its limit price of \$10.07 crosses the Protected Quotation (offer at \$10.05). Pursuant to current and proposed Rule 11.6(l)(3), Order 3 is therefore ranked at the Locking Price (\$10.05) upon entry. After the change to the NBBO, the non-displayed nature of Order 3 allows it to lock the NBBO. Since Order 3 contains an instruction to slide multiple times, Order 3 is slid to a ranked price of \$10.07 pursuant to proposed Rule 11.6(l)(3). Order 3 then trades 100 shares at \$10.06 against Order 1 and 100 shares at \$10.07 against Order 2. Order 3's remaining 400 shares are then posted to the EDGX Book at a price of \$10.07 pursuant to proposed Rule 11.6(l)(3).

Example 6

Non-Displayed Orders containing an ISO instruction will be permitted to execute up to their limit prices upon entry pursuant to proposed Rule 11.8(c) and then will re-price based on User instruction pursuant to proposed Rule 11.6(l)(3).

NBBO: \$10.00 × \$10.05 (assume EDGX not at NBO).

Order 1: Sell 100 at \$10.06—Displayed.

Order 2: Buy 600 at \$10.07—Non-Displayed, Day, ISO, Multiple Price Slide.

Result: Order 2 trades 100 shares with Order 1 at a price of \$10.06 pursuant to proposed Rule 11.8(c), which permits an ISO to be entered with a Non-Displayed instruction. Order 2's remaining 500 shares post to the EDGX Book at the Locking Price of \$10.05 pursuant to proposed Rule 11.6(l)(3). Assume the NBBO then updates to \$10.03 × \$10.07. Since Order 2 contained an instruction to re-price to more aggressive prices, the remaining 500 shares of Order 2 are

²⁶ See Rule 11.6(l)(1)(B)(i). A “Display Price Slide” instruction requires that where an order would be a Locking Quotation or Crossing Quotation of an external market if displayed by the System on the EDGX Book at the time of entry, the order will be ranked at the Locking Price in the EDGX Book and displayed by the System at one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell).

²⁷ *Id.* See also Rule 11.6(f). The “Locking Price” is the price at which an order to buy (sell), that if displayed by the System on the EDGX Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.

²⁸ *Id.*

then re-priced to the Locking Price of \$10.07 pursuant to proposed Rule 11.6(l)(3).

The Exchange believes that the proposed changes, when viewed individually and holistically, serve to create a more valuable trading experience for market participants. In particular, the proposal expands the utility of an existing, well-established order type in a manner that is consistent with the regulatory framework underlying ISOs while also providing clear, transparent, and predictable rules governing the interaction between ISOs, other resting orders on the EDGX Book, and new orders arriving to the EDGX Book. Additionally, the Exchange's proposal to permit Non-Displayed Orders to re-price to more aggressive prices complements the Exchange's proposal to introduce Non-Displayed ISOs as it allows for Users to submit ISOs with a Non-Displayed instruction and allow such orders to react to changing market conditions should those orders post to the EDGX Book. Together, the proposed rule changes seek to provide additional options for market participants seeking to employ non-displayed trading strategies on the Exchange and provide additional clarity regarding the interaction between ISOs, resting orders on the EDGX Book, and new orders arriving to the EDGX Book.

Implementation

The Exchange proposes to implement the proposed functionality during the second half of 2026 and will announce the date via Trade Desk Notice.

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.²⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)³⁰ 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)³¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposal expands the utility of an existing, well-established order type in a manner that is consistent with the regulatory framework underlying ISOs. Under Regulation NMS, a User submitting an ISO represents that it has simultaneously routed one or more additional limit orders to execute against the full displayed size of any Protected Quotation at prices superior to the limit price of the ISO. The Exchange's reliance on that representation is longstanding and well-understood. Permitting Users to enter ISOs with a non-displayed instruction does not alter or undermine that representation—Users remain fully responsible for their compliance with the requirements of Regulation NMS relating to ISOs. Rather, the proposal simply affords Users greater flexibility in the manner in which they choose to interact with the marketplace, consistent with the spirit and requirements of fair and orderly trading.

Additionally, a wide variety of trading strategies depend upon the ability to manage order flow in a non-displayed capacity. Many institutional and professional market participants have legitimate, lawful reasons to conceal the full extent of their trading interest, including to minimize market impact and to facilitate the efficient execution of large orders over time. The Exchange's current framework, which does not permit ISOs to be entered as Non-Displayed Orders, unnecessarily constrains Users who wish to employ such strategies. By removing this limitation, the Exchange promotes just and equitable principles of trade by enabling Users to more effectively implement their trading strategies across market centers in a manner that is consistent with applicable law.

The introduction of Non-Displayed ISOs directly enables Users to implement cross-market trading strategies that require both the Regulation NMS ISO framework and the ability to post residual order interest in a non-displayed capacity. Under the current rule framework, Users who wish to employ such strategies are unable to do so on the Exchange and may be required to route order flow to competing venues that already offer comparable functionality. The inability to offer a Non-Displayed ISO order type

thus creates a structural impediment—both to Users seeking to execute their strategies efficiently and to the Exchange's ability to compete effectively within the national market system. The Exchange notes that at least one other national securities exchange currently offers the ability to submit ISOs with a non-displayed instruction.³² The Exchange's proposal to introduce Non-Displayed ISOs is therefore a competitive response that is consistent with the architecture of the national market system and does not introduce a novel order type.

The introduction of Non-Displayed ISOs is designed to protect investors and the public interest because the proposal enhances the ability of institutional and professional investors to efficiently execute large orders across multiple market centers without unduly signaling their trading interest to the market. The ability to manage market impact is an important dimension of best execution for investors with substantial order flow, and the Exchange's proposal promotes investor protection by affording these participants a tool that is already available on competing venues, thereby providing an equal opportunity for Users who trade on the Exchange to use a comparable order type.

The Exchange believes that its proposal to introduce Rules 11.8(c)(8)(A) through (C), which describe the price level at which the System will consider an ISO available for other orders to be entered, similarly promotes just and equitable principles of trade and protects investors and the public interest by providing Users with clear, transparent, and predictable rules governing the interaction between ISOs, other resting orders on the EDGX Book, and new orders arriving to the EDGX Book.

Specifically, the delineation between Regular Trading Hours (during which the limit price of a displayed ISO will be considered available for both new orders to join and for resting orders to re-price based on User instruction) and off-hours sessions (during which the limit price of an ISO will not be considered available for new orders to join or for such re-pricing) reflects the materially different regulatory and market structure dynamics that apply during those sessions. During Regular Trading Hours, a User submitting a displayed ISO has represented compliance with Regulation NMS trade-through obligations with respect to Protected Quotations, thereby establishing a reliable price level to

²⁹ 15 U.S.C. 78f(b).

³⁰ 15 U.S.C. 78f(b)(5).

³¹ *Id.*

³² *Supra* note 12.

which resting orders may join. Outside of Regular Trading Hours, the absence of this same regulatory framework makes it inappropriate to use the ISO limit price as a reference point for resting order re-pricing. This distinction promotes just and equitable principles of trade by ensuring that order re-pricing behavior is tied to well-defined, appropriate, and lawful market conditions. By contrast, the Exchange's proposal that a Non-Displayed ISO will not trigger re-pricing of resting orders further promotes just and equitable principles of trade and protects investors and the public interest, as it would be inappropriate for a price level that is not publicly disseminated to serve as the basis for resting orders to obtain a new, more aggressive ranked price.

The Exchange further believes that its proposal to codify Rules 11.8(c)(8)(A) through (C) removes impediments to and perfects the mechanism of a free and open market and national market system by providing explicit, rule-based transparency around the operation of ISOs on the EDGX Book. Prior to this proposal, the Exchange's rules did not expressly address the price level at which an ISO would be considered available for new orders to be entered or for resting orders to re-price. By codifying these rules with clear distinctions based on trading session and order type—including the treatment of ISOs during Regular Trading Hours versus off-hours sessions and the handling of Non-Displayed ISOs—the Exchange removes ambiguity that could otherwise impede Users' ability to structure and implement their trading strategies effectively. Clear and predictable rules governing how ISOs interact with the EDGX Book are fundamental to the proper functioning of a free and open market, as they allow market participants to understand with certainty how their orders will be handled and to make informed routing and execution decisions accordingly.

The Exchange believes that its proposal to amend Rule 11.6(l)(3) to permit orders with a Non-Displayed instruction to re-price multiple times based on User instruction promotes just and equitable principles of trade and protects investors and the public interest by providing Users with greater control over how their Non-Displayed Orders interact with the prevailing NBBO over time. Under current Rule 11.6(l)(3), an order with a Non-Displayed instruction that has been re-priced due to crossing a Protected Quotation of an away market may not be re-priced again unless it would again cross a Protected Quotation. This restriction limits the ability of Non-

Displayed Orders to respond dynamically to changing market conditions, potentially resulting in those orders being ranked at prices that no longer reflect optimal execution opportunities. By removing this limitation and permitting Non-Displayed Orders to receive a new timestamp and be ranked at the most aggressive permissible price following NBBO movement—subject to User instruction—the Exchange promotes just and equitable principles of trade and protects investors and the public interest by enabling more efficient price discovery and facilitating the execution of orders at prices that are consistent with current market conditions.

The Exchange further notes that the proposed Non-Displayed Order re-pricing behavior is consistent with the existing price sliding framework applicable to displayed orders and extends established principles to Non-Displayed Orders in a logical and equitable manner. Allowing Non-Displayed Orders to slide multiple times does not confer any unfair advantage on Users who employ such orders; rather, it ensures that Non-Displayed Orders are handled in a manner that is commensurate with the flexibility already available to displayed orders. The Exchange also notes that the proposed re-pricing behavior for Non-Displayed Orders will be available to all Users on an equal and non-discriminatory basis, consistent with the requirements of Section 6(b)(5) of the Act.

The Exchange further believes that permitting Non-Displayed Orders to re-price multiple times removes impediments to and perfects the mechanism of a free and open market and national market system by allowing Non-Displayed Orders to respond more dynamically to changing NBBO conditions in a manner that maximizes execution opportunities for Users.

Under the current framework, a Non-Displayed Order that has been re-priced once will not be re-priced again until it would again cross a Protected Quotation of an external market. This limitation means that, even as market conditions change and the NBBO moves in a direction that would permit the Non-Displayed Order to be ranked at a more aggressive permissible price, the order remains statically ranked at a potentially suboptimal price level. The proposed amendment—which allows Non-Displayed Orders to re-price multiple times following NBBO movement subject to User instruction—removes this impediment by ensuring that Non-Displayed Orders are always ranked at the most aggressive

permissible price consistent with the prevailing NBBO and the User's order instructions. This enhances the liquidity available on the EDGX Book, promotes more efficient price discovery, and contributes to the overall quality of the national market system.

All aspects of the proposed rule change—including the ability to enter Non-Displayed ISOs, the codified rules governing the price level at which an ISO is considered available for other orders to be entered, and the expansion of Non-Displayed Order re-pricing to allow multiple re-pricings—are available to all Users of the Exchange on an equal and non-discriminatory basis. No User or class of Users is afforded preferential access to the proposed functionalities, and no User or class of Users is disadvantaged or excluded from utilizing the proposed order types and instructions.

Further, participation in any of the proposed functionalities is entirely voluntary. No User is required to enter ISOs as Non-Displayed Orders or to designate Non-Displayed Orders with the ability to re-price multiple times. The decision to utilize any of the proposed features is left entirely to the discretion of individual Users, who are in the best position to determine which order types and instructions are appropriate for their given trading strategies. Because the proposed functionalities are uniformly available to all Users on the same terms and conditions, and because participation is wholly optional, the proposed rule change does not permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange further notes that the proposed rule change does not impose any new requirements or obligations on Users who do not wish to utilize the proposed functionalities. Users who prefer to continue entering ISOs with Displayed instructions, or who prefer to continue submitting Non-Displayed Orders without a multiple re-price instruction, may do so without any change to their current order handling. The proposed rule change thus expands the range of choices available to all Users on an equal basis without restricting or altering the rights of any User who elects not to take advantage of the proposed features.

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 intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange's

proposal to introduce a Non-Displayed ISO is a competitive response to a similar order type offered on at least one other exchange. As with other national securities exchanges, the Exchange must continually assess and improve its offerings to compete with other exchanges and market centers. The proposed rule change is indicative of this competition. The Exchange does not believe that its proposal to codify Rules 11.8(c)(8)(A) through (C), which describe the price level at which the System will consider an ISO available for other orders to be entered, imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. These rules are operational and clarifying in nature and are not being introduced for competitive purposes. Further, the Exchange does not believe that the proposal to amend Rule 11.6(l)(3) to permit Non-Displayed Orders to re-price multiple times based on User instruction imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Permitting Non-Displayed Orders to respond dynamically to changing NBBO conditions—by re-pricing to the most aggressive permissible price following each relevant NBBO movement, subject to User instruction—improves the execution quality available on the Exchange for Non-Displayed Orders, making the Exchange a more attractive venue for market participants who rely upon such orders.

Additionally, the Exchange does not believe that the proposed rule changes would implicate any intramarket competitive concerns with respect to its Users. The proposed rule change to permit Users to enter an ISO with a non-displayed instruction and proposed rule change to enable Users to elect to permit Non-Displayed Orders to re-price multiple times are completely voluntary and available to all Users on an equal and non-discriminatory basis. Rather than impede competition, the proposed rule changes would provide an additional order type and order instruction for Users to facilitate their trading goals. Furthermore, the proposed rule change to codify Rules 11.8(c)(8)(A)–(C) is not being introduced for competitive reasons and serves only to provide additional details about the price levels at which orders may be accepted and re-price.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- (A) by order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeEDGX-2026-045 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-2026-045. 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-2026-045 and should be submitted on or before July 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-12631 Filed 6-23-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105731; File No. SR-NasdaqTX-2026-021]

Self-Regulatory Organizations; Nasdaq Texas, LLC; Order Granting Approval of a Proposed Rule Change To Adopt Rules To Permit the Listing and Trading of Certain Exchange-Traded Products

June 18, 2026.

I. Introduction

On May 4, 2026, Nasdaq Texas, LLC ("Nasdaq Texas" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to permit the listing and trading of certain exchange-traded products ("ETPs") on the Exchange. The proposed rule change was published for comment in the **Federal Register** on May 18, 2026 ("Proposal").³ This order approves the Proposal.

II. Description of the Proposal

The Exchange proposes to adopt a Rule 5700 series (consisting of Rules 5701–5760), which relates to listing and trading certain ETPs on the Exchange.⁴ The Exchange represents that it intends to only dually list ETPs that are also listed on another national securities exchange.⁵ According to the Exchange, the initial and continued listing standards for these products as set forth in the proposed Rule 5700 Series are based on The Nasdaq Stock Market LLC's ("Nasdaq") Rule 5700 Series

³³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 105480 (May 13, 2026), 91 FR 28683 ("Notice"). The Commission has received no comments on the proposed rule change.

⁴ See *id.*

⁵ See Notice, *supra* note 3 at 28684. The Exchange also stated it expects to subsequently modify its rules to allow it to also serve as a primary listing venue. See *id.*

without substantive change.⁶ In conjunction with the proposed Rule 5700 Series, the Exchange proposes to delete listing rules in Equity 3A as they would be rendered redundant; amend Equity 4, Rule 4120 to conform the definition of “Derivatives Securities Product” to that in Nasdaq Equity 4, Rule 4120(b)(4)(A), which the Exchange represents would reflect a complete list of Derivative Securities Products under the proposal;⁷ and add ETP halt rules, which the Exchange represents are substantially similar to Nasdaq’s ETP halt rules.⁸

III. Discussion and Commission Findings

After careful review, the Commission finds that the Proposal is consistent with the Act and rules and regulations thereunder applicable to a national securities exchange.⁹ In particular, the Commission finds that the Proposal is consistent with Section 6(b)(5) of the Act,¹⁰ which requires, among other things, that the Exchange’s rules be designed to prevent fraudulent and manipulative acts and practices, 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 Proposal would: (1) adopt the Rule 5700 Series to permit the listing and trading of certain ETPs on the Exchange, which the Exchange represents would be substantially the same the rules of Nasdaq (having only certain non-substantive and technical differences);¹¹ (2) delete listing rules in Equity 3A rendered redundant by the proposed Rule 5700 Series; (3) amend the definition of “Derivative Securities Product” in Exchange Equity Rule 4120 to reflect a complete list of derivative securities products that may trade on the Exchange, which definition would be substantially similar to that in the

corresponding Nasdaq Rule;¹² and (4) add ETP halt rules substantially similar to those on Nasdaq.

The Exchange states that the Proposal is consistent with Section 6(b)(5) of the Act because 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 by, among other things, allowing the Exchange to list and trade ETPs under rules that are substantially similar to the rules of Nasdaq, increasing competition among listing exchanges, as well as promoting continuity across the listing standards of the Nasdaq exchanges. The Exchange’s ETP listing rules, modified definition of “Derivative Securities Product,” and ETP halt rules, as proposed to be adopted, are substantially similar to the equivalent rules of Nasdaq and do not present any novel or unique regulatory issues.¹³ In addition, the proposed deletion of current ETP listing rules in Equity 3A is reasonable as they would be superseded by the ETP listing rules in the proposed Rule 5700 Series. Accordingly, the Commission finds that this Proposal is consistent with Section 6(b)(5) of the Act,¹⁴ and the rules and regulations thereunder applicable to a national securities exchange.¹⁵

This approval order is based on all the Exchange’s representations, including the representations relating to the Exchange’s surveillance procedures.¹⁶ Specifically, the Exchange represents that listed ETPs would be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.¹⁷ The Exchange represents that these procedures are adequate to properly monitor the Exchange’s listing and trading of ETPs in all trading sessions and to deter and detect violations of

Exchange rules and federal securities laws applicable to trading on the Exchange.¹⁸ The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in ETPs, as well as certain other securities and financial instruments underlying such ETPs, with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in ETPs, as well as certain other securities and financial instruments underlying such ETPs, from such markets and other entities.¹⁹ In addition, the Exchange may obtain information regarding trading in ETPs, as well as certain other securities and financial instruments underlying such ETPs, from markets and other entities with which the Exchange has in place a comprehensive surveillance sharing agreement.²⁰ Further, the Exchange’s affiliate, Nasdaq, currently list ETPs pursuant to rules that are substantially similar to the rules proposed by the Exchange in this filing.²¹ In addition, the Exchange represents that members would continue to be subject to the Exchange’s structure for trading listed securities, including supervision and books and records requirements in General 9, Section 20 and Section 30.²²

For the reasons discussed above, the Commission finds that the Proposal is consistent with the Act.²³

V. Conclusion

This approval order is based on all of the Exchange’s representations and descriptions in the Proposal. For the reasons set forth herein, the Commission finds, pursuant to Section 19(b)(2) of the Act,²⁴ that the Proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with Section 6(b)(5).²⁵

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁶ that the proposed rule change (SR–NasdaqTX–2026–021), be, and hereby is, approved.

⁶ See Notice, *supra* note 3 at 28684. The Exchange proposes to use “Exchange” rather than “Nasdaq” or “The Nasdaq Stock Market”; “Market Hours” rather than “Regular Market Hours”; and reference “Equity 1, Section 1(a)(13)” instead of “Rule 4120” when referring to trading hours of the Exchange. See *id.* The Exchange also states it will reserve Rule 5712 to maintain the same numbering as the Nasdaq Rule 5700 Series. See *id.* Nasdaq Rule 5712 is also reserved.

⁷ See Notice, *supra* note 3 at 28688, n.20.

⁸ See Notice, *supra* note 3 at 28684. See also Notice, *supra* note 3 at 28688.

⁹ In approving the Proposal, the Commission has considered the Proposal’s impacts on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See Notice, *supra* note 3 at 28683.

¹² See *supra* note 7.

¹³ See Notice, *supra* note 3 at 28689, n.27.

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ With respect to the listing and trading of certain ETPs pursuant to the listing rules, as proposed to be amended, when relying on Rule 19b–4(e) under the Act to list and trade a new derivative securities product, as the case may be, the Exchange must comply with all the requirements of Rule 19b–4(e). See 17 CFR 240.19b–4(e). See also 17 CFR 240.19b–4(e)(2)(i) (setting forth a self-regulatory organization’s recordkeeping requirements relating to all relevant records and information pertaining to each new derivative securities product traded pursuant to Rule 19b–4(e)).

¹⁶ See Notice, *supra* note 3 at 28688.

¹⁷ See *id.*

¹⁸ See *id.*

¹⁹ See *id.*

²⁰ See Notice, *supra* note 3 at 28688–28689.

²¹ See Notice, *supra* note 3 at 28689.

²² See *id.*

²³ 15 U.S.C. 78f(b)(5).

²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 15 U.S.C. 78f(b)(5).

²⁶ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-12640 Filed 6-23-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105732; File No. SR-NASDAQ-2026-053]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Fees for Two Newly Established Feeds, the Order Feed and the Trades Feed

June 18, 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 June 8, 2026, The Nasdaq Stock Market LLC (the “Exchange” or “Nasdaq”) 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 adopt fees for two newly established data feeds, the Nasdaq Options Market Order Feed (“Order Feed”) and the Nasdaq Options Market Trades Feed (“Trades Feed”).

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 purpose of the proposed rule change is to adopt fees for two data feeds for the Nasdaq Options Market (“NOM”), the Order Feed and the Trades Feed. While these amendments are effective upon filing, the Exchange has designated the proposed amendments to be operative on September 1, 2026. This proposal also includes an edit to Options 7, Section 4 to correct a typographical error from “\$2,089” to “\$2,089.”

The Order Feed and the Trades Feed are recently established data feeds for the Exchange.³ These two new feeds, together with changes to two existing feeds—the Nasdaq Options Market Depth of Market Feed (“Depth of Market Feed”) and Nasdaq Options Market Top of Market Feed (“Top of Market Feed”)—are designed to harmonize the market data feed structure of the Exchange with those of its affiliated options exchanges Nasdaq ISE, LLC (“ISE”), Nasdaq PHLX, LLC (“PHLX”), Nasdaq GEMX, LLC (“GEMX”), and Nasdaq MRX, LLC (“MRX”) as part of a technology migration. Nasdaq believes that this harmonization will allow customers to ingest data more efficiently and to tailor their purchase to only the data they need.

Ingestion of data will become more efficient because customers will be able to transition from multiple exchange formats to a single format for all Nasdaq exchanges, resulting in more efficient ingestion of data and possible cost savings. This is a change from current practice, in which each exchange offers its own unique set of market data feeds, requiring subscribers to separately program their systems to ingest information from each market. The new format also allows customers to configure hardware to balance system loads more efficiently.

The new feed structure will also allow customers to tailor their purchase to only the data they need. A customer that only needs last sale information, for example, would be able to purchase the Trades Feed as a standalone feed without being required to also purchase

a best bid and offer feed. This is more efficient and cost effective than requiring customers to purchase a bundled feed with multiple types of information, possibly including information that the customer neither wants nor needs. The new Nasdaq format is the same as that used for the ISE, PHLX, GEMX, and MRX exchanges.

Order Feed

The Order Feed provides pricing information on new orders resting on the NOM Order book (e.g., price, quantity, market participant capacity, and Attributable Order tags when provided by a Member). The data provided for each options series will include the symbols (series and underlying security), displayed order types, order attributes (e.g., OCC account number, give-up information, CMTA information), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on NOM and identifies if the series is available for closing transactions only.⁴ The feed also provides auction and exposure notifications and order imbalances on opening/reopening (size of matched contracts and size of the imbalance).

The Order Feed disseminates more detailed information on orders and provides customers with the option to purchase an orders-only feed, either alone or in combination with other feeds.

The Exchange proposes charging \$750 per month per distributor for unlimited internal and/or external distribution of the Order Feed.⁵ This fee will allow the customer to choose whether or not to purchase the complex order information available on the Spread Feed together with the simple order information on the Order Feed or as a standalone feed.⁶

Trades Feed

The Trades Feed displays last trade information. The data provided for each option series includes the symbols

⁴ Capacity information, such as whether the order is entered by a Professional or a Customer, is not disseminated in the Top of Market Feed because the Nasdaq Options Market is an anonymous venue and does not gather such information.

⁵ “A ‘distributor’ of Exchange data is any entity that receives a feed or data file of Exchange data directly from the Exchange or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All distributors shall execute an Exchange distributor agreement. The Exchange itself is a vendor of its data feed(s) and has executed an Exchange distributor agreement and pays the distributor charge.” Equity 7, Section 119.

⁶ Nasdaq noted in its product filing for the Order Feed that it intended to propose a fee for the Order Feed at a later date. See *supra* n.3.

²⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 105278 (April 20, 2026), 91 FR 21586 (April 22, 2026) (SR-NASDAQ-2026-034) (proposal to harmonize Nasdaq options market data feeds with those of other Nasdaq options markets).

(series and underlying security), put or call indicator, expiration date, the strike price of the series, whether the option series is available for trading on NOM, and identifies whether the series is available for closing transactions only. Prior to the harmonization of market data feeds across the NOM, ISE, PHLX, GEMX, and MRX markets, last sale information had been offered in the Nasdaq Options Market Top of Market ("Top of Market") data feed. The Exchange currently offers the Trades Feed for no additional cost with the purchase of Top of Market. The Exchange proposes to establish a fee for the Trades Feed of \$500 per month for unlimited internal and/or external distribution. This will allow the customer to choose whether or not to purchase last sale information on a standalone basis or together with Top of Market.⁷

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁹ 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. This belief is based on the fact that the proposal will enhance NOM's market data products while at the same time maintaining fees that are comparable to those charged by similarly situated options exchanges. In addition, correcting the typographical error in Options 7, Section 4 is consistent with the Act in that it provides clarification to consumers and the market as a whole without changing any fee.

The experience of other exchanges show that many customers will take

advantage of the ability to purchase the Top of Market feed and the Trades Feed separately. Our experience with the ISE Exchange—which already offers a trades feed that is distinct from its top of book feed—shows that nearly a third of customers take either take the top of market feed only (approximately 17%) or the trades feed only (about 14%), while the remaining customers take both. We expect the same pattern to hold true for NOM—about a third of customers will take one feed or the other, ingesting less data than would be required for a combined feed, and the remaining customers to take both feeds.

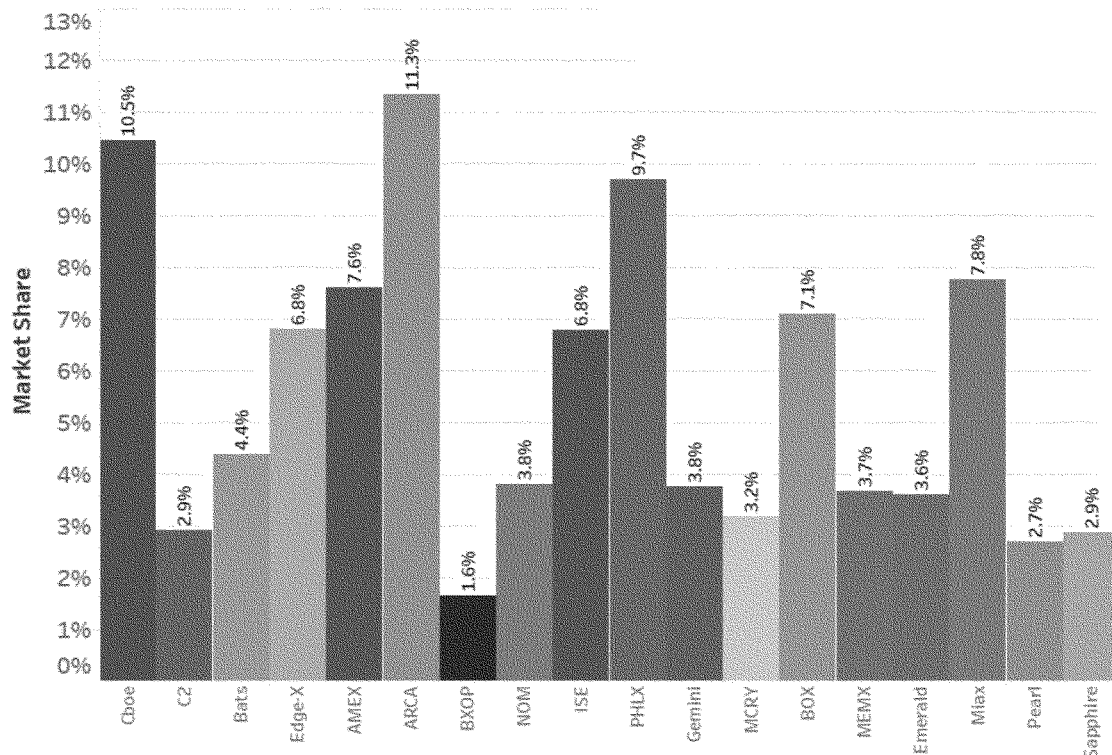
Comparability Analysis

Calculation of Market Share

For the comparability analysis, the Exchange assessed market share¹⁰ for each of the eighteen options markets based on total options contracts traded in 2025 through October 20, 2025, as set forth in the graph below.

US Options Market Share

Data using total equity options contracts traded 2025 YTD through 10/20/25.



Source: OCC, Nasdaq Economic Research

⁷ Nasdaq noted in its product filing for the Order Feed that it intended to propose a fee for the Trades Feed at a later date. See *supra* n.3.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4) and (5).

¹⁰ Market share is the percentage of volume on a particular exchange relative to the total volume across all exchanges and indicates the amount of order flow directed to that exchange. High levels of market share enhance the value of trading and

ports. Total contracts include both multi-list options and proprietary options products. Proprietary options products are products with intellectual property rights that are not multi-listed. NOM lists proprietary products.

Order Feed

NOM proposes charging a fee of \$750 per month for both internal and external distribution of the Order Feed. The proposed fees for the Order Feed are comparable to, or less than, the fees charged by Nasdaq affiliates PHLX, ISE, GEMX, and MRX based on market share. Comparing the proposed Order Feed

fees to those of the Nasdaq affiliates offering this feed shows that the proposed fees are comparable to, or less than, the fees charged by the Nasdaq affiliates for that product, based on market share. Both NOM's market share and the anonymous characteristic of the market were considered in determining the fee to be charged for distribution of the Order Feed data.¹¹

Furthermore, MIAX Emerald Exchange ("MIAX Emerald"), which has a comparable market share of 3.6%, as compared to NOM's market share of 3.8%, also offers an Order Feed that is roughly comparable to NOM's, for a significantly higher price than the fee proposed herein.

Exchange	Market share (%)	Order feed
NOM	3.8	\$750/month internal and external distribution.
PHLX	9.7	\$3,500/month internal distribution. \$4,000/month external distribution.
ISE	6.8	\$3,280/month internal and external distribution.
GEMX	3.8	\$835/month internal and external distribution.
MRX	3.2	\$1,527/month internal distribution. \$2,035/month external distribution.
MIAX Emerald	3.6	\$3,000/month internal distribution. \$3,500/month external distribution.

PHLX: The proposed fees for the NOM Order Feed of \$750 per month for internal and external distribution are significantly less than the current PHLX fees \$3,500 per month for internal distribution and \$4,000 for external distribution.¹²

ISE: The proposed fees for the NOM Order Feed of \$750 per month for internal and external distribution are less than the current ISE fees of \$3,280 per month for internal and external distribution.¹³

GEMX: The proposed fees for the NOM Order Feed of \$750 per month for internal and external distribution are less than the current GEMX fees of \$835 per month for internal and external distribution.¹⁴ This difference is even larger relative to market share, as both NOM and GEMX have market share of 3.8%.

MRX: The proposed fees for the NOM Order Feed of \$750 per month for internal and external distribution are less than the current MRX fees of \$757 per month for internal distribution and \$1,010 for external distribution.¹⁵ The difference is even larger relative to market share, as NOM has a market share of 3.8% as compared to MRX's market share of 3.2%.

MIAX Emerald: The proposed fees for the NOM Order Feed of \$750 per month for internal and external distribution are significantly less than the current MIAX Emerald fees of \$3,000 per month for internal distribution and \$3,500 for external distribution.¹⁶ The difference is even larger relative to market share, as NOM has a market share of 3.8% as compared to MIAX Emerald's market share of 3.6%.

The Exchange believes that the Order Feed fee is an equitable allocation and

is not unfairly discriminatory because the Exchange will apply the same fee to all similarly situated members.

Trades Feed

NOM proposes to charge a fee of \$500 per month for both internal and external distribution of the Trades Feed. The data feed formats used by NOM, PHLX, ISE, GEMX, and MRX are unique to the Nasdaq options exchanges. Because no exchange unaffiliated with Nasdaq offers a trades feed, a direct comparison of trades feeds with exchanges not affiliated with Nasdaq is not possible.

Comparing the proposed Trades Feed fee to those of the Nasdaq affiliates offering this feed shows that the proposed fees are comparable to, or less than, the fees charged by the Nasdaq affiliates for that product, based on market share.

Exchange	Market share (%)	Trades feed
NOM	3.8	\$500/month internal and external distribution.
PHLX	9.7	\$1,000/month internal and external distribution.
ISE	6.8	\$1,070/month internal and external distribution.
GEMX	3.8	\$535/month internal and external distribution.
MRX	3.2	\$763/month internal distribution. \$1,018/month external distribution.

¹¹ The Exchange is internally discussing port fees for the Order Feed and Trades Feed and will make a separate filing if it determines to charge a port fee for either of these products.

¹² PHLX Rulebook, Options 7, Section 10 (PHLX Orders).

¹³ ISE Rulebook, Options 7, Section 10(G) (Nasdaq ISE Order Feed). These are fees for 2026. Fees for the ISE Trade Feed are scheduled to be adjusted in 2027 to account for the impact of past inflation. The proposed NOM fees will not be

adjusted for past inflation, which would not be applicable to new fees proposed herein.

¹⁴ GEMX Rulebook, Options 7, Section 7(A) (Nasdaq GEMX Order Feed). These are fees for 2026. Fees for the GEMX Trade Feed are scheduled to be adjusted in 2027 to account for the impact of past inflation. The proposed NOM fees will not be adjusted for past inflation, which would not be applicable to the new fees proposed herein.

¹⁵ MRX Rulebook, Options 7, Distributor Fees, Section 7(2) (Order Feed). These are fees for 2026.

Fees for the MRX Trade Feed are scheduled to be adjusted in 2027 to account for the impact of past inflation. The proposed NOM fees will not be adjusted for past inflation, which would not be applicable to new fees proposed herein.

¹⁶ MIAX Emerald Options Exchange Fee Schedule, Section 6, Market Data Fees, (c), MIAX Emerald Order Feed ("MOR"), available at https://www.miaxglobal.com/sites/default/files/fee_schedule-files/MIAX_Emerald_Fee_Schedule_05012026_b.pdf.

PHLX: The proposed fees for the NOM Trades Feed of \$500 per month for internal and external distribution are less than the current PHLX fees of \$1,000 per month for internal and external distribution.¹⁷

ISE: The proposed fees for the NOM Trades Feed of \$500 per month for internal and external distribution are less than the current ISE fees of \$1,070 per month for internal and external distribution.¹⁸

GEMX: The proposed fees for the NOM Trades Feed of \$500 per month for internal and external distribution are less than the current GEMX fees of \$535 per month for internal and external distribution.¹⁹ This difference is even larger relative to market share, as both NOM and GEMX have market share of 3.8%.

MRX: The proposed fees for the NOM Trades Feed of \$500 per month for internal and external distribution are less than the current MRX fees of \$763 per month for internal distribution and \$1,018 for external distribution.²⁰ The difference is even larger relative to market share, as NOM has a market share of 3.8% as compared to MRX's market share of 3.2%.

The Exchange believes that the Trades Feed fee is an equitable allocation and is not unfairly discriminatory because the Exchange will apply the same fee to all similarly situated members.

Although, as noted above, the proposed fees for the Trades Feed cannot be directly compared with those of exchanges not affiliated with NOM because non-affiliated exchanges do not offer the same feed structure (such as a separate Trades Feed), a detailed analysis of both Cboe Exchange, Inc. ("Cboe") and Cboe BZX Exchange, Inc. ("BZX") exchange fees shows that the proposed fees are comparably less than those charged by Cboe, an exchange with greater market share, and BZX, an

exchange with similar market share (Cboe has a market share of 10.5% and BZX 4.4%, as compared to NOM's market share of 3.8%). As demonstrated below, the proposed fees for the Order Feed and the Trades Feed are less than those charged by Cboe and BZX for the same type of information, contained in Cboe Options Top and Complex Order Book, in the case of Cboe, and BZX Options Top and BZX Options Complex Top Feed, in the case of BZX.²¹

Internal Distribution

We begin with a comparison of the proposed NOM fees for internal distribution of top of book, last sale, and complex order book information with those fees currently charged by Cboe and BZX.

Cboe charges an internal distributor fee of \$9,000 per month for Cboe Options Top, which includes both best bid and offer and last sale information.²² Cboe sells Complex Order Book information separately, for \$3,000 per month internal distribution,²³ for a total of \$12,000 per month for internal distribution of top of book, last sale, and complex order book information.

BZX charges an internal distributor fee of \$3,000 per month for BZX Options Top.²⁴ BZX sells BZX Options Complex Top information separately, for \$2,000 per month for internal distribution,²⁵ for a total of \$5,000 per

month for internal distribution of top of book, last sale, and complex order book information.

NOM proposes to charge \$2,868 per month for internal distribution of the same information. This fee is composed of \$1,618 for internal distribution of the Top of Market Feed,²⁶ \$750 for unlimited internal and/or external distribution of the Order Feed, and \$500 for unlimited internal and/or external distribution of the Trades Feed.

The proposed NOM fees of \$2,868 per month for internal distribution of top of book, last sale, and complex order book information are significantly less than the \$12,000 per month charged by Cboe, an exchange with greater market share, and nearly half as much as the \$5,000 per month charged by BZX, an exchange with nearly comparable market share, for the same information.

External Distribution

We next compare the proposed NOM fees for external (as opposed to internal) distribution of top of book, last sale, and complex order book information with those fees currently charged by Cboe and BZX.

Cboe charges an external distribution fee of \$5,000 for Cboe Options Top, and \$1,500 per month for external distribution of the Cboe Options Complex Order Book.²⁷ As such, Cboe charges \$6,500 per month for external distribution of top of book, last sale, and complex order book information.

BZX charges an external distributor fee of \$2,000 per month for BZX Options Top, and \$1,500 per month for external distribution of the BZX Options Complex Top Feed,²⁸ for a total of \$3,500 per month for external distribution of top of book, last sale, and complex order book information.

NOM proposes to charge only \$3,408 per month for external distribution of the same information. This fee is comprised of an external distributor fee of \$2,158 per month for the Top of Market Feed,²⁹ \$750 for unlimited internal and/or external distribution of the Order Feed, and \$500 for unlimited internal and/or external distribution of the Trades Feed.

The proposed NOM fees of \$3,408 per month for external distribution of top of book, last sale, and complex order book information are less than the \$6,500 per month charged by Cboe, an exchange with greater market share, and comparable to the \$3,500 per month

¹⁷ PHLX Rulebook, Options 7, Section 10 (Nasdaq PHLX Trade Feed).

¹⁸ ISE Rulebook, Options 7, Section 10(I) (Nasdaq ISE Trade Feed). These are fees for 2026. Fees for the ISE Trade Feed are scheduled to be adjusted in 2027 to account for the impact of past inflation. The proposed NOM fees will not be adjusted for past inflation, which would not be applicable to new fees proposed herein.

¹⁹ GEMX Rulebook, Options 7, Section 7(H) (Nasdaq GEMX Trade Feed). These are fees for 2026. Fees for the GEMX Trade Feed are scheduled to be adjusted in 2027 to account for the impact of past inflation. The proposed NOM fees will not be adjusted for past inflation, which would not be applicable to the new fees proposed herein.

²⁰ MRX Rulebook, Options 7, Distributor Fees, Section 7(4) (Trades Feed). These are fees for 2026. Fees for the MRX Trade Feed are scheduled to be adjusted in 2027 to account for the impact of past inflation. The proposed NOM fees will not be adjusted for past inflation, which would not be applicable to new fees proposed herein.

²¹ While MEMX has a similar market share to NOM—3.7% as compared to NOM's 3.8%—it only offers top of book and depth of book options data, and thus does not have any products that can be combined to perform a comparability analysis to Order Feed and Trades Feed. See MEMX, Rules of MEMX, Rule 21.15(b), available at <https://info.memxtrading.com/wp-content/uploads/2026/05/MEMX-Rulebook-5.5.26.pdf>.

²² See Cboe Exchange, Inc., Fee Schedule—April 21, 2026, available at https://cdn.cboe.com/resources/membership/Cboe_FeeSchedule.pdf?_gl=1*d37n1*_up*MQ..*_ga*MjQ3MzQyNDYuMTc1NjMwOTYwMQ..*_ga_5Q99WB9X71*c2E3NTYzMDk2MDEkbzEkZzAkdDE3NTYzMDk2MDEkajYwJGwwJGgxNTA1Mzc5Mjly.

²³ See *id.* Cboe offers Complex Order Book information for \$1,500 per month for external distribution, and any purchaser who subscribes for both internal and external distribution "will be subject to the greater of the two Distribution fees when receiving the Cboe Options Complex Order Book Feed for both Internal and External Distribution."

²⁴ See Cboe U.S. Options Fee Schedule, *BZX Options*, available at https://www.cboe.com/us/options/membership/fee_schedule/bzx/. BZX offers Options Top for \$2,000 per month for external distribution, and any purchaser who subscribes for both internal and external distribution will be subject to the greater of the two distribution fees.

²⁵ See *id.* BZX offers Complex Top information for \$1,500 per month for external distribution, and any purchaser who subscribes for both internal and external distribution will be subject to the greater of the two distribution fees. BZX also offers access to BZX Options Complex Depth and Complex Auctions feeds at no additional charge to subscribers of Complex Top Feed.

²⁶ See Options 7, Section 4 (Nasdaq Options Market Data Distributor Fees, Top of Market Feed).

²⁷ See *supra* n.22.

²⁸ See *supra* n.24.

²⁹ See Options 7, Section 4 (Nasdaq Options Market Data Distributor Fees, Top of Market Feed).

charged by BZX, an exchange with comparable, but slightly greater, market share, for the same information.

Internal and External Distribution

We lastly compare the proposed NOM fees for both internal and external distribution (rather than fees for internal-only or external-only distribution) for top of book, last sale, and complex order book information with those fees currently charged by Cboe and BZX.

Cboe charges an internal distribution fee of \$9,000 per month and an external distribution fee of \$5,000 per month for Cboe Options Top.³⁰ The Cboe Options Complex Order Book would be \$3,000, as distributors subscribing to Cboe Options Complex Order Book Feeds for both internal and external distribution are only subject to the greater of the two distribution fees, which is the internal fee.³¹ As such, total Cboe fees for internal and external distribution of top of book and the complex order book would be \$17,000 per month.

BZX charges an internal distribution fee of \$3,000 per month and an external distribution fee of \$2,000 per month for BZX Options Top, but any subscriber purchasing both will only be subject to the greater of the two fees, or \$3,000.³² Similarly, the BZX Options Complex Top Feed for both internal and external distribution are only subject to the greater of the two distribution fees, which is the internal fee of \$2,000 per month.³³ As such, total BZX fees for internal and external distribution of top of book and complex top would be \$5,000 per month.

NOM proposes to charge \$5,026 per month for internal and external distribution of the same information. This includes an internal distribution fee of \$1,618, an external distribution fee of \$2,158,³⁴ an Order Feed fee of \$750 for unlimited internal and/or external distribution, and a Trades Feed fee of \$500 for unlimited internal and/or external distribution.

The proposed NOM fees of \$5,026 per month for internal and external distribution of top of book, last sale, and complex order book information are significantly less than the \$17,000 per month charged by Cboe, an exchange with greater market share, and comparable to the \$5,000 charged for BZX, an exchange with comparable market share, for the same information.

As such, the proposed NOM fees for internal-only, external-only, and both internal and external distribution of top of book, last sale, and complex order book information are all less than those charged by Cboe, and less than the internal-only and external-only fees for BZX and comparable to the internal and external fees for BZX. This demonstrates that the proposed fees are also comparable to, or less than, the fees charged by exchanges not affiliated with NOM.

No Unfair Discrimination

The Proposal is not unfairly discriminatory. The proposed feeds are optional data fees available to all market participants on a non-discriminatory 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 not necessary or appropriate in furtherance of the purposes of the Act.

Nothing in the proposal burdens inter-market competition (the competition among self-regulatory organizations) because approval of the proposal does not impose any burden on the ability of other options exchanges to compete. The proposed fees for the Order Feed and the Trades Feed are comparable to or less than, those of the other exchanges that offer them relative to market share, as discussed above.

Nothing in the Proposal burdens intra-market competition (the competition among consumers of exchange data), because the Order Feed and the Trades Feed are available to any market participant at the same price and any market participant that elects to purchase either the Order Feed or the Trades Feed may do so on a non-discriminatory basis.

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.³⁵

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2026-053 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NASDAQ-2026-053. 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-2026-053 and should be submitted on or before July 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

Sherry R. Haywood,

Assistant Secretary.

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³⁰ See *supra* n.22.

³¹ *Id.*

³² See *supra* n.24.

³³ *Id.*

³⁴ See Options 7, Section 4 (Nasdaq Options Market Data Distributor Fees, Top of Market Feed).

³⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

³⁶ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105733; File No. SR-PHLX-2026-41]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To List Certain A.M.-Settled NDX Options

June 18, 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 June 17, 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 permit the listing of A.M.-settled options on the Nasdaq-100® Index³ (“NDX” or “NDX options”) that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) and (2) the last trading day of the month.

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 its rules to permit the listing of A.M.-settled NDX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) (“A.M.-settled Weekly Expirations”) and (2) on the last trading day of the month (“EOMs” or “EOM Expirations”). Recently, Nasdaq ISE, LLC (“ISE”) received approval to permit the listing of A.M.-settled NDX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an end-of-month expiration) (“A.M.-settled Weekly Expirations”) and (2) on the last trading day of the month (“EOMs” or “EOM Expirations”).⁴

Background

When cash-settled⁵ index options were first introduced in the 1980s, they generally utilized closing-price settlement procedures (*i.e.*, P.M.-settlement).⁶ At the time, the Commission was concerned with the impact of P.M.-settled, cash-settled index options on the underlying cash equities markets, and in particular, added market volatility and sharp price movements near the close on expiration days.⁷ These concerns were particularly heightened during the “triple-witching” hour on the third Friday of March, June, September, and December when index options, index futures, and options on index futures expired concurrently.⁸ Academic research at the time provided at least some evidence suggesting that futures and options expirations

contributed to excess volatility and reversals around the close on those days.⁹ In light of the concerns with P.M.-settlement and to help ameliorate the price effects associated with expirations of P.M.-settled, cash-settled index products, in 1987, the Commodity Futures Trading Commission approved a proposed rule change by the Chicago Mercantile Exchange (“CME”) to provide for A.M.-settlement¹⁰ for index futures, including futures on the S&P 500 Index.¹¹ The Commission subsequently approved a proposed rule change by Cboe Exchange, Inc. (“Cboe”) to list and trade A.M.-Settled options on the S&P 500 Index.¹² In 1992, the Commission approved Cboe’s proposal to transition all of its European-style cash-settled options on the S&P 500 Index to A.M.-settlement.¹³

In 1993, the Commission approved a proposed rule change allowing Cboe to list P.M.-settled options on certain broad-based indexes, including the S&P 500, expiring at the end of each calendar quarter (since approved as permanent).¹⁴ Starting in 2006, the Commission approved a number of proposals, on a pilot basis, permitting Cboe and other options exchanges to introduce other index options with

⁹ See Securities and Exchange Commission, Division of Economic Risk and Analysis, Memorandum dated February 2, 2021 on Cornerstone Analysis of PM Cash-Settled Index Option Pilots (September 16, 2020) (“Pilot Memo”) at 5, available at: https://www.sec.gov/files/Analysis_of_PM_Cash_Settled_Index_Option_Pilots.pdf (citing, among other papers, Stoll, Hans R., and Robert E. Whaley, “Expiration day effects of index options and futures,” Monograph Series in Finance and Economics, no. 3 (1986)).

¹⁰ The term “A.M.-settled index option” means an index option for which the current index value at expiration shall be determined as provided in Options 4A, Section 12(e). See Options 4A, Section 2(a)(3).

¹¹ See Proposed Amendments Relating to the Standard and Poor’s 500, the Standard and Poor’s 100 and the Standard Poor’s OTC Stock Price Index Futures Contract, 51 FR 47053 (December 30, 1986) (notice of proposed rule change from the CME). See also Securities Exchange Act Release No. 24367 (April 17, 1987), 52 FR 13890 (April 27, 1987) (SR-CBOE-87-11) (noting that the CME moved the S&P 500 futures contract’s settlement value to opening prices on the delivery date).

¹² See Securities Exchange Act Release No. 24367 (April 17, 1987), 52 FR 13890 (April 27, 1987) (SR-CBOE-87-11).

¹³ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). The Commission also approved proposals by other options markets to transfer most of their cash-settled index products to A.M.-settlement. See, *e.g.*, Securities Exchange Act Release No. 25804 (June 15, 1988), 53 FR 23475 (June 22, 1988) (SR-NYSE-87-11 and 88-04).

¹⁴ See Securities Exchange Act Release No. 31800 (February 1, 1993), 58 FR 7274 (February 5, 1993) (SR-CBOE-92-13). See also Securities Exchange Act Release Nos. 54123 (July 11, 2006), 71 FR 40558 (July 17, 2006) (SR-CBOE-2006-65); and 60164 (June 23, 2009), 74 FR 31333 (June 30, 2009) (SR-CBOE-2009-029).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Nasdaq-100 Index is a modified market capitalization-weighted index. A description of the Nasdaq-100 Index is available on Nasdaq’s website at https://indexes.nasdaqomx.com/docs/methodology_NDX.pdf. The Nasdaq-100 Index is a broad-based index, as defined in Options 4A, Section 3. See also: https://www.nasdaq.com/NDX-NDXP_Factsheet.

⁴ See Securities Exchange Act Release No. 105696 (June 16, 2026) (SR-ISE-2026-22) (not yet noticed).

⁵ The seller of a “cash-settled” index option pays out the cash value of the applicable index on expiration or exercise. A “physical delivery” option, like equity and ETF options, involves the transfer of the underlying asset rather than cash. See Characteristics and Risks of Standardized Options, available at: <https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document>.

⁶ See Securities Exchange Act Release No. 65256 (September 2, 2011), 76 FR 55969, at 55972 (September 9, 2011) (SR-C2-2011-008) (Order approving proposed rule change to establish a pilot program to list and trade SPXPM options on the C2 Options Exchange, Incorporated).

⁷ See *id.*

⁸ See *id.*

P.M.-settlement.¹⁵ These include P.M.-settled index options expiring weekly (other than the third Friday) and at the end of each month.¹⁶ Subsequently, other exchanges, including Phlx, sought to permit the listing and trading of P.M.-Settled options on certain broad-based indices. In 2017, the Commission approved Phlx's nonstandard expirations pilot program on a pilot basis ("Nonstandard Pilot").¹⁷ Specifically, Phlx was permitted to open for trading Weekly Expirations on any broad-based index eligible for standard options trading to expire on any Monday, Wednesday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration).¹⁸ The Commission subsequently approved a proposed rule change to amend the Nonstandard Expirations Program to allow the Exchange to also list P.M.-settled Tuesday and Thursday expirations on the Nasdaq-100.¹⁹ In 2023, Phlx received approval for P.M.-settled index options expiring on the third Friday-of-the-month.²⁰

Current Rules

Currently, under the Nonstandard Expirations Program set forth in Options 4A, Section 12(b)(6), the Exchange may open for Weekly Expirations on any

broad-based index eligible for standard options trading to expire on any Monday, Tuesday, Wednesday, Thursday or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration). Further, under its current rules, the Exchange may open for trading standard monthly expirations with A.M.-settlement on the third Friday-of-the-month,²¹ Weekly Expirations with P.M.-settlement²² (including P.M.-settled Third Friday Index Options)²³; and EOM expirations with P.M.-settlement.²⁴

Proposal

The Exchange now proposes to amend its rules to permit the listing of A.M.-settled Weekly and EOM Expirations on NDX options.

The Exchange proposes to amend Options 4A, Section 12(b)(6) which governs its Nonstandard Expirations Program, to permit A.M.-settled NDX options that expire (1) on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month ("Expiration Friday") or days that coincide with an EOM expiration) ("A.M.-settled Weekly Expirations") and (2) EOMs.

A.M.-settled Weekly Expirations and EOM Expirations on NDX are subject to all provisions of Options 4A, Section 12 and treated the same as A.M.-settled options on NDX that expire on the third Friday of the expiration month, as well as P.M.-settled Weekly and EOM NDX options. The maximum number of expirations that may be listed for each A.M.-settled Weekly Expiration on NDX options (*i.e.*, an A.M.-settled Monday expiration, A.M.-settled Tuesday expiration, A.M.-settled Wednesday expiration, A.M.-settled Thursday expiration, or A.M.-settled Friday expiration, as applicable)²⁵ and each A.M.-settled EOM Expiration on NDX options is the same as the maximum number of expirations permitted in Options 4A, Section 12(a)(4) for standard options on NDX. A.M.-settled Weekly Expirations on NDX need not be

for consecutive Monday, Tuesday, Wednesday, Thursday, or Friday expirations as applicable; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. A.M.-settled Weekly Expirations that are first listed in NDX options may expire up to four weeks from the actual listing date. Similarly, A.M.-settled EOMs on NDX need not be for consecutive end of month expirations; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. A.M.-settled EOMs that are first listed in NDX options may expire up to four weeks from the actual listing date. If the Exchange lists A.M.-settled EOMs and A.M.-settled Weekly Expirations on NDX, the Exchange will list an A.M.-settled EOM instead of an A.M.-settled Weekly Expiration that expires on the same day in the given class. Other expirations in the same class are not counted as part of the maximum number of Weekly or EOM Expirations for NDX.

If the Exchange is not open for business on a respective Monday, the normally Monday-expiring Weekly Expirations will expire on the following business day. If the Exchange is not open for business on a respective Tuesday, Wednesday, Thursday, or Friday, the normally Tuesday-, Wednesday-, Thursday-, or Friday-expiring Weekly Expirations will expire on the previous business day. If two different Weekly Expirations on an index would expire on the same day because the Exchange is not open for business on a certain weekday, the Exchange will list only one of such Weekly Expirations.

The Exchange believes that the introduction of A.M.-settled Weekly Expirations and EOMs on NDX options will provide market participants with additional hedging tools and greater trading opportunities. By offering expanded expirations along with the current standard A.M.-settled expirations (as well as P.M.-settled weekly, monthly and quarterly expirations), the proposed rule change will allow market participants to purchase options on NDX available for trading on the Exchange in a manner more aligned with specific timing needs (such as to hedge special events) and more effectively tailor their investment and hedging strategies and manage their portfolios.

¹⁵ In 2009, the Commission approved a proposed rule change allowing the then NASDAQ OMX PHLX, Inc. to list and trade P.M.-settled options that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). See Securities Exchange Act Release No. 60249 (July 6, 2009), 74 FR 33506 (July 13, 2009) (SR-Phlx-2009-50) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by NASDAQ OMX PHLX, Inc. Relating to Permanent Approval of the Exchange's Quarterly Option Series Pilot Program).

¹⁶ See Securities Exchange Act Release Nos. 62911 (September 14, 2010), 75 FR 57539 (September 21, 2010) (SR-CBOE-2009-075); 76529 (November 30, 2015), 80 FR 75695 (December 3, 2015) (SR-CBOE-2015-106); and 78531 (August 10, 2016), 81 FR 54643 (August 16, 2016) (SR-CBOE-2016-046).

¹⁷ See Securities Exchange Act Release No. 82341 (December 15, 2017), 82 FR 60651 (December 21, 2017) (SR-Phlx-2017-79) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 and Granting Accelerated Approval of Amendment No. 2, of a Proposed Rule Change To Establish a Nonstandard Expirations Pilot Program).

¹⁸ See *id.*

¹⁹ See Securities Exchange Act Release No. 95391 (July 29, 2022), 87 FR 47797 (August 4, 2022) (SR-Phlx-2022-22) (Order Granting Approval of a Proposed Rule Change To Permit the Listing and Trading of P.M.-Settled Nasdaq-100 Index Options That Expire on Tuesday or Thursday Under Its Nonstandard Expirations Pilot Program).

²⁰ See Securities Exchange Act Release No. 98950 (November 15, 2023), 88 FR 81172 (November 21, 2023) (SR-Phlx-2023-45) (Order Approving a Proposed Rule Change To Permit the Listing and Trading of P.M.-Settled Nasdaq-100 Index® Options With a Third-Friday-of-the-Month Expiration).

²¹ See Options 4A, Section 12(a)(4) and (5).

²² See Options 4A, Section 12(f).

²³ See Options 4A, Section 12(a)(6).

²⁴ See Options 4A, Section 12(b)(6)(B).

²⁵ As part of the proposed changes, the Exchange proposes conforming amendments to Options 4A, Section 12(b)(6)(A) and (B) to replace certain existing references to "Weekly Expirations" with "P.M.-settled Weekly Expirations," to reflect that those provisions are applicable to P.M.-settled options series and to distinguish them from the A.M.-settled Weekly Expirations proposed. For the avoidance of doubt, there are no changes to the P.M.-settled Weekly Expirations or EOMs as a result of the proposed change. The Exchange also proposes to remove language stating that Weekly Expirations and EOMs shall be P.M.-settled.

The Exchange believes that expanding the NDX options offering to include A.M.-Settled Weekly and EOM Expirations would allow market participants to purchase an option based on their needed timing and allow them to tailor their investment or hedging needs more effectively. Further, the Exchange believes there is sufficient investor interest and demand in A.M.-settled Weekly and EOM Expirations on NDX options for inclusion in the Nonstandard Expirations Program and in the Rules, and that the Nonstandard Expirations Program and the Rules, as amended, will continue to provide investors with additional means of managing their risk exposures and carrying out their investment objectives.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it believes that the Exchange has the necessary systems capacity to handle any potential additional traffic associated with trading of A.M.-Settled Weekly Expirations and EOM Expirations for NDX options. The Options Price Reporting Authority ("OPRA") also informed the Exchange it believes it has the necessary systems capacity to handle the additional traffic associated with the listing of A.M.-Settled Weekly Expirations and EOM Expirations for NDX options that would result from this proposed rule change.

The Exchange does not believe that its members will experience any capacity issues as a result of this proposal and represents that it will monitor the trading volume associated with any possible additional NDX options series listed as a result of this proposal and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange's automated systems.

The Exchange believes that its existing surveillance and reporting safeguards in place are adequate to deter and detect possible manipulative behavior which might arise from listing and trading A.M.-settled Weekly and EOM Expirations for NDX options (as the Exchange currently applies these to NDX options that are A.M.-settled with standard expirations, as well as P.M.-settled with weekly, monthly and quarterly expirations) and will support the protection of investors and the public interest. Furthermore, the trading of A.M.-settled Weekly and EOM Expirations for NDX options will be subject to the same rules that currently govern the trading of these options with other expirations, including governing customer accounts, position and

exercise limits,²⁶ margin requirements and trading halt procedures, among other Rules, which are designed to prevent fraudulent and manipulative acts and practices.

In response to any potential concerns that disruptive trading conduct could occur as a result of the concurrent listing and trading of two index option products based on the same index but for which different settlement methodologies exist (*i.e.*, one is A.M.-settled and one is P.M.-settled), the Exchange notes that Cboe, for roughly five years (1987 to 1992), listed and traded an A.M.-settled S&P 500 index option under symbol NSX at the same time it listed and traded a P.M.-settled S&P 500 index option under symbol SPX, and Cboe noted that it did not observe any market disruptions as a result of offering both products.²⁷

The adoption of trading of A.M.-settled Weekly and EOM Expirations on the Nasdaq-100 Index on the same exchange as A.M.-settled (with standard expirations) and P.M.-settled options on the Nasdaq-100 Index would provide greater spread opportunities. This manner of trading allows a market participant to take advantage of the different expiration times, which provides expanded trading opportunities. In the options market currently, market participants regularly trade similar or related products in conjunction with each other, which contributes to overall market liquidity.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,²⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁹ in particular, 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 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)³⁰ 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 the proposed rule change will 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 the introduction of A.M.-settled Weekly and EOM Expirations for NDX options will provide investors with expanded hedging tools and greater trading opportunities. As a result, investors will have additional means to manage their risk exposures and carry out their investment objectives. By offering expanded expirations along with the current standard A.M.-settled expirations (as well as P.M.-settled weekly, monthly and quarterly expirations), the proposed rule change will allow market participants to purchase options on NDX available for trading on the Exchange in a manner more aligned with specific timing needs (such as to hedge special events) and more effectively tailor their investment and hedging strategies and manage their portfolios. For example, the proposed rule change will allow market participants to spread risk across more trading days and incorporate daily changes in the markets, which may reduce the premium cost of buying protection. The Exchange represents that it believes that it has the necessary systems capacity to support any additional traffic associated with trading of A.M.-settled Weekly and EOM Expirations for NDX options and does not believe that its members will experience any capacity issues as a result of this proposal.

The Exchange does not believe that the addition of A.M.-settled Weekly and EOM Expirations for NDX options to the Nonstandard Expirations Program will raise any prohibitive regulatory concerns, nor adversely impact fair and orderly markets on expiration days. The Exchange has not experienced any meaningful regulatory concerns, nor adverse impact on fair and orderly markets, in connection with these programs, nor with the listing of standard A.M.-settled expirations for NDX options along with P.M.-settled expirations, (as the Exchange currently does) and is unaware of any reason why adding A.M.-settled options with expirations each day of the week for NDX options would be create such concerns or impact. Particularly, the Exchange does not believe increases in

²⁶ There are no position limits for NDX Options pursuant to Options 4A, Section 6(a)(i).

²⁷ See Securities Exchange Act Release No. 105320 (April 28, 2026) (not yet published) (SR-Cboe-2026-044). Further, Cboe noted in its rule proposal that currently A.M.-settled SPX options and P.M.-settled SPX options trade under different symbols (*i.e.*, SPX and SPXW, respectively).

²⁸ 15 U.S.C. 78f(b).

²⁹ 15 U.S.C. 78f(b)(5).

³⁰ 15 U.S.C. 78f(b)(5).

the number of options series and expirations will have any significant adverse economic impact on the futures, index, or underlying index component securities markets. The Exchange believes that the proposed rule change will provide investors with greater trading and hedging opportunities and flexibility, allowing them to transact in NDX options in a manner more aligned with specific timing needs and more effectively tailor their investment and hedging objectives by listing these A.M.-settled options that expire each trading day of the week, in addition to options that expire on the third Friday-of-the-month or that are P.M.-settled and expire daily, monthly and quarterly (which, as noted above, the Exchange may already do pursuant to separate listing programs in the Rules).

The Commission previously recognized the benefits of A.M.-settlement for broad-based index options when it approved Cboe Options' proposal to transition most of its cash-settled index options, including on the S&P 500 Index, to A.M.-settlement.³¹ Specifically, the Commission identified several advantages of opening price settlement, including: (1) the ability to facilitate contra-side interest to alleviate order imbalances caused by the unwinding of index-related positions, without requiring market participants to assume overnight or weekend position risk; (2) providing market participants the remainder of the trading day to adjust to price movements resulting from expiration activity and assess whether those movements reflect changes in fundamental value or short-term supply and demand; and (3) allowing stock positions associated with expiring contracts to benefit from orderly opening procedures designed to facilitate price discovery.³²

The Exchange believes the benefits set forth by the Commission are not unique to standard monthly expirations. Specifically, as daily and end-of-month P.M.-settled NDX expirations have grown in prominence, the same concerns regarding order imbalance and price discovery could arise at any expiration (not just the third Friday of each month). Accordingly, the Exchange believes that extending A.M.-settlement

to daily and end-of-month expirations is consistent with the Commission's own rationale, and would provide market participants with those same protections across the full expiration calendar.

Finally, the Exchange believes its proposal to introduce changes to specify between A.M.-settled Weekly Expirations and P.M.-settled Weekly Expirations are reasonable, as they provide clarity within the Exchange rules, thereby mitigating potential investor confusion.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because A.M.-settled NDX options with Weekly and EOM Expirations will be available to all market participants. By listing NDX options with these expirations (in addition to the standard Expiration Friday expirations (A.M.-settled) and weekly and EOM expirations (P.M.-settled) that are currently listed), the proposed rule change will provide all investors that participate in the markets for these index options available for trading on the Exchange with greater trading and hedging opportunities and flexibility to meet their investment and hedging needs.

The Exchange does not believe that the proposal to list A.M.-settled NDX options with Weekly and EOM Expirations will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because these options are proprietary Exchange products. To the extent that the addition of these expirations for NDX options makes the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Further, other exchanges offer "nonstandard" expirations³³ for index

options and are welcome to similarly propose to list options on those index or equity products with similar expirations as proposed herein. Finally, as noted above, NDX options with these expirations will trade in the same manner as other options with these expirations.

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 Act³⁴ and subparagraph (f)(6) of Rule 19b-4 thereunder.³⁵

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

MBTX, and the Cboe Magnificent 10 Index to expire on last trading day of the month.

³⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

³⁵ 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.

³¹ See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

³² See Securities Exchange Act Release No. 30944 (July 21, 1992), 57 FR 33376 (July 28, 1992) (SR-CBOE-92-09). Thereafter, the Commission approved proposals by the options markets to transfer most of their cash-settled index products to A.M. settlement.

³³ Cboe's Nonstandard Expirations Program, set forth in Rule 4.13(e), permits Cboe to open for trading (1) Weekly Expirations on any broad-based index eligible for standard options trading and on CBTX, MBTX, and the Cboe Magnificent 10 Index to expire on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration) and (2) EOMs on any broad-based index eligible for standard options trading and on CBTX,

- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2026-41 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-2026-41. 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-2026-41 and should be submitted on or before July 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-12636 Filed 6-23-26; 8:45 am]

BILLING CODE 8011-01-P

DEPARTMENT OF STATE

[Public Notice: 13047]

Notice of Determinations; Culturally Significant Objects Being Imported for Exhibition—Determinations: “Roy Lichtenstein: Like New” 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 “Roy Lichtenstein: Like New” at the Whitney Museum of American 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/DPD, 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. 2026-12739 Filed 6-23-26; 8:45 am]

BILLING CODE 4710-05-P

DEPARTMENT OF STATE

[Public Notice: 13051]

Notice of Determinations; Culturally Significant Object Being Imported for Exhibition—Determinations: “Carlo Saraceni and the Early Baroque Period in Rome” Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that a certain object being imported from abroad pursuant to an agreement with its foreign owner or custodian for temporary display in the exhibition “Carlo Saraceni and the Early Baroque Period in Rome” at the Frances Lehman Loeb Art Center at Vassar College, Poughkeepsie, New York, and at possible additional exhibitions or venues yet to be determined, is of cultural significance, and, further, that its 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).

state.gov). The mailing address is U.S. Department of State, L/DPD, 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. 2026-12744 Filed 6-23-26; 8:45 am]

BILLING CODE 4710-05-P

SURFACE TRANSPORTATION BOARD

[Docket No. MCF 21151]

John McLaughlin, Tim McLaughlin, and Valley Bus, LLC—Acquisition of Control—Valley Bus Coaches, Valley Bus Grand Forks, LLC, West Fargo Bus Company, LLC And T&J Ventures, LLC

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: John McLaughlin and Tim McLaughlin, both noncarriers, together with Valley Bus, LLC (Valley Bus), an interstate motor carrier (collectively with John McLaughlin and Tim McLaughlin, Applicants), filed an application for after-the-fact authority to acquire control of interstate motor carriers Valley Bus Coaches, LLC (Valley Bus Coaches), Valley Bus Grand Forks, LLC (Valley Bus Grand Forks), West Fargo Bus Company, LLC (West Fargo Bus Company), and T&J Ventures, LLC (T&J Ventures) (collectively, Carriers). The Board is tentatively approving and authorizing the transactions. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by August 10, 2026. If any comments are filed, Applicants may file a reply by August 24, 2026. If no opposing comments are filed by August 10, 2026, this notice shall be effective on August 11, 2026.

³⁶ 17 CFR 200.30-3(a)(12).

ADDRESSES: Comments, referring to Docket No. MCF 21151, 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: John Rackson at (202) 929-2676. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

SUPPLEMENTARY INFORMATION: On May 28, 2026, Applicants filed an application under 49 U.S.C. 14303 and 49 CFR part 1182 seeking after-the-fact authority to acquire control of Carriers. (Appl. 2.)

According to the application, John McLaughlin and Tim McLaughlin are individuals who do not hold individual operating authority. (*Id.* at 3-4.) The application states that John McLaughlin is a resident of North Dakota, and Tim McLaughlin is a resident of Arizona. (*Id.*) The application states that John McLaughlin and Tim McLaughlin currently own membership interests of 39% and 40.6%, respectively, in Valley Bus. (*Id.* at 4.) The application describes Valley Bus as an interstate motor carrier and a North Dakota limited liability company based in Fargo, N.D. (*Id.* at 6.) Applicants state that Valley Bus primarily provides home-to-school bus transportation for the Fargo School District, but also provides interstate charters for schools and the general public in the Fargo metropolitan area.¹ (*Id.* at 6, 14.) The application states that Applicants acquired control of Carriers in a series of transactions between 2005 and 2023 that established or transferred membership interests in the Carriers. (*Id.* at 2, 14-16.) As a result of these transactions, Valley Bus controls Valley Bus Coaches, John McLaughlin controls West Fargo Bus Company, and John McLaughlin and Tim McLaughlin jointly control T&J Ventures and Valley Bus Grand Forks. (*Id.* at 3-4.)

Applicants state that Valley Bus established Valley Bus Coaches in 2005 as a wholly owned subsidiary of Valley Bus, at which point Valley Bus gained control of Valley Bus Coaches.² (*Id.* at

14, 16.) According to the application, Tim McLaughlin formed West Fargo Bus Company in 2008, and was the sole owner of West Fargo Bus Company when he and John McLaughlin formed T&J Ventures in 2014. (*Id.* at 15.) The application states that John McLaughlin and Tim McLaughlin obtained joint control of T&J Ventures when it was founded, and each own 50% of the company. (*Id.*) Applicants state that John McLaughlin gained control of West Fargo Bus Company in 2016, when Tim McLaughlin transferred 10% of his ownership interest to Wendy McLaughlin, an individual, and 50% of his ownership interest to John McLaughlin, ending Tim McLaughlin's control of West Fargo Bus Company. (*Id.*) Finally, Applicants state that John McLaughlin and Tim McLaughlin obtained joint control of Valley Bus Grand Forks when they formed the company in 2023, and John McLaughlin and Tim McLaughlin each own 50% of Valley Bus Grand Forks. (*Id.* at 16.) According to the application, Applicants recognize that control applications should have been filed with the Board before the transactions through which John McLaughlin acquired control of West Fargo Bus Company and Valley Bus Grand Forks, Tim McLaughlin acquired control of T&J Ventures and Valley Bus Grand Forks, and Valley Bus acquired control of Valley Bus Coaches. (*Id.* at 16-17.) Applicants now seek after-the-fact approval for these transactions.³ (*Id.* at 17.)

Applicants describe Carriers as follows:

- Valley Bus Coaches is a North Dakota limited liability company based in Fargo, N.D. (*Id.* at 7.) It operates as an interstate motor carrier of passengers pursuant to authority issued in Docket No. MC-293467; U.S. DOT No. 610827, and holds a "satisfactory" safety rating. (*Id.* at 7, 14, 22, Ex. 2.) Valley Bus Coaches primarily provides motor coach services to Fargo School District, local universities, and other organizations,

subsidiary Valley Bus Coaches because neither individual has ever owned a controlling interest in Valley Bus. (*Id.* at 4.)

³ The application asserts that, at the time the transactions occurred, Applicants mistakenly believed that the required approvals or operating authorities were limited to FMCSA registrations and were not aware that the transactions required Board authorization. (*Id.* at 2-3, 17.) The Board has permitted parties to obtain after-the-fact licensing authority for a transaction when the failure to seek approval was without malice and by mistake. See, e.g., *Essex Equity Partners MJT, LLC—Acquis. of Control—Xplore KY LLC*, MCF 21116, slip op. at 2 n.2 (STB served July 19, 2024) (citing *McCarthy—Acquis. of Control—Trombly Motor Coach Serv., Inc.*, MCF 21094, slip op. at 2 n.2 (STB served Aug. 6, 2021)).

using its own fleet of 15 coach buses and approximately 20 drivers drawn from Valley Bus's driver base. (*Id.* at 8, 14.) Valley Bus Coaches operates in the North Dakota-South Dakota-Minnesota-Montana region, including the Fargo metropolitan area, with occasional trips outside the region. (*Id.* at 14.)

- West Fargo Bus Company is a North Dakota limited liability company based in Fargo, N.D. (*Id.* at 9.) West Fargo Bus Company currently shares operating authority with Valley Bus as a "doing business as entity" on Valley Bus's FMCSA registration, Docket No. MC-1286864; U.S. DOT No. 1787423, but is in the process of obtaining its own FMCSA operating authority. (*Id.* at 9, 15.) It holds a "satisfactory" safety rating through FMCSA's audit of Valley Bus. (*Id.* at 22, Ex. 2.) West Fargo Bus Company provides home-to-school bus service, intrastate charter bus service, and occasional interstate charter bus service for the West Fargo School District. (*Id.* at 9-10, 15.) West Fargo Bus Company's fleet consists of 30 school buses and one car, and the company utilizes approximately 30 employees of Valley Bus. (*Id.* at 10-11.)

- T&J Ventures is a limited liability company based in Fargo, N.D. (*Id.* at 12.) It operates as an interstate motor carrier of passengers pursuant to authority issued in Docket No. MC-61985; U.S. DOT No. 3072526, and holds a "satisfactory" safety rating. (*Id.* at 15, 22, Ex. 2.) T&J Ventures provides small bus and shuttle transportation services to the general public in the greater Fargo metropolitan area. (*Id.* at 12.) T&J Ventures' fleet consists of five 20-28 passenger shuttle buses. (*Id.*)

- Valley Bus Grand Forks is a North Dakota limited liability company. (*Id.* at 16.) It operates as an interstate motor carrier of passengers pursuant to authority issued in Docket No. MC-1553175; U.S. DOT No. 4082035. (*Id.*) Valley Bus Grand Forks primarily provides home-to-school bus service for the Grand Forks School District, but also provides intrastate and occasional interstate transportation services for school-related functions and special events. (*Id.* at 11-12.) Valley Bus Grand Forks runs approximately 10 full sized general education school bus routes, 15 special needs routes, and 5 early childhood routes, maintains an additional 5 spare and activity buses, and employs approximately 35 drivers. (*Id.* at 11.)

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

¹ Additional information about Valley Bus, including its ownership history, principal place of business, U.S. Department of Transportation (USDOT) number, motor carrier number, USDOT safety fitness rating, and driver count, can be found in the application. (See Appl. 6-7, Ex. 2)

² The application states that John McLaughlin and Tim McLaughlin are not requesting control authority for Valley Bus or its wholly owned

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 proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), *see* 49 CFR 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during a consecutive 12-month period ending not more than 6 months before the date of the agreement of the parties, *see* 49 CFR 1182.2(a)(5).

According to the application, Applicants' formation and control of the Carriers has not had any material adverse impact on the transportation provided by Valley Bus. (Appl. 19.) Applicants state that the transactions have allowed Applicants to expand their business into new markets, offer new types of service using different types of vehicles, meet local school district demand for motor coach service, and serve additional school districts and customer bases. (*Id.*) Applicants claim that their customers have benefited from Applicants' experience and the Carriers' combined resources and economies of scale. (*Id.*) The application therefore asserts that Applicants' control of the Carriers has not impaired the adequacy of transportation to the public. (*Id.* at 21.)

The application states that the Applicants did not use debt or incur fixed charges during the transactions for which they now seek approval, and accordingly assert that these transactions did not result in fixed charges that adversely affected Carriers' ability to continue providing transportation. (*Id.*) Applicants also state that the transactions have not adversely affected employee or labor conditions, resulted in substantial layoffs, or caused adverse changes to wages, benefits, or working conditions occurred due to transactions. (*Id.*) According to the application, the transactions instead allowed Applicants to expand and hire additional drivers and employees. (*Id.*)

Applicants state that their control of the Carriers has not adversely affected competition. (*Id.* at 19.) According to the application, Valley Bus, West Fargo Bus Company and Valley Bus Grand Forks each focus on home-to-school transportation, but they provide service to different school districts, and their school district service areas do not overlap. (*Id.* at 19–20.) Applicants further state that Valley Bus, Valley Bus

Coaches, and T&J Ventures all operate within the Fargo metropolitan area, but offer distinct services and serve different markets. (*Id.*) The application explains that Valley Bus provides home-to-school transportation and ancillary charter service to the Fargo School District using yellow school buses, Valley Bus Coaches provides motor coach services for school athletic trips, universities, and other regional customers, and T&J Ventures provides shuttle bus service to the general public using small shuttle buses. (*Id.*) The application states that the Carriers face competition from national, regional, and local bus providers, and must also compete with other modes of transportation such as ride-sharing services and public transit. (*Id.* at 21.)

Based on Applicants' representations, the Board finds that the transactions for which the Applicants seek approval are 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 transactions are approved and authorized, subject to the filing of opposing comments.

2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.

3. This notice will be effective on August 11, 2026, unless opposing comments are filed by August 10, 2026. If any comments are filed, Applicants may file a reply by August 24, 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 18, 2026.

By the Board, Board Members Fuchs, Hedlund, Kloster, and Schultz.

Zantori Dickerson,

Clearance Clerk.

[FR Doc. 2026–12639 Filed 6–23–26; 8:45 am]

BILLING CODE 4915–01–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Nos. USTR–2026–0463 and USTR–2026–0464]

Initiation of Section 301 Investigation; Hearing; and Request for Public Comments: Germany's Persistent Underpayment for Innovative Pharmaceutical Products

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Notice of initiation of investigation and a hearing, and a request for comments.

SUMMARY: The United States Trade Representative (U.S. Trade Representative) has initiated an investigation pursuant to the Trade Act of 1974, as amended (Trade Act), with respect to Germany's persistent underpayment for innovative pharmaceutical products. The inter-agency Section 301 Committee is holding a public hearing and seeking public comments in connection with this investigation.

DATES:

June 18, 2026: The U.S. Trade Representative initiated the investigation.

June 25, 2026: USTR will open the docket for submission of written comments.

August 10, 2026, at 11:59 p.m. EDT: To be assured of consideration, submit written comments and requests to appear at the hearing, along with a summary of testimony, by this date.

September 22, 2026: The Section 301 Committee will convene a public hearing in the main hearing room of the U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, beginning at 10:00 a.m. If necessary, the hearing may continue on the next business day.

Seven calendar days after the last day of the public hearing: Due date for submission of post-hearing rebuttal comments.

ADDRESSES: Submit documents in response to this notice, including written comments, hearing appearance requests, summaries of testimony, and post-hearing rebuttal comments through the online USTR portal: <https://comments.ustr.gov/sl>.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning comments or participating in the public hearing, contact the USTR Section 301 support line at (202) 395–5725. Direct all other questions regarding this notice to Philip Butler, Chair of the Section 301 Committee, or Catherine Gibson, Deputy Assistant U.S. Trade Representative for Monitoring & Enforcement, at (202) 395–5725.

SUPPLEMENTARY INFORMATION:

I. Background

On May 12, 2025, the President issued Executive Order 14297, titled *Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients* (E.O.). See 90 FR 20749. Pursuant to the E.O., on May 30, 2025, USTR issued a “Request for Comments Regarding Foreign Nations Freeloading on American-Financed Innovation,” including on foreign country acts, policies, and practices that have the effect of forcing American patients to pay for a disproportionate amount of global pharmaceutical research and development (R&D), including by suppressing the price of pharmaceutical products below fair market value in foreign countries. See 90 FR 23105 (May 30, 2025 notice). USTR solicited comments in the May 30, 2025 notice to augment information on unfair pharmaceutical pricing practices obtained in response to previous requests for comments by USTR, including USTR’s February 25, 2025 “Request for Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm From Non-Reciprocal Trade Arrangements.” See 90 FR 10677 (February 25, 2025 notice).

Evidence indicates that Germany implements unfair pricing policies and practices with regard to innovative pharmaceutical products. Evidence further suggests that reduced revenue associated with these acts, policies, and practices contributes to, among other things, reduced investment for R&D that supports the development of innovative pharmaceuticals. As a result, the United States pays a disproportionate share of global R&D costs for innovative pharmaceuticals. U.S. consumers pay approximately 3.9 times as much as the prices consumers in Germany pay for brand-name drugs. Lower prices in Germany resulting from unreasonable pricing policies and practices reduce pharmaceutical companies’ incentives to innovate and, in turn, diminish their investment in R&D. In contrast, higher U.S. prices support and fund global R&D costs for innovative pharmaceutical

manufacturers and, thereby, unfairly shift Germany’s fair share of costs for pharmaceutical innovation onto U.S. patients and consumers.

This investigation will focus initially on the following means and tools that Germany uses to implement its unfair pricing policies and practices:

Germany conditions the confidentiality of manufacturers’ pharmaceutical pricing on certain criteria, including acceptance of a 9 percent price discount and payment of additional administrative costs.

In 2026, Germany’s Ministry of Health introduced draft legislation designed to reduce pharmaceutical spending. This legislation would impose an additional mandatory rebate for patented medicines starting in 2027. The current proposal envisions a fixed rate at 3.5 percent for the first half of 2027 and would thereafter change into a variable rate based on the difference between actual and target expenditures of the health insurance funds for all medicines, divided by sales of innovative medicines. According to one estimate, this dynamic rebate will reach 20 percent by 2030.

II. Initiation of Section 301 Investigation

Section 302(b)(1)(A) of the Trade Act authorizes the U.S. Trade Representative to initiate an investigation to determine whether an act, policy, or practice of a foreign country is actionable under Section 301 of the Trade Act. Actionable conduct under Section 301 includes acts, policies, and practices of a foreign country that are unreasonable or discriminatory and burden or restrict U.S. commerce. An act, policy, or practice is unreasonable if, while not necessarily in violation of, or inconsistent with, the international legal rights of the United States, it is otherwise unfair and inequitable.

On June 18, 2026, the U.S. Trade Representative initiated a Section 301 investigation with respect to Germany’s persistent underpayment for innovative pharmaceutical products. This investigation will focus initially on the extent to which Germany engages in acts, policies, and practices that have the effect of suppressing the prices of pharmaceuticals in its market below fair market value, thereby forcing American patients to underwrite a disproportionate amount of global pharmaceutical R&D, as described in Section I above, and similar acts, policies, and practices.

Pursuant to Section 302(b)(1)(B) of the Trade Act, USTR has consulted with appropriate advisory committees and

the inter-agency Section 301 Committee. Pursuant to Section 303(a) of the Trade Act, USTR is requesting consultations with the Government of Germany.

Pursuant to Section 304 of the Trade Act, on the basis of this investigation, the U.S. Trade Representative must determine whether an act, policy, or practice of Germany is actionable under Section 301. If that determination is affirmative, the U.S. Trade Representative must determine whether action is appropriate, and if so, what action to take.

III. Request for Public Comments

You may submit written comments on any issue covered by the investigation. In particular, USTR invites comments regarding:

- The acts, policies, and practices described in Section I above.
- Information on other acts, policies, and practices of Germany related to persistent underpayment for innovative pharmaceutical products.
- Whether the acts, policies, and practices of Germany are unreasonable or discriminatory.
- Whether the acts, policies, and practices of Germany burden or restrict U.S. commerce, and if so, the nature and level of burden or restriction on U.S. commerce.
- Whether the acts, policies, and practices of Germany are actionable under section 301(b) of the Trade Act, and what action, if any, should be taken, including tariff and non-tariff actions.
- The extent to which Germany’s unreasonable acts, policies, and practices relating to pricing for innovative pharmaceutical products, including through the means and tools described in Section I, result in the United States paying a disproportionate share of global R&D costs for innovative pharmaceuticals.

To be assured of consideration, USTR must receive written comments by 11:59 p.m. EDT on August 10, 2026. Additional instructions on how to submit written comments are provided below in Part V.

IV. Hearing Participation

The Section 301 Committee will convene a public hearing on September 22, 2026, and if needed, the hearing will continue on September 23, 2026. To testify at the hearing, you must submit a request to appear using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part V below. Requests to appear must include a summary of testimony, and may be accompanied by a prehearing submission. Remarks at the hearing are limited to five minutes to allow for

possible questions from the Section 301 Committee. All submissions must be in English. To be assured of consideration, USTR must receive your request to appear and summary of the testimony by August 10, 2026.

Post-hearing rebuttal comments, which should be limited to rebutting or supplementing testimony presented at the hearing, may be submitted within seven calendar days after the last day of the public hearing. Rebuttal comments must be submitted using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part V below.

V. Submissions Instructions

Interested persons must submit written comments, requests to appear at the hearing, summaries of testimony, and post-hearing rebuttal comments using the appropriate docket on the portal at <https://comments.ustr.gov/s/>. To make a submission, use the docket on the portal entitled 'Request for Comments on the Section 301 Investigation Regarding Germany's Persistent Underpayment for Innovative Pharmaceutical Products,' docket number USTR-2026-0463. Interested persons wishing to provide testimony at the hearing must submit a notification of intent and summary of testimony using the docket entitled 'Request to Appear at the Hearing on the Section 301 Investigation Regarding Germany's Persistent Underpayment for Innovative Pharmaceutical Products,' docket number USTR-2026-0464.

You do not need to establish an account to submit comments or a notification of intent to testify. The first screen allows you to enter identification and contact information. Third-party organizations such as law firms, trade associations, or customs brokers should identify the full legal name of the organization they represent and identify the primary point of contact for the submission. Information fields are optional. However, USTR may not consider your comment or request if insufficient information is provided. Fields with a gray Business Confidential Information (BCI) notation are for BCI information that will not be made publicly available. Fields with a green (Public) notation will be viewable by the public. After entering the identification and contact information, you can complete the remainder of the comment, or any portion of it, by clicking 'Next.' You may upload documents at the end of the form and indicate whether USTR should treat the documents as business confidential or public information. Any page containing BCI must be clearly marked 'BUSINESS CONFIDENTIAL' on

the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is BCI. If you request business confidential treatment, you must certify in writing that the information would not customarily be released to the public. Parties uploading attachments containing BCI also must submit a public version of their comments. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR Section 301 support line at (202) 395-5725 to discuss whether alternative arrangements are possible. USTR will post attachments uploaded to the docket for public inspection, except for properly designated BCI. You can view submissions on USTR's electronic portal at <https://comments.ustr.gov/s/>.

Jennifer Thornton,

General Counsel, Office of the United States Trade Representative.

[FR Doc. 2026-12671 Filed 6-23-26; 8:45 am]

BILLING CODE 3390-F4-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Rule on a Request To Release Surplus Property and Land Swap at the Palatka Municipal Airport, Palatka, FL

AGENCY: Federal Aviation Administration (FAA), Department of Transportation.

ACTION: Request for public comment.

SUMMARY: Notice is being given that the FAA is considering a request from the City of Palatka to release four parcels comprising 14.98+ acres and swap for a 12.37+ acre parcel at the Palatka Municipal Airport, Palatka, FL from the conditions, reservations, and restrictions as contained in a Quitclaim Deed agreement between the FAA and the City of Palatka, dated February 28, 1947. The release of property will allow the City of Palatka to dispose of the property for non-aeronautical purposes.

DATES: Comments are due on or before July 24, 2026.

ADDRESSES: Documents are available for review at the Palatka Municipal Airport, 4015 Reid St., Palatka, FL 32177, and the FAA Airports District Office, 8427 SouthPark Circle, Suite 524, Orlando, FL 32819. Written comments on the Sponsor's request must be delivered or mailed to: Jenny Iglesias-Hamann, Community Planner, Orlando Airports District Office, 8427 SouthPark Circle, Suite 524, Orlando, FL 32819.

FOR FURTHER INFORMATION CONTACT: Jenny Iglesias-Hamann, Community Planner, Orlando Airports District Office, 8427 SouthPark Circle, Suite 524, Orlando, FL 32819, (407) 487-7234.

SUPPLEMENTARY INFORMATION: The property is located:

Parcel 1—Northeast end of Kay Larkin Circle (old taxiway), 0.70 Acres.

Parcel 2—Combined Western portion of land release to be retained by City, 5.82 Acres.

Parcel 3—South & east border to Nations Industrial Park Property adjacent airfield, 7.42 Acres.

Parcel 4—Northern end of Kay Larkin Drive, 1.04 Acres.

The parcels are currently depicted on the approved Airport Layout Plan as a non-aeronautical land use. The property will be released of its federal obligations given the land is no longer required by the City of Palatka for airport purposes. The value of the land to be acquired, 12.37 ± acres is appraised at \$445,000.00, while the 14.98 ± acres proposed for release is valued at \$539,000.00. Therefore, the City will transfer \$94,000.00 into the airport operating fund, thereby creating an equitable swap for the airport. Section 125 of The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) requires the FAA to provide an opportunity for public notice and comment prior to the "waiver" or "modification" of a sponsor's Federal obligation to use certain airport land for non-aeronautical purposes.

The "City" will notate on ALP the requirement to own and control all land within existing and future RVZ.

Authority for the Policy: This notice is published under the authority described in Title 49 of the United States Code, Subtitle VII, part B, chapter 471, Section 47107(h)(2).

Revision Date: June 15, 2026.

Juan C. Brown,

Manager, Orlando Airports District Office.

[FR Doc. 2026-12643 Filed 6-23-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****[Docket No. FAA–2025–5868]****Agency Information Collection****Activities: Requests for Comments; Clearance of Renewed Approval of Information Collection: Human Space Flight Requirements for Crew/Space Flight Participants****AGENCY:** Federal Aviation Administration (FAA), DOT.**ACTION:** Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public to make public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on March 23, 2026. The information for this collection is mandatory. The collection involves information demonstrating that a launch or reentry operation involving human participants will meet the risk criteria and requirement to ensure public safety. The FAA has established requirements for human space flight crew and space flight participants as required by the Commercial Space Launch Amendments Act of 2004. On December 15, 2006, the FAA published a final rule (71 FR 75616) which established requirements for crew qualifications, training and notification, and training and informed consent requirements for space flight participants. The requirements were designed to achieve public safety and to notify participants of the risks they face from launch or reentry.

DATES: Written comments should be submitted by July 24, 2026.**ADDRESSES:** Please send written comments:

By *Electronic Docket*:
www.regulations.gov (Enter docket number into search field).

By *mail*: Charles Huet, 1200 New Jersey Avenue SE Washington, DC 20591.

FOR FURTHER INFORMATION CONTACT: Charles Huet by email at: charles.huet@faa.gov or phone: (202) 267–7427

SUPPLEMENTARY INFORMATION: *Public Comments Invited:* You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the

estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

OMB Control Number: 2120–0720.

Title: Human Space Flight Requirements for Crew/Space Flight Participants.

Form Numbers: There are no FAA forms associated with this collection.

Type of Review: Renewal of an information collection.

Background: The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on March 23, 2026 (91 FR 13928–13929).

There were no comments. The FAA established requirements for human space flight and space flight participants required by the Commercial Launch Amendment of 2004. The information collected is used by the FAA, a licensee or permittee, a space flight participant.

Respondents: All commercial space entities that propose to conduct a launch or reentry with flight crew or space flight participants on board must comply with this collection.

Frequency: On occasion.

Estimated Average Burden per

Response: 4 hours.

Estimated Total Annual Burden: 808 hours.

Issued in Washington, DC.

James A. Hatt,

Space Policy Division Manager, Office of Commercial Space Transportation.

[FR Doc. 2026–12693 Filed 6–23–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION**Federal Motor Carrier Safety Administration****[Docket No. FMCSA–2020–0171]****Hours of Service of Drivers: Association of American Railroads and American Short Line and Regional Railroad Association; Application for Exemption Renewal**

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of provisional renewal of exemption.

SUMMARY: FMCSA announces its decision to renew provisionally for four months the exemption granted to the

Association of American Railroads and the American Short Line and Regional Railroad Association and member railroads (the Associations) from the prohibitions against driving after the 14th hour from the beginning of the work shift (the 14-hour rule) and against driving after accumulating 60 hours of on-duty time within 7 consecutive days, or 70 hours of on-duty time within 8 consecutive days (the 60-hour/70-hour rule). The exemption will enable the employees of the Associations subject to the hours-of-service (HOS) rules to respond to unplanned events that occur outside of, or extend beyond, an employee's normal work hours. The Associations are seeking a five-year renewal of this exemption. FMCSA has requested additional information from the Associations and will review the application further before issuing a final decision on the request.

DATES: The exemption is effective from June 19, 2026, and expires October 19, 2026.

FOR FURTHER INFORMATION CONTACT: Mr. Richard Clemente, FMCSA Driver and Carrier Operations Division; Office of Carrier, Driver and Vehicle Safety Standards; richard.clemente@dot.gov or (771) 216–2436. If you have questions on viewing or submitting material to the docket, contact Docket Services, telephone (202) 366–9826.

SUPPLEMENTARY INFORMATION:**I. Public Participation***Viewing Comments and Documents*

To view any documents mentioned as being available in the docket, go to <https://www.regulations.gov/docket/FMCSA-2020-0171/document> and choose the document to review. To view comments, click this notice, then click “Browse Comments.” If you do not have access to the internet, you may view the docket by visiting Dockets Operations in room W58–213 of the DOT West Building, 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. To be sure someone is there to help you, please call (202) 366–9317 or (202) 366–9826 before visiting Dockets Operations.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from the Federal Motor Carrier Safety Regulations (FMCSRs). FMCSA must publish a notice of each exemption request in the **Federal Register** (49 CFR 381.315(a)). The Agency must provide the public an opportunity to inspect the information relevant to the application, including

the applicant's safety analysis. The Agency must provide an opportunity for public comment on the request.

The Agency reviews the application, safety analyses, and public comments submitted and determines whether granting the exemption would likely achieve a level of safety equivalent to, or greater than, the level that would be achieved without the exemption, pursuant to the standard set forth in 49 U.S.C. 31315(b)(1). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)). If granted, the notice will identify the regulatory provision from which the exempted parties will be exempt and the effective period and will explain all terms and conditions of the exemption (49 CFR 381.315(c)(1)). If the exemption is denied, the notice will explain the reason for the denial (49 CFR 381.315(c)(2)). The exemption may be renewed (49 CFR 381.300(b)).

III. Background

Current Regulatory Requirements

Under 49 CFR 395.3(a)(2), a driver may not drive after a period of 14 consecutive hours after coming on-duty following 10 consecutive hours off-duty. Under 49 CFR 395.3(b), no motor carrier shall permit or require a driver of a property-carrying commercial motor vehicle (CMV) to drive, nor shall any driver drive a property-carrying CMV, regardless of the number of motor carriers using the driver's services, for any period after having been on duty 60 hours in any period of 7 consecutive days or 70 hours in any period of 8 consecutive days.

Applicant's Request

The Associations' exemption application was described in detail in a **Federal Register** notice published on December 19, 2025 (90 FR 59648) and will not be repeated as the facts have not changed. FMCSA granted a six-month provisional renewal of the exemption on December 19, 2025 (90 FR 59648). FMCSA is requesting additional information from the Associations, including the complete list of USDOT numbers that will operate under the exemption, the frequency with which motor carriers have operated under the exemption, and the list of accidents involving any motor carriers operating under the exemption. FMCSA will post this additional information to the docket and request public comment before issuing a final decision on the exemption application.

IV. Public Comments

The Agency did not receive any comments on the request for an exemption renewal.

V. Grant of Provisional Renewal of Exemption

FMCSA determined in 2020 that the exemption, subject to the terms and conditions imposed, would likely achieve a level of safety that is equivalent to the level that would be achieved absent such exemption. The Agency does not presently have data to suggest that the requested relief would compromise safety when used occasionally to respond to unplanned events while the Agency further considers the request for a five-year exemption.

However, FMCSA provisionally renews the exemption for a period of four months, subject to the terms and conditions outlined below and further consideration of the exemption. The exemption from the prohibitions in the 14-hour rule and the 60-hour/70-hour rule is effective from June 19, 2026 through October 19, 2026, 11:59 p.m. local time, unless revoked earlier.

A. Applicability of Exemption

This exemption is restricted to individuals employed by the member railroads of the Associations while driving CMVs to the site of an unplanned event which includes the following:

- A derailment;
- A rail failure or other report of a dangerous track condition;
- A track occupancy light;
- A disruption to the electric propulsion system;
- A bridge strike;
- A disabled vehicle on the train tracks;
- A train collision;
- Weather- and storm-related events including fallen trees and other debris on the tracks, snow, extreme cold or heat, rock and mudslides, track washouts, and earthquakes; and
- A matter concerning national security or public safety, including a blocked grade crossing.

B. Terms and Conditions of the Exemption

1. When operating under this exemption, drivers:
 - May extend the 14-hour rule in § 395.3(a)(2) to no more than 17 hours;
 - May not exceed 11 hours of driving time, following 10 consecutive hours off-duty;
 - May extend the 60-hour/70-hour rule in § 395.3(b) by no more than 6 hours; and

- May not travel more than 300 air miles from the normal work-reporting location or terminal;

2. Drivers must comply with the applicable HOS limits after arriving at the site, including recording all time working to restore rail service as on-duty, not driving time;

3. Drivers may take advantage of the Agency's personal conveyance regulatory guidance when traveling between the unplanned event work site and nearby lodging or dining facilities (83 FR 26377 (June 7, 2018)). If that guidance is not applicable to the trip, CMV drivers who have reached the HOS limits must be transported from the work site by an individual who is not subject to HOS restrictions or use a vehicle that does not meet FMCSA's definition of a CMV (49 CFR 390.5T) when they leave the site;

4. Drivers must complete the Driver Education Module 3 and the Driver Sleep Disorders and Management Module 7 of the North American Fatigue Management Program (NAFMP) (www.nafmp.org) prior to operating under the exemption; railroads subject to the exemption could direct CMV drivers to the Federal Railroad Administration's website, the "Railroaders' Guide to Healthy Sleep" (<https://railroaderssleep.fra.dot.gov/>) as an alternative resource if NAFMP's website is unavailable;

5. Motor carriers and drivers must comply with all other provisions of the Federal Motor Carrier Safety Regulations;

6. Upon request, the Associations must provide to FMCSA a list of the U.S. Department of Transportation (USDOT) numbers of motor carriers operating under this exemption; and

7. Notification to FMCSA. The Associations must notify FMCSA within five business days of any accident, as defined in 49 CFR 390.5T, involving any of the motor carrier's CMVs operating under the terms of this exemption. Reports filed under this provision shall be emailed to MCPSD@DOT.GOV. The notification must include the following information:

- a. Identifier of the Exemption: "Association of American Railroads and American Short Line and Regional Railroad Association;"
- b. Name of operating carrier and USDOT number;
- c. Date of the crash;
- d. City or town, and State, in which the accident occurred, or closest to the crash scene;
- e. Driver's name and license number;
- f. Co-driver's name (if any) and license number;

g. Vehicle number and State license number;

h. Number of individuals suffering physical injury;

i. Number of fatalities;

j. The police-reported cause of the crash, if provided by the enforcement agency;

k. Whether the driver was cited for violation of any traffic laws or motor carrier safety regulations; and

l. The total on-duty time accumulated during the seven consecutive days prior to the date of the crash, and the total on duty time and driving time in the work shift prior to the crash.

C. Preemption

In accordance with 49 U.S.C. 31315(d), as implemented by 49 CFR 381.600, during the period this exemption is in effect, no State shall enforce any law or regulation that conflicts with or is inconsistent with this exemption with respect to a firm or person operating under the exemption. States may, but are not required to, adopt the same exemption with respect to operations in intrastate commerce.

D. Termination

FMCSA does not believe the drivers covered by this exemption will experience any deterioration in their safety performance. However, the

exemption will be revoked if: (1) the Associations, motor carriers, or drivers operating under the exemption fail to comply with the terms and conditions of the exemption; (2) the exemption has resulted in a lower level of safety than was maintained before it was granted; or (3) continuation of the exemption would not be consistent with the goals and objectives of Title 49, chapter 313 or section 31136.

Derek Barrs,

Administrator.

[FR Doc. 2026-12672 Filed 6-23-26; 8:45 am]

BILLING CODE 4910-EX-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 18, 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 Action

On June 18, 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 authority listed below.

BILLING CODE 4810-AL-P

Individuals

1. QAMATI, Mahmoud (Arabic: محمود القماطي) (a.k.a. KAMATI, Mahmoud; a.k.a. QAMATI, Mahmud; a.k.a. QOMATI, Mahmoud), Lebanon; DOB 23 Oct 1953; POB Haret Hreik, Beirut, Lebanon; nationality Lebanon; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Gender Male; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; National ID No. 000022405058 (Lebanon) (individual) [SDGT] (Linked To: HIZBALLAH).

Designated pursuant to section 1(a)(iii)(A) of Executive Order (E.O.) 13224 of September 23, 2001, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism," 66 FR 49079, 3 CFR, 2001 Comp., p. 786, as amended by Executive Order 13886 of September 9, 2019, "Modernizing Sanctions To Combat Terrorism," 84 FR 48041, 3 CFR, 2019 Comp., p. 356 (E.O. 13224, as amended), for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Hizballah, a person whose property and interests in property are blocked pursuant to E.O. 13224.

2. FRANGIE, Sleiman Antoine (a.k.a. FRANGIEH, Sleiman (Arabic: سليمان فرنجيه); a.k.a. FRANJIEH, Suleiman Antoine; a.k.a. FRANJIYAH, Sulayman), Lebanon; DOB 18 Oct 1964; alt. DOB 18 Oct 1965; POB Zgharta, Lebanon; nationality Lebanon; Gender Male; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Passport RL2326000 (Lebanon) expires 31 Jul 2017; alt. Passport LR0477366 (Lebanon) expires 19 Jul 2022; National ID No. 000047639193 (Lebanon) (individual) [SDGT] (Linked To: HIZBALLAH).

Designated pursuant to section 1(a)(iii)(C) of E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Hizballah, a person whose property and interests in property are blocked pursuant to E.O. 13224.

3. COSTANTEEN, Wael (a.k.a. CONSTANTINE, Wael), Baghdad, Iraq; Abra Sidon, Lebanon; DOB 09 Jul 1986; nationality Lebanon; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Gender Male; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Passport LR2273432 (Lebanon) expires 16 Sep 2031; National ID No. 000010863590 (Lebanon) (individual) [SDGT] (Linked To: HAMIEH, Alaa Hassan).

Designated pursuant to section 1(a)(iii)(A) of E.O. 13224, as amended, for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Alaa Hassan Hamieh, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

Entities

1. AL 'AHD COMPANY FOR TRADE AND INVESTMENT (a.k.a. AL-AHD TRADING AND INVESTMENT COMPANY), Damascus, Syria; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Organization Established Date 14 Jul 2016; Organization Type: Non-specialized wholesale trade [SDGT] (Linked To: GM FARM).

Designated pursuant to section 1(a)(iii)(C) of E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, GM Farm, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

2. GLOBE TECHNOLOGY PROVIDERS SARL (a.k.a. GLOBE TECHNOLOGY PROVIDERS), F2, MAK Building, Cham Road, Hazmieh, Lebanon; Website <https://www.globe-co.com>; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Organization Established Date 2004; Organization Type: Other information technology and computer service activities [SDGT] (Linked To: HAMIEH, Alaa Hassan; Linked To: HASHEM, Bahaa Addin).

Designated pursuant to section 1(a)(iii)(A) of E.O. 13224, as amended, for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Alaa Hassan Hamieh and Bahaa Addin Hashem, persons whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

3. AL SHAFa ADMINISTRATIVE SERVICES LIMITED (a.k.a. "HEAL"), Baghdad, Iraq; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Organization Established Date 29 Jun 2025; Commercial Registry Number 30787 (Iraq) [SDGT] (Linked To: HAMIEH, Alaa Hassan).

Designated pursuant to section 1(a)(iii)(A) of E.O. 13224, as amended, for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Alaa Hassan Hamieh, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

4. GLOBE INTERNATIONAL SPC, Muscat, Oman; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Registration Number 1579840 (Oman) [SDGT] (Linked To: HAMIEH, Alaa Hassan).

Designated pursuant to section 1(a)(iii)(A) of E.O. 13224, as amended, for being owned, controlled, or directed by, or having acted or purported to act for or on behalf

of, directly or indirectly, Alaa Hassan Hamieh, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

5. TYKE SAL (a.k.a. TAEK SAL), Section No. 11, Property No. 3939, Ground Floor, Al-Massa Building, Al-Musaytibah, Beirut, Lebanon; Additional Sanctions Information - Subject to Secondary Sanctions Pursuant to the Hizballah Financial Sanctions Regulations; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Organization Established Date 23 Feb 2017; Organization Type: Non-specialized wholesale trade; Company Number 5-121673 (Lebanon); Registration Number 1022301 (Lebanon) [SDGT] (Linked To: HAMIEH, Muhammad Hasan).

Designated pursuant to section 1(a)(iii)(A) of E.O. 13224, as amended, for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Muhammad Hasan Hamieh, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

(Authority: E.O. 13224, as amended)

Lisa M. Palluconi,
Deputy Director, Office of Foreign Assets Control.

[FR Doc. 2026-12628 Filed 6-23-26; 8:45 am]

BILLING CODE 4810-AL-C

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Agency Information Collection Activities; Comment Request on Certifications for Exceptions to the 10% Additional Tax

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of Information Collection; request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the IRS is inviting comments on the information collection request outlined in this notice.

DATES: Written comments should be received on or before August 24, 2026 to be assured of consideration.

ADDRESSES: Direct all written comments to Andres Garcia, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW, Washington, DC 20224, or by email to pra.comments@irs.gov. Include "OMB Control No. 1545-2317" in the subject line of the message.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of this collection should be directed to Jason Schoonmaker, (801)-620-6008.

SUPPLEMENTARY INFORMATION: The IRS, in accordance with the Paperwork

Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the IRS assess the impact and minimize the burden of its information collection requirements. Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record, and viewable on relevant websites. For this reason, please do not include in your comments information of a confidential nature, such as sensitive personal information. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Title: Certification for Exceptions to the 10% Additional Tax.

OMB Control Number: 1545-2317.

Guidance Numbers: IRS Notice 2024-2, IRS Notice 2024-55, and IRS Notice 2026-33.

Abstract: Section 72(t)(1) generally imposes a 10 percent additional tax on

any distribution from a qualified retirement plan within the meaning of section 4974(c), unless the distribution qualifies for one of the exceptions listed in section 72(t)(2).

IRS Notice 2024-2 provides guidance in the form of questions and answers regarding the implementation of several provisions of the SECURE 2.0 Act of 2022, which made significant changes to retirement plan rules under the Internal Revenue Code. The collection requirements include third-party disclosure and recordkeeping requirements for certifications of terminal illnesses.

IRS Notice 2024-55 provides guidance on the exceptions to the 10 percent additional tax for early distributions from retirement plans for emergency personal expenses and for victims of domestic abuse, as enacted by the SECURE 2.0 Act. The collection requirements include third-party disclosure and recordkeeping requirements for emergency personal expense or domestic abuse certifications.

IRS Notice 2026-33 provides guidance on qualified long-term care distributions, as permitted under section 401(a)(39) of the Internal Revenue Code. In particular, the notice provides guidance to providers of certified long-term care insurance (issuers) relating to the disclosure and reporting requirements under sections 401(a)(39) and 6050Z. In addition, the notice provides guidance under sections 72(t)(2)(N) and 401(a)(39) to plan administrators making and individuals receiving qualified long-term care distributions, including setting forth safe harbors for plan administrators in

making qualified long-term care distributions. The collection requirements include third-party disclosure and recordkeeping requirements related to issuer disclosures and long-term care premium statements.

Current Actions: IRS is adding the collection requirements from IRS Notice 2026–33 to the OMB approval for 1545–2317. This revision will increase the burden estimates by 150 responses and 450 hours.

Type of Review: Revision of a currently approved collection.

Affected Public: Individuals and Households, Business or other for-profit organizations.

Estimated Number of Responses: 225,650.

Estimated Time per Response: 3 minutes up to 3 hours.

Estimated Total Annual Burden Hours: 11,825.

Dated: June 18, 2026.

Jason M. Schoonmaker,
Tax Analyst.

[FR Doc. 2026–12616 Filed 6–23–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF THE TREASURY

Debt Management Advisory Committee Meeting

Notice is hereby given, pursuant to 5 U.S.C. App. 2, 10(a)(2), that a meeting will be held at the United States Treasury Department, 15th Street and Pennsylvania Avenue NW, Washington, DC on August 4, 2026, at 9:00 a.m., of the following debt management advisory committee: Treasury Borrowing Advisory Committee.

At this meeting, the Treasury is seeking advice from the Committee on topics related to the economy, financial markets, Treasury financing, and debt management. Following the working session, the Committee will present a written report of its recommendations. The meeting will be closed to the public, pursuant to 5 U.S.C. App. 2, 10(d) and Public Law 103–202, § 202(c)(1)(B) (31 U.S.C. 3121 note).

This notice shall constitute my determination, pursuant to the authority placed in heads of agencies by 5 U.S.C. App. 2, 10(d) and vested in me by Treasury Department Order No. 101–05, that the meeting will consist of discussions and debates of the issues presented to the Committee by the Secretary of the Treasury and the making of recommendations of the Committee to the Secretary, pursuant to Public Law 103–202, § 202(c)(1)(B).

Thus, this information is exempt from disclosure under that provision and 5 U.S.C. 552b(c)(3)(B). In addition, the meeting is concerned with information that is exempt from disclosure under 5 U.S.C. 552b(c)(9)(A). The public interest requires that such meetings be closed to the public because the Treasury Department requires frank and full advice from representatives of the financial community prior to making its final decisions on major financing operations. Historically, this advice has been offered by debt management advisory committees established by the several major segments of the financial community. When so utilized, such a committee is recognized to be an advisory committee under 5 U.S.C. App. 2, 3.

Although the Treasury's final announcement of financing plans may not reflect the recommendations provided in reports of the Committee, premature disclosure of the Committee's deliberations and reports would be likely to lead to significant financial speculation in the securities market. Thus, this meeting falls within the exemption covered by 5 U.S.C. 552b(c)(9)(A).

The Office of Debt Management is responsible for maintaining records of debt management advisory committee meetings and for providing annual reports setting forth a summary of Committee activities and such other matters as may be informative to the public consistent with the policy of 5 U.S.C. 552(b). The Designated Federal Officer or other responsible agency official who may be contacted for additional information is Fred Pietrangeli, Director for Office of Debt Management (202) 622–1876.

Dated: June 18, 2026.

Frederick E. Pietrangeli,
Director (for Office of Debt Management).

[FR Doc. 2026–12641 Filed 6–23–26; 8:45 am]

BILLING CODE 4810–25–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0926]

Agency Information Collection Activity: Native American Direct Loan (NADL) Processing Requirements

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the

Veterans Benefits Administration, Department of Veterans Affairs, will submit the collection of information abstracted below to the Office of Management and Budget (OMB) for review and comment. The PRA submission describes the nature of the information collection and its expected cost and burden and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed information collection should be sent by July 24, 2026.

ADDRESSES: To submit comments and recommendations for the proposed information collection, please type the following link into your browser: www.reginfo.gov/public/do/PRAMain, select “Currently under Review—Open for Public Comments”, then search the list for the information collection by Title or “OMB Control No. 2900–XXXX.”

FOR FURTHER INFORMATION CONTACT: VA PRA information: Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: Native American Direct Loan (NADL) Processing Requirements.

OMB Control Number: 2900–0926
<https://www.reginfo.gov/public/do/PRASearch>.

Type of Review: Extension without Change of a Currently Approved Collection.

Abstract: The information collected in this package assists Native American Veterans in obtaining the VA home loan benefit to purchase, construct, or improve dwellings on trust lands, or to refinance their existing NADL to a lower interest rate. The information requested by VA is vital to the NADL program's process and allows VA to determine program eligibility by gathering evidence of Native American Veteran borrowers' tribal membership status and ownership interest in the land on which the dwelling, or proposed dwelling, is or will be situated.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The **Federal Register** Notice with a 60-day comment period soliciting comments on this collection of information was published at 91 FR 14071, March 24, 2026.

Affected Public: Individuals or Households.

Estimated Annual Burden: 1,721 hours.

Estimated Average Burden per Respondent: 28.04 minutes.

Frequency of Response: One-time.

Estimated Number of Respondents:
737 per annual.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

*Alternate, VA PRA Clearance Officer, Office
of Information Technology, Data Governance
Analytics, Department of Veterans Affairs.*

[FR Doc. 2026–12677 Filed 6–23–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0878]

Agency Information Collection Activity Under OMB Review: Edith Nourse Rogers STEM Scholarship Application

AGENCY: Veterans Benefits
Administration, Department of Veterans
Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Veterans Benefits Administration (VBA), Department of Veterans Affairs, will submit the collection of information abstracted below to the Office of Management and Budget (OMB) for review and comment. The PRA submission describes the nature of the information collection and its expected cost and burden, and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed information collection should be sent by July 24, 2026.

ADDRESSES: To submit comments and recommendations for the proposed information collection, please type the following link into your browser: www.reginfo.gov/public/do/PRAMain, select “Currently under Review—Open for Public Comments”, then search the list for the information collection by Title or “OMB Control No. 2900–0878.”

FOR FURTHER INFORMATION CONTACT:

VA PRA information: Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: Edith Nourse Rogers STEM Scholarship, VAF 22–10203.

OMB Control Number: 2900–0878
<https://www.reginfo.gov/public/do/PRAsearch>.

Type of Review: Revision of a currently approved collection.

Abstract: Section 111 of Public Law 115–48, Section 3320 authorizes VA to administer the Edith Nourse Rogers STEM Scholarship Program. Under the program, VA provides up to 9 months or \$30,000 of Post-9/11 GI Bill benefits to certain eligible individuals selected by the Secretary of VA. To apply for and receive the scholarship, an individual must complete the application, VA Form 22–10203. VA continues to require approval of this information

collection so students can continue to apply, and for VA to continue to assess how to prioritize the awarding of the Scholarship, based on the information collected on the form. This collection renewal resulted in a decrease in burden hours due to a significant decrease in the initial number of scholarship applicants that submitted an application for the program during the periods from 2022 and 2023.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The **Federal Register** Notice with a 60-day comment period soliciting comments on this collection of information was published at 91 FR 17334 on April 6, 2026.

Affected Public: Individuals and Households.

Estimated Annual Burden: 2,788 hours.

Estimated Average Burden Time per Respondent: 15 minutes.

Frequency of Response: Once.

Estimated Number of Respondents: 11,150.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

*Alternate, VA PRA Clearance Officer, Office
of Information Technology, Data Governance
Analytics, Department of Veterans Affairs.*

[FR Doc. 2026–12675 Filed 6–23–26; 8:45 am]

BILLING CODE 8320–01–P



FEDERAL REGISTER

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June 24, 2026

Part II

Department of the Interior

Bureau of Land Management

43 CFR Parts 3000, 3100, 3110 et al.
Oil and Gas Leasing; Proposed Rule

DEPARTMENT OF THE INTERIOR**Bureau of Land Management**

43 CFR Parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180

[Docket No. BLM–2025–0037; A2407–014–004–065516; #O2509–014–004–125222; 256 LLHQ310000 L13100000.PP0000]

RIN 1004–AF05

Oil and Gas Leasing

AGENCY: Bureau of Land Management, Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Land Management (BLM) is proposing to revise its oil and gas leasing regulations to reflect new requirements in the One Big Beautiful Bill Act (OBBA); policy direction in Executive Orders (E.O.) entitled *Unleashing American Energy* and *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Derogatory Initiative and Modernizing Payments To and From America's Bank Account*; and policy guidance in Secretary's Order entitled *Unleashing American Energy*. In addition, the proposed rule would reflect provisions of the Royalty Resiliency Act, which pertains to applications for oil and gas agreements for allocation schedules that outline how royalties would be distributed across different leases within the agreement. The BLM proposes to return the minimum bond amounts to those prior to the finalization of the 2024 rule. Finally, the proposed rule would improve the BLM's leasing process to ensure stewardship of public lands as required by the Mineral Leasing Act (MLA) and as directed by the OBBA and the above Executive orders.

DATES: Send your comments on this proposed rule to the BLM on or before August 24, 2026. The BLM is not obligated to consider any comments received after this date in making its decision on the final rule.

Information Collection Requirements: This proposed rule includes revised and rescinded information-collection requirements that must be approved by the Office of Management and Budget (OMB). If you wish to comment on the information-collection requirements, please note that those comments should be sent directly to OMB. OMB may file public comments on the collection of information contained in this proposed rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment

to the OMB on the proposed information-collection revisions is best assured of being given full consideration if the OMB receives it by July 24, 2026.

ADDRESSES: Submit your comments using one of these methods:

- *Mail, personal, or messenger delivery:* U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF05.

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. In the Search-box, enter “BLM–2025–0037” and click the “Search” button. Follow the instructions at this website.

For Comments on Information—Collection Activities

Information-Collection Requirements: Written comments and suggestions on the information-collection requirements should be submitted to <https://www.reginfo.gov/public/do/PRAMain>. Find this specific information-collection by selecting “Currently under Review—Open for Public Comments” or by using the search function.

If you submit comments on these information-collection burdens, you should provide the BLM with a copy at one of the addresses shown earlier in this section so that we can summarize all written comments and address them in the final rulemaking. Please indicate “Attention: Paperwork Reduction Act Comments (RIN 1004–AF05).” Comments not pertaining to the proposed rule's information-collection burdens should not be submitted to OMB. The BLM is not obligated to consider or include in the Administrative Record for the final rule any comments that are improperly directed to OMB.

FOR FURTHER INFORMATION CONTACT: John Ajak, Acting Division Chief for the Division of Fluid Minerals, telephone: (505) 549–9654, or email: jajak@blm.gov, for information regarding the substance of this proposed rule or about the BLM's fluid minerals program. For questions relating to regulatory process issues, contact Faith Bremner at email: fbremner@blm.gov. Individuals in the United States who are deaf, blind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services for contacting Mr. Cowan. 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.

For a summary of the rule, please click on the Docket Details tab in docket

number BLM–2025–0037 on www.regulations.gov.

SUPPLEMENTARY INFORMATION:

- I. List of Acronyms
- II. Executive Summary
- III. Public Comment Procedures
- IV. Background
- V. Discussion of the Proposed Rule
- VI. Procedural Matters

I. List of Acronyms

APD = Application for Permit to Drill
BLM = Bureau of Land Management
CFR = Code of Federal Regulations
COA = Condition of Approval
CRA = Compensatory Royalty Agreement
DOI = Department of the Interior
DoW = Department of War
E.O. = Executive Order
EOI = Expression of Interest
FLPMA = Federal Land Policy and Management Act
GAO = Government Accountability Office
IBLA = Interior Board of Land Appeals
IRA = Inflation Reduction Act of 2022
MLA = Mineral Leasing Act of 1920, as amended (MLA is also referred to as “Act” in the regulations.)
MLAAL = Mineral Leasing Act for Acquired Lands of 1947, as amended
NEPA = National Environmental Policy Act
NPR-A = National Petroleum Reserve—Alaska
OBBA = One Big Beautiful Bill Act of 2025
OIG = Department of Interior's Office of Inspector General
OIRA = Office of Information and Regulatory Affairs
OMB = Office of Management and Budget
ONRR = Office of Natural Resources Revenue
PRA = Paperwork Reduction Act
RIA = Regulatory Impact Analysis
RMP = Resource Management Plan
ROW = Right-of-way
RRA = Royalty Resiliency Act of 2024
SBA = Small Business Administration
S.O. = Secretary's Order
SME = Subject matter expert
U.S.C. = United States Code

II. Executive Summary

This proposed rule aims to enhance the administration of oil and gas-related activities on America's public lands and includes requirements in the OBBA, as well as policy direction in E.O.s and S.O.s issued by the administration.

Specifically, the proposed rule eliminates the leasing preference criteria, modifies the public participation periods, reintroduces noncompetitive leasing, and provides a mechanism for holding replacement oil and gas lease sales. This rulemaking implements provisions of the OBBA and President Trump's January 20, 2025, E.O. 14154, entitled “Unleashing American Energy,” which directs the removal of impediments imposed on the development and use of our Nation's abundant energy and natural resources. In addition, the proposed rule would return minimum bond amounts to the

levels in place prior to the 2024 Fluid Mineral Leases and Leasing Process rule (2024 Leasing Rule) (89 FR 30916 (April 23, 2024)). The proposed rule would ensure that America's natural resources can be used to restore American prosperity through advancing innovation to improve the energy development and production capacity of the United States in a way that would provide a reliable, diversified, growing, and affordable supply of energy to meet the Nation's needs for security and prosperity. The BLM has determined that the changes proposed in this rulemaking would reduce barriers to the use of Federal lands for energy development, consistent with the BLM's mission to manage the public lands for multiple use and sustained yield, in accordance with the applicable E.O.s, S.O.s, and the Mineral Leasing Act, as amended by the OBBB. The Secretary of the Interior manages the Federal onshore oil and gas program pursuant to the requirements of various statutes, including the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 *et seq.*) (FLPMA); the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 *et seq.*) (MLA); and the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 *et seq.*) (MLAAL); as well as the recently enacted Royalty Resiliency Act (RRA) of 2024 (Pub. L. 118–81).

III. Public Comment Procedures

If you wish to comment on this proposed rule, you may submit your comments to the BLM by mail, personal or messenger delivery, or through <https://www.regulations.gov> (see the **ADDRESSES** section). Please make your comments on the proposed rule as specific as possible, confine them to issues pertinent to the proposed rule, explain the reason for any changes you recommend, and include any supporting documentation. Where possible, your comments should reference the specific section or paragraph of the proposal that you are addressing (for example, “43 CFR 3104.1 Bond Amounts”). The BLM is not obligated to consider or include in the administrative record for the final rule any comments received after the close of the comment period (see **DATES**) or comments delivered to an address other than those listed previously (see **ADDRESSES**).

Comments, including names and street addresses of respondents, will be available for public review at the address listed under “**ADDRESSES: Mail, personal or messenger delivery**” during regular hours (7:45 a.m. to 4:15 p.m.

eastern time), Monday through Friday, except holidays. Before including your address, telephone number, email address, or other personal identifying information in your comment, be advised 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 from public review your personal identifying information, we cannot guarantee that we will be able to do so.

As explained later, this proposed rule includes revisions to information collection requirements that must be approved by the OMB. If you wish to comment on the revised information collection requirements in this proposed rule, please note that such comments must be sent directly to the OMB in the manner described in the **ADDRESSES** section. The OMB is required to make a decision concerning the collection of information contained in this proposed rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to the OMB on the proposed information collection revisions is best assured of being given full consideration if the OMB receives it by July 24, 2026.

IV. Background

The BLM is undertaking this rulemaking for two primary reasons: (1) To implement revisions to the MLA by the OBBB and to make the regulations consistent with the policy direction provided for in E.O.s and S.O.s that were issued in early January 2025; and (2) To ensure that all regulatory requirements related to leasing and development of oil and gas from Federal lands are grounded in applicable law. As documented in S.O. 3418, which was issued in February 2025,¹ the BLM aims to reduce barriers to the use of Federal lands for energy development, consistent with FLPMA's principle of managing the public lands on the basis of multiple use and sustained yield.

The Secretary of the Interior manages Federal oil and gas resources pursuant to the MLA, MLAAL, and other statutes pertaining to specific categories of lands. The BLM is the agency within the Department of the Interior (DOI) responsible for regulating onshore oil and gas leasing activities for federally managed lands and subsurface mineral estate. The BLM regulations governing onshore oil and gas leasing activities are set out in 43 Code of Federal Regulations (CFR) parts 3000, 3100,

3110, 3120, 3130, 3140, 3150, 3160, and 3180.

Today, Federal onshore oil and gas production accounts for approximately 15 percent of domestically produced oil and 9 percent of domestically produced natural gas. As of the end of Fiscal Year 2024, the BLM managed 32,758 Federal oil and gas leases covering 22.2 million acres with nearly 91,006 wells that are capable of production.

A. Enhancing the Administration of the Federal Onshore Oil and Gas Program

The BLM is undertaking this proposed rulemaking for the purposes of rescinding regulations that have created needless impediments to the development and use of our Nation's abundant energy and natural resources and removing regulations that are not required by or are not clearly tied to the best reading of the underlying statutory authority, as directed by President Trump's January 20, 2025, E.O. 14154, entitled *Unleashing American Energy* and E.O. 14219, entitled *Ensuring Lawful Governance and Implementing the President's “Department of Government Efficiency” Deregulatory Initiative*. The proposed rule would also implement Secretary Burgum's February 3, 2025, S.O. 3418, entitled *Unleashing American Energy*. In addition, this proposed rulemaking would implement the changes required by the OBBB and the policy direction in President Trump's January 20, 2025, E.O. 14156, entitled *Declaring a National Energy Emergency*, by improving the United States' energy leasing, development, and production capacity to provide a reliable, diversified, growing, and affordable supply of energy for our Nation using existing authorities to the fullest extent possible.

1. The Mineral Leasing Act

The MLA requires the BLM to establish such standards as may be necessary to ensure that an adequate bond, surety, or other financial arrangement will be established prior to the commencement of surface-disturbing activities on any lease. These funds ensure the complete and timely reclamation of the lease tract, and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease (30 U.S.C. 226(g)). The MLA further requires the BLM to include in oil and gas leases “such provisions as [it] deem[s] necessary . . . for the protection of the interests of the United States . . . and for the safeguarding of the public welfare” (see 30 U.S.C. 187).

¹ DOI, S.O. 3418—Unleashing American Energy, www.doi.gov/document-library/secretary-order/so-3418-unleashing-american-energy.

When bond levels are raised too high, they tie up significant amounts of capital in an unproductive capacity, adding another cost that, in combination with the numerous other costs of operating, can lead to less development and less production contrary to the policy direction in E.O. 14154. As required by the MLA, bonds are submitted *prior* to the commencement of surface-disturbing activities on a lease. The BLM raised the minimum bond amounts in the 2024 Leasing Rule based on its authority in the MLA and in response to various reports by the Government Accountability Office (GAO) and the Department's Office of Inspector General (OIG).² In summary, these reports repeatedly warned that outdated minimum bond amounts provide an inadequate incentive for companies to meet their reclamation obligations and taxpayers responsible for cleanup in the event that operators walk away. The minimum bond amounts are currently \$150,000 for individual lease bonds, and \$500,000 for statewide bonds.³

The BLM is proposing to return the bond amounts to those in effect prior to the 2024 Oil and Gas Leasing Rule as it believes the previous minimum bond amounts are sufficient given the BLM's ability to adjust bond amounts as necessary during its periodic bond reviews. The BLM eliminated nationwide bonds in 2024 and is now considering whether the BLM should reinstate nationwide bonds and, if so, at what level.

Although the BLM is proposing to reduce the current minimum bond amounts, it retains sufficient statutory and regulatory authority to increase the bond amount to ensure that the BLM is meeting its statutory obligation under section 226(g) of the MLA. For example, during periodic bond adequacy reviews, the BLM can revise the minimum bond amount. See 43 CFR 3104.50. The BLM's policies, such as Instruction Memorandum 2024–014, *Oil and Gas Bond Adequacy Reviews*, emphasizes securing the appropriate bond amounts considering the number of wells on each bond and their characteristics and provide the BLM with the flexibility to set higher bond amounts for at-risk companies, as well as to impose more

stringent interim and final reclamation requirements, implement additional bond reviews, and develop other measures to limit the risk to the U.S. taxpayer from a lessee failing to meet its reclamation obligations.

To address GAO and OIG concerns, the BLM strengthened its bond adequacy review process in IM2024–014 by implementing risk-based reviews, standardizing scoring, and instituting strict timelines for corrective action. The policy also introduced procedures to eliminate “empty liability” bonds (those where there is no well covered by the bond), enhanced enforcement protocols, and requires a full liability bond for operators with over 50 percent of wells considered idled under 42U.S.C.15907(a)(2), ensuring that bond adequacy reflects actual liability and risk. These updates create a dynamic system that allows the BLM to increase bond amounts when warranted, meet its statutory obligations and protect taxpayers, while avoiding unnecessarily high minimum bond amounts that could restrict development and conflict with broader energy policy goals.

2. Providing Adequate Cost Recovery Mechanisms

As explained in greater detail in Section V below, under Discussion of the Proposed Rule, the BLM is proposing to revise the onshore oil and gas program's cost-recovery mechanisms. The BLM, in conjunction with this rulemaking, evaluated those costs, which informed the proposed adjustments to the onshore program's application fees.

B. Implementing Recently Enacted Laws Concerning the Federal Onshore Oil and Gas Program

On July 4, 2025, the President signed the OBBS (Pub. L. 119–21). That law repealed several provisions of the Inflation Reduction Act (IRA) and further amended the MLA. Specifically, the OBBS repealed section 50262(a) of the IRA, thereby returning the minimum royalty rate for oil and gas production to 12.5 percent. It also returned the royalty rate for reinstated leases to 16.67 percent. The OBBS made several other changes, such as restoring noncompetitive leasing; requiring four lease sales each fiscal year in enumerated States; defining “eligible” and “available” as those terms are used in the MLA; requiring the BLM to offer for lease sale 50 percent of the available parcels nominated in a resource management plan (RMP); holding a replacement sale if a sale is cancelled, delayed, or deferred or if 25 percent or more of the parcels do not receive a bid.

The OBBS also enacted further reforms of the oil and gas leasing program, such as increasing the term of an APD to 4 years and providing for new provisions governing commingling of oil and gas production. The BLM has published final rules, direct to final rules, and a commingling proposed rule to implement many of the provisions in the OBBS. In this proposed rule, the BLM is proposing to include a noncompetitive leasing process in 43 CFR part 3110 and to implement the OBBS provisions related to replacement oil and gas lease sales, as well as ensuring that all of the other sections of the regulations are consistent with the OBBS.

Congress enacted the RRA (Pub. L. 118–81) in 2024 to direct the Federal Government to require reporting and payment for production and royalty based on the proposed allocation of production for pending Federal oil and gas agreements (e.g., unit and communitization agreements) until the BLM issues a final decision on the agreement. Through this rulemaking, the BLM proposes to revise the regulations to reflect the requirements of the RRA.

V. Discussion of the Proposed Rule

A. Summary

The proposed modifications to parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180 are described in detail in the following section-by-section discussion.

The BLM is proposing modifications to these parts to implement policy direction in E.O.s 14154 and 14219, as well as S.O. 3418, and to implement changes required by the OBBS and the RRA. In addition, the BLM proposes to remove all the appendices found under 43 CFR 3186 Model Forms and relocate these form documents to the BLM's forms web page, because these are form documents that do not belong in the regulations.

In the final 2024 Leasing Rule, the BLM removed regulatory section designations that had no text associated with them, and the titles of those deleted section designations became undesignated center headings. These undesignated center headings serve as section guideposts in the regulations. These headings break up large subparts and group together sections that cover particular subject areas. This proposed rule would similarly add, remove, and revise undesignated center headings throughout the regulatory text. Each section of each subpart, and each provision within those sections, is

² See, e.g., OIG, “Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior” (Nov. 2022); GAO, “OIL AND GAS—Bureau of Land Management Should Address Risk from Insufficient Bonds to Reclaim Wells” (Sept. 2019); GAO, “Oil and Gas: Bureau of Land Management Needs to Improve Its Data and Oversight of Its Potential Liabilities,” (May 2018).

³ The BLM also eliminated nationwide and unit bonds. Refer to 43 CFR 3104.1 and 3104.90.

separate and severable from the other sections and provisions.

B. Section-by-Section Discussion

The following discussion addresses the proposed changes to the existing regulations. If a provision is not specifically discussed in this section-by-section analysis, then the provision would remain unchanged.

1. Section-by-Section Discussion for Changes to 43 CFR part 3000

The proposed rule does not revise any section headings in the existing part 3000 regulations.

Section 3000.5 Definitions

The BLM is proposing to amend the introductory sentence in this section from simply referencing parts 3000 and 3100, to referencing all of 43 CFR Subchapter C, Minerals Management (3000). The proposed rule would move the definitions for “acreage for which expressions of interest have been submitted” and “acres offered for lease” to the definitions in 43 CFR subpart 3100, which is specific to oil and gas leasing, without any changes to the language.

The proposed rule would clarify the definition for “interest” to remove the original 43 CFR 3101.20 citation, because that regulatory section designation no longer exists.

Section 3000.10 Nondiscrimination

The BLM proposes to remove this section in its entirety, as it is based on E.O. 11246, entitled *Equal Employment Opportunity*, which President Trump revoked on January 21, 2025, through E.O. 14173, entitled *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*. E.O. 14173 reaffirms that longstanding Federal civil rights laws protect individuals from discrimination based on race, color, religion, sex, or national origin, serving as a foundation for equality of opportunity for all Americans. The BLM no longer requires this section in its mineral leasing regulations, as existing civil rights laws sufficiently provide protections against discrimination.

Section 3000.100 Fees in general

The proposed rule would revise the effective dates for filing fees provided for in paragraph (d) to coincide with the effective date of a final rule. No other changes would be made.

Section 3000.120 Fee Schedule for Fixed Fees

The BLM established these fixed filing fees pursuant to the authority in FLPMA, which authorizes the BLM to

obtain reimbursement for the BLM’s processing costs related to applications under 43 CFR Subchapter C. The BLM may use these fees to support BLM’s software needed to manage oil and gas leasing and post leasing maintenance. The BLM proposes to re-arrange the fixed filing fees list set out in Table 1 to Paragraph (a) so they are arranged in alphabetical order for each program. The proposed rule would also reduce the filing fee for competitive oil and gas lease applications from \$3,100 to \$155, and lease consolidations from \$575 to \$320 for the reasons explained below. The proposed rule would add a new \$1 per page filing fee for protests, including attachments or exhibits, that are over 50 pages, and remove the \$30 filing fee for renewal exploration permits in Alaska. The BLM posts these fees on its website, www.blm.gov/fixed-filing-fee-schedule-blm-energy-and-minerals.

In addition to the fee changes in this proposed rule, on August 1, 2025, the BLM issued a final rule to effectuate section 50101(d)(3) of the OBBB, which removed a filing fee for expressions of interest.

The BLM proposes to adjust the existing oil and gas filing fees for lease applications and lease consolidations. The BLM would require a lease application fee for both competitive and noncompetitive leases. When these fees were initially set in 2005, and adjusted in the 2024 Leasing Rule, the BLM explained that it reserved the right to amend the fees in future rulemakings to reflect new data or other evidence that the fees did not accurately reflect reasonable costs (70 FR 41532 (July 19, 2005) and 88 FR 47562 (July 24, 2023)). The current competitive leasing application fee includes a processing step intended to recover the BLM’s costs for complying with National Environmental Policy Act (NEPA) requirements, which inflated the filing fee. The BLM reviewed the competitive leasing application fee and concluded that the costs for complying with NEPA are completed by the time a competitive lease sale takes place. Therefore, the BLM should not be collecting NEPA-related fees in the competitive leasing application fee. In addition, the BLM is proposing to have one lease application fee for both competitive and noncompetitive leases. The competitive leasing processing step for adjudicating high bids is very similar and interchangeable with the noncompetitive leasing processing step for establishing priority for noncompetitive lease applications. Combining the application fee to cover both types of leases would bring efficiencies to the program. For lease

consolidations, the BLM has found that while the processing steps have not changed, the BLM has gained efficiencies through data entry in the Mineral and Land Records System. These efficiencies have reduced the time spent in processing the applications thereby resulting in a reduction in the fees.

As noted above, the BLM is proposing to include a new fixed filing fee of \$1 per page for protests, including exhibits or attachments, for each page over 50. The BLM can use the funds collected from this filing fee to ensure that the BLM has sufficient capacity (*i.e.*, staff and resources) to review and respond to protests while meeting the statutory deadline for holding lease sales and issuing leases. In the BLM’s experience, the length of certain protest filings (*i.e.*, those exceeding 50 pages) tend to lack focus and often incorporate an overwhelming array of unrelated information. These submissions frequently include repetitive content that echoes previous filings, making it difficult to discern the key issues at hand. Consequently, the excessive length of these documents results in an inefficient burden on the BLM’s time and resources to sift through irrelevant material, often already considered at a previous stage or sale, to address the core concerns effectively. Protests often include generalized information about the leasing process without clearly linking the specific claim to a given parcel under consideration. The BLM established policy in 2005 (see Instruction Memorandum 2005–176, *Filing of Protests on Lands Included in Oil and Gas Lease Sales*) to ensure that an orderly protest process, in which protests are announced at the sales, allowed the BLM to have sufficient time to issue leases within 60 days of the payment of the remainder of the bonus bid and rentals as required by section 226(b)(1)(A) of the MLA. In the past few years, as shown in Table 14 from the BLM’s statistics web page (<https://www.blm.gov/programs-energy-and-minerals-oil-and-gas-oil-and-gas-statistics>), more than 70 percent of the parcels offered for lease received a protest. For example, in fiscal year 2022, the BLM received protests on 100 percent of the parcels offered. The BLM usually receives protests that range from 20 pages to 120 pages, but some protests can also be thousands of pages long, delivered in boxes to the state offices. To ensure an efficient oil and gas leasing process, the BLM proposes to include a nominal filing fee per page for protests (including exhibits) for each page of a protest that exceeds 50 pages.

The BLM reviewed the protests received in calendar year 2024 and found that it received 31 protests, 14 of which contained over 50 pages. The page count for these protests, including exhibits, ranged from one page to 892 pages. If the BLM had implemented this proposed fee earlier, then only 14 protests received in 2024 would have required a filing fee with a total amount of \$5,754 and an average fee of \$186. For additional context, during a recently held lease sale, a protesting party actively engaged in submitting comments at each stage of the process: scoping, public comment, and protest. The letters submitted across these phases averaged 116 pages in length. Furthermore, the protestor provided between 15 and 223 peer-reviewed articles at each public involvement stage, with individual article lengths varying significantly, ranging from a single page to an extensive 3,676 pages. This substantial volume of documentation underscores the seriousness and breadth of protest content but also highlights that much of it is repetitive from sale to sale and duplicative across different stages of a given sale. The fee is not being proposed to reimburse the BLM for its processing costs, which the BLM estimates to be \$2,470 per protest. Instead, the purpose of the filing fee is to encourage individuals submitting protests to be clear and concise as to the basis for the protest. This would enable the BLM to timely review and address the key issues raised in a protest without unduly delaying a final decision on

lease issuance or causing parcels proposed for a sale to be deferred due to a lack of resolution of a protest. In addition, the majority of protesters would not need to pay a filing fee as their protests are under 50 pages.

The BLM is proposing to remove the fixed filing fees for exploration permit renewals in Alaska. The BLM rarely receives exploration permit renewals in Alaska and has not collected the fee in the past 10 years. It costs the BLM more to maintain this filing fee in its collection system than it does to receive the benefit of collecting a fee from a permittee.

The BLM reviewed and considered both case-by-case and fixed filing fees for the remaining existing fees in this rule. Historically, the BLM has determined costs on a case-by-case basis for types of documents where the costs may differ significantly in each case. In this proposal, the BLM has opted to institute fixed filing fees for protests, because charging processing costs on a case-by-case basis would be time consuming and would not be the most efficient use of BLM resources. Collecting cost data on a case-by-case basis for each document to be processed adds to the processing costs. The BLM decided that it would be more efficient and sufficiently reliable to set a fixed fee based on average costs and indexed to inflation. In addition, there is a public benefit from knowing fees in advance.

To determine the proposed changes to the fixed filing fees, the BLM followed the same method it used in 2005 and 2024 to set and adjust the current fixed fees: using a weighted average rather

than a simple average to determine the processing cost for each type of document. This method gives greater weight to the processing cost data from state offices with a heavy workload and, thus, more expertise in processing a particular type of document. The BLM's fluid minerals program identified the document-processing steps and then asked the state office subject matter experts (SMEs) to identify the appropriate job position, salary level, and time required to perform particular steps specified under the BLM's current policy. The BLM then calculated a direct cost for each process and adjusted to 2025 salary rates without a locality-pay factor. The BLM's fluid minerals program spot-checked the data and sent each state office a summary of the cost data that the office had previously submitted for these types of documents, along with the BLM-wide weighted average cost for each. State offices were asked to review the cost data and report whether that data, adjusted to proposed filing fee amounts, remained reasonable. They were also asked to re-estimate costs if the state office found the re-examined adjusted cost data to be inaccurate. A re-examination verified that the BLM's data continues to be valid and ensures that figures, which varied significantly among offices, had not been submitted in error.

Processing Steps for the Fixed Fees

The BLM reviewed the processing steps, and the following table summarizes the results of this review.

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Document/Action	Processing Steps	Added Processing Steps	Removed Processing Steps
Assignment and transfer of record title or operating rights	Receiving, validating, and entering data; Examining assignment and transfer forms; Reviewing leases and bonds; Approving, entering, and transmitting updates.	Verify applicant qualifications.	None.
Designation of successor operator for Federal agreements	Receiving, validating, and entering data; Technical review; Preparing notices/decisions; Entering and transmitting data updates.	None.	None.
Final application for Federal unit approval, Federal unit agreement	Receiving, validating, and entering data; Technical review;	None.	None.

expansion, Federal subsurface gas storage application	Determine commitment status; Preparing notices/decisions; Entering data updates.		
Geophysical exploration permit application	Receiving, validating, and entering data; Examining land status; Conducting environmental review; Preparing notices/decisions; Entering data updates.	None.	None.
Lease application	Preparing lease decisions; Adjudicating high bids or determine priority applications; Entering and transmitting data updates; Noting land status records.	Verify bidder qualifications.	Conducting environmental reviews.

Lease consolidation	Receiving, validating, and entering data; Examining requests, lease term conditions, and production; Preparing new leases and decisions; Entering and transmitting updates.	None.	None.
Lease reinstatement, Class I	Receiving, validating, and entering data; Conducting environmental review; Examining eligibility; Preparing decisions; Entering and transmitting updates.	Verify applicant qualifications.	None.
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109.	Receiving, validating, and entering data; Examining land status; Adjudicating the application and preparing the notice/invitation to bid;	Verify applicant qualifications.	None.

	Conducting environmental review; Preparing lease decisions; Noting land status records; Entering and transmitting data updates.		
Name change, corporate merger, sheriff's deed, corporate dissolution, or transfer to heir/devisee	Receiving, validating, and entering data; Examining requests; Determining successors-in-interest or other special requirements; Reviewing leases and bonds; Preparing decisions; Entering and transmitting updates.	None.	None.
Overriding royalty transfer, payment out of production	Receiving, validating, and entering data.	None.	None.

Protests fee per page after 50 pages *	Receiving, validating, and entering data; Consider merits and evidentiary material; Preparing decisions; Entering and transmitting updates.		

BILLING CODE 4331-29-C

The current \$500 fee for Class II lease reinstatements is located at existing 43 CFR 3108.23(b)(2)(vi). The BLM considered moving the existing fee to 43 CFR 3000.120 for inclusion alongside the fixed filing fees, increasing the fee to reflect the processing costs, and then adjusting the fee annually for inflation. However, the MLA, at 30 U.S.C. 188(e), specifically states for Class II lease reinstatements that “[t]he lessee of a reinstated lease shall reimburse the Secretary for the administrative costs of reinstating the lease, but not to exceed \$500.” Accordingly, the BLM proposes to leave the administrative fee of \$500 in its current location at 43 CFR 3108.23(b)(2)(vi).

FLPMA Factors and Processing Fees

Section 304(b) of FLPMA lists six factors, commonly known as the FLPMA reasonableness factors, that the BLM must consider when deciding the amount of a reasonable processing fee. Those factors are:

(1) The BLM’s actual costs to process a document not including management overhead, *i.e.*, the processing time spent by the BLM State Directors, Deputy State Directors, and other management staff. Actual costs include (but are not limited to) time spent at the state and field office levels by SMEs who work on a specific authorization, such as a lease, and funds spent on environmental reviews, technical reviews, and analyses.

(2) The monetary value, or objective worth, of the right or privilege that the applicant seeks;

(3) The efficiency with which the BLM processes a document, *i.e.*, minimizing of waste by carefully managing agency expenses and time;

(4) Whether any of the BLM’s processing costs, for actions such as

studies or data collection, benefit the general public or the Federal Government, rather than just the applicant alone;

(5) Whether the project provides any significantly tangible improvement, such as a road, or other direct service to the public. Occasionally, a negative factor, such as an adverse impact on wildlife, habitats, or surface drainage, may prevent an improvement from qualifying as a public service. Data collection that the BLM requires of an applicant for monitoring an activity is not a public service; and

(6) Other relevant factors.

The BLM considered each of the FLPMA reasonableness factors for each type of document for which the BLM is proposing to adjust the existing fee or add a new fixed fee. The BLM first estimated the actual cost to process a type of document. When estimating the processing costs, the BLM determined a range based on the range of costs provided by the BLM state offices. The BLM then considered each of the other FLPMA factors to determine if they warranted setting the fee at less than actual cost. If so, the BLM then considered whether any of the remaining factors acted as an enhancing factor that would mitigate against setting the fee at less than actual cost. Lastly, the BLM decided the amount of the fee, which cannot be more than the processing cost. For all of the fees in this proposal, this method resulted in fees set at the lower end of the BLM’s processing cost.

Actual Costs

Actual costs are the sum of both direct and indirect costs. Direct costs include such things as labor, material, and equipment. The BLM estimated the direct costs by reaching out to each BLM

state office and requesting an estimate of the processing time for each application based on the steps detailed in the previous table. Then using the average hourly wage, the BLM calculated the direct cost for the BLM to process the application. Indirect costs include items such as rent and overhead, excluding State Director and management overhead. For an example of how the BLM would determine the sum of direct and indirect costs, assume the measured direct cost of processing a document is \$200. To estimate the indirect cost for processing that document, the BLM uses a ratio that it calculates annually. Annually, the BLM calculates the indirect cost rate, which is assessed on these fixed filing fees. Indirect costs are the overhead costs, which remain after direct costs have been computed, and may include utilities, telecommunications, information technology, space rental, and other administrative support functions. Currently that ratio is 10 to 2, or 20 percent, meaning for every \$10 of direct costs there would be \$2 of indirect costs. The BLM would estimate the indirect cost using the ratio and direct cost figures. In this example, since the direct cost was \$200 and the ratio is 10 to 2, the indirect cost is \$40. The BLM then would add the direct and indirect cost figures to arrive at the actual cost figure of \$240 to process the document. This method is generally accepted in the private and public sectors.

Monetary Value of the Right or Privilege

Historically, the BLM concluded that its processing costs to prepare parcels for lease sales benefit three classes of beneficiaries: the party who requests that the parcel be included in the sale, all parties who bid on the parcel, and the successful bidder. The party who

requests a parcel to be included in a lease sale benefits by influencing the selection of the parcels offered.

Monetary Value to the Applicant

The BLM did not attempt to calculate the monetary benefit to each applicant, because those values are not always knowable to the BLM, and it would be inefficient to attempt to calculate them for each application or submission.

Monetary Value of the Right or Privilege Granted

To gauge the monetary value, the BLM considered the monetary value of similar rights or privileges granted to applicants historically. The BLM reviewed each type of document and compared the proposed filing fee for a given type of document with our professional judgment of the historical values of similar rights or privileges that the BLM has granted. In each case, the BLM believes the value of the right or privilege is so much greater than the processing cost that a fee based on the average actual cost would not significantly affect the applicant's proposed action. This is not surprising considering that the costs pertain to documents related to the commercial development of minerals. The BLM did not reduce any fees because of this factor.

Monetary Value Change

The BLM bases its decision about the monetary value of the benefit to the applicant on the value at the time the applicant submits its application. All leases have relatively large monetary value before exploration compared with the proposed fees. The basic value of the opportunity provided by a lease to explore for minerals is shown by the willingness of applicants to pay large sums before exploration for bonus bids, for lease transfers, and for exploration activities such as drilling. Because the monetary value of the right sought in a lease is much greater than the cost of processing the lease, the BLM considers it reasonable to charge a fee equal to processing costs for all lease applications.

The Efficiency Factor

The BLM's fluid minerals program asked the state offices' SMEs to provide

a minimum, maximum, and average time spent on each application process. Some SMEs stated that their estimated range depended on the experience of the staff. The estimates from less experienced staff increased the amounts for the average and the high estimate for processing costs. In addition, some state offices receive fewer applications compared to other state offices. This can increase the processing time SMEs spend researching and processing applications when their particular offices do not frequently receive them. Therefore, the BLM chose to use the lowest estimate for time spent on processing applications to create the weighted average so that applicants are not penalized for understaffed offices or offices with fewer seasoned employees.

The BLM ensured that the field offices efficiently process the documents for which fees are charged. For all the new and existing fees, the BLM based the processing procedures on standardized steps as outlined in the BLM handbooks and Instruction Memoranda in order to eliminate duplication and extraneous procedures. The BLM developed these detailed and measurable processing steps to be efficient.

The Public Benefit Factor

Possible public benefits from the BLM processing activities, such as studies or data collection, are also difficult to measure. For example, studies related to document processing often provide information about an area's natural resources. This is sometimes a public benefit, but the value of the information, or whether there will be a benefit at all, is not predictable. The BLM concluded that document processing for types of fixed fee documents in this rulemaking does not usually produce studies or data that significantly benefits the public. In addition, the BLM determined that for each type of document in this rulemaking, the monetary value to the applicant outweighs the possible benefit of such studies to the public. The BLM analysts used their knowledge of the historical values of such cases to make these determinations. The BLM has, therefore, decided that this factor does not warrant setting any fee in this rulemaking at less than its actual processing cost, except for the protest

fee. Protests against offering parcels on an oil and gas lease sale provide a benefit to the BLM by reducing the potential for error in the lease sale process. The fee for oil and gas lease sale protests was therefore set at \$1 per page, over 50 pages, which is less than BLM's actual processing cost of \$2,470 per protest.

The Public Service Factor

A project's service to the public concerns whether the applicant's project itself, as opposed to the BLM's processing of the related documents, provides some significant direct service or benefit to the general public. FLPMA refers to this as public service. Examples include improvements, such as roads, trails, or recreation facilities.

Occasionally, a negative factor, such as an adverse impact on wildlife, habitats, or surface drainage, may prevent the BLM from regarding an improvement as a public service.

The projects with a proposed fixed fee do not generally provide a public service. The lease consolidation and the issuance of leases received do not provide a public service. Unlike activities that provide direct public services, such as infrastructure development or environmental studies, the lease consolidation and issuance process primarily benefit lessees and generates government revenue without offering broad public benefits. Consequently, for fixed fee documents, the likelihood of providing such a public service is too remote and speculative to warrant charging a fee less than actual costs.

Other Factors

The BLM did not find other factors that made it reasonable to adjust fees in this proposed rulemaking, except for the protest fee. Protests received against offering parcels on an oil and gas lease sale provide a benefit to the BLM by reducing the potential for error in the lease sale process. The fee for oil and gas lease sale protests is therefore proposed to be set at \$1 per page, over 50 pages, which is less than the BLM's actual processing cost.

New Proposed Oil and Gas Fixed Fees

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TABLE 1—Category: Fixed Fees

[Note that fees will be adjusted annually for inflation according to the IPD–GDP and posted on the BLM’s webpage. Revised fees are effective each October 1.]

Document/action	Existing fee	Proposed fee
Oil and Gas (parts 3100, 3110, 3120, 3130, 3150, 3160 and 3180)		
Assignment and transfer of record title or operating rights.....	\$115	\$115
Designation of successor operator for Federal agreements, except for contracted unit agreements that contain no Federal lands.....	\$120	\$120
Final application for Federal unit agreement approval, Federal unit agreement expansion or Federal subsurface gas storage application	\$1,200	\$1,200
Geophysical exploration permit—all States.....	\$1,150	\$1,150
Lease application	\$3,100	\$155
Leases consolidation	\$575	\$320
Lease reinstatement, Class I	\$1,260	\$1,260
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109	\$660	\$660
Name change, corporate merger, sheriff’s deed, corporate dissolution, or transfer to heir/devisee.....	\$270	\$270
Overriding royalty transfer, payment out of production.....	\$15	\$15
Protest fee per page after 50 pages, including exhibits.....	New	\$1

BLM's actual processing cost as explained above. This is consistent with general business practices.

Annual Inflation Adjustments

The BLM no longer publishes the annual fee adjustments in the **Federal Register** and the CFR. The BLM posts the updated table on the BLM's web page at <https://www.blm.gov/fixed-filing-fee-schedule-blm-energy-and-minerals> with the historical fees posted in the same location. Revised fees are effective each year on October 1.

Annual inflation adjustments are calculated based on the percentage change in the Implicit Price Deflator for Gross Domestic Product for the 1-year period between the fourth quarters of the previous 2 years, consistent with the 2005 Cost Recovery Rule. For example, the fiscal year 2022 fees were set based on the change in the IPD–GDP from the fourth quarter of 2020 to the fourth quarter of 2021. The BLM then multiplies the current fee amounts by that multiplier to obtain the adjusted fee amounts.

Existing Applications

The BLM would not charge a new fixed fee under this rule for processing a document that the BLM received before the effective date of any final rule. Documents submitted before the effective date of the final rule would be processed with the appropriate fees under the regulations existing as of the submittal date.

2. Section-by-Section Discussion for Changes to 43 CFR Subpart 3100

The proposed rule would remove the existing §§ 3101.31, 3101.32, and 3101.33 covering options in their entirety as these sections are not used by industry or the BLM. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the BLM's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for its oil and gas leasing regulations and proposes to remove the FLPMA citation from its authority citation for part 3100.

Section 3100.5 Definitions

The purpose of this section is to provide definitions of terms used in parts 3100, 3110, and 3120.

The proposed rule would move the terms "Acreage for which expressions of interest have been submitted" and "Acres offered for lease" from 43 CFR

3000.5 to this section, as previously discussed above, because these definitions are specific to oil and gas leasing.

Section 3100.9 Information Collection

The proposed rule would update the Table 1 in paragraph (b) to add noncompetitive leases in the new part 3110 to Control Number 1004–0185. The proposed rule would update the table located in paragraph (b)(2) by moving the reference to 43 CFR 3106 from OMB Control Number 1004–0034 to Control Number 1004–0185. The 2024 Leasing Rule transferred the information collection requirements, along with the associated burdens from OMB control number 1004–0034 to 1004–0185, however the BLM inadvertently missed this table update. All other control number assignments would remain the same.

Sections 3100.31 Through 3100.33 Options (Existing)

The BLM proposes to remove §§ 3100.31, 3100.32, and 3100.33 from the existing regulations. An option agreement generally contains an exclusive right to explore and evaluate the lands during the option period. Parties use the agreement in real estate investing to grant to one party the right, but not the obligation, to purchase an asset from or sell an asset to the other party. An option agreement outlines the agreed upon price and a future date for the transaction. The option period is a set period stated in the agreement during which a party may cancel the agreement without obligation to purchase the lease. The BLM proposes to rescind the sections covering options, because the industry has never filed options with the BLM. While the BLM has not previously received option statements from industry, the BLM cannot prohibit options and would continue to accept option agreements for inclusion in the lease file for a lease with the understanding that BLM's acceptance of an option does not mean it is approved or valid.

3. Section-by-Section Discussion for Changes to 43 CFR Subpart 3101

The proposed rule would move the existing §§ 3101.21, 3101.22, 3101.23, 3101.24 and 3101.25 covering Acreage Limitations to subpart 3102, because acreage limitations can also affect post-leasing actions, such as assignments, transfers, and reinstatements. The removal of these sections would result in renaming the undesignated center heading from *Acreage Limitations* to *Limitation on the Issuance of New Leases* thereby causing some of the

sections to be redesignated accordingly. The purpose of this reorganization is to achieve consistency and ease of reference throughout subpart 3101.

Section 3101.12 Surface Use Rights

The BLM promulgated this section in 1988 to clarify the BLM's authority to use the terms and conditions of the standard lease form to control site-specific environmental impacts on leaseholds, as opposed to lease-specific protective measures, addressed in lease stipulations, and to mitigate impacts to specific resource values identified on leased lands. The standard lease form authorizes the BLM to require reasonable measures to the extent that such measures would be consistent with the lessee's rights. The BLM may not impose mitigation measures that would render lease operations uneconomic or infeasible; however, the BLM may impose some types of mitigation measures if the BLM documents that such requirements are reasonable and necessary to prevent unnecessary or undue degradation of public lands or resources and provided that those measures are included in the underlying RMP, as required by section 50101(d)(3) of the OBBB.

Previously, the 2024 Leasing Rule increased the minimum siting distance and timing limitation for lease activities that were considered consistent with lease rights due to the advances in horizontal and directional drilling. The 2024 Leasing Rule increased the siting measure for the location of proposed operations from 200 to 800 meters (approximately ½ mile) and the timing of surface disturbance operations from 60 days to 90 days. The BLM proposes to return to the pre-2024 Leasing Rule values. The BLM calculated 678 acres as the average size for Federal onshore oil and gas leases based on the Fiscal Year 2024 oil and gas statistics. Moving the location 800 meters would move the location halfway across an average-sized lease. In addition, many leases include timing limitations that limit development on a lease to 6 months or less. Applying a 90-day timing limitation could limit a lessee to only being able to develop its lease for 3 months out of each year. These modified distances and timing limitations unnecessarily increase the burden on oil and gas lessees and operators; therefore, the BLM is proposing to return to the previous values of 200 meters and 60 days.

Although this proposed rule would decrease the minimum distance and minimum timing limitation duration within this section, the Interior Board of Land Appeals (IBLA) has upheld the

BLM's authority to move operations and confirmed that the siting and timing parameters in the regulations are only minimums. *Yates Petroleum*, 176 IBLA 144, 156 (2008). Therefore, the BLM does not expect to see any adverse impacts to other resources on the public lands due to returning this provision to the values that had been in existence for over 30 years.

The OBBB states that the BLM cannot impose stipulations or mitigation requirements in a lease that are not included in the RMP governing the lands to be leased; however, the BLM is not interpreting this provision as applying to conditions of approval (COA) for APDs. This interpretation is grounded in several key points:

Distinct Nature of COAs: COAs are operational measures imposed after lease issuance to ensure that drilling activities comply with environmental standards and best management practices. Unlike lease stipulations, which are attached during the leasing process, COAs address site-specific concerns that may arise during the permitting phase, allowing for adaptability and responsiveness to new information once operators identify the location they intend to drill.

Alignment with RMP Objectives: While the language restricts the BLM from adding new lease stipulations not included in an applicable RMP, it does not limit the BLM's ability to impose COAs that are consistent with the RMP's objectives and that further support the BLM's interpretation. COAs enhance environmental protections and operational safety without contradicting the terms established in the approved RMP. They also ensure compliance with other laws, such as the Endangered Species Act.

Responsibility to Protect Resources: The BLM has an ongoing responsibility to manage public lands effectively and to implement necessary measures to protect the environment, wildlife, and public interests. Not allowing the BLM to apply COAs would limit its ability to address unforeseen impacts on public resources. In addition, were the BLM to be limited in applying COAs to an APD, this may result in the BLM having to deny an APD that could otherwise be approved with an appropriate COA.

In summary, the OBBB's restriction on applying mitigation measures and stipulations does not restrict the BLM's ability to apply COAs at the APD stage to ensure the BLM is complying with all other applicable laws, such as FLPMA and the ESA. The BLM retains its authority to propose and implement COAs to address operational specifics and site-specific concerns, ensuring

effective management of both resource development and environmental protection. This includes the ability to move locations more than 200 meters or implement a timing limitation of more than 60 days.

In addition, the proposed rule would remove the words "federally recognized Tribes, and underserved communities." Instead, the BLM would return to the language in the prior regulations that considers reasonable measures to mitigate adverse impacts to all land uses or users. This will prevent readers from misinterpreting this section as limited to federally recognized Tribes and underserved communities.

Sections 3101.21 Through 3101.25 Acreage Limitations (Existing)

The BLM proposes relocating the Acreage Limitations currently covered under §§ 3101.21, 3101.22, 3101.23, 3101.24, and 3101.25 to subpart 3102 as §§ 3102.51, 3102.52, 3102.53, 3102.54, and 3102.55 for qualifications, without further changes. This move is intended to reflect that acreage limitations impact not only lease issuance but also the ability to acquire lease interests through assignments, transfers, and mergers. Relocating these sections would necessitate redesignating other sections within the regulations.

Section 3101.52 Action by the Bureau of Land Management

This section outlines the actions that the BLM will take if another Federal surface management agency consents to a lease on lands it manages. The proposed rule would revise paragraph (a) by removing the last sentence, "The authorized officer may add other appropriate stipulations," as this language conflicts with § 3101.13(a) which states "Leases issued by the BLM will include only those stipulations and mitigation measures included in the RMP covering that parcel of land that is being leased." Section 50101(d) of the OBBB amended the MLA and requires any leases issued under the MLA to be subject to the terms and conditions of an approved RMP and prohibits the Secretary from including any stipulations or mitigation in a lease, unless such stipulations or mitigation are included in an approved RMP. Section 50101(d) also provides that initiation of an amendment to an RMP will not prevent the Secretary from leasing land, provided the other requirements of the section have been met. The remaining paragraphs in this section are unchanged.

The OBBB requires the BLM to only apply stipulations from its approved RMPs to the leases it issues. Refer to 30

U.S.C. 226(a)(2)(A). However, the BLM has determined that the requirement to apply stipulations or mitigation measures within the approved RMP applies only to lands managed by the BLM or to private surface. For parcels managed by other Federal surface management agencies, the BLM will continue to apply relevant stipulations specified by those agencies; failure to do so would likely result in those agencies withholding consent to lease. For lands managed by other Federal surface management agencies, the BLM will first check the land status records which may show lands were withdrawn from the mineral leasing laws. Lands withdrawn from the mineral leasing laws are not considered open and available for leasing. For example, if the BLM received an expression of interest (EOI) for lands acquired by the Department of War (DoW) which are not withdrawn from the mineral leasing laws, the BLM must obtain DoW consent and apply any stipulations included in such consent to the lease, such as a no surface occupancy restriction in some circumstances. If the BLM could not apply this stipulation, the DoW would likely not consent to lease the lands. Therefore, the BLM intends to continue applying stipulations from other surface management agencies.

4. Section-by-Section Discussion for Changes to 43 CFR Subpart 3102

The proposed rule would revise the existing subpart 3102 to move the sections covering acreage limitations in §§ 3101.21, 3101.22, 3101.23, 3101.24, and 3101.25 to this subpart as §§ 3102.51, 3102.52, 3102.53, 3102.54, and 3102.55, necessitating redesignation of some of the sections.

Section 3102.20 Non-U.S. Citizens

The BLM proposes to enhance the last sentence in paragraph (a) to provide clearer information about the consequences of a country denying privileges to U.S. citizens or corporations. The current sentence states that if it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, it would be placed on a list available from any BLM state office. The proposed revision would change it to read that if it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, the country would be placed on a list available from any BLM state office and citizens from those countries may not hold an interest in a lease.

Section 3102.40 Signature

The proposed rule would correct the citation found in this section from “§ 3102.50” in the introductory paragraph to “§§ 3102.62 and 3102.63.”

Sections 3102.51 Through 3102.55 Acreage Limitations (Proposed)

The proposed rule would relocate the existing lease acreage-limitations provisions from subpart 3101, which governs lease issuance, to subpart 3102, which governs qualifications of lessees, such that they would be redesignated as §§ 3102.51 through 3102.55. The existing acreage-limitations “§ 3101.21 Public domain lands,” would be redesignated as § 3102.51; “§ 3101.22 Acquired lands,” would be redesignated as § 3102.52; “§ 3101.23 Excepted acreage,” would be redesignated as § 3102.53 and includes a correction to the existing citation in paragraph (a)(3) to change “43 CFR 3105.30” to “43 CFR subpart 3105”; “§ 3101.24 Excess acreage” would be redesignated as new § 3102.54; and § 3101.25 Computation would be redesignated as new § 3102.55. No other changes are proposed to the language under these sections.

Section 3102.51 Compliance (Existing Regulations)

The proposed rule would redesignate the existing § 3102.51 as new § 3102.61 due to the relocation of the acreage-limitations provisions discussed above. The BLM proposes to revise the initial paragraph, which generally outlines requirements for compliance, to change the word “will” to “must” in paragraph (a). The word “must” provides a clearer indication of the obligation for this requirement and removes any ambiguity related to the word “will.” “Will” can imply a future action that is likely or expected but not guaranteed. In contrast, “must” removes ambiguity and ensures that the regulated community and the public clearly understand that the action is essential and non-negotiable.

The BLM also proposes to revise paragraph (b) to correct the existing referenced citation “§ 3101.20” to “§§ 3102.51, 3102.52, 3102.53, and 3102.54.” The BLM proposes to revise paragraph (g) to correct the existing referenced citation “§ 3102.53” to “§ 3102.63” due to the proposed changes noted below.

Section 3102.52 Certification of Compliance (Existing Regulation)

The proposed rule would redesignate the existing section as § 3102.62 due to the relocation of the acreage-limitations provisions. The BLM proposes to revise

the paragraph to change the existing referenced citation from “§ 3102.51” to “§ 3102.61.”

Section 3102.53 Evidence of Compliance (Existing Regulation)

The proposed rule would redesignate the existing section as § 3102.63 due to the relocation of the acreage-limitations provisions.

5. Section-by-Section Discussion for Changes to 43 CFR Subpart 3103

The proposed rule would not revise any section headings in the existing 43 CFR subpart 3103 regulations.

Section 3103.1 Fiscal Terms

The proposed rule would update the last sentence in paragraph (a) to remove the phrase “Per the Inflation Reduction Act.” The proposed rule would update the fiscal terms schedule found at 43 CFR 3103.1(a) Table 1, to remove the word competitive from “Competitive oil and gas” as well as from “Competitive lease reinstatement, Class II” as the OBBB reinstituted noncompetitive leasing, which the IRA had repealed. These rental requirements listed in the schedule would also apply to noncompetitive leases. Removing the word competitive from these phrases makes it clear that these rentals requirements apply to both types of oil and gas leases.

Section 3103.11 Form of Remittance

The proposed rule would remove the first sentence that references payments made by personal check, cashier’s check, certified check, or money order. This proposed change is consistent with E.O. 14247, *Modernizing Payments To and From America’s Bank Account*, signed on March 25, 2025. This order states “As soon as practicable, and to the extent permitted by law, all payments made to the Federal Government shall be processed electronically.” The proposed rule would update the second sentence in this paragraph to remove the phrase “by other arrangements” since electronic payments made to the BLM would be the primary method of accepting payment. The proposed rule would further update the second sentence in this paragraph to insert “or other digital payment options,” to match the language of the E.O. and so this section does not become outdated with future technological advances. The BLM would allow alternative payment options from an individual or entity if they request and qualify for an exception from submitting an electronic payment on a case-by-case basis.

6. Section-by-Section Discussion for Changes to 43 CFR Subpart 3104

The BLM proposes to change the subpart 3104 heading from “Bonds” to “Performance Bonds” to reduce confusion about the type of bonds the BLM has always maintained. Performance bonds are provided to the BLM under subpart 3104 to guarantee a lessee’s performance in complying with the requirements of a lease. If a lessee defaults on its obligations under the terms and conditions of a lease, the BLM can collect the performance bond to remedy the default. The performance bond protects the BLM, and ultimately the taxpayers, from financial loss should the operator fail to perform its obligations under the terms and conditions of the lease, and the regulations and laws under which the operations were authorized.

The BLM is requesting that commenters provide information on unit operator and nationwide bonds used by the BLM before publication of the 2024 Leasing Rule. Before the 2024 Leasing Rule, the BLM accepted the following bonds: individual bonds that cover the operations for a single lease; statewide bonds that cover the operations for all Federal leases in a single State; nationwide bonds that covered the operations for all Federal leases nationwide; and unit operator bonds that covered the operations for all Federal leases in a single unit agreement. The 2024 Leasing Rule eliminated nationwide and unit operator bonds for the reasons stated in the rule. The BLM is seeking public comments on the following options: (1) Allow for nationwide bonds; (2) Allow for nationwide and unit operator bonds; or (3) Continue the 2024 Leasing Rule’s elimination of both nationwide and unit operator bonds from the BLM’s lease bonding program for the reasons set out in the proposed and final 2024 Leasing Rule. If the BLM chooses to include either nationwide or unit operator bonds in the final rule, it would also include minimum bond amounts consistent with the amounts set for individual lease and statewide bonds.

The BLM is requesting comments on allowing nationwide and unit operator bonds because these bond types were accepted prior to the 2024 Leasing Rule and may offer operational flexibility for some lessees. While these bonds could reduce compliance costs for operators managing multiple leases or unit agreements, they may increase administrative complexity and oversight costs for the BLM. The BLM originally created unit operator bonds, because the BLM bond forms that predated 1987 did

not cover the principal bond holder acting in the capacity of a unit operator when the operator did not have an interest in the lease. The BLM's current bond forms now address this issue, negating the need for unit operator bonds. Unit operator bonds have never been widely used by industry. The minimum bond amount for unit operator bonds were usually identical to the statewide minimum bond amount as these bonds covered all leases and operations in one unit agreement. Removing the use of nationwide bonds created efficiencies for the BLM's oil and gas program by allowing the agency to better tailor bond amounts to local conditions and State-specific requirements when reviewing bonds for adequacy. However, because any reinstated bond types would be required to meet minimum amounts consistent with individual lease and statewide bonds, the BLM does not anticipate economic impacts from their inclusion.

Section 3104.1 Bond Amounts

The BLM is proposing to restore the previous minimum bond amounts for individual lease bonds (all operations on one Federal lease) and statewide bonds (all operations on Federal leases in a geographic State). The purpose of the bond is to ensure the complete and timely plugging of the well(s), reclamation of the lease area(s), and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations. (43 CFR 3104.10(a)). The regulations at § 3104.1(a) currently set the following minimum bond amounts:

(1) *Lease/Individual Bonds*, which provide coverage for one lease and must be in an amount of not less than \$150,000;

(2) *Statewide Bonds*, which cover all leases and operations in one State and must be in an amount of not less than \$500,000;

The BLM now believes these amounts are too high and inhibit an operator's ability to develop our nation's oil and natural gas resources in contravention of existing E.O.s and S.O.s. The BLM received numerous comments during the 2024 rulemaking that these amounts were excessive and potentially unobtainable for a large number of small operators due to practices in the bond market. Commenters flagged that this would lead to a reduction in domestic energy production and negatively impact local economies. Bond market practices, such as the requirement for significant collateral and high premiums, further exacerbate the financial burden on small operators.

Many small operators may not have the necessary creditworthiness to obtain bonds at reasonable rates, making it difficult for them to secure the necessary bonds were they to remain at the higher rates.

Given these concerns, the BLM is proposing to return to the original minimum bond amounts of \$10,000 for lease bonds and \$25,000 for statewide bonds. These amounts are currently attainable for small operators and would alleviate the financial burden on them.

The BLM is proposing to reduce the minimum oil and gas bond amounts back to the prior values of \$10,000 for individual lease bonds and \$25,000 for statewide bonds. The BLM is contemplating re-instating nationwide bonds. If the BLM reinstates nationwide bonds, the BLM proposes to restore the previous minimum bond amount of \$150,000. This change aims to lower financial barriers for operators, encouraging an increase in Federal oil and gas activities. The reduced bonding requirements may benefit smaller, independent operators, who may find it challenging to meet the higher minimum bond amounts. By easing these financial constraints, the BLM believes it will stimulate growth in the oil and gas sector, enhance economic opportunities, and foster greater engagement from a diverse range of operators thereby contributing to the nation's economic security.

The BLM recognizes that lower minimum bond amounts could potentially decrease the incentive for operators to adhere to responsible operational practices and properly reclaim well sites, which could result in greater risks to the public lands and local ecosystems. However, the BLM is able to mitigate this risk by continuing to fully use its existing bond adequacy review policy. The BLM conducts bond adequacy reviews as outlined in Instruction Memorandum 2024–014, *Oil and Gas Bonds Adequacy Reviews*, to ensure that bond amounts for Federal oil and gas leases are sufficient to cover potential liabilities based on risk, an operator's compliance history, the number of wells and their characteristics. The BLM's regulations at 43 CFR 3104.50 also provide a basis for increasing the bond amount and provide the BLM with the ability to bar lessees who fail to provide increased bond amounts from obtaining additional oil and gas leases. See 43 CFR 3104.1(c). The policy directs BLM State Offices to review all bonds at least every 5 years, or more frequently when warranted, focusing on operators with higher risk factors.

The proposed rule would remove paragraph (c) which provides for a phase-in period to increase or replace statewide and lease bonds. This paragraph would no longer be needed. Bonds that have already been increased to the higher minimum bond amounts may have the potential to return to the new proposed minimum bond amounts under the current regulations. Any bonded principal can request a bond decrease if they believe a decrease is warranted. Upon request, the BLM would perform a bond adequacy review under its existing policy to approve or deny such request. The proposed rule would redesignate paragraph (d) to paragraph (c) due to the removal of the existing paragraph (c).

Should the BLM modify the onshore oil and gas bonding process? As part of ongoing efforts to enhance the management of onshore oil and gas resources, the BLM is seeking public input on potential modifications to the bonding process for oil and gas operations. Comments are invited on whether the BLM should consider re-establishing unit operator or nationwide bonds to streamline financial assurance requirements for operators. Additionally, feedback is requested on any changes that could improve the effectiveness and efficiency of the BLM's bonding process while ensuring adequate protection for public lands and resources. Public input is essential in shaping policies that balance responsible resource development with environmental stewardship.

Section 3104.10 Bond Obligations

The proposed rule would revise paragraph (c)(2) to replace the words, "Cashier's check" with "An electronic funds transfer to the BLM." The proposed rule would also remove paragraph (c)(3), which references "Certified check." This change would lead to redesignating paragraphs (c)(4) and (c)(5) as paragraphs (c)(3) and (c)(4), respectively. This proposed change is consistent with E.O. 14247, *Modernizing Payments To and From America's Bank Account*, signed on March 25, 2025.

Section 3104.90 Bonds Held Prior to June 22, 2025 (Existing Regulation)

The proposed rule would remove the existing § 3104.90 entitled "Bonds Held Prior to June 22, 2025." Under the existing regulations, operators were required to replace existing nationwide and unit operator bonds by June 22, 2025. Since that deadline has now passed, the BLM no longer needs to retain this phase-in period in the regulations.

7. Section-by-Section Discussion for Changes to 43 CFR Subpart 3105

The proposed rule would add new § 3105.1 to existing 43 CFR subpart 3105 to comply with the RRA of September 20, 2024.

Section 3105.1 Reporting and Payment for Production (Proposed Regulation)

The proposed rule would add a new § 3105.1 entitled “Reporting and payment for production.” This new section is added to comply with the RRA, which was passed on September 20, 2024. The RRA amended the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), 30 U.S.C. 1721(j), and directs the Department to require reporting and payment for production and royalty that is based on a pending Federal oil and gas agreement (*e.g.*, communitization agreements and participating areas) that has an allocation schedule that outlines how royalties would be distributed across different leases within the agreement until the BLM issues a final decision on the agreement. When the BLM issues a final decision on a pending application, the BLM will specify whether the lessee, or its designees, must adjust the production reporting or royalty paid. The lessee would then have until the end of the third month following the month in which the lessee or its designee receives the BLM’s final decision to adjust the production reporting or royalty paid, if needed. This provision does not apply to unit or communitization agreements that include Indian lands.

Proposed paragraph (a) would reflect the requirements of the RRA and state that the lessee or its designee who is party to a unit or communitization agreement must report and pay royalties on oil and gas production for each production month in accordance with the terms of the proposed allocation of production for the unit or communitization agreement until the BLM issues a decision on the proposed agreement.

Paragraph (b) would assist the BLM in implementing the RRA and would state that to assist with accurate and complete reporting, applicants for a Federal participating area, secondary recovery unit, or communitization agreement must: (1) Provide a list of wells with existing production that would contribute production to the area to be included in the proposed agreement; and (2) As required under 43 CFR 3160.0–9(c)(1), submit a completion report for all wells that would contribute production to the area included in the proposed participating

area, secondary recovery unit, or communitization agreement. Proposed paragraph (c) restates the RRA’s prohibition against applying this provision to oil and gas agreements containing Indian lands.

8. Section-by-Section Discussion for Changes to 43 CFR Subpart 3106

The proposed rule would not revise any section headings in the existing 43 CFR subpart 3106 regulations.

Section 3106.10 Transfers, General

The proposed rule would revise paragraph (e) to change the citation from “43 CFR 3102.51(g)” to “43 CFR 3102.61(g)” for certification of compliance to address changes being made elsewhere in this proposed rule.

Section 3106.20 Qualifications of Transfers

The purpose of this section is to ensure that those parties to whom leases and operating rights are transferred comply with the provisions of 43 CFR subpart 3102 “Qualifications of Lessees.” The proposed rule would remove the phrase “and post any bond that may be required.” This phrase is not associated with 43 CFR subpart 3102 and unnecessarily repeats similar language found in 43 CFR subpart 3104, which addresses when a bond is required and 43 CFR 3106.71 for failure to qualify. The proposed rule would eliminate the sentence that reads “only responsible and qualified lessees may own, hold, or control an interest in a lease.” The proposed rule would eliminate this sentence because it is repetitive and already covered by 43 CFR subpart 3102.

9. Section-by-Section Discussion for Changes to 43 CFR Subpart 3107

The proposed rule would remove § 3107.52 in existing 43 CFR subpart 3107 as it is no longer needed as further described below.

Section 3107.10 Extension by Drilling

The proposed rule would correct the referenced CFR citation in existing paragraph (a) from “43 CFR 3103.20” to the correct citation of “43 CFR 3103.22.” In addition, the proposed rule would change the reference to “appendix A to part 3180” to “43 CFR part 3180.” As discussed, the proposed rule would remove the model forms included in the appendices found in 43 CFR subpart 3186. Finally, the proposed rule would revise existing paragraph (b) by replacing the phrase “reasonable person seriously looking for oil or gas could” with “prudent operator would,” as this is the more commonly

understood legal standard. No changes are proposed for paragraph (c).

Section 3107.32 Segregation of Leases Committed in Part

The proposed rule would revise the statement in paragraph (b)(2) to change the language that currently states, “If a partially committed lease” to read instead, “If a lease committed-in-part.” The terms “committed in part” and “partially committed” are frequently confused. “Committed in part” describes a lease that includes land both within the unit area and outside the unit area. The BLM will segregate a fully or effectively committed Federal lease in such a status into two leases. The BLM will ensure the lease’s term is 2 years or the remainder of the lease term, whichever is longer, for the lands in the lease outside the unit area from the effective date of commitment. “Partially committed” is when one or some, but not all, working interest owners have committed their interest in a lease to a unit agreement. The lease does not get the benefit of the unit, until such a lease is fully committed, which would happen once the BLM receives the approval/acceptance of unit joinders from all previously uncommitted working interest owners. Therefore, the BLM is proposing to revise § 3107.32 to refer to “a lease committed in part.”

Section 3107.52 Undeveloped Parts of Leases in Their Extended Term (Existing Regulation)

The proposed rule would remove this section in its entirety as it is outdated and no longer needed. The section only applies to leases issued prior to September 2, 1960. The BLM has no record of any nonproducing leases that are that old, and if they exist, they would also be covered by 43 CFR 3107.53, which states, “Undeveloped parts of leases retained or assigned out of leases which are extended by production, actual or suspended, or the payment of compensatory royalty will continue in effect for 2 years after the effective date of assignment and for so long thereafter as oil or gas is produced in paying quantities.”

Section § 3107.60 Extension of Reinstated Leases

The proposed rule would revise the introductory paragraph to correct the citation from “43 CFR 3108.20” to “43 CFR 3108.22 or 43 CFR 3108.23” to eliminate any confusion that this applies to all reinstatements.

10. Section-by-Section Discussion for Changes to 43 CFR Subpart 3108

The proposed rule would not revise any section headings in the existing 43 CFR subpart 3108.

Section 3108.23 Reinstatement at Higher Rental and Royalty Rates: Class II Reinstatements

The proposed rule would update paragraph (a) to remove the phrase “competitive oil and gas” since Class II reinstatements are no longer restricted to competitive leases given the OBBB’s reinstatement of the noncompetitive lease provision.

11. Section-by-Section Discussion for Changes to 43 CFR Subpart 3109

The proposed rule would not revise any of the existing headings in the existing subpart 3109 regulations, but it would add an undesignated center heading following § 3109.15 to read as follows: Leasing Under Other Special Acts.

Section 3109.20 Units of the National Park System

The proposed rule would update paragraph (b) to remove the phrase “or renewed” since oil and gas leases are no longer renewed. Oil and gas leases are issued for a primary term of 10 years. A lease is held beyond the primary term when the lease contains a well capable of producing oil and gas in paying quantities.

12. Section-by-Section Discussion for Addition of 43 CFR Part 3110

The proposed rule would add six sections for noncompetitive leasing, which was reinstated by section 50101(a)(2) of the OBBB. The title for this new subpart is “Noncompetitive Leases.” The Secretary has broad discretion on how to implement noncompetitive leasing. One of the challenges with noncompetitive leasing is that the OBBB requires the BLM to hold replacement sales for competitive oil and gas lease sales that do not sell 25 percent or more of the acreage offered on a lease sale. See OBBB section 50101(c)(3)(B). Due to this additional requirement, the BLM is not proposing to reinstate all of the previous regulations for noncompetitive leasing, such as those related to noncompetitive presale offers. The BLM is proposing only to accept noncompetitive applications that match the competitive parcels after the competitive oil and gas lease sale, or its replacement sale, has occurred. In addition, the proposed rule would not reinstate cumbersome and unnecessary procedures that do not match the MLA (that includes almost 50

percent of the prior 43 CFR 3110 regulations that were in place before the 2024 Leasing Rule). The BLM, with this approach, will be better positioned to respond to a noncompetitive lease application quickly and minimize delays related to lease issuance.

Section 3110.1 Lands Accessible for Noncompetitive Leasing

The proposed rule would add a new section to describe when lands are accessible for noncompetitive leasing. Lands would be accessible for noncompetitive leasing after the BLM has offered lands competitively and for which the BLM has not received a bid.

Section 3110.2 Application Requirements

The proposed rule would add a new section to describe the application requirements for noncompetitive leasing. This section would require an application to be submitted on the BLM’s lease form, include the applicable filing fees, include the advanced first year rental, demonstrate the applicant’s compliance with lessee qualifications, provide the parcel number from the Notice of Competitive Lease Sale in which the parcel was offered and did not sell, and the legal land description of the parcel of interest in the noncompetitive lease application, which must exactly match the parcel land description of a parcel that was offered in the competitive auction. This section also provides the applicant the ability to withdraw an application, unless the BLM has signed the lease form.

Section 3110.3 Priority

The proposed rule would add a new section to describe how the BLM will determine priority for noncompetitive applications, when multiple applications are filed on the same day, by referring to the existing procedures codified at 43 CFR 1821.11 and 43 CFR 1822.18. Where a correction to an application is needed or is made, either at the option of the applicant or the BLM, the priority for the application will be adjusted when there are multiple applications made for the same lands.

Section 3110.4 Action on Application

The proposed rule would add a new section to describe the action the BLM will take on applications received for noncompetitive leasing. The BLM would not issue a noncompetitive lease if there is a pending action on any existing lease, such as pending lease extensions or an application with established priority, including a pending petition for reinstatement. If

the BLM improperly issues a noncompetitive lease, the BLM will cancel the lease under 43 CFR 3108.30. The BLM would reject noncompetitive lease applications that are not properly filed in accordance with these regulations, that are submitted before the competitive lease sale, or that contain lands that have already been leased. The BLM would accept noncompetitive lease applications filed on a BLM form not currently in use if it is filed before the form is declared obsolete by the Director. In these cases, the applicant would be bound by the terms and conditions of the lease form currently in use.

Section 3110.5 Noncompetitive Lease Terms

The proposed rule would add a new section to describe the lease terms for noncompetitive leases. Noncompetitive leases would have the same terms as competitive leases, including a primary term of 10 years. The noncompetitive lease would be considered issued when it is signed by the BLM’s authorized officer. A noncompetitive lease would normally be effective the first day of the month following the date the lease is issued. An applicant may send the BLM a written request to have the lease become effective on the first day of the month in which it is signed. However the BLM must receive the request before the BLM’s authorized officer signs the lease. Noncompetitive future interest leases will be effective the same day that the mineral interest vests in the United States.

Section 3110.6 Reversionary Noncompetitive Lease

The proposed rule would add a new section to describe reversionary noncompetitive leases that would be issued when a Federal lease would take over immediately upon vestiture of the mineral estate in the United States and so there is no break in the time the lands are under lease. This section would apply only to those lands from which oil and gas is being produced, or when there is a well capable of production from a private lease and the mineral interest is acquired for administration by the Secretary of Agriculture pursuant to the Act of March 1, 1911 (36 Stat. 961 *et seq.*). An election for a reversionary noncompetitive lease must be made before the interest becomes a vested present interest. If the election is made after the time allowed, or if no election is made, the BLM would reject the application as untimely and offer the lands at the next competitive lease sale. An applicant must be qualified to hold an interest in a lease, and because the

lease is usually producing at the time of lease issuance under this section, the lessee must have a bond that the BLM has accepted before lease issuance.

13. Section-by-Section Discussion for Changes to 43 CFR Part 3120

The proposed rule would rename the title of § 3120.11 in this part so the language is not confused with the definition of “available lands” provided for by the OBBB. The proposed rule would remove §§ 3120.32 and 3120.33 in existing 43 CFR part 3120

“Competitive Leases.” The goal of these revisions is to remove requirements that are not required by law or that do not affect oil and gas leasing in keeping with E.O. 14192 *Unleashing Prosperity through Deregulation*. The proposed rule would also remove § 3120.13 Protests and relocate it to new § 3120.43 under the discussion of the Notice of Competitive Lease Sale provisions to consolidate topics and enhance readability.

E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the BLM’s oil and gas leasing regulations reference FLPMA for land use planning decisions, these proposed regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from its authority statement for part 3120.

Section 3120.11 Lands Offered for Competitive Leasing (Proposed)

The proposed rule would rename this section from “Lands available for competitive leasing” to “Lands offered for competitive leasing.” In addition, the first sentence of the section would be modified to remove the reference to eligible and available lands. The purpose of these changes is to clarify that the list of lands described in this section are not automatically available for leasing. The BLM also did not want the public to interpret or confuse this section with the definition of available lands provided for in the OBBB.

The proposed rule would revise paragraph (c) to improve clarity, grammatical precision, and readability while maintaining the core legal meanings of the original text. These changes would better align paragraph (c) with the introductory paragraph, as proposed, which would state: “The BLM will consider the types of lands described below for competitive leasing under the MLA, including but not limited to:”. Paragraph (c) would begin

with “Lands from a cancelled lease or interest in a lease . . .” so that it follows grammatically from the introductory sentence and so that it is parallel with the rest of the list in this section. The proposed rule would also remove the reference to options to be consistent with the proposed changes to 43 CFR subpart 3100 as no options have been filed with the BLM. The proposed rule would remove paragraph (g), which refers to lands offered in a previous lease sale. Paragraph (g) was recently added to the regulations in the 2024 Leasing Rule after the IRA eliminated noncompetitive leasing. Since the OBBB reinstated noncompetitive leasing, this paragraph is no longer needed. The BLM is also proposing language in § 3120.60, as further discussed below, to incorporate replacement sales when parcels do not receive a bid.

Section 3120.13 Protests (Existing Regulation)

The proposed rule would remove existing § 3120.13, which pertains to protests, and relocate it to new § 3120.43 so that it appears in the provisions pertaining to Notice of Competitive Lease Sale. This change would allow the sections within part 3120 to appear in chronological order to enhance clarity and comprehension by creating a logical flow that would allow readers to follow the progression of the lease sale process more easily. In addition to updating the existing paragraphs’ language to active voice, the BLM proposes to add a new paragraph (d) to the new section, which would state that the processing fee for filing protests that contain more than 50 pages, inclusive of exhibits or attachments, is listed in the fee schedule in § 3000.120 of this chapter. This would reflect the proposed new nonrefundable, administrative filing fee as discussed earlier in this preamble under proposed changes for 43 CFR 3000.120.

Please provide comments on how the BLM should handle hyperlinks in protests submitted to the BLM. Should the BLM include each page of a hyperlink as part of the number of pages to calculate the filing fee?

Section 3120.22 Effective Date of Leases (Proposed)

The proposed rule would change the title of the section from “Dating of leases” to “Effective date of leases” for improved clarity. The proposed rule would also revise the paragraph to active voice and correct the referenced regulatory citation from 43 CFR 3120.80, which does not exist, to the correct citation, 43 CFR 3120.72.

Section 3120.31 Expression of Interest Process

The proposed rule would remove the requirements found in paragraphs (b)(5) and (b)(6) of this section that require the submitter to identify the percentage of the United States’s fractional interest when submitting an EOI for leasing lands where the United States holds a fractional interest or to identify the private surface owner’s name and address when expressing interest in leasing split estate lands, respectively. The remaining paragraph (b)(7) would be redesignated to become paragraph (b)(5).

While the BLM proposes to remove the requirement for the submitter to identify the percentage of the fractional Federal mineral ownership, the BLM nevertheless encourages submitters to identify the percentage of the Federal fractional interest if they have documentation showing the percentage to help speed the BLM’s review of the EOI.

As directed by E.O. 14219, *Ensuring Lawful Governance and Implementing the President’s “Department of Government Efficiency” Deregulatory Initiative*, the BLM proposes to remove the requirement for the EOI submitter to provide the private surface owner’s name and address. The MLA does not require the BLM to notify the private surface owners when the BLM plans to offer Federal oil and gas interests underlying their land; therefore, the BLM proposes to remove this requirement as a regulation that imposes undue burdens on the oil and gas industry.

As required by the OBBB, the BLM must process EOIs within 18 months. We encourage the individual submitting an EOI for acquired lands to provide title documents demonstrating that the Federal Government owns the oil and gas underlying the lands proposed for leasing to assist the BLM’s oil and gas leasing process for several reasons:

Verification of Mineral Ownership: The title documents provide essential proof of the Federal Government’s ownership of the mineral rights, allowing the BLM to confirm that the interested party is indeed seeking to lease minerals owned by the Federal Government. This helps prevent confusion or disputes regarding property rights and ensures that the BLM is processing EOIs related to public resources.

Streamlined Processing: Having clear documentation of mineral ownership upfront can expedite the EOI processing by reducing the time the BLM would otherwise have to spend verifying

ownership status later in the review process. This efficiency can lead to quicker decisions on whether the proposed lands can be included in a sale and help the BLM manage workloads effectively, facilitating timely access to the resources.

Enhanced Coordination with Other Agencies: In cases involving acquired lands that may fall under the jurisdiction of other Federal agencies, title documents assist the BLM in communicating effectively about ownership and management responsibilities. This clarity aids coordination among agencies and streamlines any necessary consent requirements.

In summary, the BLM is not proposing to require title documentation as part of the EOI submission but encourages all nominators to include title documentation on acquired lands. Voluntarily submitting title documents supports the BLM in confirming mineral ownership, streamlining processing, and enhancing inter-agency coordination, which would allow the BLM to more quickly offer the parcels identified in EOIs on future lease sales.

Section 3120.32 Expression of Interest Leasing Preference

The proposed rule would remove this section in its entirety as the sections and requirements listed under this section are not required by law and unnecessarily burden the oil and gas leasing process contrary to the policy guidance in E.O. 14154 and E.O. 14219. In addition, elimination of the leasing preference criteria would allow the BLM to comply with the OBBB, which requires the BLM to offer a parcel within 18 months of receipt of the lands within an EOI. Based on experience since the promulgation of the 2024 Leasing Rule and the previous comments submitted on the preference criteria, the BLM has identified the following deficiencies:

(1) The preference criteria may inadvertently hinder oil and gas mineral development by delaying the leasing process and unnecessarily limiting exploration and expansion opportunities.

(2) The criteria are duplicative of existing established processes for land use planning, resulting in unnecessary delays in oil and gas leasing without providing tangible benefits.

(3) Modern drilling technology has advanced, allowing for reduced surface impacts, which the preference criteria do not adequately consider.

Based upon the above considerations, the BLM proposes to remove § 3120.32 in its entirety.

Section 3120.33 Agency Inventory of Leasing

This section is related to section 50265 of the IRA, which provides that the BLM may not issue a right-of-way (ROW) for wind or solar energy development on Federal land unless it has: (1) Held an onshore oil and gas lease sale during the past 120 days; and (2) Offered the lesser of a sum total of either 2,000,000 acres or 50 percent of the acreage for which EOIs have been submitted for lease sales during the previous 1-year period. The proposed rule would remove this section in its entirety as this section does not govern oil and gas leasing and limits the BLM in issuing ROWs for wind and solar development. In addition, the provision sunsets by law on August 16, 2032, and is better suited to being addressed in policy guidance.

Section 3120.42 Posting Timeframes

The proposed rule would remove existing paragraphs (a) and (b), which require the BLM to provide a scoping period and comment period during the NEPA review. These scoping and comment periods are not required by the MLA or any other applicable statute; therefore, the BLM is proposing to remove these provisions in accordance with E.O.s 14192 and 14154. Eliminating the two 30-day public participation periods could significantly expedite the oil and gas leasing process. By reducing the time spent in public comment and review, the BLM could still draft strong analyses while facilitating quicker decision-making, thus allowing for more timely access to resources. This is essential for meeting the increasing demand for domestic energy production and ensuring that industry operations can proceed without unnecessary delays.

In addition, the existing public participation periods are not mandated by NEPA. The BLM already conducts thorough environmental reviews and assessments that include opportunities for public input at various stages, including its land use planning efforts, where the BLM identifies the lands available for oil and gas leasing and relevant stipulations. Consequently, the public participation periods often extend the overall timeline unnecessarily, without providing significant added value or meaningful changes to the analysis. The BLM is staffed with professionals who possess the expertise to evaluate the environmental and operational implications of leasing decisions. By streamlining public participation, the agency could focus on leveraging its

technical knowledge and scientific assessments to make informed decisions, rather than being delayed by overly extended public comment periods that do not yield substantial new information. In some cases, groups have submitted the same comment to four different BLM administrative state offices for all sales held in the same month. In a recently conducted lease sale, a group submitted nearly identical letters at all three phases of the process, with the lengths of these letters averaging approximately 116 pages. Upon review, the BLM found that, with the exception of one statement of reason, all statements in the scoping and comment letters were replicated in both submissions. Furthermore, in two recent lease sales, the BLM received almost identical protests from the same party, highlighting a concerning trend of redundancy across multiple sales. This repetition raises questions about the efficiency of responding to such content. Finally, the oil and gas industry needs timely access to resources to remain competitive in a rapidly changing market. By removing these redundant public participation periods that are not required by law, the BLM can respond more effectively to industry needs and market demands, ensuring that the U.S. remains competitive in the global energy landscape and national energy demands are better met.

The existing paragraph (c) would be redesignated as paragraph (a) and would be revised to change the timeframe for posting of the Notice of Competitive Lease Sale from 60 calendar days to 45 calendar days before the sale date to align with the statutory requirement set forth in the MLA. This adjustment would streamline the leasing process by reducing unnecessary delays in notifying the public and the oil and gas industry of pending sales and facilitating quicker access to Federal lands for oil and gas development.

The existing paragraph (d) would be redesignated as paragraph (b) and would be revised to change the protest period from 30 calendar days to 10 calendar days. This reduction in the protest period is intended to ensure a more efficient and orderly process, allowing for timely announcements at lease sales of any protests received while still providing adequate opportunity for stakeholders to voice their concerns. By shortening the protest period, the BLM can ensure it has time to respond to protests and meet statutory deadlines for lease issuance, thereby promoting a more responsive and effective regulatory framework that supports responsible mineral development. These changes are designed to enhance operational

efficiency while maintaining the integrity of the leasing process.

The existing paragraph (e) would be redesignated as paragraph (c) and the word “compliance” would be removed as it is unnecessary.

In addition, the proposed rule would add a new paragraph (d) stating the BLM will post a public notice if it decides for any reason not to hold a scheduled quarterly lease sale. By providing such notice, those entities that might have participated in a sale will be able to take the lack of a sale into account in planning any exploration or development. The BLM could post the notice in multiple places, such as the National Fluids Lease Sale System, state-office web pages, and in public rooms. However, the proposed rule does not specify where the BLM would post this notice to provide for flexibility.

The BLM would hold replacements sales, as provided in proposed § 3120.60, when a regularly scheduled sale is canceled, delayed, or deferred, including for a lack of eligible parcels as mandated by section 50101(c)(3) of the OBBB.

Section 3120.43 Protests (Proposed)

The proposed rule would move the protest section from § 3120.13 to § 3120.43, as discussed above under § 3120.13, so that it appears in the provisions pertaining to the Notice of Competitive Lease Sale.

Section 3120.53 Award of Lease

The proposed rule would correct all the references in paragraph (a) from “43 CFR 3120.62” to the correct citation of “43 CFR 3120.52” as 43 CFR 3120.62 does not exist in the regulations.

Section 3120.60 Parcels Not Bid on at Auction

The proposed rule would update the paragraph in this section to incorporate requirements mandated by the OBBB. The proposed rule would add language to state that the BLM would hold a replacement sale within 30 calendar days when a competitive auction does not receive bids on 25 percent or greater of the acreage offered. This complies with section 50101(c)(3)(B) of the OBBB, which states, “The Secretary of the Interior shall conduct a replacement sale during the same fiscal year if (B) during a lease sale under paragraph (1) the percentage of acreage that does not receive a bid is equal to or greater than 25 percent of the acreage offered.” In addition, the section would state that these lands will be available noncompetitively under 43 CFR part 3110 for 2 years after either the lease

sale or the replacement sale, whichever is later.

Section 3120.72 Future Interest Terms and Conditions

The proposed rule would revise the referenced citation of “43 CFR 3101.20” in paragraph (b) to “43 CFR subpart 3102” due to the previously discussed reorganization of the acreage-limitations section.

Section 3120.73 Compensatory Royalty Agreements

The proposed rule would revise this section by adding a sentence that states the BLM may use such agreements until the BLM issues a competitive lease for unleased lands included in a compensatory royalty agreement. In 2011, the BLM issued policy to establish Unleased Lands Accounts for a consistent, nationwide procedure between the BLM and the Office of Natural Resources Revenue (ONRR) for collecting royalty payments for unleased Federal minerals included in a producing Secondary Unit Agreement, a unit participating area containing unleased lands, or a CA. However, this approach does not provide the ONRR with an enforcement mechanism for collections of unpaid royalties.

The MLA, like the Department’s regulations, does not preclude the BLM from using a compensatory royalty agreement (CRA) to prevent drainage solely for lands that are unleaseable. In 30 U.S.C. 226(j), Congress gave the Secretary of the Interior authority to negotiate CRAs whenever operators are draining lands owned by the U.S. of oil or gas through wells drilled on adjacent lands. The Secretary may negotiate CRAs under which the United States will be compensated for any drainage of Federal oil or gas. When a secondary unit, a unit participating area, or a producing communitization agreement contains unleased Federal minerals that are leaseable and subject to drainage, the BLM will negotiate a CRA with the operator and include a clause for automatic termination once a Federal lease is issued and becomes effective. With this proposed change, the CRA would enable ONRR to establish a revenue account for earned royalty payments with a formal agreement in place for enforcement.

14. Section-by-Section Discussion for Changes to 43 CFR Subpart 3134.1

E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department’s oil and gas leasing regulations reference FLPMA for land use planning decisions, these

regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from the authority statement for part 3130.

The proposed rule would not revise the existing 43 CFR 3134.1 heading. The purpose of updating this section is to make this section consistent with 43 CFR subpart 3104. In addition, the existing term “shall” would be replaced with the words “must,” “will,” or “may,” as appropriate, for better clarity and to reduce any confusion.

Section 3134.1 Bonding

The proposed rule would correct the citation in paragraph (a) from “§ 3104.1” to the correct citation of “§ 3104.10” for bond obligations describing the different ways a bond can be secured. The proposed rule would also remove references to nationwide bonds. If the BLM decides to reinstate nationwide bonds, the BLM would not modify this Section to remove the nationwide bond discussion. Paragraph (a) would now state that prior to issuance of an oil and gas lease, the successful bidder must furnish the authorized officer a surety or personal bond in accordance with the provisions of § 3104.10 of this title in the sum of \$100,000 conditioned on compliance with all the lease terms and conditions, including rentals and royalties, and any stipulations. The bond will not be required if the bidder already maintains or furnishes a bond in the sum of \$300,000 conditioned on compliance with the terms, conditions, and stipulations of all oil and gas leases held by the bidder within NPR–A.

The proposed rule would also revise paragraph (b) to remove references to nationwide bonds. Paragraph (b) would now state that a bond in the sum of \$100,000 or \$300,000, may be provided by an operating rights owner (sublessee) or operator in lieu of a bond furnished by the lessee, and must assume the responsibilities and obligations of the lessee for the entire leasehold in the same manner and to the same extent as though they were the lessee.

The proposed rule would correct the citations in paragraph (e) from “§ 3104.2” to the correct citation of “§ 3104.20” which covers individual lease bonds, and “§ 3104.3(a)” to the correct citation of “§ 3104.30” which covers statewide bonds.

15. Section-by-Section Discussion for Changes to 43 CFR Subpart 3140

The proposed rule would not revise any section headings in the existing 43

CFR subpart 3140 regulations. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from the authority statement for part 3140.

Section 3140.14 Other Provisions

The proposed rule would update the citations from "43 CFR 3101.21 or 3101.22" in paragraph (a) to "43 CFR 3102.51 or 3102.52" consistent with the reorganization of the acreage limitations as previously discussed.

The proposed rule would update the royalty rate in paragraph (c)(2) from 16.67 percent to 12.5 percent to comply with the requirements of the OBBB for combined hydrocarbon leases. This change has minimal practical impact because the application period for these leases closed on November 15, 1983, and only three applications remain pending. The BLM has continued processing these applications while completing land use planning for the special tar sand areas and preparing the necessary NEPA analysis to support conversion to combined hydrocarbon leases. Although the BLM finalized a rule on April 29, 2026 (91 FR 23017), revising royalty rates as required by the OBBB, the agency inadvertently did not update the corresponding provision in part 3140 due to the limited number of remaining applications. The proposed revision would correct this oversight to ensure consistency with the already published rule. Due to the limited scope of this change, the BLM did not analyze or monetize the effects to Federal revenues and operators from the three pending applications.

Section 3140.70 Lands Within the National Park System

The proposed rule would correct the citation from "43 CFR 3100.3(h)(4)" in the section to "43 CFR 3100.3(g)(4)."

16. Section-by-Section Discussion for Changes to 43 CFR Subpart 3141

The proposed rule would not revise any of the headings to the existing subpart 3141 regulations.

Section 3141.10 General

The proposed rule would update the citation "43 CFR 3101.21" in paragraph (h) to "43 CFR 3102.51" consistent with

the reorganization of the acreage limitations as previously discussed.

Section 3141.53 Royalties and Rentals

The proposed rule would update the royalty rate in paragraph (a) from 16.67 percent to 12.5 percent to conform to the requirements of the OBBB to address the royalty rate for these combined hydrocarbon leases.

The proposed rule would correct the citation from "43 CFR 3103.20 and 3103.30" in paragraph (e) to "43 CFR 3103."

Section 3141.63 Conduct of sales

The proposed rule would correct the citation from "43 CFR 3120.60" in paragraph (a) to "43 CFR 3120.51."

The proposed rule would correct the citation from "43 CFR 3120.62" in paragraph (b)(2) to "43 CFR 3120.52."

17. Section-by-Section Discussion for Changes to 43 CFR Subpart 3152

The proposed rule would not change or revise the existing 43 CFR 3152.3 heading. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from the authority statement for part 3150.

Section 3152.3 Renewal of Exploration Permit

The proposed rule would remove the filing fee requirement for exploration permit renewals in Alaska. As previously discussed, this fee is rarely collected and removing this fee would be in keeping with policy directives in recently issued E.O.s and Presidential Memoranda to eliminate unnecessary or obsolete regulations.

18. Section-by-Section Discussion for Changes to 43 CFR Subpart 3165

The proposed rule would not change or revise the existing 43 CFR 3165.1 heading. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these proposed oil and gas leasing

regulations and proposes to remove reference to FLPMA from the authority statement for part 3140.

Section 3165.1 Relief From Operating and/or Producing Requirements

The purpose of this section is to describe the requirements for lease suspension applications. Federal oil and gas lessees benefit from lease suspensions in two ways: (1) They provide financial relief by temporarily halting rental payments while the lease is suspended; and (2) They protect lessees' rights by ensuring they retain their leases without the risk of expiration while the lease is in suspension. The BLM proposes to revise this section by removing requirements that are not mandated by the MLA.

The proposed rule would remove the existing paragraph (c), which currently states the BLM will not approve a suspension application for a lease in circumstances where an APD on the subject lease is filed less than 90 calendar days before the expiration date of the lease. The BLM's rationale for removing paragraph (c) is that lessees and operating rights owners are entitled to the full primary term of the lease but are also responsible for timely filing required plans and necessary applications. This change would provide the BLM with the flexibility to consider suspensions for operators who have been diligently working with the BLM and other State and Federal agencies but are unable to get the APD submitted within this timeframe due to reasons beyond their control.

This change would benefit the public by ensuring that valuable oil and gas leases are not prematurely cancelled due to administrative delays or unforeseen issues, thereby allowing for continued development of domestic energy resources. By enabling the BLM to grant suspensions in appropriate cases, the proposed rule would foster a more efficient leasing process that could adapt to the realities of the industry. This increased flexibility would not only help to maximize the use of Federal lands for energy production but would also contribute to enhancing domestic energy supply, ultimately benefiting consumers and promoting energy independence. In a time when the demand for domestic energy is critical, this rule would support timely development while ensuring that operators could fulfill their obligations without being hindered by rigid timelines.

The proposed rule would then redesignate existing paragraph (d) to paragraph (c) and remove the phrase "of operations and production" from the

first sentence. Removing this phrase would make it clear that this section applies to both types of suspensions allowed under sections 17 and 39 of the MLA. “Section 39” suspensions of the MLA suspend both operations and production, 30 U.S.C. 209. “Section 17” suspensions of the MLA include a suspension of operations or a suspension of production, 30 U.S.C. 226(i). The BLM proposes to remove this phrase because the criteria in the existing paragraph (d) applies to all types of suspensions. The proposed rule would also remove the second and third sentences of existing paragraph (d), which currently state that approved suspensions will not exceed 1 year, unless, if circumstances warrant, all operating rights owners, or the operator on behalf of the operating rights owners, submit a request to extend the suspension prior to the end of the suspension. The BLM is also proposing to remove existing paragraph (e), which states that BLM-directed suspensions may exceed 1 year. In keeping with current E.O.s and Presidential Memoranda, BLM is proposing to remove existing provisions that are not clearly grounded in statutory authority. The proposed changes would revise this section so that suspensions, when authorized, would remain in effect until the circumstances warranting the suspension no longer exist. This change would enable the BLM to grant suspensions for appropriate periods related to the reason for the suspension. This increased flexibility would not only help maximize the use of Federal lands for energy production but would also contribute to enhancing domestic energy supply, ultimately benefiting consumers and promoting energy independence. In a time when the demand for domestic energy is critical, this proposed rule would support timely development while ensuring that operators can fulfill their obligations without being hindered by rigid timelines.

The proposed rule would redesignate paragraph (f) to become paragraph (d) due to the proposed changes discussed above.

The proposed rule would add a new paragraph (e) stating that the BLM may grant a suspension of operations and production or a suspension of operations at any time in a lease’s term but may only grant a suspension of production after a lease begins production. The BLM proposes this change to allow additional flexibility for granting warranted suspensions. Section 17(i) of the MLA (30 U.S.C. 226(i)) stipulates that no lease issued under this section shall expire because

operations or production is suspended under any order, or with the consent, of the Secretary. The Department’s implementing regulations at 43 CFR 3103.42(a) specify that a suspension of operations only or a suspension of production only may be directed or consented to by the authorized officer in cases where the lessee is prevented from operating on the lease or producing from the lease, despite the exercise of due care and diligence, by reason of *force majeure*, that is, by matters beyond the reasonable control of the lessee.

The IBLA decision, *Savoy Energy, LP*, 178 IBLA 313 (2010), adopted a narrow construction of the suspension of operations provision by stating that it applies only to leases that have a well capable of production, and it does not apply to leases on which there has been no drilling. The holding of *Savoy Energy* presents a challenge to the BLM’s effective management of oil and gas leases where lessees are unable to commence operations due to circumstances beyond their reasonable control. Examples of these circumstances include, but are not limited to, an avalanche, a pandemic, waiting on a State-required permit, weather conditions, and litigation. The holding of *Savoy Energy* does not align with provisions of section 17(i) of the MLA, the regulations at 43 CFR 3103.42(a), or “Oil & Gas Lease Suspension,” M–36953, 92 I.D. 293, 299–301 (1985). Therefore, the BLM is proposing to add new paragraph (e) that does clearly comply with section 17(i) of the MLA.

19. Section-by-Section Discussion for Changes to 43 CFR Subpart 3181

The proposed rule would not change or revise the existing 43 CFR subpart 3181 heading.

Section 3181.1 Preliminary Consideration of Unit Agreement

The proposed rule would revise this section to remove the reference to appendix A as currently found under 43 CFR subpart 3186, as the rule proposes to remove the model forms from the CFR and instead maintain the forms on the BLM’s forms web page at <https://www.blm.gov/services/electronic-forms>. As discussed below, this rule proposes to remove 43 CFR subpart 3186.

20. Section-by-Section Discussion for Changes to 43 CFR Subpart 3183

The proposed rule would not change or revise the existing 43 CFR 3183.4 heading. The existing term “shall” would be replaced with the words “must,” “will,” or “may,” as appropriate, to reduce confusion.

Section 3183.4 Approval of Executed Agreement

The proposed rule would revise this section to remove the reference to appendix A as currently found under 43 CFR subpart 3186, as the rule proposes to move the model forms to the BLM’s forms web page. In addition, the proposed rule would correct the regulatory citation to 43 CFR subpart 3107.

21. Section-by-Section Discussion for Changes to 43 CFR Subpart 3186

The proposed rule would remove subpart 3186 to remove all of the appendices in the existing subpart 3186 regulations in their entirety, and move them to the BLM’s forms web page (<https://www.blm.gov/services/electronic-forms>) as these are examples of a model onshore unit agreement (appendix A), with an example Exhibit A (appendix B), an example Exhibit B (appendix C), an example model designation of successor unit operator (appendix D), and an example model change in unit operator (appendix E). Removing these model forms from the regulations would allow the BLM to keep these examples up to date in a timely manner and is consistent with the policy direction in recent E.O.s to remove unnecessary requirements. These are form documents and should not be in the CFR.

VI. Procedural Matters

A. Regulatory Planning and Review (*E.O. 12866*, *E.O. 13563*)

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) within the OMB will review all significant rules. The OIRA has determined that this proposed rule is significant.

E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation’s regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The E.O. directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this rule in a manner consistent with these requirements.

This proposed rule would revise the BLM's current rules governing oil and gas leasing, which are contained in 43 CFR parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180. The BLM developed this proposed rule in a manner consistent with the requirements in E.O. 12866, *Regulatory Planning and Review*, and E.O. 13563, *Improving Regulation and Regulatory Review*. Consistent with these Executive Orders, the BLM evaluated the potential economic impact of the proposed rule,

including non-monetized effects. The BLM determined that the proposed rule would generate net cost savings of \$6.13 to \$12.2 million per year (in 2025 dollars). Further, the proposed rule would affect transfer payments totaling \$3.1 million per year (in 2025 dollars). Table 2 shows the estimated Net Present Value (NPV) of the cost savings and transfer payments over a 20-year period of analysis (in 2025 dollars).

The BLM determined that most proposed changes in the rule are

administrative and do not result in direct environmental effects. However, reducing the minimum bonding amounts could delay reclamation of orphaned wells by an estimated 1,440 to 2,400 days annually, leading to nonmonetized environmental costs such as postponed improvements in soil stability, water quality, and habitat recovery. The BLM reflects these non-monetized costs in Table 2.

Table 21. NPV 7% and 3%, 20-Year Period (\$2025) (\$ in millions).

Values	Net Cost Savings	Transfer Payments
NPV 7%	\$65.0 to \$129	\$32.9
NPV 3%	\$91.3 to \$181	\$46.2
Delay in reclamation— An additional 1,440-		
Non-monetized costs	2,440 days of environmental impacts from unplugged wells	

For more detailed information, refer to the regulatory impact analysis (RIA) prepared for this proposed rule. The RIA has been posted in the docket for the proposed rule on the Federal eRulemaking Portal: <https://www.regulations.gov>. In the Searchbox, enter “BLM–2025–0037”, click the “Search” button, open the Docket Folder, and look under Supporting Documents.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) (RFA) requires that Federal agencies prepare a regulatory flexibility analysis for rules subject to the notice-and-comment rulemaking requirements under the Administrative Procedure Act (5 U.S.C. 500 *et seq.*) if the rule would have a significant economic impact, whether detrimental or beneficial, on a substantial number of small entities. Refer to 5 U.S.C. 601–612. Congress enacted the RFA to ensure that government regulations do not unnecessarily or disproportionately burden small entities. Small entities include small businesses, small governmental jurisdictions, and small not-for-profit enterprises.

The BLM reviewed the Small Business Administration's (SBA) size standards for small businesses and the

number of entities fitting those size standards as reported by the U.S. Census Bureau in the Economic Census. The number of small businesses in States where there are existing Federal oil and gas leases is estimated to be 5,107 for the Crude Petroleum Extraction and Natural Gas Extraction industries (North American Industry Classification System (NAICS) codes 211120 and 211130, respectively). The BLM concludes that the vast majority of entities operating in the relevant sectors are small businesses as defined by the SBA.

The BLM estimates that the per-entity economic impact of the proposed rule would be less than 1 percent of the annual receipts for small businesses of any size. Because the final rule will not have a “significant economic impact on a substantial number of small entities,” an initial regulatory flexibility analysis is not required. Please refer to the RIA for more information.

Therefore, the Secretary of the Interior certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities.

C. Unleashing Prosperity Through Deregulation (E.O. 14192)

DOI has examined this proposed rulemaking and has tentatively determined that it is consistent with the policies and directives outlined in E.O. 14192, “Unleashing Prosperity Through Deregulation.” This proposed rule, if finalized as proposed, would promote prudent financial management and alleviate unnecessary regulatory burdens. Therefore, it is expected to be an E.O. 14192 deregulatory action, as the proposed rule is expected to result in present value cost savings of \$65 to \$129 million (2025\$) discounted at 7%, primarily from reduced bonding and lease application costs for oil and gas operators.

D. Unfunded Mandates Reform Act (UMRA)

This proposed rule would not impose an unfunded mandate on State, local, or Tribal governments, or the private sector of more than \$100 million per year. While the proposed rule includes several changes to the Federal oil and gas leasing program, the only provision anticipated to affect the financial resources flowing to States is the return of noncompetitive leasing. As described in the regulatory impact analysis, this change is expected to result in a modest

reduction in bonus bid revenue, approximately \$955,000 annually, due to a shift in how certain parcels are leased.

Because States receive approximately 50 percent of bonus bid revenues from Federal lease sales, this reduction would result in a proportional decrease in revenue shared with States. However, this impact is limited in scale and does not reflect a change in royalty payments, which are based on production. The return of noncompetitive leasing is not expected to affect royalty revenues, as only 1 percent of noncompetitive leases issued between 2003 and 2019 began producing within their primary term. These leases likely would have been issued competitively in the absence of a noncompetitive option.

Accordingly, the financial impact on States is expected to be minimal and limited solely to the reduction in bonus bid revenue associated with noncompetitive leasing. In addition, the proposed rule would not have a significant or unique effect on State, local, or Tribal governments or the private sector. The proposed rule contains no requirements that would apply to State, local, or Tribal governments. The proposed rule would revise requirements that would otherwise apply to the private sector participation in a voluntary Federal program. The costs that the proposed rule would impose on the private sector are below the monetary threshold established at 2 U.S.C. 1532(a). A statement containing the information required by the Unfunded Mandates Reform Act (UMRA) (2 U.S.C. 1531 *et seq.*) is therefore not required for the proposed rule. This proposed rule is also not subject to the requirements of section 203 of UMRA because it contains no regulatory requirements that might significantly or uniquely affect small governments, apply to such governments, or impose obligations upon them.

E. Governmental Actions and Interference With Constitutionally Protected Property Right—Takings (E.O. 12630)

This proposed rule would not cause a taking of private property or otherwise have takings implications under E.O. 12630. Therefore, a takings implication assessment is not required. The proposed rule would update the BLM's current rules governing oil and gas leasing, which are contained in 43 CFR parts 3100 through 3180. The proposed provisions in this rule would not cause a taking of private property because the operations that would be subject to these rules are already subject to

existing lease terms, which expressly require that subsequent lease activities must be conducted in compliance with subsequently adopted Federal laws and regulations.

This proposed rule conforms to the terms of the existing leases and applicable statutes and, as such, the rule is not a government action capable of interfering with constitutionally protected property rights. Therefore, the BLM has determined that the rule would not cause a taking of private property or require further discussion of takings implications under E.O. 12630.

F. Federalism (E.O. 13132)

Under the criteria in section 1 of E.O. 13132, this proposed rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. A federalism impact statement is not required.

The proposed rule would not have a substantial direct effect on the States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the levels of government. It would not apply to States or local governments or State or local governmental entities. The rule would affect the relationship between operators, lessees, and the BLM, but it would not directly impact the States. Therefore, in accordance with E.O. 13132, the BLM has determined that this proposed rule would not have sufficient federalism implications to warrant preparation of a federalism assessment.

G. Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of E.O. 12988. More specifically, this proposed rule meets the criteria of section 3(a), which requires agencies to review all regulations to eliminate errors and ambiguity and to write all regulations to minimize litigation. This proposed rule also meets the criteria of section 3(b)(2), which requires agencies to write all regulations in clear language with clear legal standards.

H. Consultation and Coordination With Indian Tribal Governments (E.O. 13175 and Departmental Policy)

The Department strives to strengthen its government-to-government relationship with Indian Tribes through a commitment to consultation with Indian Tribes and recognition of their right to self-governance and Tribal sovereignty.

The BLM evaluated this proposed rule under the Department's consultation

policy and under the criteria in E.O. 13175 to identify possible effects of the rule on federally recognized Indian Tribes. Since the proposed changes to leasing only apply to Federal lands, the proposed rule will not impact the leasing of Indian minerals.

The BLM is providing an opportunity for Tribal consultation. The Tribes may request individual government-to-government consultation regarding the proposed rule throughout the rulemaking process.

I. Paperwork Reduction Act

The Paperwork Reduction Act (PRA) (44 U.S.C. 3501–3521) generally provides that an agency may not conduct or sponsor and, not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. Collections of information include any request or requirement that persons obtain, maintain, retain, or report information to an agency, or disclose information to a third party or to the public (44 U.S.C. 3502(3) and 5 CFR 1320.3(c)).

This proposed rule contains information-collection requirements that are subject to review by OMB under the PRA. OMB has approved the existing information collection requirements contained in the regulations that would be affected by this proposed rule under the OMB Control Number 1004–0185 (§§ 3100, 3103.41, 3106, 3120, and subpart 3162).

See the Section-by Section Discussion for further information on the proposed changes to each section of this proposed rule; including proposed changes to sections that contain information collection requirements. The information collection requirements are also discussed in detail in the information collection request submitted to OMB in association with this proposed rule.

Proposed Changes Impacting OMB Control Number 1004–0185

Currently, there are 16,340 annual responses, 29,410 annual burden hours, and \$3,766,184 annual non-hour cost burdens inventoried under OMB Control Number 1004–0185. The BLM projects that the new estimated burdens under this OMB control number would be 14,956 annual responses, 18,359 annual burden hours and \$1,793,788 annual non-hour cost burdens. The proposed rule would rescind and revise information collection requirements and move other information collection requirements to new sections within the

proposed rule. These proposed changes are summarized as follows.

1. Rescinded Information Collection Requirements

43 CFR 3100.31(b)—Notice of Option Statement. The removal of this information collection requirement would result in the reduction of 1 annual response and 1 annual burden hour.

43 CFR 3100.33—Option Statement. The removal of this information collection requirement would result in the reduction of 2 annual response and 2 annual burden hours.

The BLM proposes to rescind the regulatory sections covering options because industry has never filed options with the BLM. The BLM has not previously received option statements from industry and cannot prohibit options. However, the BLM would continue to accept option statements for the lease file, which is a public record.

2. Revised Information Collection Requirements

43 CFR 3120.43 and 3000.120—Protest fee per page after 50 pages. Proposed revisions to 43 CFR 3000.120 and 3120.43 would introduce a \$1.00 per page fee for protest filings that exceed 50 pages in length, including exhibits. This fee is proposed to discourage overly lengthy and administratively burdensome protest filings. This proposed revision is estimated to result in an additional \$2,604 annual non-hour cost burdens to protestors.

The proposed rule would also move 43 CFR 3120.13 Protests to 43 CFR 3120.43 under the discussion of the Notice of Competitive Lease Sale to consolidate topics and enhance readability since protests are filed after the BLM publishes the Notice of Competitive Lease Sale.

43 CFR 3120.41—Expression of Interest \$5 Per Acre Fee. Section 50101(d)(3) the One Big Beautiful Bill Act (30 U.S.C. 226) removed the EOI fee. This revision would reduce annual non-hour cost burden by \$1,975,000.

3. Moved Information Collection Requirements

43 CFR 3101.24(a)—Proof of acreage reduction and Excess acreage petition. These information collection requirements would be moved from 43 CFR 3101.24(a) to 43 CFR 3102.54 and the information collection requirements would remain substantively unchanged from the current requirements.

3. Summary

The net burden changes that would result from the revised and rescinded information collection requirements as contained in the proposed rule are summarized in the below table:

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Summary of Burden Changes

Type of Burden Change	Annual Responses	Annual Burden Hours	Annual Non-hour Cost Burden
Current Burdens	16,340	29,410	\$3,766,184
Proposed Rescinded Information Collection Requirements			
Notice of Option Statement 43 CFR 3100.31(b)	-1	-1	\$0
Option Statement 43 CFR 3100.33	-2	-2	\$0
Proposed Revised Information Collection Requirement			
Protest 3120.43 \$1 per page exceeding 50 pages	No change	No change	+\$2,604
Expression of Interest Fee	No change	No change	-\$1,975,000
Net Burden Changes Due to Proposed Rule	-3	-3	+\$2,604
Adjustments to Burden Estimates			
Protests – 43 CFR 3120.43	-1,361	-11,048	No change
New Burdens:	14,956	18,359	\$1,793,778

BILLING CODE 4331-29-C

The new estimated total burdens for OMB Control Number 1004-0185 are as follows.

Title of Collection: Onshore Oil and Gas Leasing and Drainage Protection (43 CFR part 3100).

OMB Control Number: 1004-0185.

Form Numbers: 3000-3 and 3000-3a (OMB No. 1004-0034).

Type of Review: Revision of a currently approved collection.

Respondents/Affected Public: Holders of onshore oil and gas lease and public lands and Indian lands (except on the Osage Reservation), operators of such leases, and holders of operating rights on such leases.

Respondent's Obligation: Required to Obtain or Retain a Benefit.

Frequency of Collection: On occasion.

Estimated Completion Time per Response: Varies from 30 minutes to 24 hours, depending on activity.

Number of Respondents: 14,956.

Annual Responses: 14,956.

Annual Burden Hours: 18,359.

Annual Burden Cost: \$1,793,788.

The complete information collection request is available at www.reginfo.gov/public/do/PRAMain. You can find this information collection by selecting

“Currently under Review—Open for Public Comments” or by using the search function. If you want to comment on the information-collection requirements of this proposed rule, please send your comments and suggestions on this information-collection by the date indicated in the **DATES** and **ADDRESSES** sections as previously described.

J. National Environmental Policy Act

A detailed environmental analysis under NEPA is not required because the proposed rule will be covered by a categorical exclusion (see 43 CFR 46.205). This proposed rule meets the criteria set forth at 43 CFR 46.210(i) for a Departmental categorical exclusion in that this proposed rule is “of an administrative, financial, legal, technical, or procedural nature.” We have also determined that the proposed rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

K. Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use (E.O. Order 13211)

Under E.O. 13211, agencies are required to prepare and submit to OMB a Statement of Energy Effects for significant energy actions. This statement is to include a detailed statement of “any adverse effects on energy supply, distribution, or use (including a shortfall in supply, price increases, and increase use of foreign supplies)” for the action and reasonable alternatives and their effects.

Section 4(b) of E.O. 13211 defines a “significant energy action” as “any action by an agency (normally published in the **Federal Register**) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking: (1)(i) that is a significant regulatory action under E.O. 12866 or any successor order, and (ii) is likely to have a significant adverse effect on the supply, distribution, or use of energy; or (2) that is designated by OIRA as a significant energy action.”

Any incremental changes in oil or gas production estimated to result from the rule’s enactment would constitute a small fraction of total U.S. gas production, and any potential and temporary deferred production of oil would likewise constitute a small fraction of total U.S. oil production. For these reasons, we do not expect that the proposed rule would significantly impact the supply, distribution, or use

of energy. As such, the rulemaking is not a “significant energy action” as defined in E.O. 13211.

L. Clarity of this Regulation (E.O.s 12866, 12988, and 13563)

We are required by E.O.s 12866 (section 1(b)(12)), 12988 (section 3(b)(1)(B)), and 13563 (section 1(a)), and by the Presidential memorandum of June 1, 1988, to write all rules in plain language. This means that each rule must:

- (a) Be logically organized;
- (b) Use the active voice to address readers directly;
- (c) Use common, everyday words and clear language rather than jargon;
- (d) Be divided into short sections and sentences; and
- (e) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help the BLM revise the proposed rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, the sections where you feel lists or tables would be useful, etc.

M. Ensuring Lawful Governance (E.O. 14219)

E.O. 14219 requires agencies to prioritize the executive branch’s limited enforcement resources on regulations that are authorized by constitutional Federal statutes. In accordance with this directive, the BLM conducted a review of its regulations and concluded that the proposed changes to the oil and gas leasing regulations comply with the MLA and do not undermine the national interest.

N. Zero-Based Regulatory Budgeting (E.O. 14270)

E.O. 14270 requires the BLM to incorporate a sunset provision into regulations promulgated under the Mining Act of 1872, the FLPMA, and the Energy Policy Act of 2005. While the BLM’s oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for its oil and gas leasing regulations and proposes to remove any reference to FLPMA from these parts. The BLM recognizes that the BLM promulgated the fixed filing fees under 43 CFR 3000.120 based on FLPMA and is requesting comments on

the costs and benefits of the fixed filing fees. If the BLM sunsets the fixed filing fees, the BLM expects it will need additional appropriated funds from Congress to process these actions or processing these actions will lag behind other actions with sufficient funding. The BLM invites comments on whether any specific leasing sections should include a sunset date. Please specify the regulatory sections and provide your reasons for including a sunset date.

Authors

The principal authors of this final rule include: Peter Cowan, Senior Mineral Leasing Specialist; Jennifer Spencer, Mineral Leasing Specialist; William Lambert, Petroleum Engineer in BLM Headquarters; Natalie Eades, Attorney Advisor in DOI Office of the Solicitor. Technical support provided by: Scott Rickard, Economist; Janna Simonsen, Senior Natural Resource Specialist; Faith Bremner, Regulatory Analyst; and Darrin King, Senior Regulatory Analysts in BLM Headquarters.

43 CFR Chapter II

List of Subjects

43 CFR Part 3000

Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3100

Government contracts, Mineral royalties, Oil and gas reserves, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3110

Government contracts, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3120

Government contracts, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3130

Alaska, Government contracts, Mineral royalties, Oil and gas exploration, Oil and gas reserves, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3140

Government contracts, Hydrocarbons, Mineral royalties, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3150

Administrative practice and procedure, Alaska, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3160

Administrative practice and procedure, Government contracts, Indians-lands, Mineral royalties, Oil and gas exploration, Penalties, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3180

Government contracts, Mineral royalties, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, the Bureau of Land Management proposes to amend 43 CFR parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180 as follows:

PART 3000—MINERALS MANAGEMENT: GENERAL

■ 1. The authority citation for part 3000 continues to read as follows:

Authority: 16 U.S.C. 3101 *et seq.*; 30 U.S.C. 181 *et seq.*, 301–306, 351–359, and 601 *et seq.*; 31 U.S.C. 9701; 40 U.S.C. 471 *et seq.*; 42 U.S.C. 6508; 43 U.S.C. 1701 *et seq.*; and Pub. L. 97–35, 95 Stat. 357.

■ 2. Revise § 3000.5 to read as follows:

§ 3000.5 Definitions.

As used in 43 CFR Subchapter C, Minerals Management (3000), the term:

Interest means ownership in a lease, or prospective lease, of all or a portion of the record title, working interest, operating rights, overriding royalty, payments out of production, carried interests, net profit share or similar instrument for participation in the benefit derived from a lease. An *interest* may be created by direct or indirect

ownership, including options. *Interest* does not mean stock ownership, stockholding or stock control in an application, offer, competitive bid or lease, except for purposes of acreage limitations and qualifications of lessees in 43 CFR subpart 3102.

Oil means all nongaseous hydrocarbon substances other than those substances leasable as coal, oil shale or gilsonite (including all vein-type solid hydrocarbons).

ONRR means the Office of Natural Resources Revenue.

Party in interest means a party who is or will be vested with any interest under the lease as defined in this section. No one is a sole party in interest with respect to an application, offer, competitive bid or lease in which any other party has an interest.

Person means any individual, firm, corporation, association, partnership, consortium, or joint venture.

Proper BLM office means the Bureau of Land Management state office having jurisdiction over the lands subject to the regulations in parts 3000 and 3100.

(See 43 CFR 1821.10 for office location and area of jurisdiction of Bureau of Land Management offices.)

Properly filed means a document or form submitted to the proper BLM office with all necessary information and payments, as provided in 43 CFR subpart 1822.

Public domain lands means lands, including mineral estates, which never left the ownership of the United States, lands which were obtained by the United States in exchange for public domain lands, lands which have reverted to the ownership of the United States through the operation of the public land laws and other lands specifically identified by the Congress as part of the public domain.

Secretary means the Secretary of the Interior.

Surface managing agency means any Federal agency, other than the BLM,

having management responsibility for the surface resources that overlay federally owned minerals.

§ 3000.10 [Removed]

■ 3. Remove § 3000.10.

■ 4. Amend § 3000.100 by revising paragraph (d) to read as follows:

§ 3000.100 Fees in general.

* * * * *

(d) *Timing of fee applicability.* (1) For a document that the BLM received before [EFFECTIVE DATE OF THE FINAL RULE], the BLM will not charge a fixed fee or a case-by-case fee under this subchapter for processing that document, except for fees applicable under then-existing regulations.

(2) For a document that the BLM receives on or after [EFFECTIVE DATE OF THE FINAL RULE], the applicant must include the required fixed fees with the documents filed, as provided in § 3000.120(a) of this chapter, and the applicant is subject to case-by-case processing fees as provided in § 3000.110 and under other provisions of this chapter.

■ 5. Revise § 3000.120 to read as follows:

§ 3000.120 Fee schedule for fixed fees.

(a) The table in this section lists the services that require payment of fixed fees to the BLM. The fixed fee amounts are posted on the BLM website (<https://www.blm.gov>) and published in a **Federal Register** notice. These fees are nonrefundable and must be included with documents filed under this chapter. Fees will be adjusted annually according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment and will subsequently be posted on the BLM website (<https://www.blm.gov>) and announced annually in the **Federal Register** before October 1 each year. Revised fees are effective each year on October 1.

TABLE 1 TO PARAGRAPH (a)—PROCESSING AND FILING FEE TABLE

Document or Action
Oil & Gas (parts 3100, 3120, 3130, 3150, 3160, and 3180):
Assignment and transfer of record title or operating rights
Designation of successor operator for all Federal agreements, except for contracted unit agreements that contain no Federal lands
Final application for Federal unit agreement approval, Federal unit agreement expansion, and Federal subsurface gas storage application
Geophysical exploration permit application—all States
Lease application
Lease consolidation
Lease reinstatement, Class I
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109
Name change; corporate merger; sheriff's deed; dissolution of corporation, partnership, or trust; or transfer to heir/devisee
Overriding royalty transfer, payment out of production
Protest fee per page after 50 pages, including exhibits
Onshore Oil and Gas Operations and Production (parts 3160, 3170):
Application for Permit to Drill

TABLE 1 TO PARAGRAPH (a)—PROCESSING AND FILING FEE TABLE—Continued

Document or Action
Geothermal (part 3200):
Assignment and transfer of record title or operating rights
Assignment or transfer of site license
Competitive lease application
Lease consolidation
Lease reinstatement
Name change, corporate merger or transfer to heir/devisee
Nomination of lands
plus per acre nomination fee
Noncompetitive lease application
Site license application
Coal (parts 3400, 3470):
Exploration license application
Lease or lease interest transfer
License to mine application
Leasing of Solid Minerals Other Than Coal and Oil Shale (parts 3500, 3580):
Applications other than those listed below
Assignment, sublease, or transfer of operating rights
Extension of prospecting permit
Lease modification or fringe acreage lease
Lease renewal
Prospecting permit application amendment
Renewal of existing sand and gravel lease in Nevada
Shasta and Trinity hardrock mineral lease
Transfer of overriding royalty
Use permit
Public Law 359; Mining in Powersite Withdrawals: General (part 3730):
Notice of protest of placer mining operations
Mining Law Administration (parts 3800, 3810, 3830, 3860, 3870):
Adverse claim
Amendment of location
Application to open lands to location
Deferment of assessment work
Mineral patent adjudication
Notice of location *
Protest
Recording a notice of intent to locate mining claims on Stockraising Homestead Act lands
Recording an annual FLPMA filing
Transfer of mining claim/site
Oil Shale Management (parts 3900, 3910, 3930):
Application for assignment or sublease of record title or overriding royalty
Exploration license application

* To record a mining claim or site location, this processing fee along with the initial maintenance fee and the one-time location fee required by statute 43 CFR part 3833 must be paid.

(b) The amount of a fixed fee is not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

PART 3100—OIL AND GAS LEASING

■ 6. Revise the authority citation for part 3100 to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; and 42 U.S.C. 15801.

■ 7. Revise § 3100.5 to read as follows:

§ 3100.5 Definitions.

As used in parts 3100, 3110, and 3120, the term:

Acreage for which expressions of interest (EOI) have been submitted means acreage that is identified in an EOI received by the BLM, that has not been proposed for leasing in any pending sale or other EOI pending BLM

disposition, and for which the BLM may lawfully issue an oil and gas lease.

Acres offered for lease means all acres that the BLM has offered for oil and gas lease, regardless of whether those acres are acreage for which expressions of interest have been submitted.

Actual drilling operations includes not only the physical drilling of a well, but also the testing, completing or equipping of such well for production.

Assignment means a transfer of all or a portion of a lessee's record title interest in a lease.

Available lands means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of

leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary.

Bid means an amount of remittance offered as partial compensation for a lease equal to, or in excess of, the national minimum acceptable bonus bid set by statute or by the Secretary, submitted by a person for a lease parcel in a competitive lease sale. For leases or compensatory royalty agreements issued under 43 CFR subpart 3109, "bid" means an amount or percent of royalty or compensatory royalty that the owner or lessee must pay for the extraction of the oil and gas underlying the right-of-way.

Competitive auction means an in-person or internet-based bidding process where leases are offered to the highest bidder.

Eligible lands means all lands that are subject to leasing under the Mineral Leasing Act of 1920 and are not excluded from leasing by a statutory prohibition.

Exception means (as used for lease stipulations) a limited exemption, for a particular site within the leasehold, to a stipulation.

Lessee means a person holding record title in a lease issued by the United States.

Modification means (as used for lease stipulations) a change to the provisions of a lease stipulation for some or all sites within the leasehold and either temporarily or for the term of the lease.

National Wildlife Refuge System Lands means lands and water, or interests therein, administered by the Secretary as wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction; wildlife management areas; or waterfowl production areas.

Oil and gas agreement means an agreement between lessees and the BLM to govern the development and allocation of production for existing leases and unleased lands, including, but not limited to, communitization agreements, compensatory royalty agreements, unit agreements, secondary recovery agreements, and gas storage agreements.

Operating right (working interest) means the interest created out of a lease authorizing the holder of that right to enter upon the leased lands to conduct drilling and related operations, including production of oil or gas from such lands in accordance with the terms of the lease. Operating rights include the obligation to comply with the terms of the original lease, as it applies to the area or horizons for the interest acquired, including the responsibility to plug and abandon all wells that are no longer capable of producing, reclaim the lease site, and remedy environmental problems.

Operating rights owner means a person holding operating rights in a lease issued by the United States. A lessee also may be an operating rights owner if the operating rights in a lease or portion thereof have not been severed from record title.

Operator means any person, including, but not limited to, the lessee or operating rights owner, who has stated in writing to the authorized officer that it is responsible under the terms and conditions of the lease for the operations conducted on the leased lands or a portion thereof.

Primary term of lease subject to section 4(d) of the Act prior to the revision of 1960 (30 U.S.C. 226–1(d)) means all periods of the life of the lease prior to its extension by reason of production of oil and gas in paying quantities; and

Primary term of all other leases means the initial term of the lease, which is 10 years.

Qualified bidder means any person in compliance with the laws and regulations governing a bid.

Qualified lessee means any person in compliance with the laws and regulations governing the BLM issued leases held by that person.

Record title means a lessee's interest in a lease, which includes the obligation to pay rent and the ability to assign and relinquish the lease. Record title includes the obligation to comply with the lease terms, including requirements relating to well operations and abandonment. Overriding royalty and operating rights are severable from record title interests.

Responsible bidder means any person who has not defaulted on the payment of winning bids for BLM-issued oil and gas leases, is capable of fulfilling the requirements of onshore BLM oil and gas leases and is in compliance with statutes and regulations applicable to oil and gas development or with the terms of a BLM-issued oil and gas lease. The term "responsible bidder" does not include persons who bid with no intention of paying a winning bid or persons who default on a winning bid.

Responsible lessee means any person who has not defaulted on previous winning bids, is capable of fulfilling the requirements of onshore Federal oil and gas leases, and is in compliance with statutes applicable to oil and gas development or the terms of a BLM-issued oil and gas lease.

Sublease means a transfer of a non-record title interest in a lease, *i.e.*, a

transfer of operating rights is normally a sublease, and a sublease also is a subsidiary arrangement between the lessee (sublessor) and the sublessee, but a sublease does not include a transfer of a purely financial interest, such as overriding royalty interest or payment out of production, nor does it affect the relationship imposed by a lease between the lessee(s) and the United States.

Transfer means any conveyance of an interest in a lease by assignment, sublease or otherwise. This definition includes the terms: *Assignment* and *Sublease*.

Unit operator means the person authorized under the unit agreement approved by the Department of the Interior to conduct operations within the unit.

Waiver means (as used for lease stipulations) a permanent exemption from a lease stipulation.

■ 8. Revise § 3100.9 to read as follows:

§ 3100.9 Information collection.

(a) Authority: 44 U.S.C. 3501–3520.

(b)(1) *Purpose*. The Paperwork Reduction Act of 1995 generally provides that an agency may not conduct or sponsor, and notwithstanding any other provision of law, 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. This part displays OMB control numbers assigned to information collection requirements contained in the Department's regulations at 43 CFR part 3100. This section aids in fulfilling the requirements of the Paperwork Reduction Act to display current OMB Control Numbers for these information collection requirements. Interested persons should consult <https://www.reginfo.gov> for the most current information on these OMB control numbers; including among other things, the justification for the information collection requirements, description of likely respondents, estimated burdens, and current expiration dates.

(2) *Table 1 to Paragraph (b)—OMB control number assigned pursuant to the Paperwork Reduction Act.*

43 CFR part or section	OMB control No.
§§ 3100, 3103.41, 3106, 3120, and Subpart 3162	1004–0185
§§ 3135, and 3216	1004–0034
Part 3130	1004–0196
Subpart 3195	1004–0179
§ 3150	1004–0162
§§ 3160, * 3171, 3176, and 3177	1004–0220
§§ 3172, 3173, 3174, 3175	1004–0137

43 CFR part or section	OMB control No.
§§ 3162.3–1, 3178.5, 3178.7, 3178.8, 3178.9 and Subpart 3179 *	1004–0211

* Information collection requirements for onshore oil and gas operations are generally accounted for under OMB Control Number 1004–0220; however, information collection requirements pertaining to particular to waste prevention, production subject to royalties, and resource conservation are accounted for under OMB Control Number 1004–0211.

■ 9. Revise the undesignated center heading following § 3100.22 to read as follows:

Information

§§ 3100.31 through 3100.33 [Removed]

■ 10. Remove §§ 3100.31 through 3100.33.

Subpart 3101—Issuance of Leases

■ 11. Revise § 3101.12 to read as follows:

§ 3101.12 Surface use rights.

A lessee will have the right to use so much of the leased lands as is necessary to explore for, drill for, mine, extract, remove and dispose of all the leased resource in a leasehold subject to applicable requirements, including stipulations attached to the lease, restrictions deriving from nondiscretionary statutes, and such reasonable mitigation measures as may be required and detailed by the authorized officer to mitigate adverse impacts to other resource values, land uses or users, as provided in the approved resource management plan. Such reasonable mitigation measures may include, but are not limited to, relocation or modification to siting or design of facilities, timing of operations, specification of interim and final reclamation measures, and specification of rates of development and production in the public interest. At a minimum, mitigation measures that are consistent with lease rights include, but are not limited to, requiring relocation of proposed operations by up to 200 meters or prohibiting new surface disturbing operations for a period of up to 60 days in any lease year.

■ 12. Revise the undesignated center heading following § 3101.14 to read as follows:

Limitation on the Issuance of New Leases

§§ 3101.21 through 3101.25 [Removed]

■ 13. Remove §§ 3101.21 through 3101.25.

■ 14. Amend § 3101.52 by revising paragraph (a) to read as follows:

§ 3101.52 Action by the Bureau of Land Management.

(a) Where the surface managing agency has consented to leasing with

required stipulations, and the Secretary decides to issue a lease, the authorized officer will incorporate the stipulations into any lease issued.

* * * * *

■ 15. Add an undesignated center heading following § 3101.53 to read as follows:

Consultation With State or Charitable Organizations

Subpart 3102—Qualifications of Lessees

■ 16. Amend § 3102.20 by revising paragraph (a) to read as follows:

§ 3102.20 Non-U.S. Citizens.

(a) Leases or interests therein may be acquired and held by non-U.S. Citizens only through stock ownership, holding or control in a present or potential lessee that is incorporated under the laws of the United States or of any State or territory thereof, and only if the laws, customs, or regulations of their country do not deny similar or like privileges to citizens or corporations of the United States. If it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, the country will be placed on a list available from any BLM state office, and citizens from those countries may not hold an interest in a lease.

* * * * *

■ 17. Amend § 3102.40 by revising the introductory paragraph to read as follows:

§ 3102.40 Signature.

Signatures on all applications and BLM forms certify acceptance of lease terms and stipulations, as well as compliance with the regulations under 43 CFR part 3100. Refer to § 3102.62 and § 3102.63 for certification of compliance and evidence. The BLM also accepts electronic signatures and submissions.

* * * * *

■ 18. Revise the undesignated center heading following § 3102.40 to read as follows:

Acreage Limitations

■ 19. Revise § 3102.51 to read as follows:

§ 3102.51 Public domain lands.

(a) No person may take, hold, own or control more than 246,080 acres of

Federal oil and gas leases on public domain lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option.

(b) In Alaska, the acreage that can be taken, held, owned, or controlled is limited to 300,000 acres in the northern leasing district and 300,000 acres in the southern leasing district, of which no more than 200,000 acres may be held under option in each of the two leasing districts. The boundary between the two leasing districts in Alaska begins at the northeast corner of the Tetlin National Wildlife Refuge as established by section 302(8) of the Alaska National Interest Lands Conservation Act, at a point on the boundary between the United States and Canada, then northwesterly along the northern boundary of the refuge to the left limit of the Tanana River (63°9'38" north latitude, 142°20'52" west longitude), then westerly along the left limit to the confluence of the Tanana and Yukon Rivers, and then along the left limit of the Yukon River from said confluence to its principal southern mouth.

■ 20. Revise § 3102.52 to read as follows:

§ 3102.52 Acquired lands.

Separate from, and in addition to, the limitation for public domain lands, no person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on acquired lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option. Where the United States owns only a fractional interest in the mineral resources of the lands involved in a lease, only that part owned by the United States will be charged as acreage holdings. The acreage embraced in a future interest lease will not be charged as acreage holdings until the lease for the future interest becomes effective.

■ 21. Revise § 3102.53 to read as follows:

§ 3102.53 Excepted acreage.

(a) The following acreage will not be included in computing acreage limitations:

(1) Acreage under any lease any portion of which is committed to any federally approved oil and gas agreement;

(2) Acreage under any lease for which royalty (including compensatory royalty

or royalty in-kind) was paid in the preceding calendar year; and

(3) Acreage under leases subject to an operating, drilling or development contract approved by the Secretary, as provided in 43 CFR subpart 3105.

(b) Acreage subject to offers to lease, overriding royalties and payments out of production will not be included in computing acreage limitations.

■ 22. Add § 3102.54 to read as follows:

§ 3102.54 Excess acreage.

(a) Where, as the result of the termination or contraction of an oil and gas agreement or the elimination of a lease from an operating, drilling, or development contract, a party holds or controls excess accountable acreage, that party will have 90 calendar days from the date of termination, contraction or elimination, to reduce the holdings to the prescribed limitation and to file proof of the reduction in the proper BLM office. Where, as a result of a merger or the purchase of the controlling interest in a corporation, a party acquired acreage in excess of the amount permitted, the party holding the excess acreage will have 180 calendar days from the date of the merger or purchase to divest the excess acreage. If additional time is required to complete the divestiture of the excess acreage, a petition requesting additional time, along with a full justification for the additional time, may be filed with the authorized officer prior to the termination of the 180 days provided herein.

(b) If any person is found to hold accountable acreage in violation of the provisions of these regulations, lease(s) or interests therein will be subject to cancellation or forfeiture in their entirety, until sufficient acreage has been eliminated to comply with the acreage limitation. Excess acreage or interest will be cancelled in the inverse order of acquisition.

■ 23. Add § 3102.55 to read as follows:

§ 3102.55 Computation.

The accountable acreage of a party owning an undivided interest in a lease will be the party's proportionate part of the total lease acreage.

■ 24. Add § 3102.61 to read as follows:

§ 3102.61 Compliance.

Only responsible and qualified bidders and lessees may own, hold, or control an interest in a lease or prospective lease. Responsible and qualified bidders and lessees, including corporations, and all members of

associations, including partnerships of all types, must, without exception, be qualified and in compliance with the Act. Compliance means that the persons are:

(a) Citizens of the United States (see § 3102.10) or non-U.S. citizens who own stock in a corporation organized under State or Federal law (see § 3102.20);

(b) In compliance with the Federal acreage limitations (see §§ 3102.51, 3102.52, 3102.53, and 3102.54);

(c) Not minors (see § 3102.30);

(d) Except for an assignment or transfer under 43 CFR subpart 3106, in compliance with section 2(a)(2)(A) of the Act (30 U.S.C. 201(2)(A)), in which case the signature on a bid or lease constitutes evidence of compliance. A lease issued to any person in violation of this paragraph (d) will be subject to the cancellation provisions of 43 CFR 3108.30.

(e) Not in violation of the provisions of section 41 of the Act (30 U.S.C. 195); and

(f) In compliance with section 17(g) of the Act (30 U.S.C. 226(g)), in which case the signature on an offer, lease, assignment, or transfer constitutes evidence of compliance that the signatory and any subsidiary, affiliate, or person, association, or corporation controlled by or under common control with the signatory, as defined in 43 CFR 3400.0–5(rr), has not failed or refused to comply with reclamation requirements with respect to all leases and operations thereon in which such person has an interest. A person is noncompliant with section 17(g) of the Act when they fail to comply with their reclamation obligations or other standards established under 30 U.S.C. 226 in the time specified in a notice from the BLM. A lease issued, or an assignment or transfer approved, to any such person in violation of this paragraph (f) may be subject to the cancellation provisions of 43 CFR 3108.30, notwithstanding any administrative or judicial appeals that may be pending with respect to violations or penalties assessed for failure to comply with the prescribed reclamation standards on any lease holdings. Noncompliance will end upon a determination by the authorized officer that all required reclamation has been completed and that the United States has been fully reimbursed for any costs incurred due to the required reclamation.

(g) In compliance with 43 CFR 3106.10(d) and section 30A of the Act (30 U.S.C. 187(a)). The authorized officer may accept the signature on a

request for approval of an assignment of less than 640 acres outside of Alaska (2,560 acres within Alaska) as acceptable certification that the assignment would further the development of oil and gas, or the authorized officer may apply the provisions of 43 CFR 3102.63.

(h) Not excluded or disqualified from participating in a transaction covered by Federal non-procurement debarment and suspension (2 CFR parts 180 and 1400), unless the Department explicitly approves an exception for a transaction pursuant to the regulations in those parts.

■ 25. Add § 3102.62 to read as follows:

§ 3102.62 Certification of compliance.

Any party(s) seeking to obtain an interest in a lease must certify that it is in compliance with the Act as set forth in 43 CFR 3102.61. A corporation or publicly traded association, including a publicly traded partnership, must certify that constituent members of the corporation, association or partnership holding or controlling more than 10 percent of the instruments of ownership of the corporation, association or partnership are in compliance with the Act. Execution and submission of a competitive bid form or request for approval of a transfer of record title or of operating rights (sublease), constitutes certification of compliance.

■ 26. Add § 3102.63 to read as follows:

§ 3102.63 Evidence of compliance.

The authorized officer may request at any time further evidence of compliance and qualification from any party holding or seeking to hold an interest in a lease. Failure to comply with the request of the authorized officer will result in adjudication of the action based on the incomplete submission.

Subpart 3103—Fees, Rentals and Royalty

■ 27. Amend § 3103.1 by revising paragraph (a) to read as follows:

§ 3103.1 Fiscal terms.

(a) The table in this section shows the fiscal terms, that the BLM will adjust every 4 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The fiscal terms displayed below are effective on June 22, 2024. The BLM will not adjust the rental nor the minimum bonus bids until after August 16, 2032.

TABLE 1 TO PARAGRAPH (a)—FISCAL TERMS TABLE

Oil and gas (parts 3100, 3110, 3120, 3130, 3140)	Fiscal term
Oil and gas, tar sand, and combined hydrocarbon leases.	Rental of \$3 per acre, or fraction thereof, per year during the first 2-year period beginning upon lease issuance, \$5 per acre per year, or fraction thereof, for the following 6 years, and then \$15 per acre, or fraction thereof, per year thereafter.
Lease reinstatement, Class II	Rental of \$20 per acre, or fraction thereof.
Combined hydrocarbon leases	Minimum bonus bids of \$25 per acre, or fraction thereof.
Oil and gas and tar sand leases	Minimum bonus bids of \$10 per acre, or fraction thereof.

* * * * *

■ 28. Revise § 3103.11 to read as follows:

§ 3103.11 Form of remittance.

Payments made to the BLM may be made by electronic funds transfer, credit card, or other digital payment options when specifically authorized by the BLM. In the case of payments made to the ONRR, such payments may also be made by electronic funds transfer.

Subpart 3104—Bonds

■ 29. Revise the heading of subpart 3104 to read as follows:

Subpart 3104—Performance Bonds.

■ 30. Revise § 3104.1 to read as follows:

§ 3104.1 Bond amounts.

(a) The table in this section shows the minimum bond amounts, that the BLM will adjust every 10 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The minimum bond amounts displayed below are effective on [INSERT EFFECTIVE DATE OF FINAL RULE].

TABLE 1 TO PARAGRAPH (a)—MINIMUM BOND AMOUNT TABLE

Oil and gas (parts 3100, 3110, 3120, 3130, 3140)	Minimum bond amount
Lease Bond	\$10,000
Statewide Bond	25,000

(b) The minimum bond amounts are not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

(c) Failure to increase or replace an existing bond that does not meet the minimum bond amount or any higher amount set by BLM based on its policies or 43 CFR 3104.50 may:

(1) Subject all wells covered by the bond(s) to shut down under the provisions of 43 CFR 3163.1(a)(3);

(2) Subject all leases covered by the bond(s) to cancellation under the provisions of 43 CFR 3108.30; and

(3) Result in the BLM referring the bond obligor or principal to the Department's Suspension and Debarment Program under 2 CFR part 1400 to determine if the person will be suspended or debarred from doing business with the Federal Government.

■ 31. Amend § 3104.10 by revising paragraph (c) to read as follows:

§ 3104.10 Bond obligations.

* * * * *

(c) Personal bonds must be accompanied by a:

(1) Certificate of deposit issued by a financial institution, the deposits of which are federally insured, explicitly granting the Secretary full authority to demand immediate payment in case of default in the performance of the terms and conditions of the lease. The certificate will explicitly indicate on its face, or through assignment, that Secretarial approval is required prior to redemption of the certificate of deposit by any party;

(2) An electronic funds transfer to the BLM;

(3) Negotiable Treasury securities of the United States of a value equal to the amount specified in the bond. Negotiable Treasury securities must be accompanied by a proper conveyance to the Secretary of full authority to sell such securities in case of default in the performance of the terms and conditions of a lease; or

(4) Irrevocable letter of credit issued by a financial institution, for a specific term, identifying the secretary as sole payee with full authority to demand immediate payment in the case of default in the performance of the terms and conditions of a lease. Letters of credit must be subject to the following conditions:

* * * * *

§ 3104.90 [Removed]

■ 32. Remove § 3104.90.

Subpart 3105—Cooperative Conservation Provisions

■ 33. Add § 3105.1 to read as follows:

§ 3105.1 Reporting and payment for production.

(a) The lessee or its designee who is a party to a unit or communitization agreement must report and pay royalties on oil and gas production for each production month in accordance with the terms of the proposed allocation of production for the unit or communitization agreement until the BLM issues a decision on the proposed agreement.

(b) To assist with accurate and complete reporting, applicants for a Federal participating area, secondary recovery unit, or communitization agreement must:

(1) Provide a list of wells with existing production that would contribute production to the area to be included in the proposed agreement; and

(2) As required under 43 CFR 3160.0–9(c)(1), submit a completion report for all wells that would contribute production to the area included in the proposed participating area, secondary recovery unit, or communitization agreement.

(c) This section does not apply to oil and gas agreements containing Indian lands.

■ 34. Add an undesignated center heading following § 3105.44 to read as follows:

Lease Consolidation

Subpart 3106—Transfers by Assignment, Sublease, or Otherwise

■ 35. Amend § 3106.10 by revising paragraph (e) to read as follows:

§ 3106.10 Transfers, general.

* * * * *

(e) An assignment of less than 640 acres outside Alaska or of less than 2,560 acres within Alaska will be denied unless the assignment constitutes the entire lease or is demonstrated to further the

development of oil and gas to the satisfaction of the authorized officer. Reference 43 CFR 3102.61(g) for certification of compliance.

* * * * *

■ 36. Revise § 3106.20 to read as follows:

§ 3106.20 Qualifications of assignees and transferees.

Assignees and transferees must comply with the provisions of 43 CFR subpart 3102.34.

■ 37. Remove the undesignated center heading following § 3106.30.

Subpart 3107—Continuation and Extension

■ 38. Amend § 3107.10 by revising paragraphs (a) and (b) to read as follows:

§ 3107.10 Extension by drilling.

(a) Any lease on which actual drilling operations were commenced prior to the end of its primary term and which are being diligently prosecuted at the end of the primary term or any lease which is part of an approved oil and gas agreement upon which such drilling takes place, will be extended for 2 years subject to the rental being timely paid as required by 43 CFR 3103.22, and subject to the provisions of 43 CFR 3105.23 and 43 CFR part 3180, if applicable. The BLM will not grant a drilling extension for a lease in its extended term.

(b) Actual drilling operations must be conducted in a manner that a prudent operator would be expected to make in that particular area, given the existing knowledge of geologic and other pertinent facts. In drilling a new well on a lease or for the benefit of a lease under the terms of an approved agreement, it must be taken to a depth sufficient to penetrate at least one formation recognized in the area as potentially productive of oil or gas, or where an existing well is reentered, it must be taken to a depth sufficient to penetrate at least one new and deeper formation recognized in the area as potentially productive of oil or gas. The authorized officer may determine that further drilling is unwarranted or impracticable.

* * * * *

■ 39. Revise § 3107.32 to read as follows:

§ 3107.32 Segregation of leases committed in part.

(a) Any lease committed after July 29, 1954, to any unit agreement, which covers lands within and lands outside the area covered by the agreement, will be segregated, as of the effective date of commitment to the unit, into separate

leases; one covering the lands committed to the agreement, the other lands not committed to the agreement. For unproven areas, such segregation will occur only when the public interest requirement is satisfied pursuant to 43 CFR 3183.4(b). Upon satisfaction of the public interest requirement, the BLM will deem the segregation to have been effective as of the date of commitment of the lands to the unit.

(b)(1) The segregated lease covering the non-unitized portion of the lands will continue in force and effect for the term of the lease or for 2 years from the date of segregation, whichever is longer.

(2) If a lease committed in part is in an extended term because of production, the segregated, non-producing lease will continue in effect so long as the producing lease exists and rentals are paid, and so long thereafter as oil or gas is produced from the committed lease.

§ 3107.52 [Removed]

■ 40. Remove § 3107.52.

■ 41. Add an undesignated center heading after § 3107.53 to read as follows:

Other Extension Types

■ 42. Amend § 3107.60 by revising the introductory paragraph to read as follows:

§ 3107.60 Extension of reinstated leases.

Where a reinstatement of a terminated lease is granted under 43 CFR 3108.22 or 43 CFR 3108.23 and the authorized officer finds that the reinstatement will not afford the lessee a reasonable opportunity to continue operations under the lease, the authorized officer may extend the term of such lease for a period sufficient to give the lessee such an opportunity. Any extension will be subject to the following conditions:

* * * * *

■ 43. Remove the undesignated center heading following § 3107.60.

Subpart 3108—Relinquishment, Termination, Cancellation

■ 44. Remove the undesignated center heading following § 3108.10.

■ 45. Amend § 3108.23 by revising paragraph (a) to read as follows:

§ 3108.23 Reinstatement at higher rental and royalty rates: Class II reinstatements.

(a) The authorized officer may, if the requirements of this section are met, reinstate a lease that was terminated by operation of law for failure to pay rental timely when the rental was not paid or tendered within 20 calendar days of the termination date, and it is shown to the satisfaction of the authorized officer that

such failure was justified or not due to a lack of reasonable diligence, or no matter when the rental was paid, it is shown to the satisfaction of the authorized officer that such failure was inadvertent.

* * * * *

Subpart 3109—Leasing Under Special Acts

■ 46. Add an undesignated center heading following § 3109.15 to read as follows:

Leasing Under Other Special Acts

■ 47. Amend § 3109.20 by revising paragraph (b) to read as follows:

§ 3109.20 Units of the National Park System.

* * * * *

(b) Any lease or permit respecting minerals in units of the National Park System may be issued only with the consent of the Regional Director, National Park Service. Such consent will only be granted upon a determination by the Regional Director that the activity permitted under the lease or permit will not have significant adverse effect upon the resources or administration of the unit pursuant to the authorizing legislation of the unit. Any lease or permit issued will be subject to such conditions as may be prescribed by the Regional Director to protect the surface and significant resources of the unit, to preserve their use for public recreation, and to the condition that site specific approval of any activity on the lease will only be given upon concurrence by the Regional Director. All lease applications received for reclamation withdrawn lands will also be submitted to the Bureau of Reclamation for review.

* * * * *

■ 48. Add part 3110 to read as follows:

PART 3110—NONCOMPETITIVE LEASES

Sec.

3110.1 Lands accessible for noncompetitive leasing.

3110.2 Application requirements.

3110.3 Priority.

3110.4 Action on application.

3110.5 Noncompetitive lease terms.

3110.6 Reversionary noncompetitive leases.

Authority: 16 U.S.C. 3101 *et seq.*; 30 U.S.C. 181 *et seq.* and 351–359; 31 U.S.C. 9701; 43 U.S.C. 1701 *et seq.*; and Public Law 97–35 Stat. 357; and the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41).

§ 3110.1 Lands accessible for noncompetitive leasing.

Only lands that have been offered competitively under part 3120 of this

title, and for which no bid has been received, will be accessible for noncompetitive leasing. Such lands will become accessible for noncompetitive leasing for a period of 2 years beginning on the first business day following the last day of the competitive auction, or the replacement auction that includes the parcel, whichever is later. A lease may be issued based on an application properly filed any time within the 2-year noncompetitive leasing period.

§ 3110.2 Application requirements.

(a) A noncompetitive lease application must be made on a current form approved by the Director. Copies must be exact reproductions of the official approved form, without additions, omissions, or other changes, or advertising. The noncompetitive lease application must:

(1) Include the lease application filing fee found in the fee schedule in § 3000.120 of this chapter.

(2) Include the first-year rental found in the fiscal terms in § 3103.1 of this chapter.

(3) Demonstrate the applicant's compliance with lessee qualifications under subpart 3102.

(4) Provide the parcel number from the Notice of Competitive Lease Sale in which the parcel was offered and did not sell. Each application must contain only a single parcel.

(5) The legal land description of the lease parcel of interest in the noncompetitive lease application, which must exactly match the parcel land description of a parcel that was offered in the competitive auction.

(b) A noncompetitive lease application under this part may be withdrawn by the applicant, unless the BLM has signed the lease form.

§ 3110.3 Priority.

(a) Applications filed for lands accessible for noncompetitive leasing, as specified in § 3110.1, will receive priority as of the date and time of filing as specified in 43 CFR 1821.11, except that all noncompetitive offers will be considered simultaneously filed if received in the proper BLM office at any time during the first business day following the last day of the competitive auction, or the replacement sale that includes the parcel, whichever is later.

(b) If the BLM receives simultaneously filed applications, the BLM will select a single application, as specified in 43 CFR 1822.18. If the selected application does not result in issuance of a lease, the BLM will offer the lease to the next qualified applicant.

(c) Where a correction to an application is needed or is made,

whether at the option of the applicant or at the request of the authorized officer, its priority will be determined as of the date the application has been corrected and is complete. If the BLM receives a complete application from another party before the date on which the initial applicant files the corrected application, then the intervening complete application will supersede the corrected application.

§ 3110.4 Action on application.

(a) No lease will be issued before the BLM takes final action on any prior application to lease the lands or any extension of, or petition for reinstatement of, an existing or former lease on the lands. If a noncompetitive lease is issued under this section before final action on a prior application, extension, or reinstatement, the BLM will cancel the noncompetitive lease to be issued under this paragraph.

(b) The United States will indicate its acceptance of the noncompetitive lease application, in whole or in part, and the issuance of the lease, by signature of the authorized officer on the current lease form. A signed copy of the lease will be delivered to the applicant.

(c) Filing a noncompetitive lease application on a lease form not currently in use, unless the application was filed before the Director declaring such lease form obsolete, may be allowed, on the condition that the applicant is bound by the terms and conditions of the lease form currently in use.

(d) A noncompetitive lease application that is not properly filed in accordance with the regulations in this chapter will be rejected, including a noncompetitive lease application for lands that have not been offered on a competitive lease sale.

(e) A noncompetitive lease application made for lands that have been leased competitively will be rejected.

§ 3110.5 Noncompetitive lease terms.

(a) All noncompetitive leases must be for a primary term of 10 years.

(b) All noncompetitive leases will be considered issued when signed by the authorized officer.

(c) Noncompetitive leases will be effective as of the first day of the month following the date the leases are issued. A lease may be made effective on the first day of the month within which it is issued if a written request for the earlier effective date is made before the authorized officer signs the lease. Noncompetitive future interest leases, as described under § 3120.72, will be

effective as of the date the mineral interests vest in the United States.

§ 3110.6 Reversionary noncompetitive leases.

(a) This section applies only to those lands that are under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 et. seq.).

(b) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a private lease under which oil or gas was being produced, or had a well capable of producing, the holder of the private lease may elect to continue the lease as a noncompetitive lease.

(c) An election must be made before the interest becomes a vested present interest. If an election is made after the time allowed, or if no election is made, the BLM will reject the application and offer the lands on the next competitive lease sale.

(d) The lessees must comply with lessee qualifications under subpart 3102.

(e) The lessee must provide an acceptable bond before lease issuance.

PART 3120—COMPETITIVE LEASES

■ 49. Revise the authority citation for part 3120 to read as follows:

Authority: 16 U.S.C. 3101 *et seq.*; 30 U.S.C. 181 *et seq.* and 351–359; 40 U.S.C. 471 *et seq.*; Pub. L. 113–291, 128 Stat. 3762; and the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41).

■ 50. Revise § 3120.11 to read as follows:

§ 3120.11 Lands offered for competitive leasing.

The BLM will consider the types of lands described below for competitive leasing under the MLA, including but not limited to:

(a) Lands that were covered by previously issued oil and gas leases that have terminated, expired, been cancelled or relinquished;

(b) Lands for which the authority to lease has been delegated from the General Services Administration to the BLM;

(c) Lands from a cancelled lease or interest in a lease that was acquired in violation of any of the provisions of the Act. When an underlying lease or interest in a lease is cancelled or forfeited through a bankruptcy or otherwise to the United States and there are valid interests therein that are not subject to cancellation, forfeiture, or compulsory disposition, such underlying lease or interest may be sold

to the highest responsible and qualified bidder by competitive bidding under this subpart, subject to all outstanding valid interests therein. If less than the whole interest in the lease, or interest is cancelled or forfeited, such partial interest may likewise be sold by competitive bidding. If no satisfactory bid is obtained as a result of the competitive offering of such whole or partial interests, such interests may be sold in accordance with 30 U.S.C. 184(h)(2) by such other methods as the authorized officer deems appropriate, but on terms no less favorable to the United States than those of the best competitive bid received. Interest in outstanding leases(s) so sold will be subject to the terms and conditions of the existing lease(s);

(d) Lands which are otherwise unavailable for leasing but which are subject to drainage (protective leasing);

(e) Lands included in any expression of interest submitted to the authorized officer; and

(f) Lands selected by the authorized officer.

§ 3120.13 [Removed]

■ 51. Remove § 3120.13.

■ 52. Revise § 3120.22 to read as follows:

§ 3120.22 Effective date of leases.

All competitive leases will be considered issued when the authorized officer signs them. Competitive leases, except future interest leases issued under § 3120.72, will be effective as of the first day of the month following the date the authorized officer signs the leases on behalf of the United States. A lease may be made effective on the first day of the month within which it is issued if the winning bidder makes a written request before the date the authorized officer signs the lease. Leases for future interest will be effective as of the date the mineral interests vest in the United States.

■ 53. Revise 3120.31 to read as follows:

§ 3120.31 Expression of interest process.

(a) A party submitting an expression of interest in leasing land available for disposition under section 17 of the Mineral Leasing Act must include the submitter's name and address and must submit the expression of interest through the BLM's online leasing system.

(b) The expression must provide a description of the lands identified by legal land description, as follows:

(1) For lands surveyed under the public land survey system, describe the lands to the nearest aliquot part within the legal subdivision, section, township, range, and meridian;

(2) For unsurveyed lands, describe the lands by metes and bounds, giving courses and distances, and tie this information to an official corner of the public land surveys, or to a prominent topographic feature;

(3) For approved protracted surveys, include an entire section, township, range, and meridian. Do not divide protracted sections into aliquot parts;

(4) For lands that have water boundaries, describe the lands based on the initial survey or deed acquiring ownership;

(5) For lands where the acquiring agency has assigned an acquisition or tract number covering the lands applied, submit the number in addition to any description otherwise required by this section. If the authorized officer determines that the acquisition or tract number, together with identification of the State and county, constitutes an adequate description, the authorized officer may allow the description in this manner in lieu of other descriptions required by this section.

(c) A submitter may submit more than one expression of interest, so long as each expression separately satisfies the requirements of this section.

(d) The BLM may offer for lease all or some of the lands specified in an expression of interest and may offer those lands as part of a parcel that includes lands not specified in the expression of interest.

§§ 3120.32 and 3120.33 [Removed]

■ 54. Remove §§ 3120.32 and 3120.33.

■ 55. Revise § 3120.42 to read as follows:

§ 3120.42 Posting timeframes.

(a) At least 45 calendar days prior to conducting a competitive auction, the BLM will make available to the public a list of lands to be offered for competitive lease sale in a Notice of Competitive Lease Sale.

(b) After posting the Notice of Competitive Lease Sale, the BLM will provide a protest period, of not less than 10 calendar days, for public input on the upcoming lease sale.

(c) The BLM will make available the final National Environmental Policy Act documents prior to issuing a lease from the lease sale.

(d) The BLM will post a public notice if it decides for any reason not to hold a scheduled quarterly lease sale.

■ 56. Add § 3120.43 to read as follows:

§ 3120.43 Protests.

(a) The BLM will not suspend actions pursuant to the regulations in this subpart or under 43 CFR 4.21(a) due to a protest filed against the authorized officer's notice to hold a lease sale.

(b) Notwithstanding paragraph (a) of this section, the authorized officer may suspend the offering of a specific parcel while considering a protest against its inclusion in a Notice of Competitive Lease Sale.

(c) Only the Assistant Secretary for Land and Minerals Management may suspend a lease sale for good cause after reviewing the reason(s) for a protest.

(d) The processing fee for filing protests over 50 pages, inclusive of exhibits, is listed in the fee schedule in § 3000.120 of this chapter.

■ 57. Amend § 3120.53 by revising paragraph (a) to read as follows:

§ 3120.53 Award of lease.

(a) A bid cannot be withdrawn and will constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and processing fee. Execution by the high bidder of a competitive lease bid form approved by the Director constitutes certification of compliance with 43 CFR subpart 3102, will constitute a binding lease offer, including all terms and conditions applicable thereto, and must be submitted when payment is made in accordance with § 3120.52(b). Failure to comply with § 3120.52(c) will result in rejection of the bid and forfeiture of the monies submitted under § 3120.52(b).

* * * * *

■ 58. Revise § 3120.60 to read as follows:

§ 3120.60 Parcels not bid on at auction.

The BLM will hold a replacement sale within 30 calendar days after a competitive auction when 25 percent or greater of the acreage offered does not receive bids. Lands offered at the competitive auction that received no bids will become accessible for noncompetitive leasing for a period of 2 years beginning on the first business day following the last day of the competitive auction, or the replacement auction that includes the parcel, whichever is later, as provided by 43 CFR part 3110.

■ 59. Amend § 3120.72 by revising paragraph (b) to read as follows:

§ 3120.72 Future interest terms and conditions.

* * * * *

(b) Upon vesting of the oil and gas rights in the United States, the future interest lease rental and royalty will be as for any competitive lease issued under this subpart, as provided in 43 CFR subpart 3103, and the acreage will be chargeable in accordance with 43 CFR subpart 3102.

■ 60. Revise § 3120.73 to read as follows:

§ 3120.73 Compensatory royalty agreements.

The terms and conditions of compensatory royalty agreements involving acquired lands in which the United States owns a future or fractional interest will be established on an individual case basis. Such agreements may be required when leasing is not possible in situations where the interest of the United States in the oil and gas deposit includes both a present and a future fractional interest in the same tract containing a producing well. The BLM may use such agreements until the BLM issues a competitive lease for unleased lands included in a compensatory royalty agreement.

PART 3130—OIL AND GAS LEASING: NATIONAL PETROLEUM RESERVE, ALASKA

- 61. Revise the authority citation for part 3130 to read as follows:

Authority: 42 U.S.C. 6508.

- 62. Amend § 3134.1 by revising paragraphs (a), (b), and (e) to read as follows:

§ 3134.1 Bonding.

(a) Prior to issuance of an oil and gas lease, the successful bidder must furnish the authorized officer a surety or personal bond in accordance with the provisions of § 3104.10 of this title in the sum of \$100,000, conditioned on compliance with all the lease terms and conditions, including rentals and royalties, and any stipulations. The bond will not be required if the bidder already maintains or furnishes a bond in the sum of \$300,000, conditioned on compliance with the terms, conditions, and stipulations of all oil and gas leases held by the bidder within NPR–A.

(b) A bond in the sum of \$100,000 or \$300,000, may be provided by an operating rights owner (sublessee) or operator in lieu of a bond furnished by the lessee, and must assume the responsibilities and obligations of the lessee for the entire leasehold in the same manner and to the extent as though they were the lessee.

* * * * *

(e) Except as provided in this subpart, the bonds required for NPR–A leases are in addition to any other bonds the successful bidder may have filed or be required to file under §§ 3104.20, 3104.30(a) and 3154.1 and subparts 3206 and 3209 of this title.

PART 3140—LEASING IN SPACIAL TAR SANDS AREAS

- 63. Revise the authority citation for part 3140 to read as follows:

Authority: 30 U.S.C. 181 *et seq.*; 30 U.S.C. 351–359; Pub. L. 97–78, 95 Stat. 1070; 42 U.S.C. 15801, unless otherwise noted.

- 64. Amend § 3140.14 by revising paragraphs (a) and (c)(2) to read as follows:

§ 3140.14 Other provisions.

(a) A combined hydrocarbon lease will be for no more than 5,760 acres. Acreage held under a combined hydrocarbon lease in a Special Tar Sand Area is not chargeable to State oil and gas limitations allowable in 43 CFR 3102.51 or 3102.52.

* * * * *

(c) * * *

(2) The royalty rate for a combined hydrocarbon lease converted from a valid claim based on a mineral location will be 12.5 percent.

* * * * *

- 65. Revise § 3140.70 to read as follows:

§ 3140.70 Lands within the National Park System.

The BLM stopped accepting conversion applications on November 15, 1983. Conversions of existing oil and gas leases and valid claims based on mineral locations to combined hydrocarbon leases within units of the National Park System will be allowed only where mineral leasing is permitted by law and where the lands covered by the lease or claim proposed for conversion are open to mineral resource disposition in accordance with any applicable minerals management plan. (See 43 CFR 3100.3(g)(4)). In order to consent to any conversion or any subsequent development under a combined hydrocarbon lease requiring further approval, the Regional Director of the National Park Service must find that there will be no resulting significant adverse impacts on the resources and administration of such areas or on other contiguous units of the National Park System in accordance with 43 CFR 3109.20(b).

Subpart 3141—Leasing in Special Tar Sands Areas

- 66. Amend § 3141.10 by revising paragraph (h) to read as follows:

§ 3141.10 General.

* * * * *

(h) The acreage of combined hydrocarbon leases or tar sand leases held within a Special Tar Sand Area will not be charged against acreage limitations for the holding of oil and gas leases as provided in 43 CFR 3102.51.

* * * * *

- 67. Amend § 3141.53 by revising paragraphs (a) and (e) to read as follows:

§ 3141.53 Royalties and rentals.

(a) The royalty rate on all combined hydrocarbon leases or tar sand leases is 12.5 percent of the value of production removed or sold from a lease. The ONRR will be responsible for collecting and administering royalties.

* * * * *

(e) Except as explained in paragraphs (a) through (c) of this section, all other provisions of 43 CFR subpart 3103 apply to combined hydrocarbon leasing.

■ 68. Revise § 3141.63 to read as follows:

§ 3141.63 Conduct of sales.

(a) *Oil and gas leases.* Lease sales for oil and gas leases will be conducted using the procedures for oil and gas leases in 43 CFR 3120.51.

(b) *Combined hydrocarbon leases and tar sand leases.* (1) Parcels will be offered by competitive auction.

(2) The winning bid will be the highest bid by a responsible and qualified bidder, equal to the minimum bonus bid amount as specified in § 3103.1 of this chapter or for hydrocarbon leases, the minimum bonus bid amount determined under § 3141.51, whichever is larger.

(3) Payments must be made as provided in 43 CFR 3120.52.

PART 3150—ONSHORE OIL AND GAS GEOPHYSICAL OPERATIONS

- 69. Revise the authority citation for part 3150 to read as follows:

Authority: 16 U.S.C. 3150(b) and 668dd; 30 U.S.C. 189 and 359; 42 U.S.C. 6508.

- 70. Revise § 3152.3 to read as follows:

§ 3152.3 Renewal of exploration permit.

Upon request by the permittee, an exploration permit may be renewed for a period not to exceed 1 year.

PART 3160—ONSHORE OIL AND GAS OPERATIONS

- 71. Revise the authority citation for part 3160 to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; and Sec. 107, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

- 72. Revise § 3165.1 to read as follows:

§ 3165.1 Relief from operating and/or producing requirements.

(a) Applications for relief from either the operating or the producing requirements of a lease, or both, must be filed with the authorized officer, and must include a full statement of the circumstances that render such relief necessary.

(b) The authorized officer will act on applications submitted for a suspension

of operations or production, or both, filed pursuant to 43 CFR 3103.42. The application for suspension must be filed with the authorized officer prior to the expiration date of the lease; must be executed by all operating rights owners or by the operator on behalf of the operating rights owners; and must include a full statement of the circumstances that makes such relief necessary.

(c) If approved, a suspension will be effective on the first of the month in which the completed application was filed or the date specified by the authorized officer in the approval.

(d) Suspensions will lift when the basis provided for the suspension no longer exists, when lifting the suspension is in the public interest, or as otherwise stated by the authorized officer in the approval letter.

(e) The BLM may grant a suspension of operations and production or a suspension of operations at any time in a lease's term but may only grant a suspension of production after a lease begins production.

PART 3180—ONSHORE OIL AND GAS UNIT AGREEMENTS: UNPROVEN AREAS

■ 73. The authority citation for part 3180 continues to read as follows:

Authority: 30 U.S.C. 189.

■ 74. Revise § 3181.1 to read as follows:

§ 3181.1 Preliminary consideration of unit agreement.

The model unit agreement, available from the BLM's form web page, is acceptable for use in unproven areas. Unique situations requiring special provisions should be clearly identified, since these and other special conditions may necessitate a modification of the model unit agreement. Any proposed special provisions or other modifications of the model agreement should be submitted for preliminary consideration so that any necessary revision may be prescribed prior to execution by the interested parties. Where Federal lands constitute less than 10 percent of the total unit area, a non-Federal unit agreement may be used. Upon submission of such an agreement, the authorized officer will take appropriate action to commit the Federal lands.

■ 75. Revise § 3183.4 to read as follows:

§ 3183.4 Approval of executed agreement.

(a) A unit agreement may be approved by the authorized officer upon a determination that such agreement is necessary or advisable in the public interest and is for the purpose of more properly conserving natural resources. Such approval will be incorporated in a Certification-Determination document appended to the agreement, and the unit agreement will not be deemed effective until the authorized officer has executed the Certification-Determination document. No such agreement will be approved unless the parties signing the

agreement hold sufficient interests in the unit area to provide reasonably effective control of operations.

(b) The public interest requirement of an approved unit agreement for unproven areas will be satisfied only if the unit operator commences actual drilling operations and thereafter diligently prosecutes such operations in accordance with the terms of said agreement. If an application is received for voluntary termination of a unit agreement for an unproven area during its fixed term or such an agreement automatically expires at the end of its fixed term without the public interest requirement having been satisfied, the approval of that agreement by the authorized officer and lease segregations and extensions under 43 CFR subpart 3107 will be invalid, and no Federal lease will be eligible for extensions under 43 CFR subpart 3107.

(c) Any modification of an approved agreement will require the prior approval of the authorized officer.

Subpart 3186—Model Forms [Removed]

■ 76. Remove subpart 3186—Model Forms.

Lanny E. Erdos,

Director, Office of Surface Mining, Reclamation, and Enforcement Exercising Authority of the Assistant Secretary—Land and Minerals Management.

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Part III

Nuclear Regulatory Commission

10 CFR Part 30, 37, 40, et al.

Modernizing Materials Licensing; Proposed Rule

NUCLEAR REGULATORY COMMISSION

10 CFR Part 30, 37, 40, 51, 70, 72, and 140

[NRC–2025–1370]

RIN 3150–AL56

Modernizing Materials Licensing

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is proposing to amend its regulations for byproduct, source, and special nuclear material to modernize the NRC's materials licensing requirements. This proposed action is responsive to several executive orders and the NRC's mission to enable safe, efficient, and reliable licensing. These changes are deregulatory in nature and include streamlining the process for existing and certain new applicants to enable bringing power to the grid. Unnecessary regulations are being eliminated, and reporting and recordkeeping requirements are being changed. The NRC is proposing several other changes to clarify regulations that are confusing or ambiguous to make the overall licensing process more efficient. Finally, regulations governing the storage of radioactive material are being amended to accommodate new and advanced nuclear fuels.

DATES: Comments must be submitted electronically using <https://www.regulations.gov> by 11:59 p.m. eastern time on August 10, 2026.

ADDRESSES: Submit your comments, identified by Docket ID NRC–2025–1370, at <https://www.regulations.gov>. If your material cannot be submitted using <https://www.regulations.gov>, call or email the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions.

Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received, and will not be deleted, modified, or redacted. Comments may be submitted anonymously.

Follow the search instructions on <https://www.regulations.gov> to view public comments.

You can read a plain language description of this proposed rule at <https://www.regulations.gov/docket/NRC-2025-1370>. For additional direction on obtaining information and

submitting comments, see “Obtaining Information and Submitting Comments” in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT:

Andy Imboden, U.S. Nuclear Regulatory Commission, Washington DC 20555–0001; telephone: 301–287–9055, email: andy.imboden@nrc.gov.

SUPPLEMENTARY INFORMATION:

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I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2025–1370 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- **Federal Rulemaking Website:** Go to <https://www.regulations.gov> and search for Docket ID NRC–2025–1370.

- **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 “ADAMS Search.” For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to PDR.Resource@nrc.gov. For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the “Availability of Documents” section.

- **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.

- **Public Meeting:** The NRC may conduct a public meeting to describe the proposed amendments and answer questions from the public on the proposed rule. If the NRC determines it will hold a public meeting, NRC will publish a notice of the location, time, and agenda of the meeting on the NRC's public meeting website within 10 calendar days of the meeting. Stakeholders should monitor the NRC's public meeting website for information about the public meeting at: <https://www.nrc.gov/public-involve/public-meetings/index.cfm>.

B. Submitting Comments

Comments must be submitted using <https://www.regulations.gov> by 11:59 p.m. eastern time on August 10, 2026. Please include Docket ID NRC–2025–1370 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at <https://www.regulations.gov> as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment

submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Executive Order 14300: Ordering the Reform of the Nuclear Regulatory Commission

On May 23, 2025, President Donald J. Trump signed Executive Order (E.O.) 14300, “Ordering the Reform of the Nuclear Regulatory Commission.” This rulemaking addresses Section 5, “Reforming and Modernizing the NRC’s Regulations,” of E.O. 14300, which directs the NRC to undertake a review and wholesale revision of its regulations and guidance documents as guided by the policies set forth in section 2 of the E.O.

III. Background

The NRC is proposing rulemaking in response to recent E.O.s. Some of the proposed changes would also address issues that have historically been raised as subjects of discussion between the NRC and its stakeholders. The following discussion provides background information on some of the most significant changes proposed by this rulemaking.

First, the changes proposed to title 10 of the *Code of Federal Regulations* (10 CFR) part 37, “Physical Protection of Category 1 And Category 2 Quantities of Radioactive Material,” have been the topic of prior discussions between the NRC and its stakeholders. These have been addressed, in large part, through other regulatory processes, but not yet by rulemaking. The issue of creating exemptions from physical protection requirements for large and robust structures was the subject of an unresolved petition for rulemaking (PRM).

On June 12, 2014, the NRC received a PRM submitted by the Nuclear Energy Institute (NEI) (ADAMS Accession No. ML14199A570), requesting that the NRC amend 10 CFR part 37 to clarify and expand current exemptions in § 37.11 for when the physical protection measures for category 1 and category 2 quantities of radioactive material do not apply to a power reactor licensee. NEI stated that both licensees and the NRC have encountered significant problems with § 37.11 which can only be remedied through a rulemaking. NEI indicated that the exemption in § 37.11(c) only addresses waste material, and therefore large components and non-waste material stored in robust structures that present a similar or lower risk for theft or diversion are not exempt from the 10 CFR part 37 requirements. The petition was docketed as PRM–37–

1 and published for comment on October 28, 2014 (79 FR 64149). On June 12, 2015, the NRC published a notice in the **Federal Register** (80 FR 33450) stating that it had reviewed the petition and related public comments and agreed to consider the issues raised in the rulemaking process.

Recognizing the low risk associated with large components containing category 1 or category 2 quantities of radioactive material and the storage of category 1 or category 2 quantities of radioactive material in robust structures, the NRC issued Enforcement Guidance Memorandum (EGM)–14–001, “Interim Guidance for Dispositioning 10 CFR Part 37 Violations with Respect to Large Components or Robust Structures Containing Category I or Category 2 Quantities of Material at Power Reactor Facilities Licensed under 10 CFR Parts 50 and 52,” dated March 13, 2014 (ADAMS Accession No. ML14056A151). This EGM documented the NRC’s policy of enforcement discretion for power reactor licensees subject to 10 CFR part 73, “Physical Protection of Plants and Materials,” whose security programs did not separately address the requirements of 10 CFR part 37. EGM–14–001 provided guidance for dispositioning violations associated with large components (e.g., steam generators, steam dryers, turbine rotors, reactor vessels, reactor vessel heads, reactor coolant pumps, and shielding blocks) containing category 1 and category 2 quantities of radioactive material, or category 1 and category 2 quantities of radioactive material contained in robust structures, such as mausoleums at power reactor facilities licensed under 10 CFR part 50, “Domestic Licensing of Production and Utilization Facilities,” and 10 CFR part 52, “Licenses, Certifications, and Approvals for Nuclear Power Plants.” However, EGMs are intended to provide temporary guidance and are typically put in place for relatively short periods of time.

While the NRC actively pursued the 10 CFR part 37 rulemaking, it issued an Interim Enforcement Policy (IEP) on August 23, 2024 (89 FR 68083), allowing continued enforcement discretion until the underlying technical issue could be resolved through rulemaking or other regulatory action. IEPs provide an avenue to establish policy, allowing them to be in place for longer periods of time than EGMs and providing for increased clarity because they are approved by the Commission as a policy matter. IEPs also offer enhanced openness because they are incorporated in the Enforcement Policy and published in the **Federal Register** to provide broad awareness among

stakeholders. The NRC would continue to exercise enforcement discretion using this IEP and would not issue a notice of violation pending completion of the final rulemaking. The changes proposed in this rulemaking now seek to address this issue and propose an additional clarifying change to 10 CFR part 37.

The proposed amendments to 10 CFR part 70, “Domestic Licensing of Special Nuclear Material,” also arise from E.O.s and historical discussions between the NRC and its stakeholders. In response to E.O. 14301, “Reforming Nuclear Reactor Testing at the Department of Energy,” and E.O. 14299, “Deploying Advanced Nuclear Reactor Technologies for National Security,” issued May 23, 2025, the U.S. Department of Energy (DOE) established a pilot program to expedite the testing of advanced nuclear reactor designs under DOE authority outside of the national laboratories and a corresponding Fuel Line Pilot Program. The pilot fuel lines would establish a domestic nuclear fuel supply chain for pilot reactors for non-commercial purposes.

The NRC is working closely with the DOE on developing a process to allow for efficient leveraging of the DOE authorization in the NRC licensing process. This rulemaking is one part of that process. This rulemaking recognizes that the construction and operation of pilot fuel lines authorized by the DOE for non-commercial purposes would be exempt from the requirements for an NRC license under the regulations in 10 CFR part 70. The proposed rulemaking would also allow for streamlined commercial licensing of these fuel lines in the future by focusing the potential future NRC review on parts of the application where aspects of the DOE authorization do not satisfy NRC regulations and statutory provisions as they apply to commercial operations. This would allow the NRC’s review of future applications under this program to focus on any potential differences rather than revisiting areas already addressed by the DOE authorization that are consistent with the NRC’s regulatory and statutory requirements.

The proposed changes to streamline and clarify the licensing of spent fuel reprocessing facilities using 10 CFR part 70 are responsive to a long history of discussion between the NRC and its stakeholders. As determined by a gap analysis performed by the NRC staff in 2009 (SECY–09–0082, “Update on Reprocessing Regulatory Framework—Summary of Gap Analysis” (ADAMS Accession No. ML091520280)), gaps were found to exist between the current regulations and requirements that would be necessary to provide for

adequate protection of public health and safety, the common defense and security, and the environment, for the unique aspects of spent fuel reprocessing facilities. Subsequently, from 2013 to 2016, the NRC assessed the quantitative risk associated with reprocessing facility accidents in support of a limited-scope rulemaking. However, due to a lack of industry plans for a reprocessing facility license application, the rulemaking was withdrawn in 2021. The gaps, however, remain, and because of these gaps, an applicant seeking such a license may need to request exemptions, and may require additional license conditions, to address issues specific to reprocessing technology. The proposed amendments aim to reduce regulatory burden by addressing some of the procedural gaps and thereby providing a clearer licensing framework for applications for spent fuel reprocessing facilities under 10 CFR part 70.

Finally, with respect to spent fuel storage, the proposed changes are also responsive to issues that have been a topic of discussion between NRC and its stakeholders. The regulations in 10 CFR part 72, “Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High-Level Radioactive Waste, and Reactor-Related Greater Than Class C Waste,” have undergone significant revisions over the past decades. Currently the regulations for spent fuel storage have separate technical regulatory requirements spread across several subparts of 10 CFR part 72 for specific licensees and Certificate of Compliance (CoC) holders with a common set of performance specifications (e.g., dose limits and criticality control) and quality assurance (QA) requirements.

Significant changes to 10 CFR part 72 were first described in a final rule published in July 1990 (55 FR 29181) and were a result of the 1987 amendment to the Nuclear Waste Policy Act. This rulemaking added subparts K and L which included requirements for General Licensees (GLs) (subpart K) and approval of dry spent fuel storage systems (subpart L). However, the regulatory changes described in the July 1990 and October 1999 (64 FR 56121) rulemakings led to confusion regarding the applicability of 10 CFR part 72 between the Specific Licensees, GLs, and CoC holders, which led to the addition of § 72.13 in August 2000 (65 FR 50606). The changes proposed in this rulemaking seek to address this confusion and to provide additional clarity to the regulations.

The changes to 10 CFR part 72 also reduce burden by streamlining the

certification process for dry storage cask designs by removing the rulemaking process for cask approvals. They also seek to streamline the change process for 10 CFR part 72 by codifying the discretion granted in an August 2025 IEP (ADAMS Accession No. ML25224A097), which allows the NRC staff to exercise enforcement discretion for certain GL violations of §§ 72.48 and 72.212. Lastly, they seek to streamline the licensing of advanced reactor technologies by clarifying definitions for spent fuel and descriptions of damaged fuel to accommodate advanced reactor fuels.

IV. Discussion

The NRC is proposing this rulemaking as part of the NRC’s response to E.O. 14300, “Ordering the Reform of the Nuclear Regulatory Commission,” which directs the NRC to modernize its regulations and enable the delivery of safe, abundant nuclear energy to the American people. This proposed rule addresses topics in Section 5, “Reforming and Modernizing the NRC’s Regulations” of E.O. 14300 and additional deregulatory changes consistent with the NRC’s mission to enable safe, efficient and reliable licensing. Because this proposed rule would cover a wide-ranging set of issues, the following discussion is organized by subject area.

A. Reducing Facility Construction Timelines

The proposed rule would make changes to the NRC’s regulations for constructing byproduct, source, and certain fuel cycle facilities to safely enable bringing power to the grid. Historically, stakeholders have identified areas where the regulations are not clear and could cause unnecessary delays during critical pre-application stages of facility construction. Prior efforts have been made to increase clarity on individual licensing actions, and this rule would clarify and accelerate overall construction timelines for many materials facilities.

Specifically, this proposed rule addresses the construction of byproduct, source, and fuel cycle facilities by making identical changes in 10 CFR parts 30, 40, and 70. Stakeholders have identified that provisions in the current regulations indicate that commencement of construction prior to approval of the license is “grounds for denial,” which has raised concern among applicants proposing to construct facilities. The NRC is proposing to clarify the language across its materials facility construction

regulations, including §§ 30.33(a)(5), 40.32(e), and 70.23(a)(7) to explain that construction prior to approval may proceed but it occurs at the applicant’s own risk. The proposed change in § 70.23(a)(7) from “grounds for denial” to “at its own risk” would not apply to uranium enrichment facilities or spent fuel reprocessing facilities. Pursuant to statutory requirements in the Atomic Energy Act of 1954, as amended (AEA), uranium enrichment facilities and production facilities may not commence construction prior to the issuance of a license. Accordingly, language has been proposed to clarify this, including a new § 70.23(a)(8), which addresses uranium enrichment facilities specifically, and retains the existing “grounds for denial” language.

Additionally, current regulations require submittal of certain materials facility applications at least nine months prior to commencement of construction. This nine-month period is not a statutory requirement and does not substantially improve the NRC application review process and is therefore proposed for elimination from §§ 30.32(f), 40.31(f), and 70.21(f). Instead, the NRC proposes to find that pre-application engagement is more effective at achieving the goals of increased awareness of details of construction than the fixed nine-month period. Applicants would be expected to continue providing updated construction schedule information as it becomes available to facilitate effective communication and coordination with NRC regional inspection and project management staff throughout the duration of the construction project.

While the NRC is not currently proposing a change to the definition of “construction” in 10 CFR part 70; the NRC is seeking public input on whether to expand the definition in the final rule to add flexibility by further clarifying what the term construction does not include. The NRC is seeking feedback on what specific items should be added to the definition.

Other proposed changes to regulatory provisions, such as revisions to § 70.21(f), and conforming changes to §§ 30.32(f) and 40.31(f), are intended to avoid confusion and delay by simplifying the requirements for the environmental report. Additionally, the proposed rule would streamline the process by directing applicants to NRC’s environmental regulations in 10 CFR part 51, “Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions.”

B. Clarifying Physical Protection Regulations

The NRC is proposing a new exemption for large components and storage of material in robust structures containing category 1 or category 2 quantities of radioactive material. This new exemption would be consistent with the enforcement discretion described in EGM-14-001 and the subsequent IEP. To accomplish this, this proposed rule would make changes to § 37.5, “Definitions,” by adding definitions for “large component” and “robust structure.” The new definitions proposed in this rulemaking are identical to those that have been successfully used for several years under EGM-14-001 and the subsequent IEP and are therefore appropriate for inclusion in § 37.5. Large components, due to their size and weight, pose a low risk of theft or diversion as they are not easily moved without cranes, rigging, and heavy equipment. In addition, large components are not easily concealed during loading or when they are in motion, and the amount of time required to steal or divert these large components is such that it is reasonable to expect that the licensee would timely detect these activities. Radioactive materials contained within robust structures can only be accessed using heavy equipment to remove structural components or large access blocks that weigh 2,000 kilograms or more. Access into these robust structures requires significant execution time.

The proposed rule would also include a new exemption in § 37.11, “Specific exemptions.” Specifically, the NRC is proposing to add § 37.11(d), which provides an exemption for large components and robust structures containing category 1 or category 2 quantities of radioactive material if the licensee meets the following conditions: (1) has identified in writing those large components and robust structures that contain category 1 or category 2 quantities of radioactive material; (2) has an approved 10 CFR part 73 security plan or a written 10 CFR part 37 security plan that provides security measures adequate to detect, assess, and respond to actual or attempted theft or diversion, as well as a written analysis that considers the time needed to accomplish these activities given the proximity and mobility of the equipment available for those large components and robust structures; and, (3) has a written analysis documenting that the measures do not decrease the effectiveness of the 10 CFR part 73 security plan.

Typically, routine work activities, observation by licensees’ authorized individuals located within or close to these robust structures, or observation by licensees’ authorized individuals, are conducted in accordance with § 73.55(i)(5)(ii), “Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage—Detection and assessment systems—Surveillance, observation, and monitoring.” These requirements make it likely that licensees would detect actual or attempted theft and diversion considering the time needed to accomplish these activities.

Additionally, the NRC is proposing to revise the rule language regarding the exemption for radioactive waste in § 37.11(c). The existing language lacks clarity about which types of radioactive waste are exempted from 10 CFR part 37. Revising this language would provide licensees with greater regulatory certainty in implementing this provision.

C. Enabling Pilot Fuel Lines

The NRC is proposing regulations to establish a streamlined NRC review process for applications for 10 CFR part 70 materials facility licenses where the facilities were previously authorized under the DOE’s Reactor Pilot Program, including DOE pilot fuel lines. In addition to defining a pilot fuel line within § 70.4, this rulemaking would also amend § 70.11 to add a new subsection (d) to reflect the exemption for the construction and operation of pilot fuel lines authorized by the DOE for non-commercial purposes from the requirements for an NRC license.

The NRC is proposing to clarify its regulations to streamline the NRC’s licensing of potential commercial operations for such a facility. Because a non-commercial DOE-authorized pilot fuel line may eventually want to convert to commercial operations, thereby requiring an NRC license, proposed amendments to § 70.22(r) would also clarify the additional information such an applicant for an NRC license would need to provide to the NRC. The proposed amendments provide that an applicant for an NRC license for a facility that was originally constructed and operated as a DOE authorized pilot fuel line would need to describe in its application how it meets all applicable NRC regulations and statutory requirements, including how the DOE authorization satisfies them in part or whole. The NRC may request references and excerpts from the documented safety analyses and other supporting safety and security-related documents

for the authorization, or may request the documents in full, if the information is needed for the NRC to make its safety and security findings.

This rulemaking would also amend § 70.23 to add a new paragraph (a)(15) to identify the finding the NRC must make to approve a 10 CFR part 70 license application for a facility that is also a DOE authorized pilot fuel line. Specifically, the new paragraph would require the NRC to find that the application meets all relevant statutory provisions and appropriate regulations, including any necessary conditions that were not satisfied by DOE’s authorization, before issuing a license.

D. Streamlining Spent Fuel Reprocessing Facility Licensing

The NRC is also proposing to update its regulations to explicitly include a licensing process for spent fuel reprocessing facilities in 10 CFR part 70. The NRC has historically expected a commercial reprocessing facility to meet the definition of “production facility” in section 11 of the AEA, and as supplemented by § 50.2, because reprocessing can be used to separate plutonium isotopes and produce special nuclear material (SNM) in quantities that could affect radiological health and safety and be of significance to common defense and security. Under existing regulations, the NRC could license a spent fuel reprocessing facility under 10 CFR part 50 or 10 CFR part 70. However, 10 CFR part 70 does not explicitly include spent fuel reprocessing facilities or address production facilities. This proposed rule clarifies that spent fuel reprocessing facilities, including those that meet the definition of production facility, may be licensed under 10 CFR part 70, and this proposal would provide an alternative licensing process to the two-step process (Construction Permit and Operating License) in 10 CFR part 50. Regardless of the licensing pathway chosen, the NRC would assess the specific safety and security risks of each application and ensure that they are appropriately addressed, resulting in an equivalent level of safety and security.

In a gap analysis performed in 2009 (SECY-09-0082), the NRC staff identified 23 gaps between existing regulations and requirements that would be necessary to provide for adequate protection of public health and safety, common defense and security, and environmental protection for the unique aspects of spent fuel reprocessing facilities. Given that, under the current framework, neither 10 CFR part 50 nor 10 CFR part 70 fully address these gaps, an applicant seeking a

license under either part may need to request exemptions, and may require additional license conditions, to address issues specific to the applicant's proposed reprocessing technology. The proposed revisions to 10 CFR part 70 would address some of these gaps and streamline the licensing process for spent fuel reprocessing facility applications submitted under 10 CFR part 70, limiting the need for as many potential license conditions and exemptions.

The proposed framework for including spent fuel reprocessing facility licensing in 10 CFR part 70 would include proposed requirements to ensure the statutory requirements for production facilities in the AEA are met. For spent fuel reprocessing facilities that are production facilities, these statutory mandates would include submitting proposed technical specifications (AEA § 182a.) and a proposed operator licensing program (AEA § 107), complying with the necessary financial protection provisions (AEA § 170), and complying with the ineligibility of foreign control provisions (AEA § 103d.). An application for a spent fuel reprocessing facility that meets the definition of a production facility under the AEA would also be required, consistent with the AEA, to be submitted under oath or affirmation; include inspections, tests, analyses, and acceptance criteria (ITAAC) (AEA § 185b.); and be subject to a mandatory hearing (AEA § 189a.(1)(A)).

Under this proposed rule, applicants for spent fuel reprocessing facilities that do not meet the definition of production facility would not be required to meet all the statutory provisions that apply to production facilities. Although the November 2011 draft regulatory basis document (ADAMS Accession No. ML112081702) that the NRC staff developed and issued as an enclosure to SECY-11-0163, "Reprocessing Rulemaking—Draft Regulatory Basis and Path Forward" (ADAMS Accession No. ML113210386), contemplated that all spent fuel reprocessing facilities would need to meet all AEA requirements, that document assumed that all reprocessing facilities would be production facilities. In accordance with the directive of E.O. 14300, this proposed rulemaking is designed to allow maximum flexibility. Due to the limited information available regarding potential future spent fuel reprocessing facilities, this proposed rule is written to take into consideration possible applicants that do not meet the definition of a production facility.

The NRC is not aware today of a reprocessing technology that would not

meet the definition of a production facility. However, this proposed rule would build regulatory flexibility for a hypothetical reprocessing facility that does not meet the definition of production facility, ITAAC and technical specifications would not be required; the application would not have to be submitted under oath or affirmation; and there would not be a mandatory hearing. ITAAC would not be required because proposed § 70.32(l) would require that the Commission verify through inspection that the facility has been constructed in accordance with the license thereby accomplishing the safety component provided by ITAAC. Additionally, the current system of demonstrating safety under subpart H to 10 CFR part 70 (*e.g.*, the performance of the integrated safety analysis, identification of items relied on for safety (IROFS), and the application of management measures) as supplemented by this proposed rule, would provide the basis for a finding of reasonable assurance of adequate protection of public health and safety without the application of technical specifications. Finally, for applications for spent fuel reprocessing facilities that are not production facilities, a mandatory hearing would not be required, but the public would be afforded an opportunity for a hearing.

Due to the lack of available information on the designs of reprocessing facilities that may not be production facilities, this proposed rule does extend some of the statutory requirements that apply to spent fuel reprocessing facilities that meet the definition of production facilities to reprocessing facilities that are not production facilities, including the requirement to have an operator licensing program (if controls, as defined, are being manipulated), to meet indemnification and foreign ownership and control requirements, and the prohibition against construction at risk. The exemption process, as provided in § 70.17, would allow a non-production reprocessing facility applicant the opportunity to demonstrate why certain requirements should not apply to them. The NRC is seeking specific comment on the proposed regulations regarding spent fuel reprocessing facilities that are not production facilities, among other topics, in section V of this proposed rule.

The framework presented in this proposed rule provides a licensing pathway consistent with all applicable statutory requirements while providing for the more complex regulatory gaps identified in SECY-09-0082 and any other gaps that may be applicable to the

proposed spent fuel reprocessing facility technology to be addressed on a case-by-case basis. Thus, the proposed framework does not seek to address the specific safety requirements that may be determined necessary to provide for reasonable assurance of adequate protection of public health and safety, common defense and security, and the environment, for different reprocessing technologies. Rather, the proposed framework is flexible and technology-neutral, allowing applicants to provide the information necessary to address the regulatory gaps as they apply to their design. This also provides flexibility to the NRC in its licensing process, as appropriate. The NRC is seeking specific comment on this approach, and on whether the NRC should instead specify in the regulation the regulatory gaps necessary for discussion in the application.

Many of the proposed changes to subpart A of 10 CFR part 70, "General Provisions" are additions that are necessary to establish the basis for the spent fuel reprocessing licensing framework. Notably, the proposed revisions include expansion of the "Purpose" section to address issuance of spent fuel reprocessing licenses, including operator licenses for spent fuel reprocessing facilities (§ 70.1). The proposed rule would also add directions for where applicants should submit spent fuel reprocessing facility and operator license applications (§ 70.5(b)(1)(viii) & (ix)).

The proposed rule would also include new definitions throughout § 70.4. A definition is proposed for "Spent fuel reprocessing facility" because, while the term "reprocessing" is used throughout the NRC's regulations, this term is not currently defined. The proposed definition clarifies that a spent fuel reprocessing facility may also meet the definition of a production facility, as that term is defined in the AEA and supplemented by § 50.2. This term is intended to be interchangeable with various other similar terms used throughout the NRC's regulations such as "fuel reprocessing plant," "reprocessing facility," "irradiated fuel reprocessing operations," or "irradiated fuel reprocessing plant." Given the different terminology used throughout its regulations, the NRC may proceed with a term other than "spent fuel reprocessing facility" in the final rule.

A definition is also proposed for "Combined license," to reflect the addition of a combined licensing pathway for spent fuel reprocessing facilities that are production facilities, which is different than the two-step licensing process in 10 CFR part 50

currently available for production facilities. This combined license for spent fuel reprocessing facilities that are production facilities would include the necessary statutory requirements under the AEA, including requirements for technical specifications, an operator licensing program, identifying and meeting ITAAC, and a mandatory hearing, among others. Given the potential complications that arise with this term being defined previously in other NRC regulations, the NRC may proceed with a term other than “combined license” in the final rule.

A definition is also proposed to reflect the new “Operator license” required for spent fuel reprocessing facilities. The proposed rule would require all spent fuel reprocessing facility applicants to include in the license application a description of an operator licensing program if certain thresholds are met. A definition of “Control” has been proposed to provide this threshold for when an operator licensing program is required. If no controls exist, an operator licensing program would not be required. On December 19, 2008, NEI addressed a similar high consequence threshold for controls in a white paper entitled “Regulatory Framework for NRC Licensed Recycling Facility” (ADAMS Package Accession No. ML083590114). Although the NRC is currently proposing this high consequence outside the controlled area threshold as the threshold for controls, the NRC is asking for specific public feedback on this threshold and is considering other options to ensure the appropriate threshold is applied.

Changes proposed throughout subpart D of 10 CFR part 70, “License Applications,” provide details regarding spent fuel reprocessing applications, including filing requirements, detailed information regarding the contents of spent fuel reprocessing applications, and requirements necessary for approval of spent fuel reprocessing applications. Many of the changes proposed in subpart D of 10 CFR part 70 align with AEA statutory requirements for a production facility, and other changes update the provisions to include spent fuel reprocessing application requirements in a manner consistent with other 10 CFR part 70 licensees.

The proposed changes to the filing instructions in § 70.21 include some minor proposals to simplify the regulations and eliminate duplication, such as combining the filing directions previously in § 70.21(a)(1) and (2) into a simplified § 70.21(a)(1); and including provisions addressing statutory requirements, such as the addition of § 70.21(a)(4), which would require a

combined license application for a spent fuel reprocessing facility to be submitted under oath or affirmation consistent with the AEA. Changes also include a proposal to revise the specific cross-reference in § 70.21(e) to the NRC’s fee regulations in 10 CFR part 170, “Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services Under the Atomic Energy Act Of 1954, as Amended.” Currently, § 70.21(e) requires each application for a special nuclear material license to be accompanied by the fee prescribed in § 170.31. Rather than referencing a specific section, § 70.21(e) would be revised to require each application to be accompanied by the fee prescribed in 10 CFR part 170. This change would aid with the durability of cross-references in the regulation should service fees for spent fuel reprocessing applicants be assessed under a different section of 10 CFR part 170. For example, depending on the application, spent fuel reprocessing applicants could be assessed under § 170.21.

Changes are also proposed throughout § 70.22 to update the provisions to include information that would be necessary for an application for a spent fuel reprocessing facility. The changes include a proposal to amend § 70.22(a)(7) to require applicants to include management and storage of radioactive waste, including high level waste, in the description of equipment and facilities associated with the applicant’s spent fuel reprocessing facility. This regulatory change is necessary because spent fuel reprocessing facilities have the potential to generate significant quantities of waste, which may need to be managed and stored on site for a period of time, compared to other fuel facilities licensed under this part. Therefore, addressing this specific subject in the application in detail will be necessary for licensing decisions. The NRC is seeking specific comments on this approach and whether additional changes are needed to this part, or potentially other parts, of NRC regulations to address waste issues at spent fuel reprocessing facilities.

Additionally, the NRC is proposing amendments to § 70.22 to require all applications for spent fuel reprocessing facilities to include information consistent with requirements for other similar applicants or required by statute. Under the proposed § 70.22, an application for a spent fuel reprocessing facility should include: a description of the applicant’s program for control and accounting of SNM (§ 70.22(b)); provisions for liability insurance

(specific amounts to be determined on a case-by-case basis) (§ 70.22(n)); and a proposed operator licensing program for the manipulation of controls (§ 70.22(o)). In the case of an applicant for a spent fuel reprocessing facility that is a production facility, applicants would also have to provide proposed technical specifications and proposed ITAAC, consistent with the AEA statutory requirements (§ 70.22(p)). In section V of this proposed rule, the NRC seeks specific feedback on the approach presented for technical specifications, and on a potential optional means the NRC is considering for addressing technical specifications in the final rule.

The proposed changes would also require all spent fuel reprocessing facility applications to include a QA program that complies with appendix B to 10 CFR part 50 (§ 70.22(f)). This is the only set of regulations in 10 CFR part 50 that are being proposed to apply directly to spent fuel reprocessing facilities licensed under 10 CFR part 70. The NRC is seeking specific feedback on the proposal of requiring a QA program in accordance with appendix B of 10 CFR part 50 and is considering the option of applying a graded approach to QA requirements that would be tailored to the specific technology.

The NRC is also proposing the addition of § 70.22(q) to reflect the likely need for an application for a spent fuel reprocessing facility to include additional information, including requested exemptions, and proposed license conditions deemed necessary to provide for reasonable assurance of adequate protection of public health and safety, common defense and security, and the environment. This provision is intended to provide the applicants with the flexibility needed to address the technical gaps that currently exist in the NRC’s regulations regarding specific spent fuel reprocessing technologies. Although 10 CFR part 70 provides a good baseline for such applications, there is a gap between the baseline technical requirements in 10 CFR part 70 and the requirements that may be necessary to demonstrate reasonable assurance of adequate protection of public health and safety, common defense and security, and the environment depending upon the specific technology proposed. These gaps have been documented in SECY–09–0082. Consequently, depending upon the specific facts of the design and technology proposed for a spent fuel reprocessing facility, an applicant seeking a license under 10 CFR part 70 may need to request exemptions, and may need to propose license conditions to address issues specific to the

proposed reprocessing technology. If an applicant determines that a gap does not apply to its facility, the applicant could provide the technical basis for that conclusion in its application. To make the NRC's license application acceptance and review process more efficient, the applicant is encouraged to identify the applicable gaps and describe to the NRC how it plans to address them in the application during pre-application engagement with the NRC. Regarding this broad approach where applicants are to identify and address case-specific applicable gaps depending on the technology proposed, the NRC is also considering amending the regulations to, instead, identify in the regulatory text the specific gaps that need to be addressed in spent fuel reprocessing facility applications. The NRC is specifically requesting feedback on this alternative approach in section V of this proposed rule.

Amendments proposed to § 70.23 would require, consistent with licensed facilities of similar risk, a spent fuel reprocessing application to include an adequate emergency plan (§ 70.23(a)(11)) and an acceptable QA Plan, developed in accordance with appendix B of 10 CFR part 50 (§ 70.23(a)(13)), in order to be approved.

Amendments proposed to this section would also require spent fuel reprocessing applications to include adequate financial protection prior to approval of an application (§ 70.23(a)(12)). Accordingly, a conforming amendment would be made to 10 CFR part 140, "Financial Protection Requirements and Indemnity Agreements," to clarify that spent fuel reprocessing facility licensees required to enter into an indemnification agreement would also be required to pay an indemnity agreement fee to the Commission (§ 140.7). All licensees of spent fuel reprocessing facilities that are production facilities are statutorily required to enter into an indemnification agreement. A licensee for a spent fuel reprocessing facility that is not a production facility may also be required to enter into an indemnification agreement if the Commission, acting in its discretion, so determines. An additional conforming amendment is proposed to 10 CFR part 140 to clarify that all spent fuel reprocessing facility licensees would be required to have and maintain liability insurance in the type and in the amounts the Commission considers appropriate (§ 140.13c).

A new subsection in § 70.23 is also proposed to provide clarity regarding the need for a spent fuel reprocessing facility applicant to adequately address

all relevant statutory provisions and appropriate regulations, including any necessary conditions, for approval of an application (§ 70.23(a)(14)). This additional regulatory provision is intended to provide a clear avenue for addressing all necessary issues, or gaps, on a case-by-case basis that may not have been addressed otherwise, given the specific technology involved. Just as the proposed addition of § 70.22(q) is intended to provide flexibility and ensure all necessary components are included as contents of a spent fuel reprocessing facility application, this proposed provision is intended to be a parallel provision, providing flexibility in addressing necessary items for approval of a spent fuel reprocessing facility application. This provides a technology-neutral and flexible framework allowing for case-by-case licensing of spent fuel reprocessing facility applications to capture technical variations in the proposed reprocessing designs.

The proposed amendments in this subpart also include a clarification that spent fuel reprocessing facilities cannot undertake construction at risk (§ 70.23(a)(8)). For spent fuel reprocessing facilities that are production facilities (defined as combined licenses in this proposed rule), this is consistent with the AEA § 185b. This proposed rule also applies this restriction on construction at risk to spent fuel reprocessing facilities that are not production facilities because all spent fuel reprocessing facilities would have a higher risk profile compared to existing fuel facilities because of the presence of fission products. In addition, because of the safety significance of equipment and structures related to spent fuel reprocessing facilities, the NRC would want to inspect these as they are being constructed or installed, and only after it has approved the license application. Applicants for spent fuel reprocessing facilities that do not meet the definition of production facility may request an exemption from this requirement if they have the necessary basis to support the request.

The proposed rule also includes changes to § 70.23a to capture the AEA requirement for a mandatory hearing for a combined license application for a spent fuel reprocessing facility that is a production facility. For spent fuel reprocessing facilities that are not production facilities, a mandatory hearing is not required; however, the public would be afforded an opportunity for a hearing.

Finally, the proposed addition to § 70.25(a)(3) requires an applicant for a

spent fuel reprocessing facility to submit a decommissioning plan as described in paragraph (e) of the section, consistent with other similar 10 CFR part 70 applicants. The NRC is requesting specific comments on whether the decommissioning funding provisions in § 70.25 are sufficient, as is, to address spent fuel reprocessing facility decommissioning, or if, instead, specific spent fuel reprocessing facility decommissioning funding provisions should be added to 10 CFR part 70.

The proposed amendments to subpart E of 10 CFR part 70, "Licenses," include amendments to comply with AEA statutory requirements, including changes to reflect that a combined license for a spent fuel reprocessing facility will not be issued until the mandatory hearing requirement has been satisfied (§ 70.31(e)); and that a combined license issued under this part will include the required ITAAC sufficient to provide reasonable assurance that the facility has been constructed and will be operated in conformity with the license (§ 70.31(f)).

The proposed revisions would also require spent fuel reprocessing facility licenses to include a condition that a facility will not be able to operate until it has been verified through inspection that it has been constructed in accordance with the requirements of the license prior to operation (§ 70.32(l)). This provision is intended to capture the current practice where certain licenses are conditioned on an operational readiness review prior to being allowed to operate. The proposed amendments also add an additional condition for a combined license for a spent fuel reprocessing facility that is a production facility which would limit operation until the Commission finds that the prescribed ITAAC have been met, as required by the AEA (§ 70.32(m)). While both § 70.32(l) and (m) make it clear that a facility would not be allowed to operate until the licensee has demonstrated that the facility has been constructed consistent with the application, for combined licenses for spent fuel reprocessing facilities, the language added mirrors the statutory language and process.

Amendments are also being proposed to add conditions to address operator licenses at spent fuel reprocessing facilities. Under this proposed rule, an operator licensing program would be required of all spent fuel reprocessing facilities (both production and non-production) that meet the threshold provided in the proposed definition of "control." The NRC is requesting specific feedback on this proposal, and

particularly on the threshold provided in the proposed rule.

The proposed changes implementing operator licensing programs include a new subsection (§ 70.32(n)) to reflect that a license for a spent fuel reprocessing facility would include the conditions necessary to determine the qualifications of operators, and would limit the ability for anyone who is not a licensed operator to manipulate controls, as defined in § 70.4, except in cases where a non-licensed operator manipulates the controls under the direction and in the presence of a licensed operator.

Because the NRC has not developed specific regulations or guidance on these topics as they would apply to spent fuel reprocessing facilities, outside of the definitions of “Operator license” and “Control” added to § 70.4, the proposed rule envisions applicants proposing an operator licensing program as part of the application (§ 70.22(o)); the NRC adding the necessary conditions to the license to require adherence to the approved operator licensing program (§ 70.22(n)); and NRC’s approval of operator licenses that meet the requirements of the approved operator licensing program (§ 70.23(a)(16)). The NRC is also considering the option of, instead, establishing a general license for licensed operators of spent fuel reprocessing facilities. The NRC is asking a specific question to elicit feedback on this topic.

Changes proposed to this subpart would also prevent spent fuel reprocessing facility licenses from being issued to an entity that is foreign-owned, controlled, or dominated, or if issuance of the license would be inimical to the nation’s common defense and security. This proposed change is necessary to conform with statutory licensing requirements for production facilities in the AEA and is also being applied to spent fuel reprocessing facilities that do not meet the definition of production facility given the uncertainty regarding the technical details of potential non-production facilities and the risks involved. Applicants that do not meet the definition of production facilities may request an exemption from this requirement if they have the necessary basis to support the request.

Amendments are also proposed in subpart G of 10 CFR part 70, “Special Nuclear Material Control, Records, Reports and Inspections,” and subpart H, “Additional Requirements for Certain Licensees Authorized to Possess a Critical Mass of Special Nuclear Material.” The proposed amendments

would require effluent monitoring reporting of spent fuel reprocessing facilities, consistent with other 10 CFR part 70 licensees (§ 70.59). Additionally, the proposed changes would amend § 70.60, the “Applicability” section of subpart H of 10 CFR part 70, to include the potential need for additional requirements for spent fuel reprocessing facilities, beyond those described in § 70.61 through § 70.76, reflecting the increased risk that such a facility may pose compared to other fuel cycle facilities licensed under 10 CFR part 70. Amending § 70.60, as proposed, is intended to allow the NRC to move forward with spent fuel reprocessing facility licensing under 10 CFR part 70, using the existing subpart H of 10 CFR part 70 requirements as a baseline and supplementing, with additional conditions, as necessary, without the development of more specific safety requirements. The NRC will assess applications on a case-by-case basis to ensure an applicant adequately identifies and controls radiological and NRC-regulated chemical hazards and accidents at a reprocessing facility, and limits any resulting risks to the public, workers, and the environment.

Finally, this proposed rule would also update the authority citation to 10 CFR part 70 to add citations to the provisions of the AEA that provide the NRC the authority to make these proposed amendments.

E. Modernizing Fuel Cycle Facility Licensing

The proposed rule would also make specific changes to the NRC’s regulations in 10 CFR part 70 in several areas, with the overall goal to reduce burden on licensees and improve licensing efficiency while continuing to ensure safety. Taken together, these changes would lower the regulatory burden on fuel cycle licensees and applicants and therefore enable bringing more power to the grid efficiently.

The proposed rule would accelerate licensing of plutonium processing and fuel fabrication plants and reduce the regulatory burden on applicants by incorporating lessons learned from the licensing of the Mixed Oxide Fuel Fabrication Facility at the DOE’s Savannah River site in South Carolina. Specifically, the NRC is proposing to eliminate the regulations that establish a two-step licensing process for these facilities that requires both that the Commission approve construction of the principal structures, systems, and components, and the requirement for a description and safety assessment of the design bases of the principal structure, systems, and components. These

requirements in current § 70.23(a)(8) and § 70.23(b), predate the addition of subpart H of 10 CFR part 70, and the integrated safety analysis (ISA) now required, and with those additional requirements, these items are no longer justified. This change is also consistent with the one-step licensing process proposed for spent fuel reprocessing facilities. These regulations contribute to significant burden on the applicant without adding to the safety of the facility given the addition of subpart H of 10 CFR part 70.

The amendments also seek to reduce the burden on licensees by addressing an issue that has historically been an item of discussion between the NRC and its stakeholders, namely the determination of whether structures must be designated as IROFS. The NRC does not require all new fuel cycle facility structures to be designated as IROFS because IROFS are strictly developed as a result of facility-specific ISAs. If an applicant’s ISA determines that a safety function provided by a structure is needed to adequately protect workers and the public, then normally that structure is designated an IROFS. The proposed revisions to the regulations would reduce the need for designating a structure as IROFS when the safety function of the structure is limited to providing adequate protection against natural phenomena-initiated accident sequences (*i.e.*, structural stability) and the safety function is maintained under the licensee’s management measures program. Under current regulations, licensees must request exemptions to avoid being required to designate certain structures as IROFS. This proposal would reduce unnecessary regulatory burden.

Specifically, this proposed rule would introduce an alternative from the designation of certain structures as IROFS as otherwise required under § 70.61(e). The proposed alternative in § 70.61(e)(2) would apply specifically to structures that credit solely their structural stability safety function (*i.e.*, no structural failure) to meet the performance requirements of § 70.61(b), (c), and (d), and only in the context of accident sequences initiated by natural phenomena hazards (NPH). This alternative would not apply if the structure is credited for other safety functions, such as confinement or containment. Additional changes to the regulations related to this alternative were made to §§ 70.64(a)(1), 70.64(a)(8), 70.65(b)(6), and the revised reporting requirements in appendix A to 10 CFR part 70.

This alternative would not relieve licensees from the obligation to

demonstrate through accident sequence analyses that the credited structures meet the applicable performance requirements of § 70.61(b), (c), and (d). Licensees seeking to apply this alternative would be required to submit a technical basis as part of their license application. The NRC will continue to evaluate how NPH are addressed in the license application on a case-by-case basis, recognizing that NPH-initiated accident sequences are inherently facility-specific, depending on factors such as geographic location, facility design, and process configuration.

While the NRC is not prescribing a prescriptive methodology for demonstrating compliance with the performance requirements in § 70.61, it is anticipated that structures designed in accordance with applicable industry standards and engineering practices may provide an adequate basis for demonstrating that the risks associated with NPH-initiated accident sequences are appropriately limited. For new facilities or new processes at existing facilities, the requirements of § 70.64 continue to apply. The baseline design criteria outlined in § 70.64 generally provide an acceptable set of initial design safety considerations; however, they may not be sufficient in all cases to ensure adequate safety for all new processes and facilities. The ISA process is intended to identify any additional safety features or changes to the design criteria necessary to demonstrate that the risks from NPH-initiated accident sequences are appropriately limited. To ensure continued safety, the credited structural aspects must remain available and reliable, consistent with the requirements for management measures in § 70.62(d). This proposed rule change is consistent with the NRC approach outlining an acceptable method for licensees to request an exemption from designating certain structures as IROFS (See NRC letter dated February 14, 2025, ADAMS Accession No. ML24241A119).

To support the implementation of this alternative, the rule would clarify new reporting requirements for structures that are credited with meeting the performance requirements of § 70.61(b), (c), and (d), but are not designated as IROFS. These new proposed reporting requirements are less burdensome than those applicable to IROFS, thereby reducing the overall regulatory burden on licensees. The reporting requirements for structures that are credited with meeting the performance requirements of § 70.61(b), (c), and (d), but are not designated as IROFS are tailored to their structural stability safety function and the risks from NPH-initiated accident sequences, thereby

allowing the NRC to maintain appropriate oversight while also reducing regulatory burden. Additional regulatory relief is provided for structures whose sole credited safety function is to prevent structural failure during NPH-initiated accident sequences. Such structures would no longer be subject to the additional requirements associated with sole IROFS designation.

Furthermore, the NRC is proposing changes intended to enhance regulatory clarity and support efficient implementation of the alternative framework. This would include an amendment to add a new criterion to § 70.72 to clarify when prior Commission approval is not required for changes to structures that are credited with safety functions under § 70.61 but are not designated as IROFS (§ 70.72(c)(3)). This amendment would allow changes to the structure as long as the structural stability safety function is preserved. Additionally, amendments would add a clarification to § 70.65 to require identification of these structures in the application (§ 70.65(b)(6)); and clarifications to § 70.64 to identify which baseline design criteria apply to these structures.

The proposed rule also seeks to reduce the burden on applicants by proposing revisions to § 70.24 to relieve licensees authorized to possess certain isotopes of SNM in the quantities specified in § 70.24(a) from the requirement to maintain a criticality accident alarm system, provided they can demonstrate that a criticality accident is not credible based on the laws of physics. This change would be consistent with the basis previously used to grant case-by-case exemptions from criticality accident alarm system requirements. There is not a compelling safety basis to require criticality accident alarm monitoring in instances where such an accident is not credible based on the laws of physics. The demonstration that a criticality accident is not credible may apply to specific areas within a facility or to the entire facility. If the demonstration covers the entire facility, the licensee would also be relieved of the requirement to maintain emergency procedures related to the criticality accident alarm system specified in § 70.24.

Several reporting and recordkeeping requirements in 10 CFR part 70 would be amended in this rule to reduce regulatory burden and improve clarity. The proposed amendments include consolidating reporting requirements from §§ 70.50, 70.52, and 70.74 into the existing appendix A to 10 CFR part 70, “Reportable Safety Events.” This

consolidation is intended to streamline the reporting process, reduce burden, eliminate redundancy, and improve consistency and understanding across licensees. The NRC is also proposing to remove or relax some reporting requirements in this rulemaking. As a result of these proposals, the only remaining provision in proposed § 70.50 is a reference directing licensees to appendix A.

In this proposal, § 70.50(b)(1) would be relocated to appendix A(c)(5)(iv) and amended to eliminate the requirement to report unplanned contamination events when they occur in a restricted area that is inaccessible to the public, was already controlled as a Radioactive Materials Area within a building before the event occurred, and where the release is contained within that area. The proposed provision would also require that trained personnel and appropriate equipment be readily available to manage contamination. This change only eliminates reporting requirements reflecting exemptions that NRC has already determined to be safe and granted to at least two fuel facilities and does not significantly increase risk to the public, workers, or the environment.

Section 70.50(b)(3) would be relocated to appendix A(c)(7) and amended to limit reporting of unplanned medical treatment involving spreadable radioactive contamination to cases where treatment occurs at an offsite medical facility. Medical treatment that can be managed onsite is not considered significant enough to warrant NRC reporting.

Section 70.50(c)(2) would be relocated to appendix A(d) and amended to extend the deadline for follow-up reports from 30 to 60 days. This additional time to submit reports does not negatively impact safety.

Reporting requirements in appendix A(b)(2) would be relocated to appendix A(c)(2) and amended to allow licensees to use site-specific definitions of likelihood criteria for reporting failures or degradation of IROFS. In its NRC-approved license application, a licensee may have justified likelihood thresholds for reporting that differ from the likelihood definitions used to demonstrate compliance with the performance requirements of § 70.61 based on the potential accident sequences in the ISA and considering the overall facility risk (e.g., number of accident sequences that exceed the performance requirements in § 70.61). Allowing flexibility for site-specific thresholds for reporting that deviate from the performance requirements of § 70.61 is expected to reduce the

reporting burden for some licensees, codify flexibilities that have resulted from the NRC accepting different definitions of likelihood for safety analyses across existing fuel cycle facilities, and result in no impact to equipment or procedures used to protect health and minimize danger to life or property.

The NRC is also proposing to relocate several other reporting requirement provisions to appendix A with minor edits and clarifications, including proposed appendix A(a)(1), (e)(1), and (e)(4). Relocating the requirement in current § 70.50(c)(1) to proposed appendix A(e)(1), and amending it to allow licensees to submit reports using any method that ensures compliance with the required reporting timeframe, rather than mandating telephone reporting, would reduce regulatory burden on licensees and improve internal consistency within the regulation. Relocating information from § 70.50(c)(2)(iii) to proposed appendix A(d)(iii), with edits to remove the phrase “to prevent occurrence of similar or identical events in the future,” would reduce regulatory burden by eliminating language that implies a guarantee of future event prevention, which is not directly relevant to reporting requirements. While corrective actions are important, their effectiveness in preventing future events cannot be assured and should not be a required component of the reporting criteria.

The NRC staff is also proposing to relocate some reporting requirements with no substantive changes (proposed appendix A(b), (c)(6), (c)(8), (d), (e)(2), (e)(3)) and to remove the concurrent reporting requirement currently found in appendix A(c). This deletion reduces regulatory burden by removing the requirement to report events or situations—related to public or onsite personnel health and safety, or environmental protection—for which a news release is planned or notification to other government agencies has been or will be made. The NRC staff has determined that the burden placed on licensees to make these concurrent and follow-up reports is not justified by the associated risk.

Several changes have also been proposed to § 70.32 to reduce regulatory burden and provide licensees with additional flexibility in reporting timelines, particularly for programmatic changes that do not reduce the effectiveness of safety and security plans. These changes would extend the timeframes for submitting updates to the NRC without prior Commission approval, while maintaining appropriate oversight and ensuring continued

protection of public health and safety. Specifically, the time allowed to report changes to the Material Control and Accounting program without prior Commission approval in § 70.32(c)(2)(i) has been increased from 2 to 4 months when the changes pertain to uranium-233, uranium-235 enriched to 20 percent or more, or plutonium (excluding plutonium containing 80 percent or more by weight of plutonium-238). For changes involving uranium enriched to less than 20 percent in uranium-235 or plutonium containing 80 percent or more by weight of plutonium-238, the reporting timeframe in § 70.32(c)(2)(ii) has been extended from 6 to 12 months. These changes reduce unnecessary administrative burden while preserving appropriate regulatory oversight based on material type and associated risk.

Similarly, the timeframe for reporting changes to the physical protection plan for SNM in § 70.32(d) would be increased from 2 to 12 months, provided the changes do not decrease the effectiveness of the plan. The same extension—from 2 to 12 months—would apply to changes made to the security plan under the same condition, as proposed in § 70.32(e). These changes would extend the timeframes for submitting updates to the NRC without prior approval, while maintaining appropriate oversight and ensuring continued protection of public health and safety. Annual reporting, coupled with the robust inspection program, provides confirmation of the continued safety and security of the facilities. These revisions collectively reduce regulatory burden by aligning reporting requirements with the safety significance of the changes, allowing licensees more time to implement and document non-safety-significant updates without compromising regulatory intent or public safety.

The proposed revisions also include other burden-reducing initiatives. Proposed changes would clarify that information submitted with applications for renewal of licenses under 10 CFR part 70 should be narrowly focused on the scope of renewal, limiting the submission of redundant or unnecessary information (§ 70.73). Similarly, changes proposed to § 70.42(d)(3) clarify that, for emergency shipments involving transfer of special nuclear material, the follow-up written communication required in the regulation can be accomplished through multiple methods, as outlined in the section.

Finally, the proposed rule also seeks to delete several ambiguous or obsolete requirements contained in 10 CFR part 70 to improve regulatory clarity. Some

sections of 10 CFR part 70 are obsolete because they pertain to facilities or cases that are no longer relevant and are highly unlikely to be relevant in the future. This includes the proposed deletion of § 70.1(d) which refers to 10 CFR part 76, “Certification of Gaseous Diffusion Plants.” These plants are no longer operational and it is unlikely for there to be any gaseous diffusion plants in the foreseeable future. The NRC also proposed to sunset 10 CFR part 76 as part of its sunset rule (90 FR 55699) in response to E.O. 14270, “Zero-Based Regulatory Budgeting to Unleash American Energy.” Additionally, § 70.24(a)(2) refers to the timelines required for the implementation of subpart H of 10 CFR part 70 and specifically applies to persons licensed prior to December 6, 1974. The dates in those timelines have passed, these regulations are no longer necessary as there are no licensees for which this regulation still applies and there will be no licensees for which it will apply in the future.

F. Modernizing Spent Fuel Licensing

The proposed rule would make specific changes to the NRC’s regulations in 10 CFR part 72 in several areas, with the overall goal to reduce burden on licensees and CoC holders and modernize the NRC’s spent fuel licensing regulations while continuing to ensure reasonable assurance of adequate protection of public health and safety. One change to 10 CFR part 72 proposed in this rule is to streamline the process for certifying spent fuel storage cask designs, which currently involves a safety review of the application, along with a rulemaking to amend § 72.214 to codify NRC approval of each individual CoC. The agency has almost 25 years of data indicating that these rules are uncontroversial, as evidenced by the fact that the NRC has received very few adverse comments on CoC rulemakings. Eliminating the rulemaking requirement would eliminate unnecessary resource expenditure from the regulatory process without impacting the depth and rigor of the NRC’s safety review and certification of the cask design. NEI suggested removing the rulemaking process from cask certifications in their letter dated February 10, 2025 (ADAMS Accession No. ML25058A144). The NRC has streamlined the § 72.214 rulemaking process in recent years. Rulemaking is now developed in parallel with the NRC’s safety evaluation, and the overall timeframe is significantly reduced. However, agency resources continue to be spent to develop a rulemaking package and savings may be achieved by

eliminating the rulemaking that codifies the CoCs.

This proposed change remains consistent with Section 133 of the Nuclear Waste Policy Act because the Commission continues to establish, by rule, the procedures for licensing the approved technology-dry cask storage under a general license method of approval of individual cask designs (e.g., by rulemaking). The NRC fulfilled this obligation in its 1990 rulemaking by establishing a general license and cask certification process. The proposed amendment does not alter the safety review or the conditions of use under the general license; rather, it only removes the ministerial step of codifying each CoC in § 72.214. CoCs will continue to be issued following a rigorous safety review under the procedures for licensing the dry-cask technology in existing regulatory requirements and will be publicly accessible on NRC's website. This approach preserves transparency and public confidence while improving efficiency.

The NRC does not envision this change impacting the process for CoC applicants as the NRC's safety review of the application would remain the same. Currently, the NRC completes a safety review of the CoC or CoC amendment application, and, if the safety review determines that the CoC or CoC amendment meets NRC regulatory requirements, then the NRC begins the rulemaking process to officially codify the CoC into the listing in § 72.214. Under the proposed rule, rather than the CoC being issued upon codification in § 72.214, the NRC would, instead, issue the CoC after the necessary safety findings are made. After issuance, the approved CoC would then be listed on NRC's website at <https://www.nrc.gov/waste/spent-fuel-storage/designs>. The direction in § 72.214 would be revised to reflect that issued CoCs will be listed on the website.

The changes proposed in this rule to the CoC issuance process also include a proposed modification to the NEPA compliance provisions in 10 CFR part 51. The existing categorical exclusion from NEPA for CoC reviews pertains to CoC reviews conducted through the rulemaking process. This proposed rule modifies that categorical exclusion so that it would apply to CoCs issued under this proposed process, as the action—review of a CoC application—is the same.

Additionally, the NRC does not envision this change impacting the process for GL adoption of NRC-approved cask designs. GLs will continue to be limited to use of only

approved and issued CoCs or CoC amendments. Minor edits are also proposed for § 72.212(b)(3) and (b)(5)(i) to remove the reference to the list of approved CoCs, but the regulations will continue to require that storage of spent fuel under a general license must be in conformance with an approved CoC or CoC amendment. The proposed changes would only impact where the GLs would find the list of final NRC approved CoCs available for their use, which would be on the referenced website rather than listed specifically in § 72.214. The proposed revision of § 72.214 would not change prior NRC CoC approvals; all NRC approvals of CoCs and CoC amendments (past, current, and future) are currently listed and would continue to be listed on that website.

Notwithstanding the Commission's previously stated reservations in the 2001 denial of a petition for rulemaking (66 FR 63964), the NRC is not proposing to add an opportunity for a hearing to the CoC issuance process, because the issuance, amendment, or revision of a CoC under the new proposed process would not trigger an opportunity for a hearing under AEA § 189a. Section 189a.(1)(A) of the AEA, provides, in relevant part, that in any proceeding for the granting or amending of any license or construction permit, the Commission must grant a hearing upon the request of any person whose interest may be affected by the proceeding. However, cask approval, which results in a certificate, is neither a license nor a license amendment. A certificate, as defined in § 72.3, means "the certificate issued by the Commission that approves the design of a spent fuel storage cask in accordance with the provisions of subpart L of this part." While the CoC issued by the NRC approves the design of the spent fuel storage cask, the CoC alone does not give permission to use the CoC to store spent fuel. Further, CoCs are not issued to NRC licensees but rather to cask vendors who apply for a CoC and then become CoC holders, once approved. By contrast, a license, or license amendment, is an approval issued under the licensing provisions of the AEA (§§ 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, and 109), all of which concern some activity involving byproduct, source or special nuclear material or production or utilization facilities. The CoC only approves of a design of a CoC system, and does not, by itself, provide the CoC holder with the authority to possess regulated material. Indeed, the NRC has historically maintained a distinction between certificates and licenses not

only in 10 CFR part 72, but also in 10 CFR part 71.

The staff also proposes revisions to specific sections of § 72.48, including the addition of clarifying language, to create additional flexibility in the requirements for evaluation of changes that result in a departure from a "method of evaluation" (MOE). The proposed changes would maintain the focus of NRC licensing activities on the most safety significant issues. Other proposed changes would reduce burden by eliminating redundancy in evaluations performed by a GL for changes initiated by the CoC holder and codify the regulatory relief provided in the "Interim Enforcement Policy for Enforcement Discretion for General Licensee Adoption of Certificate of Compliance Holder-Generated Changes," issued on August 15, 2025 (90 FR 39308). Requirements would be modified to specify that only site-specific changes initiated by the GL need to be evaluated utilizing the § 72.48 change process. GLs may accept CoC holder § 72.48 changes without re-performing the § 72.48 evaluation for themselves when there are no site-specific changes needed. Further, the rule would implement changes to the § 72.48 criterion, "method of evaluation," to eliminate the need for license amendments for MOE changes that have low safety significance.

The NRC is proposing to allow changes to the elements of an MOE that would result in "no more than a minimal increase" in the applicable safety margins. Currently, only changes to elements that have a decrease in safety margin or essentially the same results are allowed, which has the effect of allowing only incremental changes to be made without prior NRC approval. Using a "no more than a minimal increase" approach gives more change authority to licensees under § 72.48 that would allow additional, minimal, increases in safety margin while minimizing the risk of substantial changes that could challenge established safety limits.

New MOEs used in the safety analyses or to establish the design bases, that have not been approved by the NRC, have the potential to significantly affect the margins to safety limits. For changing from an MOE described in the final safety analysis report to another MOE not approved by the NRC, the staff is proposing a graded approach based on the current importance to safety (ITS) categories for storage. Currently, only MOEs that were previously reviewed and approved by the NRC for the intended application may be used without prior NRC review. In the

proposed rule, only new or different MOEs that specifically affect ITS Category “A” and “B” structures, systems, and components (SSCs), the results of which, when applied, would be critical to, or would have a major impact on, safe operation of the affected SSC, would require prior NRC review and approval. Additionally, the new definition would retain the language that allows use of MOEs that have been previously approved for an intended application.

Through its review of applications, the NRC has determined that there is little or no confirmatory analysis for compliance necessary for those items that have a minor impact on safety. As a result, the NRC is recommending focusing NRC reviews only on those methods that have an effect on SSCs that are critical to safe operation or have a major impact on safety. Therefore, for new MOEs that only affect ITS Category “C” or “not important to safety” components and the results of which, when applied, would only have a “minor impact on safety”, as defined in Table 2 of NUREG 6407, “Classification of Transportation Packaging and Dry Spent Fuel Storage System Components According to Importance to Safety” (ADAMS Accession No. ML15127A114), prior NRC approval would not be required.

The proposed changes also include a provision that would reduce the regulatory burden on the part of licensees and CoC holders by eliminating § 72.48(d)(2), which currently requires the submission of reports associated with § 72.48 evaluations. The NRC has determined that there is no risk to removing the reporting requirement and that the current practices to maintain records, as required by the approved QA programs and specific regulations, provides reasonable assurance that licensees are documenting and maintaining the required evaluation records.

The NRC is also proposing to clarify the definition for spent fuel and the description of damaged fuel in 10 CFR part 72 to accommodate advanced reactor fuels and streamline licensing of advanced reactor technologies. This would provide operational flexibility to new and advanced fuel designers, including transportable microreactors, in the storage of spent fuel generated by proposed advanced reactor designs. These changes are deregulatory in nature as they revise the narrowly defined characteristics for spent fuel and descriptions of damaged fuel in 10 CFR part 72.

One such change is in the definition of spent fuel which currently states that

spent fuel needs to be “aged for at least one year” prior to storage. The staff has determined that this requirement was not based on risk insights, and the NRC has confidence in the programs currently established at existing independent spent fuel storage installations (ISFSIs) to characterize and safely store spent fuel, regardless of how long it has been “aged.” Under the proposed definition, irradiated fuel must first be permanently removed from a reactor, and a determination made that the fuel will not be reused in a reactor or subjected to reprocessing. Only after such a determination is the material designated as “spent fuel,” consistent with the intent of regulatory classifications under 10 CFR part 72 and related guidance. A conforming amendment is also proposed to § 72.2 to remove the “aged for at least one year” requirement. The proposed definition also aligns with the definition for “spent nuclear fuel” found in § 2.1105.

Similarly, the regulatory language in § 72.122(h)(1) for describing damaged fuel has language specific to light water reactors. The proposed revisions to this section make the requirement technology-neutral so that it may also be applied to advanced reactor designs.

Several changes proposed in the 10 CFR part 72 regulations would reduce the burden of unnecessary reporting requirements and relax the timelines for written reports. The NRC is proposing to revise § 72.42(b) to decrease the time for the submittal of renewal applications for specific licensees to be 30 days before expiration, consistent with the requirements in § 72.240(b) for CoC renewals. A common set of license terms, CoC terms, and renewal requirements would simplify and clarify the regulatory requirements. Another proposed change to § 72.44(d)(3) would eliminate the regulatory requirement for annual reporting for licensee effluent monitoring programs. This information would be collected and retained by the licensee and subject to inspection. Notification requirements of first storage of spent fuel under the general license letter submittal requirement would be reduced from 90 days before cask loading to 30 days before cask loading in § 72.212(b)(1). Similarly, in § 72.212(b)(2), the cask registration letter submittal requirement would increase from 30 days from cask loading to 90 days from cask loading. These changes would provide a reduction in burden on licensees.

V. Specific Requests for Comments

The NRC is seeking advice and recommendations from the public on the proposed rule. The NRC is

particularly interested in comments and supporting rationale and basis from the public on the following questions. In addition to the general discussion in section IV, additional context is provided for certain questions in order to help the public comment on these issues.

Issue 1: Definition of Construction

The NRC is not proposing changes to the definition of construction in this proposed rule but is considering expanding the definition in the final rule to add flexibility by further clarifying what the term construction does not include. The NRC is seeking feedback on what specific items should be added to the definition. That is, what specific items should not be considered “construction”? Please provide the basis for your response.

Issue 2: Spent Fuel Reprocessing Facility Regulations

Spent Fuel Reprocessing Facility—Regulatory Gap Identification

The NRC seeks comments on spent fuel reprocessing facility regulatory gap identification. The NRC is proposing to amend § 70.22, “Contents of applications,” to require applicants to identify and address any regulatory gaps relevant to their proposed design as part of the license application. As discussed in section IV, this would include applicable gaps in 10 CFR part 70 that were previously identified in the enclosure to SECY-09-0082 and further discussed in SECY-11-0163. Under the proposed approach, applicants are to identify and address the gaps that are applicable to their application based on the proposed technology and risks. Applicants may address these gaps by proposing license conditions or, where appropriate, by requesting exemptions.

The NRC is considering an alternative option of addressing the gaps more specifically by adding a provision in the final rule that would require an applicant to include in its application information and analyses regarding the previously identified specific gaps. For example, a new subsection of § 70.22 could require applicants to include in their spent fuel reprocessing facility application information and analyses pertaining to issues identified as gaps, such as risk considerations, effluent monitoring, and general design criteria, as the gaps may pertain to the specific technology proposed.

The NRC is seeking input on this alternative approach. If the NRC were to proceed, instead, with the alternative approach, please identify which of the gaps should be specifically identified in

the regulatory text and why. Additionally, the NRC is also seeking feedback on whether additional regulatory gaps exist—beyond those identified in SECY-09-0082—that may apply to the reprocessing technologies currently under consideration, including novel technologies that were not considered in the original gap analysis. If so, please identify each additional gap and provide a justification for why it should be included in list of gaps required to be addressed as part of the license application. Similarly, the NRC is seeking input on whether any gaps identified in SECY-09-0082 are no longer applicable to spent fuel reprocessing facilities. Please explain the basis for your response.

Spent Fuel Reprocessing Facility—Decommissioning Funding

The NRC seeks comments on the proposed provisions for spent fuel reprocessing facility decommissioning funding. The NRC is proposing to apply the existing decommissioning funding requirements to spent fuel reprocessing facilities rather than proposing new decommissioning funding requirements specific to these facilities. However, the NRC is considering whether requirements specific to spent fuel reprocessing facilities should be added to 10 CFR part 70 in this rulemaking. Both 10 CFR parts 50 and 70 contain specific funding requirements that a licensee must meet for decommissioning nuclear power plants and fuel cycle facilities, respectively.

The NRC is specifically seeking feedback on whether the decommissioning funding regulations in 10 CFR part 70 are sufficient for spent fuel reprocessing facilities. Should the NRC, instead, provide specific decommissioning funding regulations for these facilities? If additional funding requirements are warranted, please indicate what the NRC should consider in developing these specific decommissioning funding regulations and why. Also consider whether the NRC should consider a new provision similar to § 70.38(a) that applies to spent fuel reprocessing facilities.

Spent Fuel Reprocessing Facility—Waste Issues

The NRC seeks comments on spent fuel reprocessing facility waste issues. The proposed rule seeks to address the handling and onsite storage of radioactive waste generated by a spent fuel reprocessing facility through the existing and proposed requirements in 10 CFR part 70, including those in subpart H, and in 10 CFR parts 20 and

72. The NRC is also considering additional provisions in the final rule in either 10 CFR part 70 or 10 CFR part 72, if necessary, to adequately address the safe handling and onsite storage of radioactive waste at spent fuel reprocessing facilities. If there are additional changes to the regulations needed to address the safety of radioactive waste and enable efficient licensing of a spent fuel reprocessing facility in a technology-neutral way, please provide the changes necessary, including specifically which regulations should be changed and why.

Spent Fuel Reprocessing Facility—Quality Assurance Program

The NRC seeks comments on spent fuel reprocessing facility quality assurance programs. The NRC is proposing that each application for a spent fuel reprocessing facility license include a QA program that fully complies with the criteria outlined in appendix B of 10 CFR part 50. This proposal aligns with existing requirements for plutonium processing and fuel fabrication plants and supports the objective of ensuring high confidence in the availability and reliability of IROFS in these higher-risk facilities, thereby meeting the standard of reasonable assurance of adequate protection. It also aligns with requirements for production facilities under 10 CFR part 50 and would apply commensurate QA requirements to a spent fuel reprocessing facility licensed under 10 CFR part 70.

However, given the wide range of potential technologies and facility scales associated with spent fuel reprocessing facilities and plutonium processing and fuel fabrication plants, the NRC is considering, instead, applying in the final rule a graded technology-neutral approach that would specifically tailor the QA requirements to the technology involved. The NRC is specifically seeking feedback on whether there may be specific instances where certain criteria in appendix B of 10 CFR part 50 may not be justified for making a safety determination. The NRC is also seeking feedback on whether there are relevant safety features or aspects of reprocessing operations that would make a graded approach to QA requirements more appropriate. Please explain the basis for your response.

Spent Fuel Reprocessing Facility—Operator Licensing Program

The NRC seeks comments on the proposed spent fuel reprocessing facility operator licensing program. The NRC is proposing to add a new § 70.22(o) that requires spent fuel reprocessing facility

applications to contain a proposed operator licensing program if operation of the facility involves the manipulation of controls. The NRC is also proposing a new definition of “control” in § 70.4, which defines a control, with respect to a spent fuel reprocessing facility licensed under 10 CFR part 70, as “an engineered item relied on for safety, the manipulation of which could result in unmitigated high consequences identified in § 70.61(b) to any individual located outside the controlled area identified pursuant to § 70.61(f).”

The NRC is specifically seeking feedback on this definition and the threshold for what constitutes a control and therefore an operator licensing program. As part of this consideration, the public is invited to provide comments on whether the threshold is appropriate or if another threshold should be considered.

More specifically, the NRC is considering revising the definition of control in the final rule to include both onsite and offsite consequences of concern. And to differentiate from other facilities licensed under subpart H of 10 CFR part 70, the NRC is also considering revising the definition of control in the final rule to specify that the consequences of concern from unmitigated accident sequences are related to hazards that are unique to spent fuel reprocessing. If the NRC were to opt for this revised definition, the NRC is interested in feedback detailing what those unique hazards are that differentiate spent fuel reprocessing facilities from other subpart H of 10 CFR part 70 facilities.

The NRC is also considering revising the definition of control such that, rather than the proposed consequence based definition, the definition would instead include other considerations such as the complexity of the controls, or sequence of controls, to be manipulated to prevent or mitigate a consequence above the defined threshold. The NRC is seeking feedback on this potential change to the proposed definition. Please provide the basis for your response.

Finally, the NRC is seeking feedback on the proposal in this rule that operator licensing should be required for spent fuel reprocessing facilities that are not defined as production facilities. In light of the ISA and management measures requirements in subpart H of 10 CFR part 70, the NRC is considering not requiring an operator licensing program requirement for spent fuel reprocessing facilities that are not production facilities. Specifically, the NRC is seeking feedback on whether an operator licensing program should be

required only for spent fuel reprocessing facilities that are production facilities. In responding, please include a basis in your response that describes why an operator licensing program would or would not be needed at non-production facilities to ensure adequate safety. If, instead, the NRC continues with the rule as proposed, where all spent fuel reprocessing facilities are required to have an operator licensing program based on a threshold (such as the thresholds for controls), should the proposed threshold be modified; and if so, how and why?

Spent Fuel Reprocessing Facility—Operator General Licenses

The NRC seeks comments on the spent fuel reprocessing facility operator licensing process. The NRC is proposing to specifically license operators of a spent fuel reprocessing facility through license conditions. Alternatively, the NRC is considering an option where the final rule would establish a general license for operators of a spent fuel reprocessing facility. The NRC envisions the option would include requirements similar to those the NRC has proposed in “Risk Informed, Technology-Inclusive Regulatory Framework for Advanced Reactors” (89 FR 86918; October 31, 2024). Under this option, general-licensed reprocessing facility operators would perform duties under the provisions of a general license that would be effective without the filing of an application with the NRC or the issuance of licensing documents to a particular person.

The NRC is specifically seeking feedback on whether spent fuel reprocessing facility licensed operators should be specifically or generally licensed. If the NRC pursues a general license for spent fuel reprocessing facility operators (and, similarly, if operators are to be specifically licensed), what should the requirements be for that program? Are there key concepts in §§ 53.805 through 53.820 that should or shouldn’t be included? Please provide the basis for your responses.

Spent Fuel Reprocessing Facility—As Production Facilities

The NRC seeks comments on the application of AEA requirements for “production facilities” to all spent fuel reprocessing facilities. This proposed rule is written to take into consideration possible applicants that do not meet the AEA’s definition of production facility. However, due to uncertainties in the technologies and associated risk, the NRC is proposing to apply some of the statutory requirements for reprocessing

facilities that meet the definition of production facility to facilities that do not meet the definition of production facility. These include proposed operator licensing programs (if manipulation of controls, as defined, are required), as well as prohibitions on both construction at risk and foreign ownership, control, and domination. If there are non-production facility spent fuel reprocessing facilities in the future where these requirements are not necessary, under this proposed rule, those applicants may request exemptions under § 70.17 that the NRC may grant if justified. The NRC is seeking input on this approach, and specifically, whether this is the appropriate list of statutory provisions to apply to non-production reprocessing facilities. If not, what provisions should be excluded or what other provisions should be included? What specific factors or considerations should the NRC evaluate when determining whether such requirements should not apply to non-production reprocessing facilities? What information currently exists to indicate that the requirements, as proposed, are not necessary to ensure safety at facilities that do not meet the definition of a production facility? And, conversely, if the provisions in this proposed rule are sufficient. Please provide the basis for your responses.

Spent Fuel Reprocessing Facility—Technical Specifications

The NRC is seeking feedback on the proposed approach regarding technical specifications. Under the proposed rule, technical specifications would not be required for spent fuel reprocessing facilities that do not meet the AEA’s definition of production facility because these facilities are subject to the requirements in subpart H of 10 CFR part 70 for ISA and management measures. Under the NRC’s proposal, spent fuel reprocessing facilities that are defined as production facilities would need to provide technical specifications, regardless of facility risks, in accordance with the AEA.

The NRC is considering an alternative approach that would require all spent fuel reprocessing facility applications (whether production or non-production facilities) to include technical specifications based on an established set of thresholds, similar to the proposed approach for operator licensing programs. In the alternative approach, spent fuel reprocessing facilities that do not have accident sequences that would exceed these thresholds would not be required to provide technical specifications as part of the application. If the NRC were to

proceed with the alternative approach of establishing a threshold, the NRC is seeking feedback on whether the technical specification thresholds in the November 2011 draft regulatory basis document should be applied to all spent fuel reprocessing facilities (production and non-production facilities) and whether those thresholds are appropriate. Please provide the basis for your response.

Issue 3: Change Process for 10 CFR Part 70 License Application Documents

The NRC seeks comments on the change process for 10 CFR part 70 license application documents. The regulations currently provide processes to allow licensees to make changes to certain licensing documents without prior NRC approval if they meet specified criteria. Some of these regulations include § 70.32(c)(1)(3) for changes to material control procedures, § 70.32(d) for changes to plans for the physical protection of special nuclear material in transit, § 70.32(e) for changes to physical security plans, § 70.72(c) for facility changes, and in 10 CFR part 95, § 95.19(b) for changes to security practices and procedures. Additionally, § 70.72 includes a facility change process and provides criteria specifying the conditions under which a licensee may make changes to the site, structures, processes, systems, equipment, components, computer programs, and activities of personnel, without prior NRC approval.

However, current requirements do not allow a licensee to make changes to their license application or to the supporting documents referenced in the license under § 70.72 without prior NRC approval because they are limited by a license condition. In response to several requests, the NRC has added a license condition that permits licensees to change certain information in the license application and the supporting licensing documents without first seeking NRC approval if they meet established criteria. Regulatory Guide (RG) 3.74, “Guidance for Fuel Cycle Facility Change Processes” (77 FR 823, January 6, 2012), contains guidance regarding the information a licensee or applicant must provide to request this license condition.

The NRC is considering amending 10 CFR part 70 in the final rule to codify the license condition and make it broadly applicable, as a voluntary option, to any licensee under subpart H of 10 CFR part 70. In the process under consideration, the licensee would be able to make changes to the license application without prior NRC approval provided the change meets certain

provisions. The considerations for this change process are described in RG 3.74 positions C.5.b and C.5.c and the rule provision under consideration, which would build on RG 3.74 and past approvals (with some revisions, *e.g.*, reporting changes to the NRC every 12 months) would read:

Any change to the license application and supporting licensing documents included in license conditions must be evaluated by the licensee before the change is implemented and a record of the evaluation must be retained.

The licensee may make changes to the license application and supporting licensing documents included in license conditions without prior Commission approval, if the change: does not decrease the level of effectiveness of the design basis as described in the License Application; does not result in a degradation of safety; does not affect compliance with applicable regulatory requirements; and does not conflict with an existing license condition.

Within 12 months after each change is made, the licensee shall submit the revised chapters of the License Application to the Director, Office of Nuclear Material Safety and Safeguards, using an appropriate method listed in § 70.5(a) with a copy to the appropriate NRC Regional Office.

The NRC is specifically seeking feedback on whether it would be beneficial to add this optional change process to its regulations in 10 CFR part 70, and if so what criteria should be used to determine if prior NRC approval is needed. Additionally, the NRC is seeking feedback on an appropriate reporting frequency as license conditions, to date, have required reporting every six months. Should the NRC specify documentation requirements for the licensee's evaluation supporting the finding that preapproval is not required, similar to those included in § 70.72(a)? Conversely, the NRC is seeking information on if the optional change process is not seen to be beneficial. Please provide the basis for your responses.

Issue 4: Baseline Design Criteria in 10 CFR Part 70

The NRC is not proposing any changes to the baseline design criteria requirements in the proposed rule; however the NRC is seeking stakeholder input on the implementation of each of the baseline design criteria which were established when subpart H was added to 10 CFR part 70. These criteria were intended to provide an acceptable set of initial design safety considerations and complement the performance requirements in § 70.61 to ensure that safety is not wholly dependent on any single element of design, construction,

maintenance, or operation. This approach is intended to help maintain safety margins, defense in depth, and reduce challenges to IROFS. Based on more than 20 years of operating and licensing experience, the NRC requests feedback on whether rule text changes are needed. Please provide the basis for your response.

VI. Regulatory Flexibility Certification

Under the Regulatory Flexibility Act (5 U.S.C. 605(b)), the NRC anticipates that this proposed rule will not, if issued, have a significant economic impact on a substantial number of small entities. While the rule may affect some "small entities" as defined by the Act or the NRC's size standards (§ 2.810), the overall impact is expected to be minimal.

The staff is proposing several changes across the materials regulations to modernize the NRC's materials licensing requirements. These changes are deregulatory in nature and include streamlining the process for certain new applicants and eliminating certain requirements prior to facility construction to enable bringing power to the grid. Unnecessary regulations are also being eliminated, and reporting and recordkeeping requirements are being reduced. The staff is proposing several other changes to clarify regulations that are confusing or ambiguous to make the overall licensing process more efficient. Finally, regulations governing the storage of radioactive material are being amended to accommodate new and advanced nuclear fuels.

Therefore, the NRC attests under 5 U.S.C. 605(b) that this rule would not have a significant economic impact on a substantial number of small entities. If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

VII. Regulatory Analysis

The NRC is proposing to make several changes to its materials regulations to reduce burden, increase efficiency, and enable bringing power to the grid. These changes will also have economic benefits, but for the reasons stated in this section, the NRC is not able to make a quantitative assessment of the cost savings for all proposed regulatory changes. For example, the NRC does not have detailed data on licensees' pre-construction procurement schedules or financing, therefore the NRC is unable

to make a detailed analysis of the economic benefits of shortening the time required for facility construction. Other proposed regulatory changes seek to modernize licensing for new technologies, including for reprocessing and fuel fabrication, for which there is either no existing data or no publicly available data. Where possible, a quantitative analysis has been provided.

Parts 30 and 40

In 10 CFR parts 30 and 40, the NRC is proposing to amend its regulations to clarify existing language, reduce the facility construction timelines, and simplify the requirements for the environmental report. The changes proposed are also necessary to address a licensee's flexibility in implementing existing regulatory requirements. The NRC anticipates economic benefits, in the form of monetary savings, from shortening the amount of time required to construct facilities under 10 CFR parts 30 and 40 (as well as 10 CFR part 70, discussed further below). However, since the NRC is being proactive in its approach for regulating perceived new technology, the NRC does not have data to formulate a quantitative assessment of the economic benefits the industry can anticipate from these changes, nor is there enough data to quantitatively address monetary savings from streamlining the construction timelines and application requirements. Qualitatively, however, the benefits in savings to the industry, as a result of the clarifying changes to 10 CFR parts 30 and 40, reduce interaction time with the NRC, as well as provide flexibility for applicants moving forward.

Part 37

The proposed revisions to 10 CFR part 37 would formalize existing practice established through EGM-14-001. Additionally, the proposed rule also includes clarifying language in § 37.11(c) to alleviate potential confusion. The NRC maintains that these changes are economically neutral, as they do not alter licensee behavior but rather reflect current practices.

Part 70

The changes the NRC is proposing in 10 CFR part 70 provide industry with flexibility in meeting current regulatory requirements, as well as flexibility in how to meet the regulatory requirements as they apply to potential new technological advancements in reprocessing and fuel fabrication. Some modifications proposed in 10 CFR part 70 are clarifying in nature, and therefore, do not create an economic burden. There are also many proposed

changes to 10 CFR part 70 that reduce burden by eliminating or reducing reporting or record keeping requirements, which may also create savings for the industry by minimizing interactions with the NRC.

The NRC has also identified several other proposed changes to 10 CFR part 70 for which it is unable to quantitatively determine the cost savings they would create for the industry. The following table provides a qualitative assessment

of the provisions proposed in 10 CFR part 70 that the NRC anticipates would create economic savings for the industry.

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Table 1. NRC's Anticipated Qualitative Saving in 10 CFR Part 70

Title	Discussion of Qualitative Savings
Spent Fuel Reprocessing Facility Assessment	The NRC is removing the two-step licensing process which may reduce the amount of time spent in the application process. The decrease in time spent is expected to create an economic benefit realized as a savings for applicants. However, because no applicants have submitted a license application for a spent fuel reprocessing facility, the NRC has insufficient data for the baseline to compare to the potential saving of the proposed process and is thus unable to quantify the economic savings resulting from this proposed regulatory change.
Pilot Fuel Line Assessment	It is currently unclear how many and what types of facilities will seek authorization under the DOE's Pilot Fuel Line Program. Moreover, the NRC staff lacks actual review effort data as no application for a pilot fuel line authorized by DOE has been previously submitted for NRC review under the current regulatory framework. However, the NRC anticipates that clarifying the requirements would create industry savings.
Eliminating Two-step Process for Plutonium processing and Fuel Fabrication Facilities	The current regulatory requirements predate the addition of subpart H of 10 CFR part 70, which introduced the integrated safety analysis (ISA) ISA framework, and are not statutorily required. With the ISA now providing a comprehensive and systematic safety evaluation, the two-step process is no longer necessary. The NRC anticipates that these changes would create an industry saving. However, the NRC is unable to measure the savings due to lack of data on number of future applicants and complexity of future applications.
Revising Construction Provisions	This provision is removing the 9-month notification requirement for commencement of construction of fuel cycle facilities. This change would give applicants greater flexibility in planning and initiating construction activities, thereby reducing the need for updating and editing

	documents that have already been submitted. The NRC anticipates savings from this change but is unable to measure the savings due to the absence of historical data.
Performance Requirement	The NRC is making changes to § 70.61(e)(2), 70.61(e)(2)(i), and 70.61(e)(2)(ii) which would credit licensees that have demonstrated their structures are capable of preventing and mitigating natural phenomena-initiated accident sequences. This action would reduce recordkeeping-related burden for licensees. The NRC anticipates the changes to this provision would result in annual savings. However, the NRC is unable to measure the amount of savings resulting from this action due to the case-specific impacts of this change. This includes the specificity of the credit being granted to licensees where they have demonstrated their structures can prevent and mitigate natural phenomena-initiated accident sequences and the amalgamation of other ISAs into one recordkeeping dialogue.
Site-Specific Likelihood Thresholds for Reporting IROFS Failures	Under this revision, licensees may propose alternative thresholds for reporting that are aligned with the specific facility and risk—such as defining “unlikely” events as those with a likelihood of 10^{-3} and “highly unlikely” events as those with a likelihood of 10^{-4}—rather than adhering strictly to the thresholds used to demonstrate compliance with the performance requirements of § 70.61 (e.g., 10^{-4} and 10^{-5}, respectively). This change recognizes that the likelihood thresholds used for reporting purposes do not necessarily need to match those used in the ISA to demonstrate compliance with § 70.61, provided that the overall facility risk remains acceptably low. The NRC perceives a saving from this proposed change owing to the enhanced flexibility it would offer; however, the NRC does not have awareness of how many reports may be avoided. This limits the ability to quantify the potential reduction in reporting burden.

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Part 72

There are portions of the changes in 10 CFR part 72 that are similar to those in 10 CFR part 30 above. Therefore, NRC is referring back to 10 CFR part 30 for discussion on proposed changes affecting technological innovation.

Additionally, the NRC is proposing to revise § 72.44(d)(3) by removing redundant annual reporting of gaseous effluents to the NRC. This change removes the requirement for licensees to submit these reports to the NRC but still provides licensees with the option to submit these reports if they so choose. If the licensee elects not to submit the report, they would instead need to

maintain the report in their files and present the report when asked by an NRC inspector. The NRC estimates potential time savings, for both licensees and NRC staff, from implementing this change.

The NRC's estimated savings for licensees was calculated using the loaded wage rate of \$137.14.¹ The NRC estimates that a licensee would take 0.083 hours to submit the gaseous effluent report to NRC. The estimated

¹ The wage used for this occupation was Facilities Managers (11-3013) from across all industries on BLS SOC website <https://data.bls.gov/oes/#/industry/221113> for year 2024. In addition, the wage rate is loaded by a ratio of 1.6 to account for benefits employees receive from their employer (e.g., health care insurance, vacation time) \$137.14 = (\$85.71 * 1.6).

total annual saving from reducing duplicative reporting is \$857 non-discounted, and savings over a period of 10-year is estimated to be \$6,020 and \$7,311 discounted at 7 and 3 percent, respectively.

The NRC's potential savings would come from eliminating the need to review and process the annual reports. The NRC receives 75 gaseous effluent annual reports, and it takes the staff two hours to review and process each report. Annually, the NRC spends 150 hours reviewing gaseous effluent reports. Using the wage rate of \$158 for NRC's employment, the staff expect this proposed rule to save the agency approximately \$23,700 annually. The staff estimates total 10 years savings at

\$166,460 and \$202,166 discounted at 7 and 3 percent, respectively.

Total combined 10 years savings from both industry and the NRC are

estimated at \$245,571 (undiscounted) and net present value of \$209,477 discounted at 7 and 3 percent, respectively, with annualized 10 years

savings at \$172,479 discounted at 7. Table 2 shows the combined 10-year period of analysis.

Table 2. Combined savings from Provision § 72.44(d)(3)

Year	Undiscounted	7%	3%
1	\$ 24,557	\$ 22,951	\$ 23,842
2	\$ 24,557	\$ 21,449	\$ 23,147
3	\$ 24,557	\$ 20,046	\$ 22,473
4	\$ 24,557	\$ 18,734	\$ 21,819
5	\$ 24,557	\$ 17,509	\$ 21,183
6	\$ 24,557	\$ 16,363	\$ 20,566
7	\$ 24,557	\$ 15,293	\$ 19,967
8	\$ 24,557	\$ 14,292	\$ 19,386
9	\$ 24,557	\$ 13,357	\$ 18,821
10	\$ 24,557	\$ 12,484	\$ 18,273
Total	\$ 245,571	\$ 172,479	\$ 209,477
Annualized		\$24,557	\$24,557

Furthermore, the NRC's proposed change to § 72.214 would eliminate the requirement for a direct final rule as part of the NRC's approval process for new or modified spent fuel dry storage casks entering the market. Under the current regulation, in order for a cask design or modification to be approved for use, a cask vendor must submit an application to the NRC for approval and, as part of the approval process, the NRC reviews the application and develops a direct final rule. The direct final rule serves to add the new cask design or modification to a list of NRC-approved cask designs in § 72.214. The proposed change to § 72.214 would remove the list of approved cask designs from the regulation and instead point general licensees to a list of NRC-approved

casks on the NRC's public website. Thus, the proposed change would have the NRC review and approve the application without developing a direct final rule for each new cask design or modification. Therefore, the proposed change to § 72.214 would mostly affect the NRC's approval process and have an indeterminate effect on vendors and licensees.

Under the current approval process, the NRC develops a direct final rule every time it approves a cask design or modification for use by general licensees. On average, the NRC receives 8 applications per year, which means it must create 8 separate direct final rules. NRC staff spend about 1,500 hours developing each rule. Therefore, over the course of 1 year, the NRC invests

approximately 12,000 hours in creating direct final rules under § 72.214. To estimate the monetary costs of the NRC, the staff uses a \$158 hourly rate for the NRC wage rate. The estimated cost of creating one direct final rule is \$237,000 per application. Assessing the 1-year and 10-year cost savings from changes to § 72.214, the staff estimates potential NRC benefit at \$1.9 million and \$19 million respectively in undiscounted savings. The estimated 10-year net present value for the 10-year period of analysis is \$13.3 million at a 7 percent discount. Hence, the NRC is anticipating a reduction in its burden which would create a saving for the NRC. Table 3 shows the results of calculating the effect of changes to § 72.214.

Table 3. Potential NRC Savings from Changes to §72.214

Year	Undiscounted	7%	3%
1	\$ 1,896,000	\$ 1,771,963	\$ 1,840,777
2	\$ 1,896,000	\$ 1,656,040	\$ 1,787,162
3	\$ 1,896,000	\$ 1,547,701	\$ 1,735,109
4	\$ 1,896,000	\$ 1,446,449	\$ 1,684,571
5	\$ 1,896,000	\$ 1,351,822	\$ 1,635,506
6	\$ 1,896,000	\$ 1,263,385	\$ 1,587,870
7	\$ 1,896,000	\$ 1,180,734	\$ 1,541,622
8	\$ 1,896,000	\$ 1,103,489	\$ 1,496,720
9	\$ 1,896,000	\$ 1,031,298	\$ 1,453,126
10	\$ 1,896,000	\$ 963,830	\$ 1,410,802
Total	\$ 18,960,000	\$ 13,316,711	\$ 16,173,265
Annualized		\$1,896,000	\$1,896,000

Additionally, the proposed changes to the cask approval process would create a benefit to the industry. The process of drafting and publishing a direct final rule for each NRC approval of a cask design or modification takes approximately six months to complete. During that time, the cask vendor is unable to generate revenue from the cask design for which they are awaiting NRC's approval. By removing the rulemaking requirement, a vendor would be able to generate revenue on a quicker timeframe that, under the current regulation, is unattainable.

Removing the rulemaking requirement for cask approvals would allow vendors to reverse the opportunity lost due to rulemaking process, which would equate to approximately six months. The NRC foresees a vendor's time as an opportunity gained, and therefore, a benefit. However, the NRC is unable to enumerate the benefits for two reasons: (1) the NRC does not have information on vendors' marketing strategies to make an intuitive cash flow assessment, and (2) the NRC is unable to track sales data of casks. Although the NRC cannot provide a quantitative assessment of the

vendor's benefits, it anticipates that the change to § 72.214 will yield a positive economic impact for vendors for the reasons aforementioned.

To summarize the quantitative impact to the affected population, the NRC combines estimates from tables 2 and 3 to assess the overall impact of the proposed rule. The total aggregated cost saving for the proposed rule is estimated to have annual savings of \$1.9 million (undiscounted) with a 10-years net present value of \$13.5 million discounted at 7 percent. Table 4 shows a savings schedule over a 10-year period of analysis.

Table 4. Total Cost Savings for this Proposed Rule

Year	Undiscounted	7%	3%
1	\$ 1,920,557	\$ 1,794,913	\$ 1,864,619
2	\$ 1,920,557	\$ 1,677,489	\$ 1,810,309
3	\$ 1,920,557	\$ 1,567,747	\$ 1,757,582
4	\$ 1,920,557	\$ 1,465,184	\$ 1,706,390
5	\$ 1,920,557	\$ 1,369,331	\$ 1,656,689
6	\$ 1,920,557	\$ 1,279,748	\$ 1,608,436
7	\$ 1,920,557	\$ 1,196,026	\$ 1,561,589
8	\$ 1,920,557	\$ 1,117,782	\$ 1,516,106
9	\$ 1,920,557	\$ 1,044,656	\$ 1,471,947
10	\$ 1,920,557	\$ 976,314	\$ 1,429,075
10-YR Total	\$19,205,570	\$ 13,489,190	\$ 16,382,742
Annualized		\$1,920,557	\$1,920,557

Additionally, the NRC estimates this proposed rule would have perpetuity cost savings of \$1.9 million discounted at 7 percent in 2024 dollars.

VIII. Backfitting and Issue Finality

This section describes the backfitting implications of this proposed rule. The NRC's backfitting provisions relevant to this proposed rule appear in §§ 70.76 and 72.62, each entitled "Backfitting," and apply to holders of certain licenses under 10 CFR part 70 and holders of general or specific licenses under 10 CFR part 72, respectively. Parts 30, 37, 40, 51, and 140 of 10 CFR chapter I do not contain backfitting provisions. The NRC Management Directive 8.4, "Management of Backfitting, Forward Fitting, Issue Finality, and Information Requests," describes the Commission's policies on backfitting.

The 10 CFR parts 70 and 72 backfitting provisions apply to actions taken by the NRC under 10 CFR parts 70 and 72, respectively, or actions taken by the NRC under other parts of 10 CFR chapter I that, for holders of certain approvals under 10 CFR part 70 or 72, inextricably affect their activities regulated under 10 CFR part 70 or 10 CFR part 72, respectively. The proposed changes would not meet the definition of "backfitting" in § 70.76 because the proposed changes would not modify or add to the SSCs or design of a facility or to the procedures or organization required to operate a facility under 10 CFR part 70. These changes would not meet the definition of "backfitting" in § 72.62 because the proposed changes would not add, eliminate, or modify the SSCs of an ISFSI or the procedures or organization required to operate an ISFSI.

Further, the proposed changes to 10 CFR part 37 (see section IV.B of this document) as well as the proposed conforming changes to 10 CFR parts 30, 40, 51, and 140 (see section IV.A and IV.D of this document) to reflect the proposed changes to 10 CFR parts 70 and 72, would not inextricably affect activities regulated under 10 CFR parts 70 or 10 CFR part 72. Therefore, the issuance and implementation of the proposed rule would not affect 10 CFR part 70 or 10 CFR part 72 entities' activities regulated under 10 CFR part 70 or 10 CFR part 72. For these reasons, the proposed rule would not constitute backfitting under 10 CFR parts 70 and 72.

The NRC would also post on its public website a series of frequently asked questions (FAQs) and NRC responses related to this proposed rule as described in section XVI, "Availability of Guidance," of this

document. These FAQs would not constitute backfitting as defined in § 70.76 or § 72.62 because licensees would not be required to comply with the positions set forth in the FAQs.

IX. Cumulative Effects of Regulation

The NRC seeks to minimize potential negative consequences resulting from the cumulative effects of regulation (CER). The NRC believes that the deregulatory impacts of this rulemaking activity are unlikely to cause implementation challenges for stakeholders. In addition, during the pendency of this rulemaking, the NRC is deprioritizing issuance of regulatory actions that might influence the implementation date for the new rule requirements (e.g., orders, generic communications, license amendment requests, and inspection findings of a generic nature).

To fully understand any potential CER implications that could result from this rulemaking, the NRC is asking the following questions. Response to these questions is voluntary and any input will be considered during development of the final rule.

1. NRC is proposing an effective date that will be 30 days after the date of publication of a final rule. Does this provide sufficient time to implement the proposed requirements? Please provide a rationale for your response.

2. Are there unintended consequences related to this rulemaking and how should they be addressed? Please provide a rationale for your response.

3. Please comment on the NRC's cost and benefit estimates in the regulatory analysis that supports this proposed rule.

X. Plain Writing

The Plain Writing Act of 2010 (Pub. L. 111–274) requires Federal agencies to write documents in a clear, concise, and well-organized manner. The NRC has written this document to be consistent with the Plain Writing Act as well as the Presidential Memorandum, "Plain Language in Government Writing," published June 10, 1998 (63 FR 31885). The NRC requests comment on this document with respect to the clarity and effectiveness of the language used.

XI. Environmental Assessment and Proposed Finding of No Significant Environmental Impact

The Commission has determined under the National Environmental Policy Act of 1969, as amended, and the Commission's regulations in subpart A of 10 CFR part 51, that this rule, if adopted, would not be a major Federal action significantly affecting the quality

of the human environment, an environmental impact statement is not required. The basis of this determination is available in ADAMS Accession No. ML25288A041.

The determination of this environmental assessment is that there will be no significant effect on the quality of the human environment from this action. Public stakeholders should note, however, that comments on any aspect of this environmental assessment may be submitted to the NRC as indicated under the **ADDRESSES** caption.

XII. Paperwork Reduction Act

This proposed rule amends new or amended collections of information subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This proposed rule has been submitted to the Office of Management and Budget for review and approval of the information collections.

Type of submission: New.

The title of the information collection: Modernizing Materials Licensing.

The form number if applicable: Not applicable.

How often the collection is required or requested: Certain events must be reported to the NRC Operations Center within 1 hour, 4 hours, or 24 hours of discovery, depending on the event type. Other reports are due within 30 days or 60 days of an event, semiannually, annually, or upon the occurrence of specific events. Records must be maintained for periods ranging from 3 years to the duration of the license or until decommissioning is complete, depending on the record type.

Who will be required or asked to respond: Applicants and licensees regulated under 10 CFR parts 30, 37, 40, 51, 70, 72, and 140, including spent fuel reprocessing facilities and pilot fuel lines licensed under 10 CFR part 70.

An estimate of the number of annual responses:

10 CFR part 30: 3 (3 reporting responses + 0 recordkeepers)
10 CFR part 37: 2 (2 reporting responses + 0 recordkeepers)
10 CFR part 40: 0
10 CFR part 51: – 8 (– 8 reporting responses)
10 CFR part 70: 120 (92 reporting responses + 28 recordkeepers)
10 CFR part 72: – 213 (– 298 reporting responses + 85 recordkeepers)
10 CFR part 140: 1 (1 reporting response + 0 recordkeepers)

The estimated number of annual respondents:

10 CFR part 30: 3
10 CFR part 37: 2
10 CFR part 40: 0 during the clearance period

10 CFR part 51: 0
 10 CFR part 70: 31
 10 CFR part 72: 85
 10 CFR part 140: 1

An estimate of the total number of hours needed annually to comply with the information collection requirement or request:

10 CFR part 30: 6 (6 reporting + 0 recordkeeping)
 10 CFR part 37: 16 (16 reporting + 0 recordkeeping)
 10 CFR part 40: 0
 10 CFR part 51: 0
 10 CFR part 70: 44,591 (40,642 reporting + 3,949 recordkeeping)
 10 CFR part 72: -2,305 (-2,900 reporting + 595 recordkeeping)
 10 CFR part 140: 2 (2 reporting + 0 recordkeeping)

Abstract: The proposed rule would revise information collection related to materials licensing. Major changes would include eliminating the nine-month advance application requirement for facility construction in 10 CFR parts 30, 40, and for some facilities under 10 CFR part 70, and allowing construction to begin at the applicant's risk for most materials facility types; introducing a new exemption in 10 CFR part 37 for large components and robust structures containing category 1 or category 2 quantities of radioactive material, with new recordkeeping for exemption documentation; streamlining and clarifying application content and reporting requirements in 10 CFR part 70, especially for spent fuel reprocessing facilities; shifting certain annual and biennial reporting requirements in 10 CFR part 72 to recordkeeping only, and adjusting notification and registration deadlines for spent fuel storage; and establishing new documentation requirements in 10 CFR part 140 for spent fuel reprocessing facility licensees (liability insurance and indemnification for reprocessing facilities). These changes collectively would reduce unnecessary regulatory burden, clarify ambiguous requirements, and improve the efficiency and practical utility of NRC's information collections, ensuring that the agency would continue to receive essential information for effective oversight while minimizing paperwork burdens on regulated entities.

The NRC is seeking public comment on the potential impact of the information collection(s) contained in this proposed rule and on the following issues:

1. Is the proposed information collection necessary for the proper performance of the functions of the NRC, including whether the information

will have practical utility? Please explain your response.

2. Is the estimate of the burden of the proposed information collection accurate? Please explain your response.

3. Is there a way to enhance the quality, utility, and clarity of the information to be collected? Please explain your response.

4. How can the burden of the proposed information collection on respondents be minimized, including the use of automated collection techniques or other forms of information technology?

A copy of the OMB clearance package is available in ADAMS under Accession No. ML25288A044 or may be viewed free of charge by contacting the NRC's Public Document Room reference staff at 1-800-397-4209, at 301-415-4737, or by email to PDR.Resource@nrc.gov. You may obtain information and comment on submissions related to the OMB clearance package by searching on <https://www.regulations.gov> under Docket ID NRC-2025-1370.

You may submit comments on any aspect of these proposed information collections, including suggestions for reducing the burden and on the above issues, by the following method:

- Federal rulemaking website: Go to <https://www.regulations.gov> and search for Docket ID NRC-2025-1370.

Submit comments by July 24, 2026.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the document requesting or requiring the collection displays a currently valid OMB control number.

XIII. Executive Orders

The following are Executive orders that are related to this proposed rule:

A. Executive Order 12866: Regulatory Planning and Review (as Amended by Executive Order 14215, Ensuring Accountability for All Agencies)

The Office of Information and Regulatory Affairs (OIRA) has determined that this proposed rule is a significant regulatory action. Accordingly, the NRC submitted this proposed rule to OIRA for review. The NRC is required to conduct an economic analysis in accordance with section 6(a)(3)(B) of E.O. 12866. More can be found in Section VII, of this document, "Regulatory Analysis."

B. Executive Order 14154: Unleashing American Energy

The NRC has examined this proposed rule and has determined that it is

consistent with the policies and directives outlined in E.O. 14154.

C. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is tentatively determined to be a deregulatory action as defined by E.O. 14192. Details on the estimated cost savings of this proposed rule can be found in Section VII of this document, "Regulatory Analysis."

D. Executive Order 14270: Zero-Based Regulatory Budgeting To Unleash American Energy

E.O. 14270, "Zero-Based Regulatory Budgeting to Unleash American Energy," requires the NRC to insert a conditional sunset date into all new or amended NRC regulations provided the regulations are (1) promulgated under the AEA, the Energy Reorganization Act of 1974, as amended (ERA), or the Nuclear Waste Policy Act of 1982, as amended (NWPA); (2) not statutorily required; and (3) not part of the NRC's permitting regime. The NRC determined that the regulatory changes proposed in this rule are required because they are necessary for providing reasonable assurance of adequate protection of public health and safety and the common defense and security, and would be part of the NRC's permitting regime authorized by the AEA. Therefore, the NRC views this rulemaking to be outside the scope of E.O. 14270 and did not insert conditional sunset dates for the regulatory changes in this proposed rule.

E. Executive Order 14294: Fighting Overcriminalization in Federal Regulations

This proposed rule includes Federal regulations that, if adopted, would be enforceable by criminal penalty, as authorized by Section 223 of the AEA. Therefore, per E.O. 14294, those regulations constitute "criminal regulatory offenses."

For the purposes of Section 223 of the AEA, the NRC is issuing this proposed rule that would amend 10 CFR parts 70, 72, and 140 under one or more of Sections 161b, 161i, or 161o of the AEA, except as noted in §§ 70.92, 72.86, and 140.89. The applicability of criminal penalties to regulations in 10 CFR parts 70, 72, and 140 is set forth in §§ 70.92, 72.86, and 140.89. Willful violations of the 10 CFR parts 70, 72, and 140 regulations, other than those listed in §§ 70.92, 72.86, and 140.89 (including as updated by this proposed rule), would be subject to criminal enforcement.

XIV. Coordination With NRC Agreement States

On September 3, 2025, the NRC held a government-to-government meeting with the Agreement States regarding E.O. 14300, “Ordering the Reform of the Nuclear Regulatory Commission.” In this meeting, the NRC presented its goals and objectives for future rulemakings, including this proposed rule, to be done in response to the E.O. At the time of the meeting, the proposed rule text was not available.

XV. Compatibility of Agreement State Regulations

On the basis of the “Agreement State Program Policy Statement” approved by the Commission on October 2, 2017, and published in the **Federal Register** (82 FR 48535; October 18, 2017), NRC program elements can be placed into six categories (A, B, C, D, NRC, or health and safety (H&S)) to form the basis for evaluating and classifying the program elements. Under the Policy Statement, a program element means any component or function of a radiation control regulatory program, including regulations and other legally binding requirements imposed on regulated persons, which contributes to implementation of that program. This proposed rule only modifies regulations that are of Compatibility Categories B, C, D, and NRC.

Compatibility Category B pertains to a limited number of program elements that cross jurisdictional boundaries and

should be addressed to ensure uniformity of regulation on a nationwide basis. For Compatibility Category B, the Agreement State program element shall be essentially identical to that of NRC.

Program elements in Compatibility Category C include those program elements that are important for an Agreement State to have in order to avoid conflict, duplication, gaps, or other conditions that would jeopardize an orderly pattern in the regulation of agreement material on a national basis. An Agreement State program shall embody the essential objectives of the Category C program elements. Under Category C, Agreement State program elements may be more restrictive than NRC program elements; however, they should not be so restrictive as to prohibit a practice authorized by the AEA, and in the national interest without an adequate public health and safety or environmental basis related to radiation protection.

Compatibility Category D are those program elements that do not meet any of the criteria of Category A, B, or C, and are not required to be adopted by Agreement States for purposes of compatibility. An Agreement State has the flexibility to adopt and implement program elements within the State’s jurisdiction that are not addressed by the NRC or that are not required for compatibility. However, such program elements of an Agreement State relating to agreement material shall (1) not

create conflicts, duplications, gaps, or other conditions that would jeopardize an orderly pattern in the regulation of agreement material on a nationwide basis; (2) not preclude a practice authorized by the AEA and in the national interest; and (3) not preclude the ability of the NRC to evaluate the effectiveness of Agreement State programs for agreement material with respect to protection of public health and safety.

Compatibility Category NRC are those program elements that address areas of regulation that cannot be relinquished to the Agreement States under the AEA, or provisions of 10 CFR. The NRC maintains regulatory authority over these program elements and the Agreement States must not adopt these NRC program elements. However, an Agreement State may inform its licensees of these NRC requirements through a mechanism under the State’s administrative procedure laws, as long as the State adopts these provisions solely for the purposes of notification, and does not exercise any regulatory authority as a result.

The proposed rule is a matter of compatibility between the NRC and the Agreement States, thereby providing consistency among Agreement State and NRC requirements. The compatibility (A, B, C, D, and NRC) and adequacy (H&S) categories are designated in the following table:

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Adequacy and Compatibility Table

Section	Change	Subject	Adequacy or Compatibility	
			Existing	New
30.32(f)	Amend	Application for specific licenses	D	D
30.33(a)(5)	Amend	General requirements for issuance of specific licenses	D	D
37.5	New	Definitions, Large Component	-	B
37.5	New	Definitions, Robust Structure	-	B
37.11(c)	Amend	Specific exemptions	B	B
37.11(d)	New	Specific exemptions	-	B
40.31(f)	Amend	Application for specific licenses	D	D
40.32(e)	Amend	General requirements for issuance of specific licenses	H&S— States with authority to regulate uranium mill activities (11e.(2) byproduct material). NRC— States without authority	D
70.1(d)	Remove	Purpose	NRC	-
70.1(f)	New	Purpose	-	NRC
70.4	New	Definitions, Combined license	-	NRC
70.4	New	Definitions, Control	-	NRC
70.4	New	Definitions, Operator license	-	NRC
70.4	New	Definitions, Pilot fuel line	-	NRC
70.4	New	Definitions, Spent fuel reprocessing facility	-	NRC
70.5(b) intro	Amend	Communications	D	D
70.5(b)(1)(i), (iv), (vi), (vii)	Change Compatibility Category	Communications	D	NRC
70.5(b)(1)(viii) & (b)(1)(ix)	New	Communications	-	NRC

70.11(d)	New	Persons using special nuclear material under certain DOE and NRC contracts	-	NRC
70.21(a)(1)	Amend/Redesignate (previously 70.21(a)(2))	Filing	D	D
70.21(a)(2)	Remove	Filing	D	o
70.21(a)(4)	New	Filing	-	NRC
70.21(e)	Amend	Filing	D	D
70.21(f)	Amend	Filing	NRC	NRC
70.21(h) and (i)	Remove	Filing	NRC	-
70.22(a)(7)	Amend	Contents of applications	D	D
70.22(b)	Amend	Contents of applications	NRC	NRC
70.22(f)	Amend	Contents of applications	NRC	NRC
70.22(n)	Amend	Contents of applications	NRC	NRC
70.22(o), (p), (q), and (r)	New	Contents of applications	-	NRC
70.23(a)(7)	Amend	Requirements for the approval of applications	NRC	D
70.23 (a)(8), (a)(11), (a)(12)	Amend	Requirements for the approval of applications	NRC	NRC
70.23(a)(13) through (a)(16)	New	Requirements for the approval of applications	-	NRC
70.23(b)	Remove	Requirements for the approval of applications	NRC	-
70.23a	Amend	Hearings required	NRC	NRC
70.24(a)	Amend	Criticality accident requirements	NRC	NRC
70.25(a)(3)	New	Financial assurance and recordkeeping for decommissioning	-	NRC
70.31(e)	Amend	Issuance of licenses	NRC	NRC
70.31(f)	New	Issuance of licenses	-	NRC
70.32(c)(2), (d), (e)	Amend	Conditions of licenses	NRC	NRC
70.32(l), (m), and (n)	New	Conditions of licenses	-	NRC
70.40	Amend	Ineligibility of certain applicants	NRC	NRC
70.42(d)(3)	Amend	Transfer of special nuclear material	C	C
70.50	Amend	Reporting Requirements	C	D
Note: Reporting				

requirements moved to Appendix A to Part 70				
70.52	Remove	Reports of accidental critically	NRC	-
70.59	Amend	Effluent monitoring reporting requirements	NRC	NRC
70.60	Amend	Applicability	NRC	NRC
70.61(e)	Amend	Performance Requirements	NRC	NRC
70.62	Amend	Safety program and integrated safety analysis	NRC	NRC
70.64	Amend	Requirements for new facilities or new processes at existing facilities	NRC	NRC
70.65	Amend	Additional content of application	NRC	NRC
70.72	Amend	Facility changes and change process	NRC	NRC
70.73	Amend	Renewal of licenses	NRC	NRC
70.74	Remove	Additional reporting requirements	NRC	-
Appendix A to Part 70 (a), (c)(1)-(4), (e)(2)-(4)	Amend	Reportable Safety Events	NRC	NRC
Appendix A to Part 70 (b), (c)(5)-(c)(8), (d), (e)(1), Note: Report requirements moved from 70.50	New	Reportable Safety Events	-	C
Appendix A to Part 70 (f)	New	Reportable Safety Events	-	NRC

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XVI. Availability of Guidance

Due to the accelerated schedule for this rulemaking, the NRC is not issuing draft guidance for implementation of the proposed requirements at this time. However, the NRC has prepared “frequently asked questions” which,

when finalized, will be posted to the NRC public website to provide stakeholders with guidance for implementing the final requirements contemplated by this proposed rule. The FAQs are available in ADAMS at Accession No. ML26168A407. You may submit comments on the draft FAQs by

the methods outlined in the **ADDRESSES** section of this document.

XVII. Availability of Documents

The documents identified in the following table are available to interested persons through one or more of the following methods, as indicated.

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DOCUMENT	ADAMS ACCESSION NO. / WEB LINK / <i>FEDERAL REGISTER</i> CITATION
Guidance FAQs, "Modernizing Material Licensing," June 2026	ML26168A407
Draft Environmental Assessment, "Modernizing Materials Licensing," June 2026	ML26168A406
Supporting Statement for Information Collections Contained in Modernizing Materials Licensing Requirement Proposed Rule	ML25288A044
Burden Tables for Modernizing Materials and Licensing Requirements Proposed Rule	ML26168A476
PRM-37-1, "Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material," June 12, 2014	ML14199A570
Enforcement Guidance Memorandum 2014-001, "Interim Guidance for Dispositioning 10 CFR Part 37 Inspection Findings with Respect to Large Components and Robust Structures at Facilities Licensed Under 10 CFR Parts 50 and 52," March 13, 2014	ML14056A151
SECY-09-0082, "Update on Reprocessing Regulatory Framework-Summary of Gap Analysis," May 28, 2009	ML091520280
SECY-11-0163, "Reprocessing Rulemaking – Draft Regulatory Basis and Path Forward," November 18, 2011	ML113210386
NEI White Paper, "Regulatory Framework for NRC Licensed Recycling Facility," December 19, 2008	ML083590114 (Package)
Draft regulatory basis, "SECY-11-0163 - Enclosure: Draft Regulatory Basis for Licensing and Regulating Reprocessing Facilities," November 18, 2011	ML112081702
NRC letter, "Response to NEI - ISA Considerations and Designation of IROFS for NPH-initiated Events," February 14, 2025	ML24241A119
NUREG 6407, "Classification of Transportation Packaging and Dry Spent Fuel Storage System Components According to Importance to Safety," February 1996	ML15127A114

NEI letter, "Nuclear Energy Institute (NEI) Input on Recent Executive Orders," February 10, 2025	ML25058A144
Petition for rulemaking; denial, "Nuclear Energy Institute; Denial of Petition for Rulemaking," December 11, 2001	66 FR 63964
Petition for rulemaking; notice of docketing and request for comment, "Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material," October 28, 2014	79 FR 64149
Petition for rulemaking; consideration in the rulemaking process, "Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material," June 12, 2015	80 FR 33450
Policy statement, "Interim Enforcement Policy for Enforcement Discretion for General Licensee Adoption of Certificate of Compliance Holder-Generated Changes," August 15, 2025	90 FR 39308
Policy statement, "Interim Enforcement Policy for Dispositioning Violations with Respect to Large Components or Robust Structures Containing Category 1 or Category 2 Quantities of Radioactive Material," August 23, 2024	89 FR 68083
Policy statement, "Agreement State Program Policy Statement," October 18, 2017	82 FR 48535
Proposed rule, "Risk-Informed, Technology-Inclusive Regulatory Framework for Advanced Reactors," October 31, 2024	89 FR 86918
Proposed rule, "The Sunset Rule," December 3, 2025	90 FR 55699
Final rule, "Storage of Spent Fuel in NRC-Approved Storage Casks at Power Reactor Sites," July 18, 1990	55 FR 29181
Final rule, "Expand Applicability of Part 72 to Holders of, and Applicants for, Certificates of Compliance," October 15, 1999	64 FR 56121
Final rule, "Clarification and Addition of Flexibility," August 21, 2000	65 FR 50606
Regulatory guide, "Guidance for Fuel Cycle Facility Change Processes," January 6, 2012	77 FR 823
Executive Order 12866, "Regulatory Planning and Review," October 4, 1993	58 FR 51735
Executive Order 14154, "Unleashing American Energy," January 29, 2025	90 FR 8353
Executive Order 14192, "Unleashing Prosperity Through Deregulation," February 6, 2025	90 FR 9065
Executive Order 14294, "Fighting Overcriminalization in Federal Regulations," May 14, 2025	90 FR 20363
NRC Enforcement Policy, August 12, 2025	ML25224A097
Presidential Memorandum, "Plain Language in Government Writing," June 10, 1998	63 FR 31885

under Docket ID NRC–2025–1370. In addition, the Federal rulemaking website allows members of the public to receive alerts when changes or additions occur in a docket folder. To subscribe: (1) navigate to the docket folder (NRC–2025–1370); (2) click the “Subscribe” link; and (3) enter an email address and click on the “Subscribe” link.

List of Subjects

10 CFR Part 30

Byproduct material, Criminal penalties, Government contracts, Intergovernmental relations, Isotopes, Nuclear energy, Nuclear materials, Penalties, Radiation protection, Reporting and recordkeeping requirements, Whistleblowing.

10 CFR Part 37

Byproduct material, Criminal penalties, Exports, Hazardous materials transportation, Imports, Licensed material, Nuclear materials, Penalties, Radioactive materials, Reporting and recordkeeping requirements, Security measures.

10 CFR Part 40

Criminal penalties, Exports, Government contracts, Hazardous materials transportation, Hazardous waste, Nuclear energy, Nuclear materials, Penalties, Reporting and recordkeeping requirements, Source material, Uranium, Whistleblowing.

10 CFR Part 51

Administrative practice and procedure, Environmental impact statements, Hazardous waste, Nuclear energy, Nuclear materials, Nuclear power plants and reactors, Reporting and recordkeeping requirements.

10 CFR Part 70

Classified information, Criminal penalties, Emergency medical services, Hazardous materials transportation, Material control and accounting, Nuclear energy, Nuclear materials, Packaging and containers, Penalties, Radiation protection, Reporting and recordkeeping requirements, Scientific equipment, Security measures, Special nuclear material, Whistleblowing.

10 CFR Part 72

Administrative practice and procedure, Hazardous waste, Indians, Intergovernmental relations, Nuclear energy, Penalties, Radiation protection, Reporting and recordkeeping requirements, Security measures, Spent fuel, Whistleblowing.

10 CFR Part 140

Insurance, Intergovernmental relations, Nuclear materials, Nuclear power plants and reactors, Penalties, Reporting and recordkeeping requirements.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 552 and 553, the NRC is proposing to amend 10 CFR parts 30, 37, 40, 51, 70, 72 and 140:

PART 30—RULES OF GENERAL APPLICABILITY TO DOMESTIC LICENSING OF BYPRODUCT MATERIAL

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

Authority: Authority: Atomic Energy Act of 1954, secs. 11, 81, 161, 181, 182, 183, 184, 186, 187, 223, 234, 274 (42 U.S.C. 2014, 2111, 2201, 2231, 2232, 2233, 2234, 2236, 2237, 2273, 2282, 2021); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); 44 U.S.C. 3504 note.

■ 2. In § 30.32, revise paragraph (f) to read as follows:

§ 30.32 Application for specific licenses.

* * * * *

(f) Any application for license under this part must include the environmental information required by part 51 of this chapter.

* * * * *

■ 3. In § 30.33, revise paragraph (a)(5) to read as follows:

§ 30.33 General requirements for issuance of specific licenses.

* * * * *

(a) * * *

(5) In the case of an application for a license to receive and possess byproduct material for the conduct of any activity that the NRC determines will significantly affect the quality of the environment, the Director, Office of Nuclear Material Safety and Safeguards or designee, on the basis of information filed and evaluations made pursuant to part 51 of this chapter, has concluded that the action called for is the issuance of the proposed license, with any appropriate conditions to protect environmental values. Commencement of construction prior to this conclusion is undertaken by the applicant at its own risk. Commencement of construction as defined in § 30.4 of this part may include non-construction activities if the activity has a reasonable nexus to radiological safety and security.

* * * * *

PART 37—PHYSICAL PROTECTION OF CATEGORY 1 AND CATEGORY 2 QUANTITIES OF RADIOACTIVE MATERIAL

■ 4. The authority citation for part 37 continues to read as:

Authority: Authority: Atomic Energy Act of 1954, secs. 11, 53, 81, 103, 104, 147, 148, 149, 161, 182, 183, 223, 234, 274 (42 U.S.C. 2014, 2073, 2111, 2133, 2134, 2167, 2168, 2169, 2201, 2232, 2233, 2273, 2282, 2021); Energy Reorganization Act of 1974, secs. 201, 202 (42 U.S.C. 5841, 5842); 44 U.S.C. 3504 note.

■ 5. In § 37.5, add in alphabetical order the definitions for *Large component* and *Robust structure* to read as follows:

§ 37.5 Definitions.

* * * * *

Large component means an item weighing 2,000 kg (4,409 lbs) or more, but not containing either discrete sources or *ion exchange* resins. Large components typically include steam generators, steam dryers, turbine rotors, reactor vessels, reactor vessel heads, reactor coolant pumps, and shielding blocks.

* * * * *

Robust structure means a closed concrete bunker or modular vault, for which access to the radioactive materials contained within the structure is gained only through the use of heavy equipment to remove structural components or large access blocks that weigh 2,000 kg (4,409 lbs) or more.

* * * * *

■ 6. In § 37.11, revise paragraph (c) introductory text and add paragraph (d) to read as follows:

§ 37.11 Specific exemptions.

* * * * *

(c) A licensee that possesses radioactive waste containing category 1 or category 2 quantities of radioactive material that does not contain discrete sources or ion-exchange resins, or is activated material weighing greater than 2,000 kg (4,409 lbs), is exempt from the requirements of subparts B, C, and D of this part. The licensee must, instead, implement the following requirements to secure the radioactive waste:

* * * * *

(d) A licensee is exempt from the requirements of subparts B, C, and D of this part to the extent its category 1 or category 2 quantities of radioactive material is a large component or is contained within a robust structure. The licensee must satisfy the following requirements to rely upon this exemption:

(1) The licensee identifies in writing those large components and robust

structures containing category 1 or category 2 quantities of radioactive material; and

(2) The licensee has an approved 10 CFR part 73 security plan or a written 10 CFR part 37 security plan that provides security measures adequate to detect, assess, and respond to actual or attempted theft or diversion, as well as a written analysis that considers the time needed to accomplish these activities given the proximity and mobility of the equipment available for the large components and robust structures identified in accordance with paragraph (d)(1) of this section; and

(3) The licensee has a written analysis documenting that the measures in this section do not decrease the effectiveness of the 10 CFR part 73 security plan.

* * * * *

PART 40—DOMESTIC LICENSING OF SOURCE MATERIAL

■ 7. The authority citation for part 40 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 62, 63, 64, 65, 69, 81, 83, 84, 122, 161, 181, 182, 183, 184, 186, 187, 193, 223, 234, 274, 275 (42 U.S.C. 2092, 2093, 2094, 2095, 2099, 2111, 2113, 2114, 2152, 2201, 2231, 2232, 2233, 2234, 2236, 2237, 2243, 2273, 2282, 2021, 2022); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); Uranium Mill Tailings Radiation Control Act of 1978, sec. 104 (42 U.S.C. 7914); 44 U.S.C. 3504 note.

■ 8. In § 40.31, revise paragraph (f) to read as follows:

§ 40.31 Application for specific licenses.

* * * * *

(f) Any application for license under this part must include the environmental information required by part 51 of this chapter.

* * * * *

■ 9. In § 40.32, revise paragraph (e) to read as follows:

§ 40.32 General requirements for issuance of specific licenses.

* * * * *

(e) In the case of an application for the conduct of any activity, other than for a license for a uranium enrichment facility, that the NRC determines will significantly affect the quality of the environment, the Director, Office of Nuclear Material Safety and Safeguards or designee, on the basis of information filed and evaluations made pursuant to part 51 of this chapter, has concluded that the action called for is the issuance of the proposed license, with any appropriate conditions to protect environmental values. Commencement of construction prior to this conclusion is undertaken by the applicant at its

own risk. Commencement of construction as defined in § 40.4 of this part may include non-construction activities if the activity has a reasonable nexus to radiological safety and security.

* * * * *

PART 51—ENVIRONMENTAL PROTECTION REGULATIONS FOR DOMESTIC LICENSING AND RELATED REGULATORY FUNCTIONS

■ 10. The authority citation for part 51 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 161, 193 (42 U.S.C. 2201, 2243); Energy Reorganization Act of 1974, secs. 201, 202 (42 U.S.C. 5841, 5842); National Environmental Policy Act of 1969 (42 U.S.C. 4332, 4334, 4335); Nuclear Waste Policy Act of 1982, secs. 144(f), 121, 135, 141, 148 (42 U.S.C. 10134(f), 10141, 10155, 10161, 10168); 44 U.S.C. 3504 note.

Sections 51.20, 51.30, 51.60, 51.80, and 51.97 also issued under Nuclear Waste Policy Act secs. 135, 141, 148 (42 U.S.C. 10155, 10161, 10168).

Section 51.22 also issued under Atomic Energy Act sec. 274 (42 U.S.C. 2021) and under Nuclear Waste Policy Act sec. 121 (42 U.S.C. 10141).

Sections 51.43, 51.67, and 51.109 also issued under Nuclear Waste Policy Act sec. 114(f) (42 U.S.C. 10134(f)).

■ 11. In § 51.22, revise paragraph (a)(12) to read as follows:

§ 51.22 Criterion for categorical exclusion; identification of licensing and regulatory actions eligible for categorical exclusion or otherwise not requiring environmental review.

(a) * * *

(12) Issuance of certificates for new, amended, revised, or renewed certificates of compliance for cask designs used for spent fuel storage.

* * * * *

PART 70—DOMESTIC LICENSING OF SPECIAL NUCLEAR MATERIAL

■ 12. The authority citation for part 70 is revised to read as follows:

Authority: Atomic Energy Act secs. 51, 53, 102, 103, 104, 107, 161, 182, 183, 185, 189, 193, 223, 234 (42 U.S.C. 2071, 2073, 2132, 2133, 2134, 2137, 2201, 2232, 2233, 2235, 2239, 2243, 2273, 2282, 2297f); secs. 201, 202, 204, 206, 211 (42 U.S.C. 5841, 5842, 5845, 5846, 5851); Government Paperwork Elimination Act sec. 1704 (44 U.S.C. 3504 note); Energy Policy Act of 2005, Pub. L. 109–58, 119 Stat. 194 (2005).

Sections 70.1(c) and 70.20a(b) also issued under secs. 135, 141, Pub. L. 97–425, 96 Stat. 2232, 2241 (42 U.S.C. 10155, 10161).

Section 70.21(g) also issued under Atomic Energy Act sec. 122 (42 U.S.C. 2152). Section 70.31 also issued under Atomic Energy Act sec. 57(d) (42 U.S.C. 2077(d)). Sections 70.36 and 70.44 also issued under Atomic Energy

Act sec. 184 (42 U.S.C. 2234). Section 70.81 also issued under Atomic Energy Act secs. 186, 187 (42 U.S.C. 2236, 2237). Section 70.82 also issued under Atomic Energy Act sec. 108 (42 U.S.C. 2138).

■ 13. In § 70.1, remove and reserve paragraph (d), and add paragraph (f) to read as follows:

§ 70.1 Purpose.

* * * * *

(d) [Reserved]

* * * * *

(f) The regulations in this part establish requirements, procedures, and criteria that may be used for the issuance of licenses for a spent fuel reprocessing facility, including issuance of operator licenses, subject to additional requirements, conditions and exemptions, as determined by the Commission on a case-by-case basis.

■ 14. In § 70.4, add in alphabetical order the definitions for *Combined license*, *Control*, *Operator license*, *Pilot fuel line*, and *Spent fuel reprocessing facility* to read as follows:

§ 70.4 Definitions.

* * * * *

Combined license, as used in this part, means a combined construction permit and operating license with conditions for a spent fuel reprocessing facility that is a production facility issued under this part.

* * * * *

Control, as used in §§ 70.22(o) and 70.32(n) of this part with respect to an operator licensing program for a spent fuel reprocessing facility licensed under this part, means an engineered item relied on for safety, the manipulation of which could result in unmitigated high consequences identified in § 70.61(b) of this part to any individual located outside the controlled area identified pursuant to § 70.61(f) of this part.

* * * * *

Operator license means a license issued to an individual under this part for operating a spent fuel reprocessing facility.

* * * * *

Pilot fuel line means a facility authorized by the Department of Energy, at the time of submittal of an application under this part, to produce nuclear fuel for non-commercial purposes for qualified test reactors under the Department's Reactor Pilot Program.

* * * * *

Spent fuel reprocessing facility means a facility that separates irradiated fuel for the purpose of recovering fissionable material, including a facility that meets the definition of a production facility in

§ 50.2 of this chapter, excluding subsection (1) which states “[a]ny nuclear reactor designed or used primarily for the formation of plutonium or uranium-233.”

* * * * *

■ 15. In § 70.5, add paragraphs (b)(1)(viii) and (ix) to read as follows:

§ 70.5 Communications.

* * * * *

(b) * * *

(1) * * *

(viii) Spent fuel reprocessing facilities licensed under this part.

(ix) Operator licenses for spent fuel reprocessing facilities.

* * * * *

■ 16. In § 70.11, revise paragraph (c), and add paragraph (d) to read as follows:

§ 70.11 Persons using special nuclear material under certain Department of Energy and Nuclear Regulatory Commission contracts.

* * * * *

(c) the use or operation of nuclear reactors or other nuclear devices in a United States Government-owned vehicle or vessel. In addition to the foregoing exemptions, and subject to the requirement for licensing of Department facilities and activities pursuant to section 202 of the Energy Reorganization Act of 1974, any prime contractor or subcontractor of the Department or the Commission is exempt from the requirements for a license set forth in section 53 of the Act and from the regulations in this part to the extent that such prime contractor or subcontractor receives title to, owns, acquires, delivers, receives, possesses, uses, or transfers special nuclear material under his prime contract or subcontract when the activity conducted by the prime contractor or subcontractor is authorized by law; and that, under the terms of the contract or subcontract there is adequate assurance that the work thereunder can be accomplished without undue risk to the public health and safety; or

(d) the construction and operation of pilot fuel lines as defined in § 70.4 of this part.

■ 17. In § 70.21, revise paragraphs (a), (e), and (f), and remove and reserve paragraph (h) to read as follows:

§ 70.21 Filing.

(a)(1) A person may apply for any license issued under this part by filing the application in accordance with the instructions in § 70.5(a) of this part. If the application is on paper, only one copy need be provided. If the application is to be submitted

electronically, see guidance for electronic submissions to the Commission.

(2) [Reserved]

(3) Information contained in previous applications, statements, or reports filed with the Commission may be incorporated by reference if the references are clear and specific.

(4) An application for a combined license for a spent fuel reprocessing facility must be executed in a signed original by the applicant or duly authorized officer thereof under oath or affirmation.

* * * * *

(e) Each application for a special nuclear material license, other than a license exempted from part 170 of this chapter, must be accompanied by the fee prescribed in part 170 of this chapter. No fee will be required to accompany an application for renewal or amendment of a license, except as provided in part 170 of this chapter.

(f) Any application for a license under this part must include the environmental information required by part 51 of this chapter.

* * * * *

(h) [Reserved]

■ 18. In § 70.22, revise paragraphs (a)(7), (b), (f), and (n), and add paragraphs (o), (p), (q), and (r) to read as follows:

§ 70.22 Contents of applications.

(a) * * *

(7) A description of equipment and facilities which will be used by the applicant to protect health and minimize danger to life or property (such as handling devices, working areas, shields, measuring and monitoring instruments, devices for the disposal of radioactive effluents, and management and storage of radioactive wastes including high level waste, storage facilities, criticality accident alarm systems, etc.);

* * * * *

(b) Each application for a license to possess special nuclear material, to possess equipment capable of enriching uranium, to operate a uranium enrichment facility or a spent fuel reprocessing facility licensed under this part, to possess and use at any one time and location special nuclear material in a quantity exceeding one effective kilogram, except for applications for use as sealed sources and for those uses involved in the operation of a nuclear reactor licensed pursuant to part 50 or 53 of this chapter and those involved in a waste disposal operation, must contain a full description of the applicant's program for control and accounting of such special nuclear

material or enrichment equipment that will be in the applicant's possession under license to show how compliance with the requirements of §§ 74.31, 74.33, 74.41, or 74.51 of this chapter, as applicable, will be accomplished.

* * * * *

(f) Each application for a license to possess and use special nuclear material in a plutonium processing and fuel fabrication plant or a spent fuel reprocessing facility must include a quality assurance program that meets the criteria in appendix B of part 50 or 53 of this chapter.

* * * * *

(n) A license application that involves the use of special nuclear material in a uranium enrichment facility or a spent fuel reprocessing facility must include the applicant's provisions for liability insurance.

(o) Each application for a spent fuel reprocessing facility must contain a proposed operator licensing program if operation of the facility involves the manipulation of a control as defined in § 70.4 of this part. The proposed operator licensing program shall include a description of the training, examination, and proficiency programs necessary to implement the operator licensing program.

(p) Each application for a combined license for a spent fuel reprocessing facility must contain proposed technical specifications; and proposed inspections, tests, and analyses, including those applicable to emergency planning, and proposed acceptance criteria that are necessary and sufficient to provide reasonable assurance that if the inspections, tests, and analyses are performed, and the acceptance criteria are met, the facility will be constructed and operated in conformity with the combined license, the provisions of the Act, and the Commission's rules and regulations.

(q) Each application for a spent fuel reprocessing facility, in addition to other information required under this part, must also contain any proposed exemption requests, and any proposed license conditions as necessary on a case-by-case basis to meet statutory requirements and provide for reasonable assurance of adequate protection of public health and safety and common defense and security.

(r) Each application for a license under this part from an applicant that is authorized by the Department for a pilot fuel line, in addition to other information required under this part, must identify how aspects of the authorization satisfy NRC regulations and statutory provisions, including how

any changes to the facility design and operations address applicable NRC requirements and statutory provisions.

■ 19. In § 70.23, revise paragraphs (a)(7), (a)(8), (a)(11), and (a)(12), add paragraphs (a)(13) through (a)(16), and remove and reserve paragraph (b), to read as follows:

§ 70.23 Requirements for the approval of applications.

(a) * * *

(7) Where the proposed activity is an activity, other than construction and operation of a uranium enrichment facility or a spent fuel reprocessing facility for which the NRC determines will significantly affect the quality of the environment, the Director, Office of Nuclear Material Safety and Safeguards or designee, on the basis of information filed and evaluations made pursuant to part 51 of this chapter, has concluded that the action called for is the issuance of the proposed license, with any appropriate conditions to protect environmental values. Commencement of construction prior to this conclusion is undertaken by the applicant at its own risk. Commencement of construction as defined in § 70.4 of this part may include non-construction activities if the activity has a reasonable nexus to radiological safety and security.

(8) Where the proposed activity is construction and operation of a uranium enrichment facility or a spent fuel reprocessing facility, the Director, Office of Nuclear Material Safety and Safeguards or designee, before commencement of construction of the plant or facility in which the activity will be conducted, on the basis of information filed and evaluations made pursuant to part 51 of this chapter, has concluded, that the action called for is the issuance of the proposed license, with any appropriate conditions to protect environmental values. Commencement of construction prior to this conclusion is grounds for denial to possess and use special nuclear material in the plant or facility. Commencement of construction as defined in § 70.4 of this part may include non-construction activities if the activity has a reasonable nexus to radiological safety and security.

* * * * *

(11) Where the proposed activity is processing and fuel fabrication, scrap recovery, conversion of uranium hexafluoride, or involves the use of special nuclear material in a uranium enrichment facility or a spent fuel reprocessing facility, the applicant's proposed emergency plan is adequate.

(12) For proposed activities under this part where it is statutorily required or otherwise determined to be necessary, applicable provisions of part 140 of this chapter have been satisfied.

(13) Where the proposed activity is use of special nuclear material in a plutonium processing and fuel fabrication plant or a spent fuel reprocessing facility, the QA program satisfies the criteria in appendix B of part 50 of this chapter.

(14) Where the proposed activity is use of special nuclear material in a spent fuel reprocessing facility, all relevant statutory provisions and appropriate regulations, including conditions required under this part, have been satisfied.

(15) Where the application is for a license under this part for a facility that is also a Department of Energy authorized pilot fuel line, all relevant statutory provisions and appropriate regulations, including the conditions required under this part that were not satisfied by the Department of Energy's authorization, have been satisfied.

(16) Where the proposed activity is a licensed operator for a spent fuel reprocessing facility, the applicant meets the requirements of the spent fuel reprocessing facility's approved operator licensing program.

(b) [Reserved]

■ 20. Revise § 70.23a to read as follows:

§ 70.23a Hearings required.

The Commission will hold a hearing on each application for issuance of a license for construction and operation of a uranium enrichment facility or a combined license for a spent fuel reprocessing facility. The Commission will publish public notice of the hearing in the **Federal Register** at least thirty (30) days before the hearing.

■ 21. In § 70.24, revise paragraph (a) to read as follows:

§ 70.24 Criticality accident requirements.

(a) Each licensee authorized to possess special nuclear material in a quantity exceeding 700 grams of contained uranium-235, 520 grams of uranium-233, 450 grams of plutonium, 1,500 grams of contained uranium-235 if no uranium enriched to more than 4 percent by weight of uranium-235 is present, 450 grams of any combination thereof, or one-half such quantities if massive moderators or reflectors made of graphite, heavy water or beryllium may be present, must maintain in each area in which such licensed special nuclear material is handled, used, or stored, a monitoring system meeting the requirements of paragraph (a)(1) and using gamma- or neutron-sensitive

radiation detectors that will energize clearly audible alarm signals if accidental criticality occurs, unless it is demonstrated that criticality is not credible based on the laws of physics. This section is not intended to require underwater monitoring when special nuclear material is handled or stored beneath water shielding or to require monitoring systems when special nuclear material is being transported when packaged in accordance with the requirements of part 71 of this chapter.

(1) * * *

(2) [Reserved]

(3) The licensee must maintain emergency procedures for each area in which criticality is credible to ensure that all personnel withdraw to an area of safety upon the sounding of the alarm. These procedures must include the conduct of drills to familiarize personnel with the evacuation plan, and designation of responsible individuals for determining the cause of the alarm, and placement of radiation survey instruments in accessible locations for use in such an emergency. The licensee must retain a copy of current procedures for each area as a record for as long as licensed special nuclear material is handled, used, or stored in the area. The licensee must retain any superseded portion of the procedures for three years after the portion is superseded.

* * * * *

■ 22. In § 70.25, revise paragraph (a) and add paragraph (a)(3) to read as follows:

§ 70.25 Financial assurance and recordkeeping for decommissioning.

(a) Each applicant for a specific license of the types described in paragraphs (a)(1), (2), and (3) of this section must submit a decommissioning funding plan as described in paragraph (e) of this section.

* * * * *

(3) A specific license, including a combined license, for a spent fuel reprocessing facility.

* * * * *

■ 23. In § 70.31, revise paragraph (e) and add paragraph (f) to read as follows:

§ 70.31 Issuance of licenses.

* * * * *

(e) No combined license for a spent fuel reprocessing facility or a license to construct and operate a uranium enrichment facility may be issued until a hearing is completed and decision issued on the application.

(f) Each combined license for a spent fuel reprocessing facility will include the required inspections, tests, and analyses, including those for emergency planning, that the licensee must perform, and that, if met, are necessary

and sufficient to provide reasonable assurance that the facility has been constructed and will be operated in conformity with the license.

■ 24. In § 70.32:

- a. In paragraph (c)(2)(i), remove the phrase “Two months” and add in its place the phrase “Four months”;
- b. In paragraph (c)(2)(ii), remove the phrase “Six months” and add in its place the phrase “Twelve months”;
- c. In paragraphs (d) and (e), remove the phrase “two months” and add in its place the phrase “twelve months”; and
- d. Add paragraphs (l), (m), and (n).

The additions read as follows:

§ 70.32 Conditions of licenses.

* * * * *

(l) No person may commence operation of a spent fuel reprocessing facility until the Commission verifies through inspection that the facility has been constructed and will operate in accordance with the requirements of the license.

(m) A combined license for a spent fuel reprocessing facility will be issued on condition that the Commission has ensured that the prescribed inspections, tests, and analyses are performed. No person may commence operation under a combined license for a spent fuel reprocessing facility until the Commission finds that the acceptance criteria identified within the combined license have been met. The Commission shall publish notice of the inspection results in the **Federal Register**.

(n) The Commission shall prescribe conditions necessary to determine the qualifications of, and issue operator licenses to, operators of spent fuel reprocessing facilities if operation of the facility involves the manipulation of a control, as defined in § 70.4 of this part. A spent fuel reprocessing facility licensee may not permit the manipulation of the controls of any facility by anyone who is not a licensed operator except in cases where a non-licensed operator manipulates the controls under the direction and in the presence of a licensed operator.

■ 25. In § 70.40, revise the introductory text and paragraph (a) to read as follows:

§ 70.40 Ineligibility of certain applicants.

A license may not be issued to the Corporation, or to an applicant for a spent fuel reprocessing facility, if the Commission determines that:

(a) The Corporation, or the applicant for a spent fuel reprocessing facility, is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government; or

* * * * *

■ 26. In § 70.42, revise paragraph (d)(3) to read as follows:

§ 70.42 Transfer of special nuclear material.

* * * * *

(d) * * *

(3) For emergency shipments the transferor may accept oral certification by the transferee that he or she is authorized by license or registration certification to receive the type, form, and quantity of special nuclear material to be transferred, specifying the license or registration certificate number, issuing agency, and expiration date, provided that the oral certification is confirmed in writing within 10 days, through one of the methods described within this section. The transferor must retain the written confirmation of the oral certification for three years from the date of receipt of the confirmation;

* * * * *

■ 27. Revise § 70.50 to read as follows:

§ 70.50 Reporting requirements.

Each licensee must report the applicable events as described in appendix A to part 70 of this chapter.

§ 70.52 [Reserved]

■ 28. Remove and reserve § 70.52.

■ 29. Revise § 70.59 to read as follows:

§ 70.59 Effluent monitoring reporting requirements.

Within 60 days after January 1 of each year, and using an appropriate method listed in § 70.5(a) of this part, each licensee authorized to possess and use special nuclear material for processing and fuel fabrication, scrap recovery, conversion of uranium hexafluoride, or in a spent fuel reprocessing facility, or uranium enrichment facility must submit a report addressed: ATTN: Document Control Desk, Director, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, with a copy to the appropriate NRC Regional Office shown in appendix D to part 20 of this chapter. The report must specify the quantity of each of the principal radionuclides released to unrestricted areas in liquid and gaseous effluents during the previous 12 months of operation, and such other information as the Commission may require to estimate maximum potential annual radiation doses to the public resulting from effluent releases. If quantities of radioactive materials released during the reporting periods are significantly above the licensee’s design objectives previously reviewed as part of the licensing action, the report must cover this specifically. On the basis of these reports and any additional information the Commission may obtain from the licensee or others, the Commission may

from time to time require the licensee to take such action as the Commission deems appropriate.

■ 30. Revise § 70.60 to read as follows:

§ 70.60 Applicability.

The regulations in § 70.61 through § 70.76 of this part apply, in addition to other applicable Commission regulations, to each applicant or licensee that is or plans to be authorized to possess greater than a critical mass of special nuclear material, and engaged in enriched uranium processing, fabrication of uranium fuel or fuel assemblies, uranium enrichment, enriched uranium hexafluoride conversion, plutonium processing, fabrication of mixed-oxide fuel or fuel assemblies, scrap recovery of special nuclear material, or any other activity that the Commission determines could significantly affect public health and safety. For a spent fuel reprocessing facility applicant or licensee, additional requirements beyond those described in § 70.61 through § 70.76 of this part may be necessary, as determined on a case-by-case basis, and may be required by this part or other parts of this chapter, license condition or order. The regulations in § 70.61 through § 70.76 do not apply to decommissioning activities performed pursuant to other applicable Commission regulations including § 70.25 and § 70.38 of this part. Also, the regulations in § 70.61 through § 70.76 of this part do not apply to activities that are licensed by the Commission pursuant to other parts of this chapter.

■ 31. In § 70.61, revise paragraph (e) to read as follows:

§ 70.61 Performance requirements.

* * * * *

(e) Each engineered or administrative control or control system necessary to comply with paragraphs (b), (c), or (d) of this section must satisfy either (e)(1) or (2).

(1) The control or control system must be designated as an item relied on for safety. The safety program, established and maintained pursuant to § 70.62 of this subpart, must ensure that each item relied on for safety will be available and reliable to perform its intended function when needed and in the context of the performance requirements of this section.

(2) Structures credited with preventing or mitigating natural phenomena-initiated accident sequences may be credited to demonstrate compliance with the performance requirements in paragraphs (b), (c), and (d) of § 70.61 of this part without being designated as an item

relied on for safety, if all of the following are met:

(i) The structures are designed in accordance with acceptable standards that demonstrate the risks of natural phenomena-initiated accident sequences are appropriately limited per the performance requirements in paragraphs (b), (c), and (d) of § 70.61 of this part;

(ii) The credit is only applied to the structural stability safety function of a structure and does not apply to any other safety function; and

(iii) The aspects of the structures that are credited to meet the performance requirements are maintained available and reliable subject to the requirements for management measures in § 70.62(d) of this part.

* * * * *

■ 32. In § 70.62, revising paragraph (c)(1)(vi) and remove and reserve paragraph (c)(3) to read as follows:

§ 70.62 Safety program and integrated safety analysis.

* * * * *

(c) * * *

(1) * * *

(vi) Each item relied on for safety identified pursuant to § 70.61(e)(1) of this part and each structure addressed in § 70.61(e)(2) of this part, the characteristics of its preventive, mitigative, or other safety function, and the assumptions and conditions under which the item is relied upon to support compliance with the performance requirements of § 70.61 of this part.

* * * * *

(3) [Reserved]

* * * * *

■ 33. In § 70.64, revise paragraphs (a) introductory text, (a)(1) and (a)(8) to read as follows:

§ 70.64 Requirements for new facilities or new processes at existing facilities.

(a) *Baseline design criteria.* Each prospective applicant or licensee must address the following baseline design criteria in the design of new facilities. Each existing licensee must address the following baseline design criteria in the design of new processes at existing facilities that require a license amendment under § 70.72 of this part. The baseline design criteria must be applied to the design of new facilities and new processes, but do not require retrofits to existing facilities or existing processes (*e.g.*, those housing or adjacent to the new process); however, all facilities and processes must comply with the performance requirements in § 70.61 of this part. Licensees must maintain the application of these criteria unless the analysis performed

pursuant to § 70.62(c) of this part demonstrates that a given item is not relied on to meet the performance requirements of § 70.61 of this part.

(1) *Quality standards and records.* The design must be developed and implemented in accordance with management measures, to provide adequate assurance that items relied on for safety, and structures addressed in § 70.61(e)(2) of this part, will be available and reliable to perform their function when needed. Appropriate records of these items must be maintained by or under the control of the licensee throughout the life of the facility.

* * * * *

(8) *Inspection, testing, and maintenance.* The design of items relied on for safety, and structures addressed in § 70.61(e)(2) of this part, must provide for adequate inspection, testing, and maintenance, to ensure their availability and reliability to perform their function when needed.

* * * * *

■ 34. In § 70.65, revise paragraph (b)(6) to read as follows:

§ 70.65 Additional content of applications.

* * * * *

(b) * * *

(6) A list briefly describing each item relied on for safety which is identified pursuant to § 70.61(e)(1) and any structures addressed in § 70.61(e)(2) of this part in sufficient detail to understand their functions in relation to the performance requirements of § 70.61 of this part;

* * * * *

■ 35. In § 70.72, revise paragraphs (c)(3) through (c)(5) to read as follows:

§ 70.72 Facility changes and change process.

* * * * *

(c) * * *

(3) Does not degrade the safety function of a structure addressed in § 70.61(e)(2) of this part;

(4) Does not alter any item relied on for safety, listed in the integrated safety analysis summary, that is the sole item preventing or mitigating an accident sequence that exceeds the performance requirements of § 70.61 of this part; and

(5) Is not otherwise prohibited by this section, license condition, or order.

* * * * *

■ 36. Revise § 70.73 to read as follows:

§ 70.73 Renewal of licenses.

Applications for renewal of a license must be filed in accordance with §§ 2.109, 70.21, 70.22, 70.33, 70.38, and 70.65 of this chapter. A renewal application should be narrowly focused

on the scope of the renewal and contain as few documents as possible. Information contained in previous applications, statements, or reports filed with the Commission under the license may be incorporated by reference, provided that these references are clear and specific.

§ 70.74 [Reserved]

■ 37. Remove and reserve § 70.74.

■ 38. Revise and republish appendix A to part 70 to read as follows:

Appendix A to Part 70—Reportable Safety Events.

(a) One hour reports. Events to be reported to the NRC Operations Center within 1 hour of discovery, supplemented with the information in (e)(1) of this appendix as it becomes available, followed by a written report within 60 days:

(1) An inadvertent nuclear criticality (all facilities, including part 50 of this chapter facilities).

(2) An acute intake by an individual of 30 mg or greater of uranium in a soluble form.

(3) An acute chemical exposure to an individual from licensed material or hazardous chemicals produced from licensed material that exceeds the quantitative standards established to satisfy the requirements in § 70.61(b)(4) of this part.

(4) An event or condition such that no items relied on for safety, as documented in the integrated safety analysis summary, remain available and reliable, in an accident sequence evaluated in the integrated safety analysis, to perform their function:

(i) In the context of the performance requirements in § 70.61(b) and § 70.61(c) of this part, or

(ii) Prevent a nuclear criticality accident (*i.e.*, loss of all controls in a particular sequence).

(b) Four hour reports. Within 4 hours of discovery, supplemented with the information in (e)(1) of this appendix as it becomes available, report events that prevent immediate protective actions necessary to avoid exposures to radiation or radioactive materials that could exceed regulatory limits or releases of licensed material that could exceed regulatory limits (events may include fires, explosions, toxic gas releases, etc.).

(c) Twenty-four hour reports. Within 24 hours of discovery, supplemented with the information in (e)(1) of this appendix as it becomes available, report:

(1) Any event or condition that results in the facility being in a state that was not analyzed, was improperly analyzed, or is different from that analyzed in the integrated safety analysis, and which results in failure to meet the performance requirements of § 70.61 of this part.

(2) Loss or degradation of items relied on for safety that results in failure to meet the performance requirement of § 70.61 of this part, except where other reportability criteria have been approved as defined in the integrated safety analysis and documented in the license application.

(3) An acute chemical exposure to an individual from licensed material or hazardous chemicals produced from licensed materials that exceeds the quantitative standards that satisfy the requirements of § 70.61(c)(4) of this part.

(4) Any natural phenomenon or other external event, including fires internal and external to the facility, that has affected or may have affected the intended safety function or availability or reliability of one or more items relied on for safety or structures identified under 70.61(e) of this part.

(5) An unplanned contamination event that:

(i) Requires access to the contaminated area, by workers or the public, to be restricted for more than 24 hours by imposing additional radiological controls or by prohibiting entry into the area;

(ii) Involves a quantity of material greater than five times the lowest annual limit on intake specified in appendix B of §§ 20.1001–20.2401 of part 20 of this chapter for the material; and

(iii) Has access to the area restricted for a reason other than to allow isotopes with a half-life of less than 24 hours to decay prior to decontamination.

(iv) Exceptions: when the unplanned contamination event occurs in a restricted area which is maintained inaccessible to the public by multiple access controls, the area was controlled as a radioactive material area within a building before the event occurred, the release of radioactive material is contained within the radioactive material area and no contamination has spread outside the radioactive materials area, licensee personnel trained in contamination control are readily available, equipment and facilities that may be needed for contamination control are readily available, and the otherwise reportable unplanned contamination event is documented in the licensee's corrective action program.

(6) An event in which equipment is disabled or fails to function as designed when:

(i) The equipment is required by regulation or licensee condition to prevent or mitigate releases exceeding regulatory limits or exposures to radiation and radioactive materials exceeding regulatory limits;

(ii) The equipment is required to be available and operable when it is disabled or fails to function; and

(iii) No redundant equipment is available and operable to perform the required safety function.

(7) An event that requires unplanned medical treatment at an offsite medical facility of an individual with spreadable radioactive contamination on the individual's clothing or body.

(8) An unplanned fire or explosion damaging any licensed material or any device, container, or equipment containing licensed material when:

(i) The quantity of material involved is greater than five times the lowest annual limit on intake specified in appendix B of §§ 20.1001–20.2401 of part 20 of this chapter for the material; and

(ii) The damage affects the integrity of the licensed material or its container.

(d) Written report. Each licensee that makes a report required by this appendix must submit a written follow-up report within 60 days of the initial report. Written reports prepared pursuant to other regulations may be submitted to fulfill this requirement if the report contains all the necessary information, and the appropriate distribution is made. These written reports must be sent to the NRC's Document Control Desk, using an appropriate method listed in § 70.5(a) of this part, with a copy to the appropriate NRC regional office listed in appendix D to part 20 of this chapter. The reports must include the following:

(i) Complete applicable information required by (e)(1) of this appendix;

(ii) The probable cause of the event, including all factors that contributed to the event and the manufacturer and model number (if applicable) of any equipment that failed or malfunctioned;

(iii) Corrective actions taken or planned, and the results of any evaluations or assessments; and

(iv) For licensees subject to subpart H of this part, whether the event was identified and evaluated in the integrated safety analysis.

(e) Preparation and submission of reports. Reports made by licensees in response to the requirements of this appendix must be made as follows:

(1) Reports must be made by a knowledgeable licensee representative and by any method that will ensure compliance with the required time period for reporting, such as by telephone at the numbers specified in appendix A to part 73 of this chapter, to the NRC Operations Center. To the extent that the information is available at the time of notification, the information provided in these reports must include:

(i) Caller's name, position title, and call-back telephone number;

(ii) Date, time, and exact location of the event;

(iii) Description of the event, including:

(A) Radiological or chemical hazards involved, including isotopes, quantities, and chemical and physical form of any material released;

(B) Actual or potential health and safety consequences to the workers, the public, and the environment, including relevant chemical and radiation data for actual personnel exposures to radiation or radioactive materials or hazardous chemicals produced from licensed materials (e.g., level of radiation exposure, concentration of chemicals, and duration of exposure);

(C) The sequence of occurrences leading to the event, including degradation or failure of structures, systems, equipment, components, and activities of personnel relied on to prevent potential accidents or mitigate their consequences; and

(D) Whether the remaining structures, systems, equipment, components, and activities of personnel relied on to prevent potential accidents or mitigate their consequences are available and reliable to perform their function;

(iv) External conditions affecting the event;

(v) Additional actions taken by the licensee in response to the event;

(vi) Status of the event (e.g., whether the event is ongoing or was terminated);

(vii) Current and planned site status, including any declared emergency class;

(viii) Notifications, related to the event, that were made or are planned to any local, State, or other Federal agencies; and

(ix) Status of any press releases, related to the event, that were made or are planned.

(2) Follow-up information to the reports must be provided until all information required to be reported in (e)(1) of this appendix is complete.

(3) Each licensee must provide reasonable assurance that reliable communication with the NRC Operations Center is available during each event.

(4) The provisions of this appendix, except for (a)(1), do not apply to licensees subject to § 50.72 or § 53.1630 of this chapter. They do apply to those part 50 or part 53 of this chapter licensees possessing material licensed under part 70 of this chapter that are not subject to the notification requirements in § 50.72 or § 53.1630 of this chapter.

(f) For a spent fuel reprocessing facility, additional reporting requirements beyond those described in this appendix may be necessary, as determined on a case-by-case basis.

PART 72—LICENSING REQUIREMENTS FOR THE INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL, HIGH-LEVEL RADIOACTIVE WASTE, AND REACTOR-RELATED GREATER THAN CLASS C WASTE

■ 39. The authority citation for part 72 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 51, 53, 57, 62, 63, 65, 69, 81, 161, 182, 183, 184, 186, 187, 189, 223, 234, 274 (42 U.S.C. 2071, 2073, 2077, 2092, 2093, 2095, 2099, 2111, 2201, 2210e, 2232, 2233, 2234, 2236, 2237, 2238, 2273, 2282, 2021); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); National Environmental Policy Act of 1969 (42 U.S.C. 4332); Nuclear Waste Policy Act of 1982, secs. 117(a), 132, 133, 134, 135, 137, 141, 145(g), 148, 218(a) (42 U.S.C. 10137(a), 10152, 10153, 10154, 10155, 10157, 10161, 10165(g), 10168, 10198(a)); 44 U.S.C. 3504 note.

■ 40. In § 72.2, revise paragraphs (a)(1) and (2) to read as follows:

§ 72.2 Scope.

(a) Except as provided in § 72.6(b) of this part, licenses issued under this part are limited to the receipt, transfer, packaging, and possession of:

(1) Power reactor spent fuel to be stored in a complex that is designed and constructed specifically for storage of power reactor spent fuel, other radioactive materials associated with spent fuel storage, and power reactor-related GTCC waste in a solid form in an independent spent fuel storage installation (ISFSI); or

(2) Power reactor spent fuel to be stored in a monitored retrievable storage installation (MRS) owned by DOE that is designed and constructed specifically for the storage of spent fuel, high-level radioactive waste that is in a solid form, other radioactive materials associated with storage of these materials, and power reactor-related GTCC waste that is in a solid form.

* * * * *

■ 41. In § 72.3, revise the definition of *Spent nuclear fuel* or *Spent fuel* to read as follows:

§ 72.3 Definitions.

* * * * *

Spent nuclear fuel or *Spent fuel* means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

* * * * *

■ 42. In § 72.42, revise paragraph (b) to read as follows:

§ 72.42 Duration of license; renewal.

* * * * *

(b) Applications for renewal of a license should be filed in accordance with the applicable provisions of subpart B of this part at least 30 days before the expiration of the existing license. The application must also include design basis information as documented in the most recently updated FSAR as required by § 72.70 of this part. Information contained in previous applications, statements, or reports filed with the Commission under the license may be incorporated by reference provided that these references are clear and specific.

* * * * *

■ 43. In § 72.44, revise paragraph (d)(3) to read as follows:

§ 72.44 License conditions.

* * * * *

(d) * * *

(3) An annual report, or reports, be developed and maintained specifying the quantity of each of the principal radionuclides released to the environment in liquid and in gaseous effluents during the previous 12 months. The time between the development of the report, or reports, must be no longer than 12 months. The report, or reports, must include any information that may be required by the Commission to estimate maximum potential annual radiation doses to the public resulting from effluent releases. The report, or reports, must be maintained as records until termination of the license. The technical specifications required by paragraph (d)

of this section must include requirements for when such a report, or reports, must be submitted to the Commission as specified in § 72.4 of this part. On the basis of these reports and any additional information that the Commission may obtain from the licensee or others, the Commission may require the licensee to take action as the Commission deems appropriate.

* * * * *

■ 44. In § 72.48, revise paragraphs (a)(2), (a)(4)(iii) and (b) and remove and reserve paragraph (d)(2) to read as follows:

§ 72.48 Changes, tests, and experiments.

(a) * * *

(2) *Departure from a method of evaluation described in the FSAR (as updated) used in establishing the design bases or in the safety analyses* means:

(i) Changing any of the elements of the method described in the FSAR (as updated) unless the analysis results in no more than a minimal increase in the applicable safety margins; or

(ii) Changing from a method described in the FSAR to another method unless that method has been approved by NRC for the intended application or would only have a minor impact on safety.

* * * * *

(4) * * *

(iii) The evaluations included in the FSAR (as updated) for such SSCs which demonstrate that their intended function(s) will be accomplished.

* * * * *

(b) This section applies to:

(1) Each holder of a specific license issued under this part,

(2) Each holder of a Certificate of Compliance (CoC) issued under this part, and

(3) Each holder of a general license prior to initiating site specific, technical changes required from evaluation of § 72.212(b)(7) of this part.

* * * * *

(d) * * *

(2) [Reserved]

* * * * *

■ 45. In § 72.122, revise paragraph (h)(1) to read as follows:

§ 72.122 Overall requirements.

* * * * *

(h) * * *

(1) The spent fuel must be protected during storage against degradation, including gross ruptures of the fuel cladding, if used, or the fuel must be otherwise confined such that degradation of the fuel during storage will not pose operational safety problems with respect to its removal from storage. This may be accomplished

by confining the fuel or unconsolidated assemblies or other means as appropriate.

* * * * *

■ 46. In § 72.212, revise paragraphs (b)(1) through (3), (b)(5)(i), and (b)(7) to read as follows:

§ 72.212 Conditions of general license issued under § 72.210.

* * * * *

(b) The general license must:

(1) Notify the Nuclear Regulatory Commission using instructions in § 72.4 of this part at least 30 days before first storage of spent fuel under this general license. The notice may be in the form of a letter, but must contain the licensee's name, address, reactor license and docket numbers, and the name and means of contacting a person responsible for providing additional information concerning spent fuel under this general license. A copy of the submittal must be sent to the administrator of the appropriate Nuclear Regulatory Commission regional office listed in appendix D to part 20 of this chapter.

(2) Register use of each cask with the Nuclear Regulatory Commission no later than 90 days after using that cask to store spent fuel. This registration may be accomplished by submitting a letter using instructions in § 72.4 of this part containing the following information: the licensee's name and address, the licensee's reactor license and docket numbers, the name and title of a person responsible for providing additional information concerning spent fuel storage under this general license, the cask certificate number, the CoC amendment number to which the cask conforms, unless loaded under the initial certificate, cask model number, and the cask identification number. A copy of each submittal must be sent to the administrator of the appropriate Nuclear Regulatory Commission regional office listed in appendix D to part 20 of this chapter.

(3) Ensure that each cask used by the general licensee conforms to the terms, conditions, and specifications of an issued CoC or amended CoC.

* * * * *

(5) * * *

(i) The cask once loaded with spent fuel or once the changes authorized by an amended CoC have been applied, will conform to the terms, conditions, and specifications of an issued CoC or an amended CoC.

* * * * *

(7) Evaluate any site specific changes to the written evaluations required by paragraphs (b)(5) and (b)(6) of this

section using the requirements of § 72.48(c) of this part. A copy of this record must be retained until spent fuel is no longer stored under the general license issued under § 72.210 of this part.

* * * * *

■ 47. Revise § 72.214 to read as follows:

§ 72.214 Issued certificates of compliance.

Dry storage systems are approved for the storage of spent fuel under the conditions in the issued Certificates of Compliance. The list of issued Certificates of Compliance is available here: <https://www.nrc.gov/waste/spent-fuel-storage/designs>.

PART 140—FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS

■ 48. The authority citation for part 140 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 161, 170, 223, 234 (42 U.S.C. 2201, 2210, 2273, 2282); Energy Reorganization Act of 1974, secs. 201, 202 (42 U.S.C. 5841, 5842); 44 U.S.C. 3504 note.

■ 49. In § 140.2, add paragraph (a)(5) to read as follows:

§ 140.2 Scope.

(a) * * *

(5) To each person licensed pursuant to part 70 of this chapter to construct and operate a spent fuel reprocessing facility.

* * * * *

■ 50. In § 140.7, revise paragraph (c) to read as follows:

§ 140.7 Fees.

* * * * *

(c)(1) Each spent fuel reprocessing facility licensee required to enter into an indemnification agreement must pay an indemnity agreement fee to the Commission in the amount determined by the Commission on a case-by-case basis, depending upon the specifics of each application.

(2) Each person licensed to possess and use plutonium in a plutonium processing and fuel fabrication plant must pay to the Commission a fee of \$5,000 per year for indemnification. This fee is for the period beginning with the date on which the applicable indemnity agreement is effective.

* * * * *

■ 51. Add § 140.13c to read as follows:

§ 140.13c Amount of liability insurance required for spent fuel reprocessing facilities.

Each holder of a license issued under part 70 of this chapter for a spent fuel

reprocessing facility that involves the use of source material or special nuclear material is required to have and maintain liability insurance. The liability insurance must be the type and in the amounts the Commission considers appropriate to cover liability claims arising out of any occurrence within the United States that causes, within or outside the United States, bodily injury, sickness, disease, death, loss of or damage to property, or loss of use of property arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of chemical compounds containing source material or special nuclear material. Proof of liability insurance must be filed with the Commission as required by § 140.15 of this part before issuance of a license for a spent fuel reprocessing facility under part 70 of this chapter.

Dated: June 22, 2026.

For the Nuclear Regulatory Commission.

Carrie Safford,

Secretary of the Commission.

[FR Doc. 2026–12702 Filed 6–23–26; 8:45 am]

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Part IV

Consumer Product Safety Commission

16 CFR Parts 1112 and 1265

Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries; Proposed Rule

CONSUMER PRODUCT SAFETY COMMISSION

16 CFR Parts 1112 and 1265

[CPSC Docket No. CPSC–2025–0012]

RIN 3041–AE10

Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries

AGENCY: Consumer Product Safety Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The U.S. Consumer Product Safety Commission (CPSC) issues this notice of proposed rulemaking (NPR) to address the unreasonable risk of death and injury associated with lithium-ion batteries used in micromobility products due to hazards such as thermal runaway of lithium cells, which can lead to fires, explosions, gas releases, burns, overheating, and smoke inhalation. The NPR proposes that electrical systems using lithium-ion batteries in micromobility products comply with applicable voluntary standards, with modifications. Because some micromobility products are children's products requiring third party testing, the NPR also proposes to add this rule to the list of rules that require such testing.

DATES: *Deadline for Written Comments:* Written comments on the NPR or the Paperwork Reduction Act (PRA) must be received by August 24, 2026.

Deadline for Request to Present Oral Comments: Any person interested in making an oral presentation must send an email indicating this intent to the Office of the Secretary at cpsc-os@cpsc.gov by July 24, 2026.

ADDRESSES: Submit comments, identified by Docket No. CPSC–2025–0012, by any of the following methods:

Electronic Submissions: Submit electronic comments to the Federal eRulemaking Portal at: <https://www.regulations.gov>. Follow the instructions for submitting comments. CPSC typically does not accept comments submitted by email, except through www.regulations.gov. CPSC encourages you to submit electronic comments by using the Federal eRulemaking Portal, as described above.

Mail/Hand Delivery/Courier/Confidential Written Submissions: Submit comments by mail, hand delivery, or courier to: Office of the Secretary, Consumer Product Safety Commission, 4330 East-West Highway, Bethesda, MD 20814; (301) 504–7479. If

you wish to submit confidential business information, trade secret information, or other sensitive or protected information that you do not want to be available to the public, you may submit such comments by mail, hand delivery, or courier, or you may email them to: cpsc-os@cpsc.gov.

Instructions: All submissions must include the agency name and docket number. CPSC may post all comments without change, including any personal identifiers, contact information, or other personal information provided, to <https://www.regulations.gov>. Do not submit through this website: Confidential business information, trade secret information, or other sensitive or protected information that you do not want to be available to the public. If you wish to submit such information, please submit it according to the instructions for mail/hand delivery/courier/confidential written submissions.

Docket: For access to the docket to read background documents, a plain language summary of the proposed rule, or comments received, go to: <https://www.regulations.gov>, and insert the docket number, CPSC–2025–0012, into the “Search” box, and follow the prompts.

FOR FURTHER INFORMATION CONTACT: Jay Kadiwala, Project Manager, Electrical Engineer, Office of Risk Reduction, Consumer Product Safety Commission, National Product Testing and Evaluation Center, 5 Research Place, Rockville, MD 20850; telephone: (301) 987–2517; jkadiwala@cpsc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The increasing use of micromobility products powered from multi-cell lithium-ion rechargeable batteries is a growing safety concern because of the potential for deadly smoke and fires that can spread beyond the product. For the purposes of this NPR, a “micromobility product” includes the following lithium-ion battery-powered vehicles, where “e” represents “electric”: eBikes, eScooters,¹ self-balancing scooters (such as Hoverboards; eBScooters), eSkateboards, eUnicycles, and hybrids of these micromobility products within CPSC's jurisdiction.

As explained in detail in section III of this preamble, over a five-year period from 2019 through 2023, CPSC is aware of 227 unique incidents—involving fires, explosions, gas releases, burns, overheating, and smoke inhalation—that potentially could have been prevented by this proposed rule; 90 incidents are

associated with 39 fatalities and 181 injuries, and 39 out of the 227 incidents involved multiple deaths and injuries. Thus, consumers of micromobility products may be exposed to risks of injury or death from these products. Consequently, the Commission is issuing this NPR to address the unreasonable risk of death and injury associated with lithium-ion batteries used in micromobility products and their electrical systems.

A. Overview of the Proposed Rule

In this NPR,² the Commission proposes to regulate lithium-ion batteries used in micromobility products and the electrical systems of micromobility products containing such batteries, including all components that make up an electrical system, such as lithium-ion batteries, battery management systems (BMS), chargers, and any other electrical component addressed in the applicable voluntary standard, collectively, “micromobility electrical systems.” In addition to original equipment manufacturer (OEM) lithium-ion batteries sold with a micromobility product, the NPR proposes to regulate lithium-ion batteries for use in micromobility products but sold separately from the micromobility product (termed “user replaceable battery packs”), including components sold in eBike electrical system conversion kits.

Based on the incident data and analysis presented in this NPR, the Commission preliminarily determines that micromobility electrical systems, user replaceable battery packs sold separately from a micromobility product, aftermarket battery chargers sold separately from a micromobility product, and components for eBike conversion kits, present an unreasonable risk of injury and death to consumers from electric shock, fires, explosions, expulsion of gas or flames, burns, overheating, and smoke inhalation (collectively the “associated

² This NPR is based on the information and analysis contained in this NPR and in the January 8, 2025, Staff Briefing Memorandum: Draft Proposed Rule to Establish a Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries (Staff's NPR Briefing Memo); available at: <https://www.cpsc.gov/s3fs-public/Decisional-Package-Draft-Proposed-Rule-to-Establish-a-Safety-Standard-for-Lithium-Ion-Batteries-and-Micromobility-Products.pdf?VersionId=Ob0VAPOfK5iRbXyKJ8SxqwR9SXLkxOnS>. On March 26, 2025, CPSC staff sent corrections to the draft proposed rule to the Commission, available at: https://www.cpsc.gov/s3fs-public/Package-Corrections-to-Draft-Proposed-Rule-to-Establish-a-Safety-Standard-for-Lithium-Ion-Batteries.pdf?VersionId=fhpnWvJVNIRL1dMRP3ByUYel0xPjf_kH.

¹ Includes both stand-up and seated eScooters.

hazards”) if they are not compliant with the requirements of this NPR. Particularly, hazards associated with “thermal runaway,” which is a self-sustaining internal cell chemical reaction that results in the rapid generation of heat that ignites the flammable electrolyte, can lead to serious injury and death. Thermal runaway occurs when burning hot gases create pressure that can cause flaming materials and gases to be ejected from the cell casing, resulting in an explosion and/or fire. The intense fire can in turn induce thermal runaway in adjacent cells and ignite combustible materials near the battery.

Additionally, the products within the scope of this proposed rule may present a risk of electric shock where voltages are at or greater than 42.4 peak VAC (volts alternating current) or 60 VDC (volts direct current). CPSC staff have not identified electric shock incidents involving micromobility products. However, at this time, the majority of micromobility product batteries are rated below 60 VDC and do not present a shock hazard from the battery. As micromobility products become more powerful and extend the range of operation, battery packs may exceed 60 VDC and can present a shock hazard that could result in serious injury or death. Further, chargers (both external and those integrated into the micromobility product) are powered from 120 VAC utility power and can present a shock hazard that could result in serious injury or death.

To address the unreasonable risks of injury associated with lithium-ion batteries used in micromobility products and their electrical systems, the NPR proposes that each product within the scope of the rule meet the performance requirements in the applicable voluntary standard, with modifications as described in sections IV and V of this preamble:

- ANSI/CAN/UL 2849:2020, *Standard for Safety for Electrical Systems for eBikes* (UL 2849–20) (eBikes);
- ANSI/CAN/UL 2272:2024, *Standard for Safety for Electrical Systems for Personal E-Mobility Devices* (UL 2272–24) (eScooters, eSBscooters, eSkateboards, eUnicycles, and hybrid products, collectively “other micromobility products,” or “personal eMobility products” (OMP)); and
- ANSI/CAN/UL/ULC 2271:2023, *Standard for Safety for Batteries for Use in Light Electric Vehicle (LEV) Applications* (UL 2271–23) (user replaceable battery packs).

Section IV of this preamble evaluates performance and labeling requirements

in the voluntary standards and their ability to eliminate or adequately reduce the hazards associated with lithium-ion batteries and micromobility product electrical systems. CPSC’s analysis finds that, overall, the performance requirements in UL 2849–20, UL 2272–24, and UL 2271–23 are inadequate to eliminate or adequately reduce the unreasonable risks of injury, because the performance requirements do not address all identified hazards associated with lithium-ion batteries and micromobility product electrical systems. Accordingly, the NPR proposes the following modifications to performance requirements to adequately reduce the associated hazards, including:

- Adding to UL 2849–20 and UL 2271–23 tamper-resistant battery enclosure requirements from UL 2272–24 to reduce the risk of injury associated with consumers accessing the battery pack;
 - Adding to UL 2849–20 and UL 2271–23 post-discharge charge test requirements from UL 2272–24 to reduce the risk of injury by ensuring that the BMS prohibits charging the battery if the cell surface temperature exceeds the specified upper limit;
 - Adding to UL 2849–20, UL 2272–24, and UL 2271–23, a reverse polarity test to reduce the risk of injury by preventing damage to the battery pack due to use of an incompatible charger.
- The NPR also proposes that labeling requirements be revised in each of the three voluntary standards, UL 2849–20, UL 2271–23, and UL 2272–24, for all products within the scope of the rule, to adequately reduce the risk of injury associated with foreseeable consumer use and misuse of lithium-ion batteries and micromobility electrical systems by improving safety messaging addressing electric shock and thermal runaway, and additional identified hazard patterns such as homemade batteries and unsafe battery charging.

As discussed in section IV of this preamble, micromobility products as a whole do not substantially comply with the applicable voluntary standards. Accordingly, the NPR proposes that products within the scope of the rule meet the requirements in applicable voluntary standards, as they are proposed to be modified.

B. Background and Statutory Authority

The Commission proposes this NPR under sections 7 and 9 of the Consumer Product Safety Act (CPSA). 15 U.S.C. 2056 and 2058. Section 7(b)(1) of the CPSA requires the Commission to rely on a voluntary standard, rather than promulgate a mandatory standard, when

product compliance with the voluntary standard would eliminate or adequately reduce the risk of injury associated with a product, and it is likely that products are in substantial compliance with the voluntary standard. 15 U.S.C. 2056(b)(1). As explained in section IV of this preamble, the Commission preliminarily determines that the applicable voluntary standards are inadequate to fully address the risks of injury from associated hazards, including thermal runaway, for products within the scope of the rule, and that overall, micromobility products do not substantially comply with the applicable voluntary standards.

Section 9 of the CPSA specifies the procedure the Commission must follow to issue a consumer product safety standard under section 7 of the CPSA. Section 9 authorizes the Commission to issue an NPR, which includes a proposed rule and a preliminary regulatory analysis, in accordance with section 9(c) of the CPSA. 15 U.S.C. 2058(c). We request comments from the public regarding the associated hazard patterns and risks of injury identified by the Commission in section III of this preamble, the regulatory alternatives being considered, and other possible alternatives for addressing the risks discussed in sections III and VI of this preamble. By statute, the preliminary regulatory analysis must include:

- a preliminary description of the potential benefits and potential costs of the proposed rule, including any benefits or costs that cannot be quantified in monetary terms, and an identification of those likely to receive the benefits and bear the costs;
- a discussion of applicable voluntary standards;
- a description of any reasonable alternatives to the proposed rule, together with a summary description of their potential costs and benefits, and a brief explanation of why such alternatives should not be published as a proposed rule.

Id. Tab A of Staff’s January 8, 2025, NPR Briefing Memo and section VI of this preamble provide the required preliminary regulatory analysis for a mandatory standard.

After issuing an NPR, the Commission will consider the comments received in response to the NPR and decide whether to issue a final rule, along with a final regulatory analysis. 15 U.S.C. 2058(c)–(f). If requested by commenters, the Commission also will provide an opportunity for interested persons to make oral presentations of data, views, or arguments, in accordance with section 9(d)(2) of the CPSA. 15 U.S.C. 2058(d)(2).

According to section 9(f)(1) of the CPSA, before promulgating a consumer product safety rule, the Commission must consider, and make appropriate findings to be included in the rule, on the following issues:

- The degree and nature of the risk of injury that the rule is designed to eliminate or reduce;
- The approximate number of consumer products subject to the rule;
- The need of the public for the products subject to the rule and the probable effect the rule will have on utility, cost, or availability of such products; and

- The means to achieve the objective of the rule while minimizing adverse effects on competition, manufacturing, and commercial practices.

15 U.S.C. 2058(f)(1). At the NPR stage, the Commission is making these findings preliminarily to allow the public to comment on the findings. Appendix A to the proposed regulation text contains the Commission's proposed findings.

Under section 9(f)(3) of the CPSA, to issue a final rule, the Commission must find that the rule is "reasonably necessary to eliminate or reduce an unreasonable risk of injury associated with such product" and that issuing the rule is in the public interest. 15 U.S.C. 2058(f)(3)(A)–(B). Additionally, if a voluntary standard addressing the risk of injury has been adopted and implemented, the Commission must find that:

- The voluntary standard is not likely to eliminate or adequately reduce the risk of injury, or
- Substantial compliance with the voluntary standard is unlikely.

15 U.S.C. 2058(f)(3)(D). The Commission also must find that the expected benefits of the rule bear a

reasonable relationship to its costs and that the rule imposes the least burdensome requirements that would adequately reduce the risk of injury. 15 U.S.C. 2058(f)(3)(E)–(F). As set forth in section XIV of this preamble, the Commission at this time makes preliminary findings on these requirements.

C. CPSC's Jurisdiction Over Micromobility Products

Under the CPSA, CPSC has jurisdiction over "consumer products," which includes their component parts. 15 U.S.C. 2052(a)(5). The definition of a "consumer product" under the CPSA excludes medical devices under the Federal Food and Drug Administration's (FDA) jurisdiction; articles which are not customarily produced or distributed for sale to, or use or consumption by, or enjoyment of, a consumer; products where a risk of injury could be eliminated or reduced to a sufficient extent by actions taken under the Occupational Health and Safety Act; and "motor vehicles" and "motor vehicle equipment" as defined in the National Traffic and Motor Vehicle Safety Act of 1966. 15 U.S.C. 2052(a)(5)(A) and (C), 2080(a); 49 U.S.C. 30102. A "motor vehicle" is "a vehicle driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line." 49 U.S.C. 30102.

Accordingly, CPSC has jurisdiction over any micromobility product that is not a "motor vehicle" under the jurisdiction of the National Highway Traffic Safety Administration (NHTSA). CPSC's jurisdiction includes commercially owned micromobility products that are used by consumers, for instance in rental fleets. *See* 47 U.S.C. 2052(a)(5)

(defining "consumer product" to include products "produced or distributed . . . for the personal use, consumption or enjoyment of a consumer in or around a permanent or temporary household or residence, a school, in recreation, or otherwise").

Thus, CPSC has jurisdiction over products such as racing bikes, dirt bikes, all-terrain vehicles (ATVs), scooters, bikes, and skateboards.³ In contrast to these products, motor vehicles intended for on-road use generally have features such as a Vehicle Identification Number (VIN), as well as other on-road capabilities which may include head lights, taillights, brake lights, and side mirrors.⁴ When jurisdictional issues arise, CPSC staff discuss specific products with NHTSA staff.

II. Micromobility Products Within the Scope of the Rule

A. Description of Micromobility Products

The Commission proposes to regulate lithium-ion batteries used in micromobility products and the electrical systems of micromobility products containing such batteries, including six types of micromobility products: eBikes, eScooters, eSBscooters, eSkateboards, eUnicycles, and hybrids of these products. Figure 1 shows examples of these micromobility products.

³ Congress specifically stated CPSC's jurisdiction over low-speed bicycles, which is implemented in CPSC's bicycle regulations. 15 U.S.C. 2085; 16 CFR 1512.2(a)(2). In addition, pedal-assisted eBikes that are not capable of continued self-propulsion fall within CPSC's jurisdiction. *See, for example*, NHTSA's guidance at: <https://www.nhtsa.gov/interpretations/07-001825as>.

⁴ *See* <https://www.nhtsa.gov/importing-vehicle/importation-and-certification-faqs-0>.



Figure 1. Examples of Micromobility Products

Generally, micromobility products are marketed, intended, and designed for recreational off-road use and for transportation in urban and suburban areas, typically for short distances. Micromobility products rely on one or more wheels driven by electric motors that receive electrical power from a rechargeable lithium-ion battery, via a motor control circuit, to start and stop the product and control its speed. The type of micromobility product dictates how a user rides and controls the product. This NPR proposes to address electrical hazards associated with all

micromobility products subject to UL 2849–20 and UL 2272–24, as defined in the standards, but excludes products that are not within CPSC’s jurisdiction.⁵ This NPR also includes user replaceable battery packs subject to UL 2271–23,

⁵ Lithium battery-powered motive products that are not micromobility products are excluded from the scope of this proposed rule including children’s battery-powered ride-on toys (defined in 16 CFR part 1250), ATVs (defined in 16 CFR part 1420), Recreational Off-Highway Vehicles (defined in ANSI/ROHVA 1–2023), Multipurpose Off-Highway Utility Vehicles (defined in ANSI/OPEI B71.9–2022), and Golf Cars (defined in ANSI/ILTV Z130.1).

which are sold separately for use in micromobility products within the scope of this proposed rule.

UL 2849–20 addresses electrical hazards associated with eBikes. All other micromobility products covered by this NPR, including eScooters, eSBscooters, eSkateboards, eUnicycles, and hybrids of these products (collectively, OMPs or personal eMobility products), are defined in section 6.25 of UL 2272–24 as a “Personal E-Mobility Device- [a] consumer mobility device intended for a single rider with a rechargeable

electric drive train that balances and propels the rider, and which may be provided with a handle for grasping while riding, but excludes motorized wheelchairs including mobility scooters for medical purposes. This device may or may not be self-balancing.” This section describes products within the scope of this NPR.⁶

eBikes—Section 5.4 of UL 2849–20 defines an “eBike” as “[a] two or three wheeled electrical/mechanical device provided with functional pedals that includes one or more electric motors to either assist the rider when pedaling (in Electrically Power Assisted Cycle (EPAC) versions) or provide motive power to the wheels when the rider is not pedaling.”⁷ As shown in Figure 1, most eBikes have two wheels with tubed rubber tires that are inline, a seat for a rider, and handlebars for steering the front wheel while power is applied to the rear tire. When the rider pedals an EPAC eBike, a charged onboard battery pack supplies electrical power to a motor that “assists” the rider by reducing the mechanical energy required from the rider to apply a given force to the drivetrain. In this product, the battery pack is generally user replaceable, meaning that it can be removed from the eBike for charging. When the electrical system is not engaged, an EPAC eBike functions as a traditional non-powered bicycle.⁸

eScooters—UL 2272–24 addresses electrical hazards associated with eScooters. As shown in Figure 1, stand-up eScooters have two inline wheels with a long flat platform between the wheels where the rider places their feet. The rider places one foot in front of the other and is generally in a standing position with their hands on the handlebars to steer the front wheel. A sit-down eScooter looks much like a bicycle but does not have functional pedals. An eScooter battery pack can be either integral to the product or user replaceable. Riders generally control an eScooter’s speed using a hand-controlled throttle, and eScooter braking

can be actuated either electrically or manually.

eSBscooters—UL 2272–24 addresses electrical hazards associated with eSBscooters. As shown in Figure 1, eSBscooters are battery-powered scooters having two foot pads that are side-by-side with one driven wheel on each side of each foot pad. Battery packs are typically integral to eSBscooters but may be user replaceable. The rider generally controls the scooter by slight tilting of one or both feet or shifting their body weight to angle one or both footpads slightly downward to propel the scooter; eSBscooters generally do not have a handlebar or use hand controls to steer the scooter. Accordingly, eSBscooters require the rider to have the ability to balance on the scooter to effectively steer and operate the product.

eSkateboards—UL 2272–24 addresses electrical hazards associated with battery-powered skateboards. eSkateboards are like traditional non-powered skateboards, except they have a motor powered by a lithium-ion battery pack mounted underneath the foot platform. Riders typically operate eSkateboards using a remote control, but some eSkateboards operate using only body weight, by leaning to one side of the eSkateboard to control both direction and speed. eSkateboards do not have a handlebar.

eUnicycles—UL 2272–24 addresses electrical hazards associated with eUnicycles, shown in Figure 1. eUnicycles, generally powered by one or two lithium-ion battery packs, have one wheel that sits between the rider’s feet. To ride, the user stands on two foldable metal flaps on opposite sides of the wheel. The rider causes an eUnicycle to move by leaning forward slightly on the product to propel forward motion.

Hybrid micromobility products—Hybrid micromobility products that fall within the scope of UL 2272, and are not excluded from CPSC’s jurisdiction, are within the scope of this NPR. UL 2272–24 addresses electrical hazards associated with micromobility products

that are a hybrid design and do not fit squarely within the product descriptions for eScooter, eSBscooter, eSkateboard, and eUnicycle. Examples of hybrid micromobility products within the scope of the NPR include eSBscooters with handlebars or leg bars and eSkateboards with a long platform and one large wheel in the center of the platform, rather than four small wheels. eSBscooters with handlebars or leg bars allow the rider to steer and more easily shift body weight to propel the product forward. Riders mount an eSkateboard with one wheel with feet positioned one in front of the wheel and one foot behind the wheel; the rider’s body lean controls the angle, speed, and direction of movement.

Lithium-ion Batteries—Section II.B.3 of this preamble describes user replaceable lithium-ion battery packs, both OEM and third party, within the scope of UL 2271–23 and this proposed rule. OEM batteries that are sold with a micromobility product are generally covered by either UL 2849–20 or UL 2272–24; however, these UL standards reference battery requirements in UL 2271–23 in addition to other UL standards. User replaceable battery packs intended for use in a micromobility product that are sold separately from the product are within the scope of UL 2271–23.

Figures 2 and 3 show representative electrical systems for eBikes and OMPs. Electrical systems consist of a motor powered by a battery pack through the motor controller and throttle. The battery pack consists of individual lithium-ion cells. A safety circuit or BMS compares the voltage, current, and temperature readings with the cell manufacturer’s specified limits, and electrically disconnects the cells if the limits are exceeded. Battery chargers are connected to a user replaceable battery pack as shown in Figure 2, and to the on-board battery for non-user replaceable battery packs as shown in Figure 3. Section II.B of this preamble discusses these electrical system components in more detail.

⁶For more information on the generic physical design of micromobility products and common differentiating features, see Society of Automotive Engineers International (SAE) J3194, Taxonomy & Classification of Powered Micromobility Vehicles (SAE J3194).

⁷Bicycles are subject to an existing product safety regulation, 16 CFR part 1512. In March 2024, the Commission issued an advance notice of proposed rulemaking for mechanical hazards related to eBikes. 89 FR 18861 (Mar. 15, 2024).

⁸Traditional bicycles, as well as some eBikes, are subject to the mechanical requirements set forth in 16 CFR part 1512. The scope of part 1512 includes: (a) two-wheeled bikes whose rear drive wheel is solely human-powered, and (b) two- or three-wheeled bikes with operable pedals, an electric motor of less than 750 watts, and a powered maximum speed on a paved level surface less than 20 miles per hour (mph) when being ridden by a person weighing 170 pounds. 16 CFR 1512.2(a). All lithium-powered eBikes that fall within the scope

of § 1512.2(a)(2) are also included within the scope of this NPR, because part 1512 regulates mechanical hazards and this NPR proposes to regulate electrical hazards associated with such eBikes. This rule also includes eBikes that exceed the wattage, speed, and weight limits set forth in § 1512.2(a)(2), as long as the product is not a motor vehicle or otherwise outside the Commission’s jurisdiction.

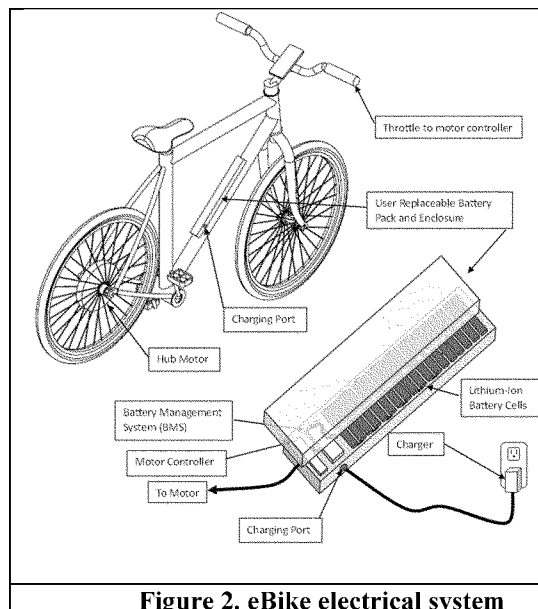


Figure 2. eBike electrical system

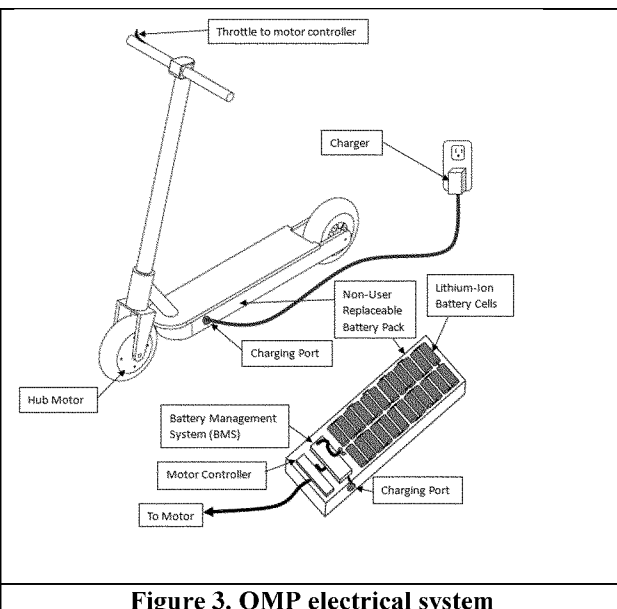


Figure 3. OMP electrical system

B. Background on Lithium-Ion Batteries Used in Micromobility Products and the Electrical System of Micromobility Products

In this section of the preamble we provide a basic explanation of lithium-ion cells, their construction, and how they function, as well as the other components that comprise the electrical systems of micromobility products, to aid in understanding how the applicable UL voluntary standard requirements described in section IV of this preamble, and CPSC's proposed additions, address the unreasonable risks of death and injury with the associated hazards.

1. **Lithium-Ion Cells**—A lithium-ion cell is the basic unit of a battery. Lithium-ion cells are rechargeable and include the following parts as shown in

Figure 4: a positive electrode (cathode), a negative electrode (anode), a separator in between the electrodes, and an electrolyte (not pictured). The anode typically consists of a copper (Cu) sheet coated with a thin layer of negative active material, such as a graphite compound. The cathode typically consists of an aluminum (Al) sheet coated with a thin layer of positive active material, such as lithium nickel manganese cobalt oxide. The separator is a thin, porous, plastic sheet that electrically insulates the cathode from the anode; it is perforated with sub-micron sized holes to allow lithium ions to move between the anode and cathode. The electrolyte is a solvent in which the electrodes and separator are immersed. The electrolyte is the medium that allows the charged lithium

ions to flow between the electrodes. Metal tabs (not shown in Figure 4) are welded to the current collectors (Al and Cu sheets) and attached to the positive and negative terminals of the battery cell to connect to an external circuit. Lithium-ion battery electrolytes are flammable, unlike water-based electrolytes used in other types of rechargeable batteries such as lead-acid or nickel-metal hydride batteries. If a lithium-ion cell overheats it can enter into a self-sustaining reaction called "thermal runaway." The heat generated by thermal runaway ignites the flammable electrolyte, building internal pressure that can result in the violent expulsion of hot gases, burning cell materials and flames from the cell casing.

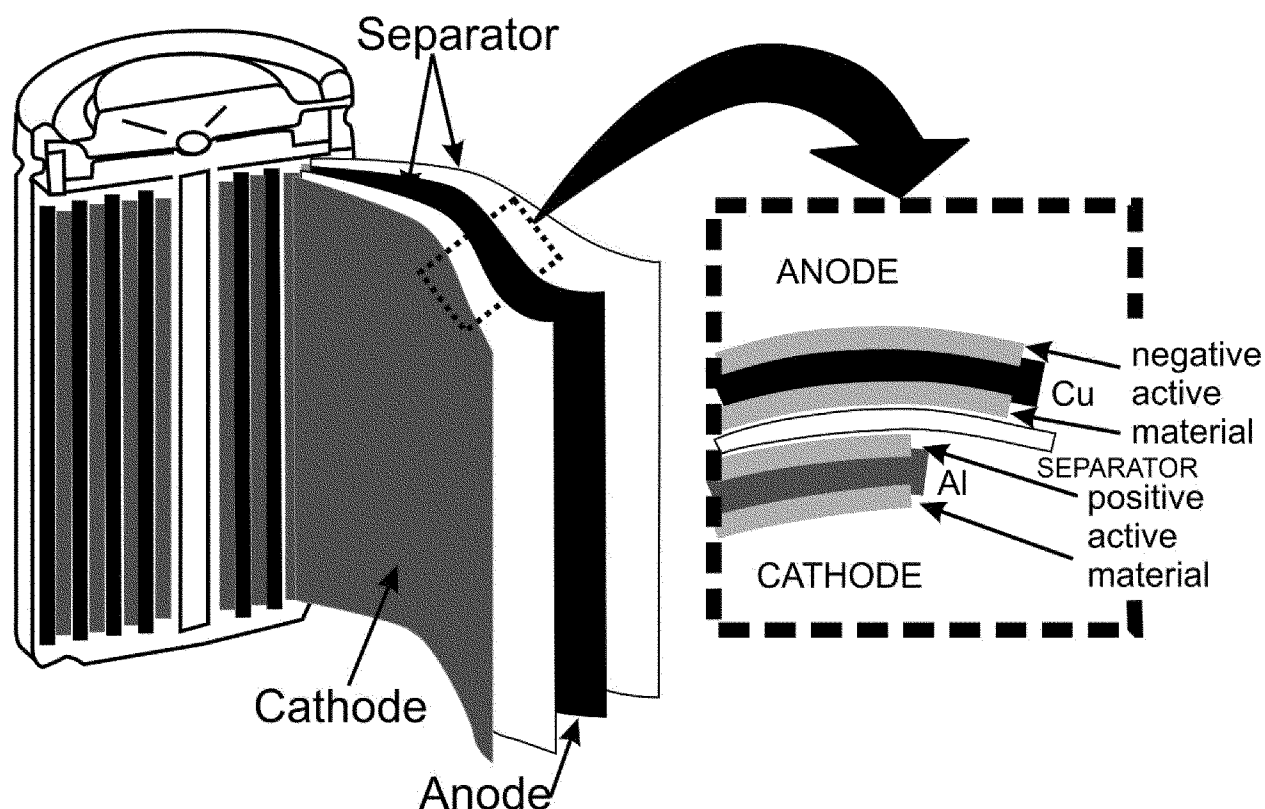


Figure 4 - Diagram of a Cylindrical Lithium-Ion Cell
(NOTE: Layer thicknesses are not drawn to scale)

In a final assembly of a cell, long sheets of the electrodes and separator are stacked and concentrically wound in a jellyroll fashion. For a cylindrical cell, the roll is inserted into a cylindrical steel case, the electrolyte is added, and then the case is capped off. Other form factors include prismatic cells, which are wound concentrically but are flat.

2. Charging and Discharging a Cell: Converting Electrical Energy to Chemical Energy—During charging of a cell, an external voltage is applied across the cell's terminals (for a micromobility product the external voltage would be from the charger). Within the cell, lithium ions move from the active material in the cathode to the active material in the anode. This converts the electrical energy from the external power source to chemical energy that the cell stores for later use during discharge. During the charging process, cell voltage increases as the cell stored charge level increases, until the cell reaches its maximum charge voltage. The cell manufacturer specifies the maximum charge voltage, charging current, and the cell surface temperature. Continued charging beyond the maximum voltage is referred to as overcharging, which can damage

the electrodes and cause overheating and failure of the cell.

This process is reversed during discharge when an external load (meaning the product the battery powers) is connected across the cell's positive and negative terminals. For a micromobility product, the external load is the electrical system—motor controller/motor *etc.* Micromobility products require a battery composed of multiple interconnected cells, as explained in section II.B.3 of this preamble describing *Lithium Battery Packs*. The stored chemical energy in each cell is converted into electrical energy as the lithium ions move from the anode to the cathode inside the battery, producing electrical current flowing out of the cell and into the load. During discharge, the cell voltage drops as the stored energy is depleted. Lithium-ion cells have a minimum voltage to which they can be discharged and below which the electrodes may become damaged. If this occurs, the cell has been overdischarged, and this damage may result in overheating and cell failure during each subsequent charge cycle.

The stored energy that is available in a lithium-ion cell as it is discharged from its maximum voltage (typically 4.2

V) to its minimum voltage (typically 2.5 V) is called the cell's electrical capacity, measured in Wh (Watt-hours). A cell charged to its full capacity is at 100% state of charge (SOC). Because cell voltage ranges from its minimum to its maximum based on the SOC, manufacturers often reference cell voltage by its nominal value (typically 3.7 volts direct current (VDC)). As a convenient reference, manufacturers specify a cell's ampacity, which is the discharge current available for 1 hour; the ampacity is specified in ampere-hours (Ah). The 1-hour discharge rate is designated as C. Cells are typically capable of producing a much higher current than the C rate but for less time. Typically, rated discharge current is up to ten times C or 10C. Charging current is typically between 0.5C for a slow charge and up to three times C (3C) for a fast charge.

Another important specification for safe operation is the surface temperature of the cell during charge, discharge, and storage. The cell manufacturer specifies the temperature ranges a cell may be safely subjected to for specific modes such as charge, discharge, and storage. The typical safe range for cell surface temperatures during charging is between 0 °C and 45 °C. The typical safe

range for cell surface temperatures during discharge is between 0 °C and 60 °C. While a cell is discharging, internal heating is produced that is proportional to the current. For a micromobility product, nearly all the battery power is for the motors. When the motor works harder, such as to go faster or ride up an incline, the current increases, and the cells produce more heat. To prevent damage to a battery cell during charge and discharge, a battery-powered system must maintain the battery cells within the described specifications, referred to collectively as the safe area of operation. Battery cells that are overcharged, overdischarged, or that exceed the allowable temperature can suffer catastrophic failure. The most severe type of failure is thermal runaway, which is rapid, extreme overheating of the cell leading to venting of hot, hazardous gases from the cell, which can lead to fire escaping

from the product, as detailed in section III of this preamble.

A variety of electrode compounds provide various performance specifications for battery pack designers to use. A cell manufacturer publishes the specifications for voltage, current, cell surface temperature, and capacity so that battery designers can select the cell that meets or exceeds the performance requirements in the end-use application.

3. Lithium-Ion Battery Packs— Micromobility products are typically sold with a battery pack that is rated for the intended use of the product. The battery pack is an assemblage of individual lithium-ion cells connected electrically in series and parallel to achieve the voltage and current ratings for the micromobility product to operate for the desired range, runtime, and top speed. A battery pack may be fixed-in-place (non-replaceable), or it may be replaceable by the user to facilitate

charging the battery separately from the product or to allow battery replacement. Removable batteries allow users to ride the product with minimal downtime, because users can charge an extra battery while using the product. Micromobility product manufacturers may sell battery packs specifically for their products, but battery packs may also be sold by third parties.

Micromobility product batteries typically use cylindrical lithium-ion cells, often size 18650 or 21700. Figure 5 shows examples of each of these cells. Size 18650 cells are nominally 18 mm in diameter and 65 mm tall; size 21700 cells are nominally 21 mm in diameter and 70 mm tall. Micromobility product battery packs use multiple battery cells connected in series and parallel so that the battery can provide sufficient power and capacity to operate the micromobility product within the manufacturer's desired range or operating time.

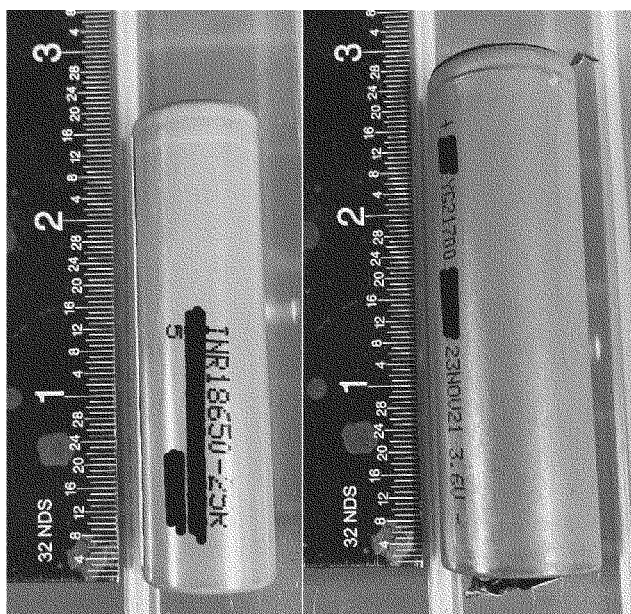


Figure 5 – 18650-size cell (left) and 21700-size cell (right)

Micromobility product multi-cell battery arrangements are designated by the number of cells connected electrically in a series string, and the

number of series strings that are connected in parallel. For example, a 20-cell, 10S2P battery has ten cells connected in each series (*i.e.*, “10S”) and two parallel series (*i.e.*, “2P”). Thus,

this pack configuration consists of 20 cells. Figures 6 and 7 provide examples of battery packs and their designations.

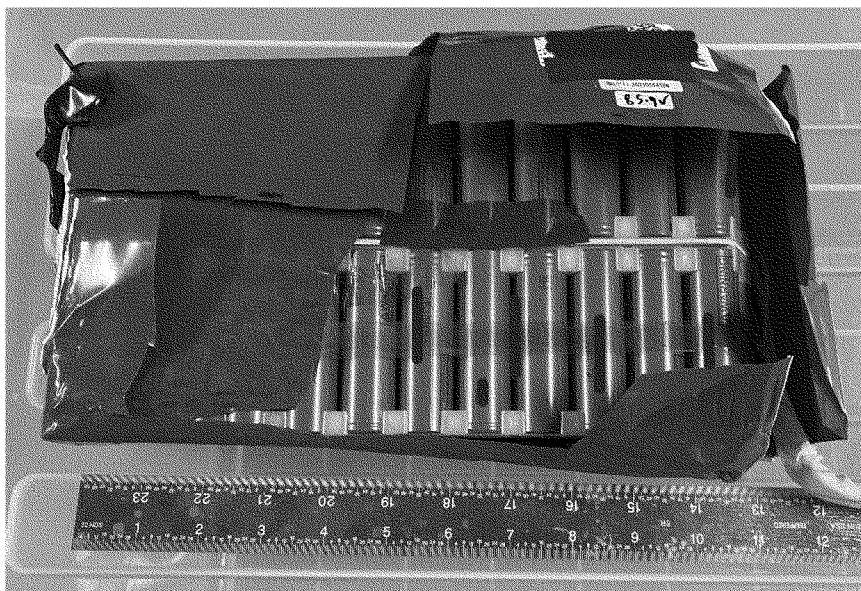


Figure 6 – Non User Replaceable Battery Pack 24S2P from an eUnicycle, 86.4 VDC (nominal)/9 Ah, 900 Wh. Shrink wrap covering cut back to show the cell array; pack includes 48 21700 size cells

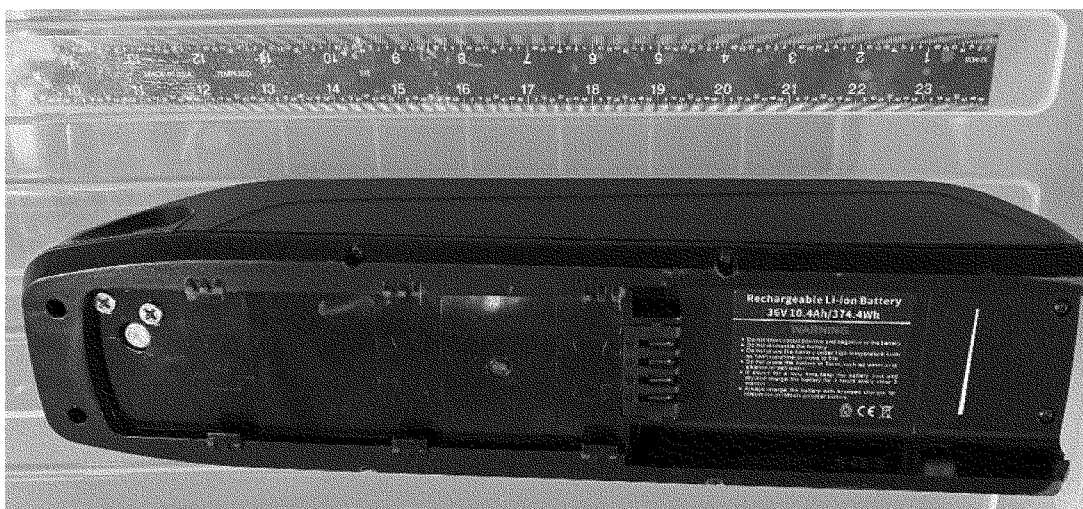


Figure 7 – User replaceable eBike battery pack, 10S4P, 36 V DC (nominal), 10.4 Ah, 374.4 Wh

4. *Battery Management Systems*—To maintain the individual cells of a battery pack within their specifications for voltage, current, and temperature during charge and discharge, a robustly designed micromobility product electrical system uses a BMS, an example of which is shown in Figure 8. When the BMS detects an out-of-specification cell condition, it uses electronic switches or relays to disconnect the battery pack from the external circuit to stop the flow of current and to prevent damage to battery cells, which could lead to thermal runaway. For example, during charging and discharging, the BMS measures and compares the voltage, current, and

temperature readings to the cell manufacturer's specified limits. A BMS measures cell surface temperatures using thermocouples or thermistors, which are sensors attached to the outside of the battery cells inside a battery pack. The BMS controls the charging rate and charge level while monitoring the cell temperature so that the cells stay within their safe area of operation. The BMS stops charging when cells reach their full capacity so that they do not become overcharged. Similarly, the BMS stops discharging when cells reach their minimum voltage so as not to allow overdischarge. Accordingly, the BMS plays a critical role in the safe operation of a

micromobility product, particularly when the user is charging or riding the product.

A BMS, however, cannot stop thermal runaway events caused by manufacturing defects in the battery cell itself, such as contaminants, electrode or separator layer misalignment, damaged separator, or folded or torn electrodes.

5. *User Replaceable Battery Packs*—Some of CPSC's incident reports involve user replaceable batteries that were poorly constructed with substandard cells, BMS, or other components. User replaceable battery packs may be available from the micromobility product OEM or from a non-OEM

supplier. User replaceable battery packs (batteries) become part of the product's electrical system. The primary risks associated with user replaceable battery packs, similar to integral batteries, are shock and fire. The cells within battery packs must be maintained within their safe area of operation during both charging and discharging, requiring adequately rated cells and BMS protection. Also, because the battery output terminals for electrically connecting the battery to the micromobility product may be exposed, they need to be properly guarded to protect against possible shorting during connection and disconnection of the battery pack. If the battery pack voltage is higher than 60 V DC, the battery output terminals must also be inaccessible to users to prevent a risk of shock. Further, battery packs without a means to prevent users from accessing the battery, meaning those that are not tamper resistant, present a risk of shock and fire by allowing consumer access to internal parts of the battery pack to, for example, attempt to replace battery cells. CPSC is also aware of consumers trying to build or modify lithium-ion battery packs for micromobility products, without necessarily having technical expertise or knowledge of the risks. These so-called "homemade" or modified batteries may pose a higher risk of a thermal runaway, and potential smoke inhalation and fire, as set forth in section III of this preamble.

6. *OEM and Aftermarket Battery Chargers*—CPSC is aware of incidents involving chargers provided either with the micromobility product (OEM charger) or obtained afterwards (aftermarket charger). Several risks to the consumer are associated with OEM and aftermarket battery chargers. Battery chargers are powered from 120 VAC power so that basic safety requirements such as proper grounding and power cords ratings are beneficial to protect users against shock and fire. Chargers may also overheat if adequate internal circuit protection is not provided. However, the primary concern with aftermarket chargers is compatibility with the micromobility product charging circuit and battery. It is critical that the charger output voltage and current match the rating of the micromobility product battery to prevent damage to the internal charging circuits or the battery, which can pose a risk of fire. Also, the voltage polarity of the charger connector must match the polarity of the micromobility product charging connector to mitigate the risk of damaging the cells and posing a risk of fire.

C. Market Description

The following discussion provides information about the economic markets in which micromobility products are sold. In 2021, CPSC contracted Euromonitor to conduct an industry-wide market study on micromobility products. The Euromonitor report, completed in February 2022, is titled *Micro-Mobility Product Market Research*.⁹ The information provided in this section, unless otherwise stated, is derived from the Euromonitor report. This market analysis is broken into three product categories: eBikes, eScooters, and OMPs, which for this analysis includes eSBscooters, eSkateboards, eUnicycles, and hybrids of these products).¹⁰

1. *eBikes*—CPSC staff identified 179 firms that manufacture or supply eBikes to the U.S. Most of these firms import products manufactured in China. Staff have identified just five domestic eBike manufacturers. Overseas companies produce many of the components used by these domestic manufacturers; in particular, nearly all eBike batteries are manufactured overseas. eBikes are typically sold through physical retail outlets; recently, however, an increasing number of eBikes are being sold through online retailers. Staff expect this trend to continue in the short run but do not expect this online sales trend to exceed 30 percent of total sales because eBike firms maintain a physical dealer network.

Currently, the domestic eBike market is growing quickly, with a 31 percent compounding annual growth rate (CAGR) in units sold from 2018 to 2024. Increased recreational use of eBikes and investments made by ride sharing firms in major cities have contributed to the market's quick growth. Despite investments by ride sharing firms having slowed considerably recently, the overall eBike market has continued to grow. High growth rates for this market are likely to continue in the short run.

2. *eScooters*—Staff identified 81 firms supplying 704 eScooter models/variants to the U.S. market. Nearly all eScooters are imported from China or Taiwan. Of the 81 firms, staff identified seven U.S. domestic eScooter manufacturers and overseas companies produce many of the components used by these domestic

manufacturers, including nearly all eScooter battery packs. Private eScooter sales account for approximately 65 percent of the total market with a majority sold via on-line retail channels. A few firms have a limited brick-and-mortar presence. From 2018 to 2021, eScooter sales volume increased at a 9.8 percent CAGR. Over the same period, eScooter gross revenue increased at a 27.7 percent CAGR. The higher growth rate in revenues compared to sales is due to a shift towards higher quality and more durable products. Beyond 2021, sales growth is expected to slow down to 10.64 CAGR and staff expect growth to further decline as the market continues to saturate.

3. *OMPs*—Staff identified 67 firms that manufacture or supply OMPs to the U.S. market. Nearly all these firms import their products from China. Staff identified 12 domestic OMP manufacturers that assemble OMPs from components largely produced overseas. Most lithium-ion batteries for OMPs are produced in China. Roughly 80 percent of OMPs are sold via online retail channels rather than through brick-and-mortar retailers.

Revenue for eSBscooters with a handlebar (a.k.a. segways) increased at a 4.3 percent CAGR from 2018 to 2021, while units sold increased to 1.7 percent CAGR during the same period. One reason for the increase in retail value is the increase in cost for batteries and electric motors stemming from the COVID-19 pandemic. eSBscooters without a handlebar, such as hoverboards, entered the market in 2015. Sales of these eSBscooter increased at 2.5 percent CAGR from 2018 to 2021. eSBscooter prices have increased marginally because of higher global demand for batteries, but they have generally been constrained by the economies of scale from producing over a million units per year.

eSkateboards and eUnicycles have the highest growth from 2018 to 2021. Sales grew from 2018 to 2021, at a CAGR of 5.3 percent. Retail value grew at a 13 percent CAGR during that same period. Overall, OMPs are forecasted to increase at a 15.6 percent CAGR from 2021 to 2024, reaching a market value of \$213.2 million.

D. Overview of Voluntary Standards and CPSC's Participation in Standards Development

UL 2272 Background—UL 2272 was first published in November 2016 as a joint Canada-United States National Standard to address the electrical safety of "Electrical Systems for Personal e-Mobility Devices." UL 2272-24 defines a "personal e-mobility device" as a

⁹ This report can be obtained by submitting a request at <https://forms.office.com/g/2ubiRFZxfw>.

¹⁰ The information presented summarizes the market analysis in Tab A of Staff's NPR Briefing Memorandum: Safety Standard for Lithium-Ion Batteries in Micromobility Products Preliminary Regulatory Analysis, available at <https://www.cpsc.gov/s3fs-public/LithiumIonBatteriesPreliminaryRegulatoryAnalysis.pdf>.

single-rider, rechargeable electric device which may or may not be self-balancing, excluding devices for medical purposes.¹¹ This voluntary standard was created in response to fire incidents with eSBscooters that occurred at the end of 2015 when these products were widely introduced in the market without a standard to ensure safe operation of the battery. The first edition was revised on February 25, 2019. After the 2019 revisions were published, OMP fire incidents continued. To address these incidents, staff wrote a letter to UL Standards and Engagement (ULSE) Technical Commission (TC) on January 14, 2024, indicating a need to create a working group to address OMP incidents.¹² As a result of this letter, the TC for UL 2272 initiated work and, on April 19, 2024, ULSE published the second edition of UL 2272. However, as discussed below, incidents associated with OMPs continue and staff's current assessment of this standard is that it is inadequate to fully address the associated hazards for consumers of OMPs using lithium-ion battery packs.

UL 2271 Background—UL 2271 was first published in December 2013 as a joint Canada-United States bi-national standard to address electrical energy storage assemblies such as battery packs for use in light electric-powered vehicles (LEVs).¹³ The second edition was published in 2018. The third and latest version was published in 2023. Although staff assess that the revisions increased safety relative to the previous edition, nevertheless the standard does not fully address the associated electrical hazards for consumers of eBikes and OMPs using these battery packs, as reflected in the discussion of incidents in section III of this preamble.

UL 2849 Background—In January 2020 as a joint Canada-United States National Standard to address the electrical system safety of eBikes powered by a lithium-based, rechargeable battery. Staff attended a TC meeting for UL 2849 on December 6, 2021, to review numerous proposals for additional eBike requirements. To date,

these proposals have not been balloted. Moreover, as discussed in section III of this preamble, eBike fire incidents continue.

III. Hazards Associated With Lithium-Ion Batteries Used in Micromobility Products

This section discusses the unreasonable risk of death and injury associated with lithium-ion batteries used in micromobility products, provides information on the deaths and injuries associated with micromobility products within the scope of the rule, and describes the associated hazard patterns.¹⁴

A. Unreasonable Risk of Death or Injury Associated With Lithium-Ion Batteries Used in Micromobility Products

As seen in CPSC's incident data described in section III.B of this preamble, the primary risks of injury are associated with thermal runaway of micromobility electrical systems that use lithium-ion batteries, which can lead to fires, explosions, gas releases, burns, overheating, and smoke inhalation. Consumers are exposed to these risks during charge and discharge of lithium-ion batteries used in micromobility products. Thermal runaway in a lithium-ion battery pack(s) creates a risk of injury that can be mitigated by using high quality cells and monitoring and protection circuitry provided by the electrical system, including such subsystems as the BMS. As described in section II.B.4 of this preamble, a properly designed and well-functioning BMS ensures that if a lithium-ion battery or battery pack operates outside of the safe operating region it will be disconnected from the external circuit, which turns off the battery pack to prevent damage to battery cells within the battery pack, and ultimately may prevent a thermal runaway.

Lithium-ion cells operating outside of their safe operating region may suffer internal damage, which may lead to an internal short circuit that generates extreme heat. Depending on the level of charge, the rapidly released energy may heat the cell much faster than the cell can dissipate the heat. Furthermore, unlike water-based electrolytes used in other types of rechargeable batteries, lithium-ion battery electrolytes are flammable. This may result in a self-

heating, exothermic chemical reaction called thermal runaway. A cell in thermal runaway burns and vaporizes the flammable electrolyte building intense internal pressure that may rupture the cell casing explosively, ejecting hot gases, flames and molten materials. In a multicell battery pack, the heat produced by the failure of one cell may propagate to other cells in the pack, expanding the release of extreme heat and fire due to thermal runaway induced in other cells. Tests performed by Naval Surface Warfare Center, Carderock Division demonstrated that cell burn temperatures during thermal runaway can exceed 1000 °C (1832 °F).¹⁵

Once ignited, flaming contents and gases build internal pressure and can be explosively ejected from the cell enclosure. The flaming materials may ignite nearby combustibles. Micromobility products are often left to charge inside of a garage, house, or multifamily dwelling. Fires in these locations can spread to surrounding household goods and combustible materials stored in those locations, such as gas or kerosene in a garage, and carpets, furniture, drapes, decorative items, and other electronic equipment in the house. Fires can also ignite the housing structure itself.

Smoke produced by combustion is a colloid consisting of airborne solids, liquid particles, and gases (e.g., CO₂, CO) mixed with air.¹⁶ During combustion inside of a battery, a carbon-based fuel burns in the presence of oxygen. Harmful gases and fire may result in injuries and deaths to anyone inside the house or building. According to CPSC's reports of in-depth investigation (IDI) and the National Electronic Injury Surveillance System (NEISS) submitted from 2019 to 2023, the main causes of human death and injuries associated with micromobility product fires are smoke inhalation and burn injuries.

B. Incident Data Overview

CPSC staff searched CPSC-maintained databases to identify deaths, injuries, and non-injury incidents associated with lithium-ion batteries used in micromobility products, including the

¹¹ UL 2272 refers to in-scope products as "personal eMobility devices," but this NPR generally refers to such products as "other micromobility products" or OMPs.

¹² The letter is posted on CPSC's website, located at the following link: <https://cpsc.gov/s3fs-public/e-MobilityTG-ResponseToWGActivity-ULSE-0.pdf?VersionId=hpYjELySGYjOrKFUaJCpgJxqCougJAl>.

¹³ UL 2271-13 includes the following as LEVs: electric bicycles; electric scooters and motorcycles; electric wheelchairs; golf carts; ATVs; non-ride-on industrial material handling equipment; ride-on floor care machines and lawnmowers; and personal mobility devices.

¹⁴ See also, Consumer Product Safety Commission (2023) Micromobility products-related deaths, injuries, and hazard patterns: 2017–2022, available at: <https://www.cpsc.gov/s3fs-public/Micromobility-Products-Related-Deaths-Injuries-and-Hazard-Patterns-2017-2022.pdf?VersionId=BeKcviY03IvMU9nHr2ErziUNXNkPAghJ>.

¹⁵ Waller, Ko, Hays, Jiang (2020) Evaluation of Cell-to-Cell Propagation in Lithium-ion Batteries Containing 18650 Sized Cells, NSWCCD-63-TR-2020/01, <https://www.cpsc.gov/content/Consumer-Product-Safety-Commission-CPSC-Staff%E2%80%99s-Statement-on-Naval-Surface-Warfare-Center-Carderock-Division%E2%80%99s-NSWCCD-Report-on-%E2%80%9CEvaluation-of-Cell-to-Cell-Propagation-in-Lithium-Ion-Batteries-Containing-18650-Sized-Cells%E2%80%9D>.

¹⁶ Gill P. and Martin R.V. (2015) Smoke inhalation injury, *BJA Education*, 15(3): 143.

Consumer Product Safety Risk Management System (CPSRMS) ¹⁷ ¹⁸ and the National Electronic Injury Surveillance System (NEISS).¹⁹ For this NPR, CPSC identified 227 unique incidents related to associated hazards with micromobility products' lithium-ion batteries from January 1, 2019,

through December 31, 2023, which were documented in CPSC databases as of November 1, 2024. Specifically, CPSC conducted 212 In-Depth Investigations (IDIs), identified 12 additional NEISS cases,²⁰ and obtained three news reports as presented in table 1.1. Of the resulting total of 227

incidents associated with micromobility product electrical systems, 90 incidents are associated with fatalities (39) and injuries (181), while 39 incidents involved multiple victims with fatalities and injuries. CPSC is also aware of 137 non-injury incidents within the same timeframe.

Table 1.1 – Incidents by Source Document Type (2019–2023)

Document Type	Incidents	Incidents w/ injuries or deaths	Incidents w/multiple injuries or deaths	Incidents w/multiple deaths	Victims: injuries or deaths	Injuries	Deaths	Incidents with no injuries or deaths
IDIs	212	75	39	8	205	169	36	137
NEISS	12	12	0	0	12	12	0	0
News Reports	3	3	0	0	3	0	3	0
Total	227	90	39	8	220	181	39	137

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.
Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Table 1.2 shows the number of incidents, fatalities, injuries, and non-injury incidents associated with

micromobility product electrical system fire, explosion, overheating incidents by year from 2019 through 2023. Table 1.2

summarizes information on deaths, injuries, and non-injury incidents for each product category.

¹⁷ CPSRMS includes data primarily from three groups of sources: incident reports, death certificates; and in-depth follow-up investigation reports. A large portion of CPSRMS consists of incident reports from consumer complaints; media reports; medical examiner or coroner reports; retailer or manufacturer reports (incident reports received from a retailer or manufacturer involving a product they sell or make); safety advocacy groups, law firms, and federal, state, or local authorities, among others. It also contains death certificates that CPSC purchases from all 50 states, based on selected external cause of death codes (ICD-10). The third major component of CPSRMS is the collection of in-depth, follow-up investigation reports. Based on the incident reports, death certificates, or NEISS injury reports, CPSC Field

staff conduct in-depth investigations (on-site, telephone, or online) of incidents, deaths, and injuries, which are then stored in CPSRMS.
¹⁸ CPSC staff searched all data coded under product codes 3215/5045 (eBikes), 5022/5024 (eScooters), 5025 (eSBscooters, eSkateboards, eUnicycles), 1283 (Unicycles), and 5042 (Scooters, eSBscooter, Skateboards). In addition, staff extracted data coded under 884 (Batteries), 883 (Battery Chargers/adapters), and 9901 (Unclassified coded retailer products). Staff further screened data searched from this wide range of products using keywords to identify potentially in-scope micromobility products or lithium-ion batteries which may have been used in micromobility products at the time of the incident. Staff extracted data on November 1, 2024, and reporting for 2022–

2023 is ongoing. Counts may change in future reports.
¹⁹ NEISS is the source of the injury estimates; it is a statistically valid injury surveillance system. NEISS injury data are gathered from participating hospitals with 24-hour emergency departments and at least 6 beds, selected as a probability sample of all U.S. hospitals. The surveillance data gathered from the sample hospitals enable the staff to make timely national estimates of the number of injuries associated with specific consumer products.
²⁰ NEISS estimates are not given if they do not meet the NEISS reportability criteria: that the estimated number of injuries be 1,200 or higher, the sample size be 20 or larger, and the coefficient of variation does not exceed 0.33.

Table 1.2 – Incidents by Product and Year

Year	Total	eBike	eScooter	eSkate board	eSBscooter	eUnicycle	Other*
2019							
Total incidents	30	3	9	2	14	2	
Deaths	0						
Injuries	9	2	1	2	2	2	
Non-injury incidents	22	1	8		12	1	
2020							
Total incidents	30	3	11	2	14		
Deaths	2		2				
Injuries	5		2		3		
Non-injury incidents	24	3	8	2	11		
2021							
Total incidents	48	16	19		13		
Deaths	10	2	2		6		
Injuries	50	25	15		10		
Non-injury incidents	26	8	12		6		
2022							
Total incidents	49	23	11		12		3
Deaths	7	1	2		2		2
Injuries	51	31	8		9		3
Non-injury incidents	25	11	5		9		
2023							
Total incidents	70	29	13	3	19	1	5
Deaths	20	9	7	0	0		4
Injuries	66	11	39	1	13		2
Non-injury incidents	40	15	4	2	14	1	4
Total							
Total incidents	227	74	63	7	72	3	8
Deaths	39	12	13	0	8	0	6
Injuries	181	69	65	3	37	2	5
Non-injury incidents	137	38	37	4	52	2	4

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Using these data staff identified hazards associated with lithium-ion batteries used in micromobility product electrical systems, including fires, explosions, and other hazards such as

gas releases, burns, overheating, and smoke inhalation. Table 1.3 shows the overall incident counts, fatalities, injuries, and non-injury incident counts. Out of the 227 incidents, fire incidents

accounted for 195 incidents (86 percent), 39 fatalities (100 percent), 174 of the 181 injuries (96 percent), and 112 of the 137 non-injury incidents (82 percent).

Table 1.3 – Incidents by Product and Hazard (2019–2023)

Fire vs non-fire	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Fire							
Total incidents	195	63	55	6	61	3	7
Deaths	39	12	13		8		6
Injuries	174	64	65	3	35	2	5
Non-injury incidents	112	32	29	3	43	2	3
Explosion (no fire)							
Total incidents	2	1	1				
Deaths	0						
Injuries	1	1					
Non-injury incidents	1		1				
Other hazard**							
Total incidents	30	10	7	1	11		1
Deaths	0						
Injuries	6	4			2		
Non-injury incidents	24	6	7	1	9		1
Total incidents	227	74	63	7	72	3	8
Deaths	39	12	13	0	8	0	6
Injuries	181	69	65	3	37	2	5
Non-injury incidents	137	38	37	4	52	2	4

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

** Includes other non-fire incidents such as overheating, smoking, and melting.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Table 1.4 summarizes the hazard pattern counts of different product types for each incident associated with a lithium-ion battery used in a micromobility product electrical system. Out of the 227 total incidents, 120 incidents (53 percent) occurred while the product was plugged in charging, including 18 fatalities (46 percent), 102 injuries (56 percent), and 73 non-injury incidents (53 percent). Another 23 incidents were reported while the

product was being stored or resting in open space and unexpectedly caught fire, causing a total of four deaths and 36 incidents of non-fatal injury. Thirty incidents with no deaths, which injured eight people, were mainly associated with products while in use, shortly after use, or after charging. User removing/replacing battery packs or using an aftermarket battery/charger accounted for 25 incidents, two deaths, and 12 people injured. Three incidents

associated with the product contacting water were reported, including one death and no non-fatal injuries. Four incidents associated with homemade battery packs were reported with three fatalities and two injuries while victims were manufacturing, repairing, or charging batteries. The remaining 22 incidents did not provide specific hazard descriptions but accounted for 11 deaths and 21 injuries.

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Table 1.4 – Incidents by Product and Hazard Pattern (2019–2023)

Hazard	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
While charging							
Total incidents	120	47	35	2	34	1	1
Deaths	18	5	7		6		
Injuries	102	45	33	1	23		
Non-injury incidents	73	26	19	1	25	1	1
Spontaneous/being stored/resting in open space							
Total incidents	23	5	7	2	6	2	1
Deaths	4		4				
Injuries	36	6	22	1	5	2	
Non-injury incidents	13	3	3	1	4	1	1
During use/shortly after use							
Total incidents	18	2	5	1	10		
Deaths	0						
Injuries	4	1	2		1		
Non-injury incidents	15	1	4	1	9		
After charging/unplugging							
Total incidents	12	1	9	1	1		
Deaths	0						
Injuries	4		4				
Non-injury incidents	10	1	7	1	1		
User removing/replacing battery							
Total incidents	8	1	3		4		
Deaths	0						
Injuries	4	1	2		1		
Non-injury incidents	5		2		3		
Aftermarket battery/charger							
Total incidents	17	5	2		9		1
Deaths	2		2				
Injuries	8	4	1		3		
Non-injury incidents	13	4	1		7		1
Product in contact with water							
Total incidents	3	1	1		1		
Deaths	1	1					
Injuries	0						
Non-injury incidents	2		1		1		
Homemade battery packs							
Total incidents	4	2					2
Deaths	3	1					2
Injuries	2						2
Non-injury incidents	1	1					
Unspecified							
Total incidents	22	10	1	1	7		3
Deaths	11	5			2		4
Injuries	21	12	1	1	4		3
Non-injury incidents	5	2			2		1
Overall							
Total incidents	227	74	63	7	72	3	8
Deaths	39	12	13	0	8	0	6
Injuries	181	69	65	3	37	2	5
Non-injury incidents	137	38	37	4	52	2	4

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

159 injured victims with known age, 85 were males (53 percent) and 74 females (47 percent). Of the 129 non-injury

incidents with known sex, 95 were males (74 percent) and 34 females (26 percent). Table 1.5 presents the

distribution of victims by product type and sex.

Table 1.5 – All Incidents by Product and Sex (2019–2023)

Sex	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Fatalities							
Male	19	7	6		2		4
Female	19	5	6		6		2
Unknown	1		1				
Total	39	12	13	0	8	0	6
Injuries							
Male	85	35	31	3	13		3
Female	74	24	26		20	2	2
Unknown	22	10	8		4		
Total	181	69	65	3	37	2	5
No injuries							
Male	95	28	29	4	30	2	2
Female	34	8	5		20		1
Unknown	8	2	3		2		1
Total	137	38	37	4	52	2	4
Overall							
Male	199	70	66	7	45	2	9
Female	127	37	37	0	46	2	5
Unknown	31	12	12	0	6	0	1
Overall Total	357	119	115	7	97	4	15

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Table 1.6 presents the incident data by product type and victim age group. Two hundred ninety-seven (about 83 percent) out of 357 total victims had age information provided. Of the 37 fatalities with age information, four

(about 11 percent) were under 5 years old and nine (about 24 percent) were 65 and older. These fatality rates for both the 'under 5 years old' and '65 and older' groups were disproportionately higher compared to their corresponding

proportions in the general U.S. population. Among the 112 non-injury victims with age information, 50 (about 45 percent) were in the 25–44 age group which is also disproportionately higher compared to the general population.

Table 1.6 – Incidents by Product and Age (2019–2023)

Age	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Fatalities							
Under 5	4		1		3		
5–14	4		2		2		
15–24	3	1	1		1		
25–44	11	4	5		1		1
45–64	6	3	1				2
65 and older	9	3	2		1		3
Unknown	2	1	1				
Total	39	12	13	0	8	0	6
Injuries							
Under 5	13	2	3		8		
5–14	18	2	7	0	9		
15–24	24	12	8	2	1		1
25–44	50	20	19	1	8	1	1
45–64	31	18	8		4		1
65 and older	10	2	5			1	2
Unknown	35	13	15		7		
Total	181	69	65	3	37	2	5
No injuries							
Under 5							
5–14	23	1	4	1	16	1	
15–24	12	1	3	1	7		
25–44	50	18	15	1	13	1	2
45–64	23	9	6	1	7		
65 and older	4	3	1				
Unknown	25	6	8		9		2
Total	137	38	37	4	52	2	4
Overall							
Under 5	17	2	4	0	11	0	0
5–14	45	3	13	1	27	1	0
15–24	39	14	12	3	9	0	1
25–44	111	42	39	2	22	2	4
45–64	60	30	15	1	11	0	3
65 and older	23	8	8	0	1	1	5
Unknown	62	20	24	0	16	0	2
Total	357	119	115	7	97	4	15

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022–2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019–2023.

1. *Incidents with Multiple Victims*—Thirty-nine incidents involved multiple injured or deceased victims, including eight incidents involving fire that resulted in two or more deaths in each incident (collectively accounting for 24

deaths and 19 injuries). An additional 31 incidents involving a fire resulted in multiple victims with one or no deaths in each incident (collectively accounting for eight deaths and 118 injuries). Table 2.1 summarizes

information on incidents, deaths, and injuries in multiple victim incidents involving lithium-ion batteries used in micromobility products and the associated hazards, including fires.

Table 2.1 – Multiple Victim Incidents (2019–2023)

Multiple victims per incident	Incidents	Multiple deaths in incident	#Victims: Injuries or Deaths	Injuries	Deaths
Two or more deaths	8	8	43	19	24
One or no deaths	31	0	126	118	8
Total	39	8	169	137	32

Of the 169 victims involved in multi-victim incidents, 32 were killed and an additional 137 were injured. Of the 32 fatalities, 15 were males, 16 were

females, and one unknown sex. One hundred sixteen out of the 137 injury incidents identified the sex of the victim, and these were equally divided

between males and females. Table 2.2 presents the distribution of sex by product type.

Table 2.2 – Incidents with Multiple Victims by Product and Sex (2019–2023)

Sex	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Fatalities							
Male	15	5	5		2		3
Female	16	3	6		5		2
Unknown	1		1				
Total	32	8	12	0	7	0	5
Injuries							
Male	58	23	22		11		2
Female	58	19	25		10	2	2
Unknown	21	9	8		4		
Total	137	51	55	0	25	2	4
Overall							
Male	73	28	27		13	0	5
Female	74	22	31		15	2	4
Unknown	22	9	9		4	0	0
Overall Total	169	59	67	0	32	2	9

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Table 2.3 shows the hazard pattern data by product type. Twenty-one out of the 39 incidents involving multiple-victim incidents (about 54 percent) occurred while the product was plugged in charging, including 15 out of 32 fatalities (about 47 percent) and 79 out of 137 injuries (about 58 percent). Seven multi-victim incidents were reported while the products were being stored or

resting in open space and unexpectedly catching fire, causing four deaths and 33 injuries. Two incidents with five injuries were associated with products during use, shortly after use, or after unplugging a charger from the product. Users removing or replacing the battery and using a user replaceable battery or aftermarket charger were associated with four incidents, two deaths, and

nine injuries. An incident was reported in which the victim was manufacturing, repairing, and charging homemade lithium-ion batteries, resulting in one death and two injuries. The remaining four multiple-victim incidents did not provide specific hazard description but accounted for 10 deaths and nine injuries.

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Table 2.3 – Incidents with Multiple Victims by Product and Hazard Pattern

Hazard	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other ²
While charging							
Total incidents	21	9	8		4		
Deaths	15	4	6		5		
Injuries	79	34	26		19		
Non-injury incidents	0						
Spontaneous/being stored/resting in open space							
Total incidents	7	2	3		1	1	
Deaths	4		4				
Injuries	33	6	21		4	2	
Non-injury incidents	0						
During use/shortly after use							
Total incidents	1		1				
Deaths	0						
Injuries	2		2				
Non-injury incidents	0						
After charging/unplugging							
Total incidents	1		1				
Deaths	0						
Injuries	3		3				
Non-injury incidents	0						
User removing/replacing battery							
Total incidents	1		1				
Deaths	0						
Injuries	2		2				
Non-injury incidents	0						
Aftermarket battery/charger							
Total incidents	3	1	1		1		
Deaths	2		2				
Injuries	7	4	1		2		
Non-injury incidents	0						
Product in contact with water							
Total incidents	0						
Deaths	0						
Injuries	0						
Non-injury incidents	0						
Homemade battery packs							
Total incidents	1						1
Deaths	1						1
Injuries	2						2
Non-injury incidents	0						
Unspecified							
Total incidents	4	2			1		1
Deaths	10	4			2		4

Hazard	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Injuries	9	7					2
Non-injury incidents	0						
Overall							
Total incidents	39	14	15	0	7	1	2
Deaths	32	8	12	0	7	0	5
Injuries	137	51	55	0	25	2	4
Non-injury incidents	0	0	0	0	0	0	0

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

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2. *Incidents involving Single Victim—*
Of the 188 incidents with single victims,

51 incidents resulted in seven deaths
and 44 injuries, as set forth in table 3.1.

Table 3.1 – Single Victim Incidents, Fatalities, and Injuries (2019–2023)

Injuries or deaths / Not injured	Incidents	Injuries or Deaths	Multiple Victims	Injuries	Deaths
Death/Injured	51	51	0	44	7
Not injured	137	0	0	0	0
Total	188	51	0	44	7

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Of the seven fatalities, four were males and three were females. Twenty-seven out of 43 single-injury incidents

with known sex (about 63 percent) were males versus 16 females (about 37

percent). Table 3.2 presents the distribution of sex by product type.

Table 3.2 – Single Victim Incidents by Product and Sex (2019–2023)

Sex	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Fatalities							
Male	4	2	1				1
Female	3	2			1		
Unknown	0						
Total	7	4	1	0	1	0	1
Injuries							
Male	27	12	9	3	2		1
Female	16	5	1		10		
Unknown	1	1					
Total	44	18	10	3	12	0	1
No injuries							
Male	95	28	29	4	30	2	2
Female	34	8	5		20		1
Unknown	8	2	3		2		1
Total	137	38	37	4	52	2	4
Overall							
Male	126	42	39	7	32	2	4
Female	53	15	6	0	31	0	1
Unknown	9	3	3	0	2	0	1
Total	188	60	48	7	65	2	6

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

Table 3.3 shows the distribution of hazard pattern data by product type. Out of the 188 incidents, 99 incidents (about 53 percent) occurred while the products were plugged in charging, leading to three out of seven fatalities (about 43 percent), 23 of 44 injuries (about 52 percent), and 73 out of 137 non-injury incidents (about 53 percent). Another 16 incidents were reported

while the products were being stored or resting in an open space and unexpectedly catching fire, causing three injuries. Twenty-eight incidents with three injuries were mainly associated with products while in use, shortly after use, or soon after charging. ‘User removing/replacing battery’ and ‘Aftermarket battery/charger’ accounted for 21 incidents with three injuries.

Three incidents involved products in contact with water, causing one death. Three incidents, resulting in two deaths, were associated with the victims manufacturing, repairing, and charging lithium-ion batteries. The remaining 18 incidents did not provide specific hazard description but accounted for one death and 12 injuries.

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Table 3.3 – Single Victim Incidents, Fatalities, and Injuries by Product and Hazard

Hazard	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other^a
While charging							
Total incidents	99	38	27	2	30	1	1
Deaths	3	1	1		1		
Injuries	23	11	7	1	4		
Non-injury incidents	73	26	19	1	25	1	1
Spontaneous/being stored/resting in open space							
Total incidents	16	3	4	2	5	1	1
Deaths	0						
Injuries	3		1	1	1		
Non-injury incidents	13	3	3	1	4	1	1
During use/shortly after use							
Total incidents	17	2	4	1	10		
Deaths	0						
Injuries	2	1			1		
Non-injury incidents	15	1	4	1	9		
After charging/unplugging							
Total incidents	11	1	8	1	1		
Deaths	0						
Injuries	1		1				
Non-injury incidents	10	1	7	1	1		
User removing/replacing battery							
Total incidents	7	1	2		4		
Deaths	0						
Injuries	2	1			1		
Non-injury incidents	5		2		3		
Aftermarket battery/charger							
Total incidents	14	4	1		8		1
Deaths	0						
Injuries	1				1		
Non-injury incidents	13	4	1		7		1
Product in contact with water							
Total incidents	3	1	1		1		
Deaths	1	1					
Injuries	0						
Non-injury incidents	2		1		1		
Homemade battery packs							

Hazard	Total	eBike	eScooter	eSkateboard	eSBscooter	eUnicycle	Other*
Total incidents	3	2					1
Deaths	2	1					1
Injuries	0						
Non-injury incidents	1	1					
Unspecified							
Total incidents	18	8	1	1	6		2
Deaths	1	1					
Injuries	12	5	1	1	4		1
Non-injury incidents	5	2			2		1
Overall							
Total incidents	188	60	48	7	65	2	6
Deaths	7	4	1	0	1	0	1
Injuries	44	18	10	3	12	0	1
Non-injury incidents	137	38	37	4	52	2	4

* Includes multiple micromobility types and unspecified micromobility lithium-ion batteries/chargers.

Note: Reporting for 2022-2023 is ongoing and counts may change with additional data.

Source: CPSRMS, NEISS, U.S. Consumer Product Safety Commission, 2019-2023.

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C. Hazard Patterns From the Incident Data

As summarized in table 1.4 in section III.B of this preamble, CPSC identified the following nine hazard patterns in the incident data associated with lithium-ion batteries used in micromobility products, or within an electrical system of a micromobility product.

1. *Charging*—CPSC is aware of 120 incidents associated with thermal runaway during normal charging of micromobility products, resulting in 18 deaths and 102 injuries. For example, in IDI 211005CAA1026 the consumer fully charged an eBike battery after purchase and approximately 3–5 times each week thereafter. A few months after purchase, the consumer reportedly used the adapter that came with the eBike to charge the battery. The consumer arrived home in the evening to discover that the fire department had extinguished a fire in his living room, where the eBike was located. Fire officials determined that the rechargeable battery on the eBike had exploded and started a fire. The consumer found the remains of the battery on the floor next to the bike, surmising that it had blown off when the battery exploded.

In another example, IDI 220119CCC1747, an eSBscooter reportedly caught fire while on an extended charge. The eSBscooter had

been purchased new by the consumer about 19 months earlier from an online retailer and used without incident until the fire. The consumer used the product and then plugged it in to charge in the garage. Approximately one week later, the consumer heard a smoke alarm and observed flames coming from the garage. Firefighters determined the fire originated from the eSBscooter, which had overheated from being charged and began to melt, catching a nearby mattress on fire.

2. *Spontaneous (Stored or Resting in Open Space)*—CPSC is aware of 23 spontaneous incidents while the micromobility product was being stored or resting in an open space. These incidents resulted in four deaths and 36 injuries. For example, in IDI 231221CCC1586, a fire originated in an apartment with two skateboards that were left by the front entrance door. Neither product was being charged at the time of the incident or was recently used.

3. *Discharge (During or Shortly After Riding)*—CPSC is aware of 18 incidents while the micromobility product was in use, resulting in four injuries. For example, in IDI 230713CFE0001, a 14-year-old male was riding an approximately year-and-a-half old stand-up, rechargeable eScooter when the battery caught fire and started smoking and burst into flames, shooting out individual battery cells up to four feet away from the eScooter. The teen

reported that he always used the original factory charger to charge the eScooter.

Another example of a discharging incident is documented in IDI 231130CCC1429. A 67-year-old female started her eBike and reported that the battery suddenly exploded with flames bursting out of the bike. The eBike was purchased new a month or so before the incident along with a second identical unit. The consumer reported assembling the product per the instructions, but did not assemble anything in relation to the battery.

4. *After Charging or Unplugging*—CPSC is aware of 12 incidents after the micromobility product was charged and unplugged, resulting in four injuries. For example, in IDI 220525CBB3911, the consumer went to unplug the charger from an eScooter with an OEM replacement battery after about a month on the charger, and the product sparked, caught fire, and emitted smoke. The area above the charge port was scorched and the eScooter was no longer operable.

In IDI 210824CFE0001, the consumer was awakened by a loud explosion and saw dark black smoke and fire emitting from the area where his eScooter was located after being charged overnight. The apartment sustained fire, smoke, soot, and water damage, leaving it uninhabitable.

5. *Battery Removal or Replacement*—CPSC is aware of eight incidents after the user removed or replaced the

battery, resulting in four injuries. In several of these incidents, consumers were attempting to install a replacement battery sent by the manufacturer (IDI 220908CCC1337, 220908CCC1339, 220908CCC1340).

6. *Aftermarket Battery or Charger*—CPSC is aware of 17 incidents involving aftermarket batteries or chargers, resulting in two deaths and eight injuries. For example, in IDI 220805CFE0001, lithium-ion batteries self-ignited during the charging process in an apartment, resulting in a fire and the deaths of a 5-year-old female and a 36-year-old female. The batteries were being charged using an aftermarket charger plugged into an extension cord. During a federal line-of-duty death investigation of a career firefighter, investigators determined that the fire origin was from using a lithium-ion battery-powered device and an

aftermarket charger together, causing the batteries to overheat, go into thermal runaway, and start a fire. CPSC has warned consumers against using aftermarket universal chargers that are not compatible with their intended micromobility products.²¹

7. *Contact with Water*—CPSC is aware of three incidents involving micromobility products having been in previous contact with water, resulting in one death. In the fatal incident (X2390880A), a fire started on a boat. According to the police, the cause of the fire was an eBike battery that had fallen into the water the day before the incident.

8. *Homemade Battery*—CPSC is aware of four incidents involving homemade batteries, resulting in three deaths and two injuries. In IDI 200909CFE0001, the consumer used parts of a camper battery to make a homemade eBike battery. In IDI 230213CAA1777, investigators

believe the consumer purchased a conversion kit that changes a standard bicycle into an eBike. Investigators hypothesize the battery was “homemade” because they found remnants of cardboard and duct tape.

9. *Unspecified*—CPSC is aware of 22 incidents involving micromobility products with no identified hazard patterns, resulting in 11 deaths and 21 injuries.

10. *Use and Hazard Patterns Associated with Micromobility Products*—CPSC staff categorized the use patterns and associated hazard patterns prior to the fires identified from the incident data, including Unsafe Battery, Unsafe Charging, Unsafe Discharging, Incompatible Components, Tampering and Unknown. Table 4 provides a summary of the use patterns observed in the incident data and the associated hazard patterns.

Table 4 – Use Patterns and Hazard Patterns

Use Pattern Prior to Incident– Incident Review	Hazard Pattern
1. While charging	Unsafe Charging
2. Spontaneous/being stored/resting in open space	Unsafe Battery
3. During /shortly after riding	Unsafe Discharging (includes products in contact with water)
4. After charging/unplugging	Unsafe Charging
5. User removing/replacing battery	Tampering
6. Aftermarket battery/charger	Unsafe Battery, After market (reverse polarity)
7. Homemade battery packs	Incompatible Components
8. Unspecified	Unknown

D. Mechanisms of Injury

1. *Smoke Inhalation*—In general, smoke inhalation is the most common cause of death in fire incidents.²² The reported casualties (fatality and serious injury) were primarily caused by fires of house structures and surrounding combustible materials (e.g., furniture, bedding items) after an initiation of fire from a lithium-ion battery for micromobility products. Smoke inhalation produces respiratory complications and injuries, including thermal injury to the upper airway from heated gases, irritation to the airways, asphyxiation or oxygen depletion by carbon monoxide (CO) and hydrogen cyanide (HCN),²³ hydrogen chloride (HCl) gas inhalation-associated airway

blockage, and atmospheric oxygen depletion by burning.²⁴

Patients who suffer burn injury also are likely to be exposed to smoke and hazardous gases. Asphyxiation, or insufficient oxygen levels, is the primary cause of unconsciousness or death from such exposure. CO is the main asphyxiant gas in fires, and CO poisoning is the primary cause for half of all deaths during fire.²⁵ CO binds with hemoglobin in red blood cells, which is responsible for carrying oxygen to all parts of the body. CO has a much higher binding affinity to hemoglobin than oxygen. This competitive binding of CO over oxygen with hemoglobin reduces oxygen transportation to the cells, resulting in hypoxic (or insufficient oxygen associated) injury of

all tissues of exposed subjects. The brain and the heart are particularly vulnerable to hypoxia, and prolonged exposures are increasingly harmful.

HCN is also generated in fires, particularly those involving synthetic materials (e.g., furnishings, plastics, vinyl). HCN binds the enzyme cytochrome C oxidase and blocks the mitochondrial transport chain that results in the depletion of adenosine triphosphate (ATP), the source of energy at the cellular level. The depletion of ATP is followed by the impairment of vital functions of cells that ultimately disable organs, such as the lung, the heart, and the central nervous system. The presence of HCN also increases the adverse effects of CO when it is also present.²⁶

²¹ <https://www.cpsc.gov/Warnings/2024/CPSC-Warns-Consumers-to-Immediately-Stop-Using-SafPow-and-AMPOWSURE-Battery-Chargers-Sold-on-Amazon-com-Due-to-Fire-and-Burn-Hazards-Risk-of-Serious-Injury-and-Death>.

²² Gill P. and Martin R.V. (2015) Smoke inhalation injury, *BJA Education*, 15(3): 143.

²³ Lafferty KA, Bonhomme K, Martinez CV et al. Smoke inhalation Injury (2021). Available from <http://emedicine.medscape.com/article/771194-overview> (accessed 04 June 2024).

²⁴ Alarie Y. (2002) Toxicity of fire smoke, *Crit. Rev. Toxicol.* 32(4): 259.

²⁵ Roeland Bisschop, Per Blomqvist, Alastair Temple, Johan Anderson, RISE (2020) Toxic Gases from Fire in Electric Vehicles, Ola Willstrand, RISE Research Institutes of Sweden, RISE Report 2020:90.

²⁶ Gill P. and Martin R.V. (2015).

HCl is a corrosive irritant that is generated in fires, particularly those involving materials containing chlorine (e.g., polyvinyl chloride). The presence of gaseous HCl exacerbates the irritating and choking effects of the smoke. HCl in fire smoke when inhaled causes laryngeal and bronchial spasm and generates massive pulmonary edema, leading to suffocation.²⁷

Fires consume oxygen and therefore can significantly reduce the levels of oxygen in the air indoors. Reduced oxygen levels can result in incapacitation or loss of consciousness of people near fires and contribute to deaths and serious injuries.²⁸ Furthermore, the heat of active fires may cause heat shock injury and death in nearby people, especially if victims are incapacitated.

2. *Exposure to Chemicals*—In addition to the generation of asphyxiant and corrosive gases and heat, lithium-ion battery fires and involvement of surrounding household goods and combustible materials may produce other chemical substances that could be inhaled or absorbed through the skin. Fire-associated chemicals (and their associated potential adverse effects) may include:

- Metals, such as aluminum (Al), lithium (Li), cobalt (Co), nickel (Ni), and manganese (Mn): respiratory tract irritation and asthma;^{29 30}
- Other irritant gases, such as hydrogen fluoride (HF), sulfur dioxide (SO₂), and nitrogen dioxide (NO₂): respiratory tract irritation and corrosion of upper respiratory tract tissues;^{31 32 33}
- Per- and polyfluoroalkyl substances (PFAS): changes in enzymes and adverse physiological responses, altered immune and thyroid function, lipid and insulin dysregulation, adverse

reproductive and developmental outcomes;^{34 35}

- Volatile organic compounds (VOCs) and polycyclic aromatic hydrocarbons (PAHs), including benzene and benzo(a)pyrene:^{29 31} respiratory tract irritation and inflammation;^{36 37} and;
- Particulates: respiratory irritation, increased severity of asthma and chronic obstructive pulmonary disease (COPD) in patients with the symptoms.^{38 39 40 41}

The hazards associated with exposure to chemicals released or generated by lithium-ion battery fires and involvement of surrounding combustible materials depend on the specific substances emitted during the event, levels of toxicity of the substances, and levels of exposure, as well as vulnerability of exposed subjects. Exposure to chemicals from a lithium-ion battery fire likely will be limited if individuals notice the fire at an early stage and are able to escape. However, in the case that a failing battery or fire is not immediately recognized, or when individuals cannot escape, prolonged exposure to the emitted chemicals may be associated with more severe injury and death from exposure to asphyxiant gases, heat, or the fire itself.

3. *Electric Shock*—An electric shock occurs when an electric current passes through a human body. The electric shock can cause death and injuries to humans. Three basic factors that determine effects of electric shock are current levels, exposure duration of contact, and electrical frequency.⁴²

Although current is the primary determinant of subsequent health adverse effects of electric shock, voltage also influences the outcome of an electric shock.⁴³ Electric current, measured in amperes (A), is defined as a flow of charged electrons or ions. There are two types of electric current, alternating current (AC) and direct current (DC). The current associated with household electrical outlets is AC that continuously changes direction from a positive to a negative value. In contrast, DC current, such as from batteries, is a unidirectional current. Voltage is defined as electric potential between two points, functioning as a force moving the current from one point to another point.

Exposure to electric current causes various effects on a human body, depending on the level, including stimulation of muscles and nerves, and respiratory or cardiac arrest.⁴⁴ The maximum current under which an average adult can voluntarily release an electrified object is called the “let go” current. The let-go currents of AC and DC are 16 mA and 75 mA for most adults, respectively.^{45 46} For electric currents above the let-go levels, exposed humans may not be able to drop an energized object because of muscle contraction, unless the current flow stops.⁴⁷

Electrical injuries can be differentiated between low-voltage (<600V) and high-voltage (≥600 V) injuries. Most micromobility products are designed to operate using low voltage (e.g., 60 VDC or less). Patients who experience low-voltage injuries may present with only minor or no skin burns. However, if there is prolonged contact or muscle tetany,⁴⁸ low voltage electrical energy can result in cardiac or respiratory arrest, arrhythmias (e.g., ventricular fibrillation) or seizures. In addition to the characteristics of the electrical system, other factors can affect severity of injuries. For example, a victim contacting current in wet conditions may face a higher electric risk than in dry conditions.⁴⁹

Depending on the severity of electrical injury, short-term immediate effects may include tingling or prickling

²⁷ Alarie Y. (2002).

²⁸ Alarie Y. (2002).

²⁹ RISE (2023) Investigation of extinguishing water and combustion gases from vehicle fires, Hynynen J., Willstrand O., Blomqvist P., Quant M. RISE Research Institutes of Sweden, RISE Report 2023:22.

³⁰ Nemery B. (2022) Chapter 19—Metals and the Respiratory Tract, Pages 421–443, Handbook on the Toxicology of Metals (Fifth Ed.), Editors: Gunnar F. Nordberg and Max Costa, Academic Press

³¹ RISE (2020).

³² National Research Council (US) Committee on emergency and continuous Exposure Guidance Levels for Selected Submarine Contaminants (2009) Emergency and continuous exposure guidance levels for selected submarine contaminants: Volume 3, National Academies press, Washington, DC <https://www.ncbi.nlm.nih.gov/books/NBK219903/>.

³³ Gaskin S., Heath L., Pisaniello D., Logan M., and Baxter C. (2019) Skin permeation of oxides of nitrogen and sulfur from short-term exposure scenarios relevant to hazardous material incidents. *Sci. Total Environ.* 665, 937.

³⁴ Quant M., Willstrand O., Mallin T., and Hynynen J. (2023) Ecotoxicity Evaluation of Fire-Extinguishing Water from Large-Scale Battery and Battery Electric Vehicle Fire Tests. *Environ. Sci. Technol.* 57, 4821.

³⁵ Fenton SE, Ducatman A., Boobis A., DeWitt J.C., Lau C., Ng C., Smith J.S., and Roberts S.M. (2021) Per- and polyfluoroalkyl substance toxicity and human health review: Current state of knowledge and strategies for informing future research. *Environ. Toxicol. Chem.* 40, 606.

³⁶ Agency for Toxic Substances and Disease Registry (ATSDR) (2007) Toxicological Profile for Benzene. <https://www.ncbi.nlm.nih.gov/books/NBK591289/>.

³⁷ Bukowska B., Mokra K., and Michalowicz J. (2022) Benzo[a]pyrene-Environmental occurrence, human exposure, and mechanisms of toxicity. *Int. J. mol. Sci.* 23, 6348.

³⁸ Premnath V., Wang Y., Wright N., Khalek I., and Uribe S. (2022) Detailed characterization of particle emissions from battery fires. *Aerosol Sci. Technol.* 56, 337.

³⁹ Quant M. et al. (2023).

⁴⁰ RISE (2020).

⁴¹ ATSDR (2024) Guidance for inhalation exposures to particulate matter.

⁴² BrightHub Engineering, AC and DC Electric Shock Effects Compared, available at: <https://www.brighthubengineering.com/power-plants/89792-ac-and-dc-shock-comparison/> (last accessed 09/10/2024).

⁴³ Fish R.M. and Geddes L.A. (2009) Conduction of electrical current to and through the human body: A review, *Eplasty*, 9: e44.

⁴⁴ Fish R.M. and Geddes L.A. (2009).

⁴⁵ Fish R.M. and Geddes L.A. (2009).

⁴⁶ Zemaitis M.R. et al. (2023).

⁴⁷ NIOSH (1998) Worker deaths by electrocution: A Summary of NIOSH Surveillance and Investigative Findings.

⁴⁸ Muscle tetany is an involuntary muscle contraction accompanied by overly stimulated peripheral nerves.

⁴⁹ Zemaitis M.R. et al. (2023).

sensation, skin burns, headache, irregular heartbeat, seizures, and loss of consciousness. After the immediate injury, patients may experience long-term adverse effects, such as post-traumatic stress disorder (PTSD), depression, anxiety, insomnia, reduced attention span, and panic attacks.⁵⁰ The skin has the highest electrical resistance and tends to suffer the greatest level of damage (*i.e.*, skin burns). The electric resistance of the skin may prevent severe internal damage from the electric shock. Low skin resistance due to the presence of water or damaged skin may result in less severe skin burns, but a larger amount of electrical energy may

⁵⁰ Eagle R. How various levels of electric shocks affect the body and how to recover. MedicalNewsToday, available at: <https://www.medicalnewstoday.com/articles/electric-shock> (January 11, 2024).

be transferred to internal tissues leading to a higher risk of internal tissue damage.⁵¹

E. Availability of Incident Data

Upon publication of this NPR in the **Federal Register**, CPSC will make available for review and comment the CPSRMS and NEISS incident reports relied upon and discussed in this NPR, to the extent allowed by applicable law, including any IDIs conducted by CPSC. Upon publication of this NPR, these data can be obtained by submitting a request at <https://forms.office.com/g/2ubiRFZxfw>. If you do not receive access to the data within one business day after submitting your request, or if you have any issues accessing the data, please contact the phone number or email address listed in the **FOR FURTHER**

⁵¹ Zemaitis M.R. et al. (2023).

INFORMATION CONTACT section at the beginning of this NPR.

F. Recalls, Unilateral Press Releases, and Enforcement Letters

Since 2016, consumer use of micromobility products has greatly expanded, as has CPSC's engagement to mitigate the associated health and safety risks. This section of the preamble summarizes CPSC's efforts to inform industry about, and protect consumers from, associated fires, explosions, gas releases, burns, overheating, and smoke inhalation risks. From January 1, 2016, through November 30, 2024, CPSC conducted 29 voluntary recalls involving micromobility products associated with fire, overheating, and smoke inhalation hazards. Table 5 summarizes CPSC recalls.

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Table 5 – Micromobility Products Involving Fires, Overheating, and Smoke Inhalation January 1, 2016 – May 30, 2024

Press Release Date	Firm	Approximate Number of Recalled Units / Product Type ⁵²	Number of Incidents (Injuries & Deaths) Reported ¹	Press Release Number
July 6, 2016	Hype Wireless Ltd.	25,000 eSBscooter	1 incident (0 injuries, 0 deaths)	PR 16-217 ⁵³
July 6, 2016	Keenford Limited	84,000 eSBscooter	6 incidents (0 injuries, 0 deaths)	PR 16-216 ⁵⁴
July 6, 2016	Razor USA LLC	28,000 eSBscooter	2 incidents (0 injuries, 0 deaths)	PR 16-215 ⁵⁵
July 6, 2016	Overstock.com	4,300 eSBscooter	1 incident (0 injuries, 0 deaths)	PR 16-214 ⁵⁶
July 6, 2016	Digital Gadgets LLC	16,000 eSBscooter	17 incidents (2 injuries, 0 deaths)	PR 16-213 ⁵⁷
July 6, 2016	Boscov's Department Store LLC	1,300 eSBscooter	0 incidents (0 injuries, 0 deaths)	PR 16-212 ⁵⁸
July 6, 2016	Swagway LLC	267,000 eSBscooter	42 incidents (16 injuries, 0 deaths)	PR 16-211 ⁵⁹
July 6, 2016	Hoverboard LLC	70,000 eSBscooter	27 incidents (0 injuries, 0 deaths)	PR 16-210 ⁶⁰
July 6, 2016	Yuka Clothing	800 eSBscooter	2 incidents (0 injuries, 0 deaths)	PR 16-209 ⁶¹
July 6, 2016	PTX Performance Products USA	4,900 eSBscooter	0 incidents (0 injuries, 0 deaths)	PR 16-208 ⁶²
December 13, 2016	World Trading	1,900 eSBscooter	0 incidents (0 injuries, 0 deaths)	PR 17-051 ⁶³
January 12, 2017	Boosted Inc.	3,200 eSkateboard	2 incidents (0 injuries, 0 deaths)	PR 17-068 ⁶⁴
March 23, 2017	Vecaro LifeStyle	500 eSBscooter	3 incidents (0 injuries, 0 deaths)	PR 17-115 ⁶⁵

Press Release Date	Firm	Approximate Number of Recalled Units / Product Type ⁵²	Number of Incidents (Injuries & Deaths) Reported ¹	Press Release Number
July 24, 2017	iRover LLC	2,800 eSBscooter	2 incidents (0 injuries, 0 deaths)	PR 17-193 ⁶⁶
November 14, 2017	Salvage World	700 eSBscooter	1 incident (0 injuries, 0 deaths)	PR 18-034 ⁶⁷
November 14, 2017	Dollar Mania	1,000 eSBscooter	1 incident (0 injuries, 0 deaths)	PR 18-032 ⁶⁸
November 14, 2017	Tech Drift	100 eSBscooter	0 incidents (0 injuries, 0 deaths)	PR 18-031 ⁶⁹
November 14, 2017	Digital Products International Inc.	8,700 eSBscooter	1 incident (0 injuries, 0 deaths)	PR 18-030 ⁷⁰
November 14, 2017	Simplified Wireless	900 eSBscooter	0 incidents (0 injuries, 0 deaths)	PR 18-029 ⁷¹
November 14, 2017	Four Star Imports	1,800 eSBscooter	1 incident (0 injuries, 0 deaths)	PR 18-028 ⁷²
November 14, 2017	Drone Nerds Inc.	700 eSBscooter	0 incidents (0 injuries, 0 deaths)	PR 18-027 ⁷³
July 29, 2021	Specialized Bicycle Components Inc.	4,500 eBike	0 incidents (0 injuries, 0 deaths)	PR 21-770 ⁷⁴
August 25, 2021	Razor USA LLC	237,300 eSBscooter	20 incidents (0 injuries, 0 deaths)	PR 21-189 ⁷⁵
October 13, 2022	Shenzhen Sailvan Network Technology Ltd. d/b/a Ancheer	22,000 eBike	6 incidents (4 injuries, 0 deaths)	PR 23-007 ⁷⁶
December 1, 2022	eWheels LLC	500 eUnicycle	14 incidents (1 injury, 0 deaths)	PR 23-055 ⁷⁷
December 15, 2022	Shenzhen Chitado Technology Co. Ltd., d/b/a Gyroor	3,300 eBike	2 incidents (2 injuries, 0 deaths)	PR 23-716 ⁷⁸

Press Release Date	Firm	Approximate Number of Recalled Units / Product Type ⁵²	Number of Incidents (Injuries & Deaths) Reported ¹	Press Release Number
March 30, 2023	Jetson Electric Bikes LLC	53,000 eSBscooter	Multiple incidents (0 injuries, 2 deaths)	PR 23-165 ⁷⁹
December 21, 2023	DGL Group Ltd.	25,000 eSBscooter	3 incidents (5 injuries, 0 deaths)	PR 24-065 ⁸⁰
January 25, 2024	Pacific Cycle Inc.	1,700 eBike	3 incidents (1 injury, 0 deaths)	PR 24-092 ⁸¹
Total		870,900	157+ incidents (31 injuries, 2 deaths)	29

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Additionally, during this same period CPSC issued nine press releases

warning the public to stop using lithium-ion batteries and micromobility products because of associated safety

hazards, such as fires, overheating, and smoke inhalation. Table 6 lists such press releases.

⁵² When the recall press release delineates the approximate number of recalled units, number of incidents, or number of injuries by country, this summary only includes the reported United States values.

⁵³ <https://www.cpsc.gov/Recalls/2016/Hype-Wireless-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁵⁴ <https://www.cpsc.gov/Recalls/2016/Keenford-Limited-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁵⁵ <https://www.cpsc.gov/Recalls/2016/Razor-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁵⁶ <https://www.cpsc.gov/Recalls/2016/Overstock-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁵⁷ <https://www.cpsc.gov/Recalls/2016/Digital-Gadgets-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁵⁸ <https://www.cpsc.gov/Recalls/2016/Self-Balancing-Scooters-Hoverboards>.

⁵⁹ <https://www.cpsc.gov/Recalls/2016/Swagway-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁶⁰ <https://www.cpsc.gov/Recalls/2016/Hoverboard-LLC-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁶¹ <https://www.cpsc.gov/Recalls/2016/Yuka-Clothing-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁶² <https://www.cpsc.gov/Recalls/2016/PTX-Performance-Products-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁶³ <https://www.cpsc.gov/Recalls/2017/World-Trading-Recalls-Orbit-Self-Balancing-Scooters-and-Hoverboards>.

⁶⁴ <https://www.cpsc.gov/Recalls/2017/Boosted-Recalls-Electric-Skateboards>.

⁶⁵ <https://www.cpsc.gov/Recalls/2017/Vecaro-LifeStyle-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁶⁶ <https://www.cpsc.gov/Recalls/2017/iRover-Recalls-Self-Balancing-Scooters-Hoverboards>.

⁶⁷ <https://www.cpsc.gov/Recalls/2018/Smart-Balance-Wheel-Self-Balancing-Scooters-Hoverboards-Recalled-by-Salvage-World-Due-to-Explosion-and-Fire-Hazards>.

⁶⁸ <https://www.cpsc.gov/Recalls/2018/Sonic-Smart-Wheels-Self-Balancing-Scooters-Hoverboards-Recalled-by-Dollar-Mania-Due-to-Explosion-and-Fire-Hazards>.

⁶⁹ <https://www.cpsc.gov/Recalls/2018/Tech-Drift-Recalls-Self-Balancing-Scooters-Hoverboards-Due-to-Fire-and-Explosion-Hazards>.

⁷⁰ <https://www.cpsc.gov/Recalls/2018/iLive-Self-Balancing-Scooters-Hoverboards-Recalled-by-Digital-Products-Due-to-Fire-Hazard>.

⁷¹ <https://www.cpsc.gov/Recalls/2018/iHoverspeed-Self-Balancing-Scooters-Hoverboards-Recalled-by-Simplified-Wireless-Due-to-Fire-Hazard>.

⁷² <https://www.cpsc.gov/Recalls/2018/Go-Wheels-Self-Balancing-Scooters-Hoverboards-Recalled-by-Four-Star-Imports-Due-to-Fire-and-Explosion-Hazards-Sold-Exclusively-at-Village-Mart>.

⁷³ <https://www.cpsc.gov/Recalls/2018/Drone-Nerds-Recalls-Self-Balancing-Scooters-Hoverboards-Due-to-Fire-and-Explosion-Hazards>.

⁷⁴ <https://www.cpsc.gov/Recalls/2021/Specialized-Bicycle-Components-Recalls-Electric-Mountain-Bike-Battery-Packs-Due-to-Fire-and-Burn-Hazards-Recall-Alert>.

⁷⁵ <https://www.cpsc.gov/Recalls/2021/Razor-USA-Recalls-GLW-Battery-Packs-Sold-with-Hovertrax-2-0-Self-Balancing-Hoverboards-Due-to-Fire-Hazard>.

⁷⁶ <https://www.cpsc.gov/Recalls/2023/E-Bikes-Recalled-Due-to-Fire-Explosion-and-Burn-Hazards-Distributed-by-Ancheer>.

⁷⁷ <https://www.cpsc.gov/Recalls/2023/eWheels-Recalls-Gotway-and-Begode-Unicycles-Due-to-Fire-Hazard>.

⁷⁸ <https://www.cpsc.gov/Recalls/2023/E-Bikes-Recalled-Due-to-Fire-and-Burn-Hazards-Distributed-by-Gyroor-Recall-Alert>.

⁷⁹ <https://www.cpsc.gov/Recalls/2023/Jetson-Electric-Bikes-Recalls-42-Volt-Rogue-Self-Balancing-Scooters-Hoverboards-Due-to-Fire-Hazard-Two-Deaths-Reported>.

⁸⁰ <https://www.cpsc.gov/Recalls/2024/DGL-Group-Recalls-Hover-1-Helix-Hoverboards-Due-to-Fire-Hazard>.

⁸¹ <https://www.cpsc.gov/Recalls/2024/Pacific-Cycle-Recalls-E-Bikes-Due-to-Fire-Hazard>.

Table 6 – CPSC Unilateral Press Releases Announcing Fire Safety Hazards Associated with Micromobility Products, January 1, 2016 – May 30, 2024

Press Release Date	Firm	Product Type	Number of Incidents (Injuries & Deaths) Reported ⁸²	Press Release Number
May 1, 2017	LayZ Board	eSBscooter	1 incident (0 injuries, 2 deaths)	PR 17-143 ⁸³
November 14, 2017	LayZ Board	eSBscooter	1 incident (0 injuries, 0 deaths)	PR 18-033 ⁸⁴
February 11, 2020	New High-Tech Enterprise Company Inc.	eSBscooter	1 incident (0 injuries, 0 deaths)	PR 20-065 ⁸⁵
July 12, 2022	King Song Intell Co. Ltd.	eUnicycle	1 incident (2 injuries, 0 deaths)	PR 22-183 ⁸⁶
October 23, 2023	Toos Urban Ride	eScooter	1 incident (0 injuries, 2 deaths)	PR 24-012 ⁸⁷
March 7, 2024	Jinhua Smart Electric Technology Co. Ltd.	eSBscooter	1 incident (0 injuries, 0 deaths)	PR 24-143 ⁸⁸
April 15, 2024	Shenzhen Unit Pack Power Technology Co. Ltd.	eBike Battery	13 incidents (0 injuries, 0 deaths)	PR 24-200 ⁸⁹
September 5, 2024	SafPow SPC-42020 and AMPOWSURE ASP-C10S42020	battery chargers	47 incidents (3 injuries, 0 deaths)	PR 24-353 ⁹⁰
October 17, 2024	Swagtron SG-5 Swagger 5 Boost Commuter	eScooter	7 incidents (1 injury, 0 deaths)	PR 25-014 ⁹¹
Total			73 incidents (6 injuries, 4 deaths)	9

Finally, CPSC's Office of Compliance and Field Operations issued two enforcement letters advising

manufacturers and importers of micromobility products to address fire hazards associated with such products

to meet the requirements in the applicable voluntary standards. Table 7 describes these two letters.

Table 7 – CPSC Enforcement Letters Regarding Fire Safety Hazards Associated with Micromobility Products, January 1, 2016 – May 30, 2024

Date	Recipients	Subject	Press Release Number
February 22, 2018	Manufacturers, importers, distributors, and retailers of self-balancing scooters	Letter urging firms to ensure that self-balancing scooters are certified to UL 2272 by an accredited testing laboratory	N/A ⁹²
December 20, 2022	Approximately 2,000 manufacturers, importers, distributors, and retailers of micromobility products	Letter urging firms to ensure that micromobility devices are certified to UL 2272 or 2849, as applicable, by an accredited testing laboratory	PR 23-074 ⁹³

⁸² When the press release delineates the number of incidents or number of injuries by country, this summary only includes the reported United States values.

⁸³ <https://www.cpsc.gov/Newsroom/News-Releases/2017/following-fatal-house-fire-cpsc-warns-consumers-to-stop-using-layz-board-hoverboards-0>.

⁸⁴ <https://www.cpsc.gov/following-second-house-fire-cpsc-warns-consumers-to-stop-using-layz-board-hoverboards>.

⁸⁵ <https://www.cpsc.gov/Newsroom/News-Releases/2020/CPSC-Warns-Consumers-Not-to-Charge-or-Use-New-High-Tech-X1-5-Hoverboards-Due-to-Fire-Hazard>.

⁸⁶ <https://www.cpsc.gov/Newsroom/News-Releases/2022/CPSC-Warns-Consumers-to-Immediately-Stop-Using-King-Song-Electric-Unicycles-Due-to-Fire-Hazard-Fire-and-Injuries-Reported>.

Immediately-Stop-Using-King-Song-Electric-Unicycles-Due-to-Fire-Hazard-Fire-and-Injuries-Reported.

⁸⁷ <https://www.cpsc.gov/Warnings/2024/CPSC-Warns-Consumers-to-Stop-Using-Toos-Elite-Electric-Scooters-Due-to-Fire-Hazard-Two-Deaths-Reported>.

⁸⁸ <https://www.cpsc.gov/Newsroom/News-Releases/2024/CPSC-Warns-Consumers-to-Immediately-Stop-Using-EVERCROSS-EV5-Hoverboards-Due-to-Fire-Hazard-Sold-on-Amazon-com-and-Walmart-com>.

⁸⁹ <https://www.cpsc.gov/Newsroom/News-Releases/2024/CPSC-Warns-Consumers-to-Stop-Using-Unit-Pack-Power-UPP-E-bike-Batteries-Due-to-Fire-and-Burn-Hazards-Risk-of-Serious-Injury-and-Death>.

⁹⁰ <https://www.cpsc.gov/Warnings/2024/CPSC-Warns-Consumers-to-Immediately-Stop-Using-SafPow-and-AMPOWSURE-Battery-Chargers-Sold-on-Amazon-com-Due-to-Fire-and-Burn-Hazards-Risk-of-Serious-Injury-and-Death>.

⁹¹ <https://www.cpsc.gov/Warnings/2025/CPSC-Warns-Consumers-to-Immediately-Stop-Using-Swagtron-SG-5-Swagger-5-Boost-Commuter-Electric-Scooters-Due-to-Fire-and-Burn-Hazards-Risk-of-Serious-Injury-and-Death>.

⁹² <https://www.cpsc.gov/Business-Manufacturing/Business-Education/Business-Guidance/Hoverboards>.

⁹³ <https://www.cpsc.gov/Newsroom/News-Releases/2023/CPSC-Calls-on-Manufacturers-to-Comply-with-Safety-Standards-for-Battery-Powered-Products-to-Reduce-the-Risk-of-Injury-and-Death>.

IV. Voluntary Standards Description, Assessment, and Substantial Compliance

In this section of the preamble, we describe the requirements of each of the three voluntary standards CPSC proposes to incorporate by reference and assess the adequacy of each standard, including proposed modifications to these standards, to preliminarily determine whether the NPR would address the risks of injury with the associated hazards identified in section III of this preamble. Additionally, we discuss whether the micromobility products distributed in U.S. commerce substantially comply with the existing applicable voluntary standards.

A. eBikes—UL 2849–20

In January 2020, ULSE published UL 2849–20, the bi-national safety standard for eBike electrical systems, which is still the current version of this standard. The following discussion summarizes and assesses the requirements in UL 2849.

1. Scope and Definitions

Introduction: Scope. Section 1 of UL 2849–20 sets forth the scope of the standard, which includes (i) the electrical system of eBikes, both Electrically Power Assisted Cycle (EPAC—pedal assist) and non-pedal assist, that are powered by a lithium-based, rechargeable battery, as well as (ii) any additional electrical components or systems required to demonstrate compliance.⁹⁴ Electrical systems covered by the UL 2849–20 include onboard components, meaning those installed on the eBike, and off board components, including chargers used to charge batteries both on and off the eBike. UL 2849–20 includes some mechanical requirements for the eBike that are not applicable to the identified electrical hazards and are not proposed to be incorporated by the proposed rule.

Introduction: Components. Section 2 of UL 2849–20 states that critical safety components covered in the standard must meet the requirements in the standard. Sections 2.2–2.4 provide general guidance regarding the proper use and application of a component within the eBike's electrical system.

Introduction: Definitions. Section 5 of UL 2849–20 defines terms used in the standard, including, for example: battery management system (BMS), charger, eBike, and enclosure. Defined terms provide context and clarity to the construction, performance, and labeling

requirements in UL 2849–20. Accordingly, the NPR proposes to incorporate all definitions in section 5 of UL 2849–20 into the mandatory rule without modification.

2. Construction Requirements

The second major section of the standard is “Construction,” which specifies assembly requirements for product components (e.g., battery pack, motor, charger and wiring), subsystems (e.g., definition of hazard voltage and energy levels), and safety considerations (e.g., safety circuits and analysis and flammability) that ensure that the eBike electrical system is comprised of components that meet applicable safety standards (e.g., the motor complies with UL 1004–1, Rotating Electrical Machines—General Requirements) and are assembled in accordance with industry best practices. To mitigate the associated eBike risks to consumers, the “Performance” section of UL 2849–20, described below in section IV.A.3 of this preamble, defines the test methods to validate composition of the overall electrical system and components under foreseeable use and misuse conditions.

Construction: 7 General. Section 7 of UL 2849–20 specifies general construction of safe electrical requirements for eBikes. For example, section 7.3 of UL 2849–20 states that eBikes consist of both EPAC and non-EPAC types, and all eBikes must have functional pedals. Products without pedals are definitionally not eBikes and would be considered a sit-down eScooter subject to UL 2272. Also, section 7.3 states that motors on motor-assisted eBikes (EPACs) must stop their assist function when the rider stops pedaling, when reaching a manufacturer's pre-determined speed, or when the user applies the brakes, to ensure that the drive system only assists the rider in the EPAC mode of operation, as would be expected. Motors for non-EPAC eBikes are not required to disengage when the user stops pedaling, because the eBike in the non-pedal assist mode of operation is expected to provide motive power independently of the user pedaling. Also, UL 2849–20 states that non-EPAC eBikes can include an EPAC mode.

Section 7.4 requires the eBike electrical system to be assessed for safe operation for environmental conditions of maximum altitude (6562 feet), ambient temperatures from 32 °F to 104 °F, and ingress protection from water exposure (section 36). If electrical systems can safely operate beyond these environmental limits, UL 2849–20 requires the manufacturer to specify the acceptable limits and provide

instructions to inform consumers of the actual range of operation.

Construction: 8 Power Levels. Section 8 of UL 2849–20 defines thresholds for voltage, current, and energy levels associated with the eBike electrical system; systems that exceed these thresholds are potentially hazardous and require design considerations to protect the user. To mitigate these hazardous conditions, these parts or circuits require an enclosure and or electrical insulation to prevent a user from contacting the parts.

Staff have not identified electric shock incidents involving micromobility products in the data examined. However, at this time the majority of micromobility product batteries are rated below 60 VDC. As micromobility products become more powerful and extend the range of operation, battery packs may exceed 60 VDC and can present a greater shock hazard. Furthermore, chargers (both external and those integrated into the micromobility product) are powered from 120 VAC utility power. As with any 120 VAC-connected product, the inherent risk of electric shock while using a charger may be mitigated through design and construction techniques consistent with appropriate standard industry practices. Staff advise that the voltage and current limitations in section 8, in conjunction with other sections of the standard, are based on well-established consumer product safety best practices and adequate to address the shock and fire hazards associated with eBikes.

Construction: 9 Combination of Battery, Battery Management System and Charger. Section 9 explains that a BMS can be either fully integrated into the battery pack or external to the battery pack. Additionally, section 9.2 of UL 2849–20 requires that all testing be performed with the actual battery, BMS, and charger recommended by the manufacturer. Staff advise that evaluating the BMS in conjunction with the battery and charger, as provided in section 9, is necessary to ensure that these subsystems work together to mitigate the risk of causing cell damage and thermal runaway.

Construction: 10 User Protection While Charging—eBike battery packs are charged either while installed on the bike or while removed from the eBike, depending on the eBike. To ensure that consumers do not get shocked in the process of charging an eBike or battery pack, section 10.1 of UL 2849–20 requires batteries that are only intended to be charged when not installed on an eBike to have an inherent means to

⁹⁴ Sit-down products without functional pedals are classified as an eScooter.

ensure that the battery cannot be charged when installed on the product.

Also, UL 2849–20 requires that eBike batteries being charged when they are installed on the eBike must protect consumers from a shock hazard from any exposed conductive surfaces of the eBike during charging. To meet the requirement, manufacturers must use a protection system, such as double insulation systems or protective grounding, onboard the eBike. Finally, to prevent potential injury to consumers from inadvertent operation of the drive motor, eBikes must have a charger connect-interlock to prevent the motor from activating while a charger is plugged into an outlet. eBikes without an interlock must provide another means of preventing inadvertent motor activation, such as a switch to keep power from being applied to the motor drive circuit while charging the battery.

Section 10 of UL 2849–20 is adequate to protect consumers from electric shock and death during charging because the standard addresses potential electrical injuries during both on-board and off-board charging based on requirements that are well-known and tested in other similar voluntary standards. For example, the protective grounding requirement of section 10.2.3, the grounding and bonding requirement of section 10.2.4, and the double insulation requirement of section 10.2.5 are common to electrical standards and these requirements are contained in many electrical standards, including UL 2580 and in UL 2594—*Electric Vehicle Supply Equipment*.

Construction: 11 Battery Packs—Addressing one of the hazard patterns identified above (table 4, unsafe battery) to ensure safe use of battery packs, section 11 of UL 2849–20 requires that lithium-ion battery packs comply with UL 2271–23 or UL 2580–22, Batteries for Use in Electric Vehicles.

UL 2271–23 and UL 2580–22 address the risk of thermal runaway and fire in a battery pack used in a motive platform by requiring:

- *Protective circuits (i.e., BMS)* that shut down the charging or discharging of a battery if the normal limits of cell voltage, current, or temperature are exceeded;
- *Mechanical and environmental tests*, such as vibration endurance, drop, crush, thermal cycling, immersion and external fire exposure, to ensure battery packs can safely withstand a reasonable range of operating conditions;
- *Thermal cycling* to evaluate the ability of the battery pack of the eBike to withstand rapidly changing temperatures such as those encountered by moving a battery pack from an

unheated garage in winter into a heated house;

- *Secondary lithium cell* manufacturing production line testing to ensure sufficient safety measures that mitigate internal short circuits, overcharge, crush, impact, mechanical shock, vibration, heating and other hazardous conditions during the life of the cells; and

- *Single cell failure mitigation requirement* to prevent a significant external hazard from a thermal runaway failure spreading to neighboring cells that could lead to a thermal runaway of that cell.

These UL standards are adequate to address the risk of thermal runaway because each has a BMS or protective cell requirement that provides for shut off of the electrical circuit if an individual battery or battery pack is operating outside of its safe operating region. Cutting off the circuit as soon as the battery closely approaches the limit of its safe operating range limits the progression of the underlying chemical reactions contributing to thermal runaway and reduces the probability of a hazardous thermal event. Each of these UL component standards also contains individual cell and battery pack enclosure requirements, and mechanical and environmental tests to simulate use and abuse of the battery/electrical system. Batteries complying with UL 62133–20, Secondary Cells and Batteries Part 2: Lithium Systems or UL 2054–21, Household and Commercial Batteries are also permitted to be used but must pass the tests in section 11.2 of UL 2849–20, which evaluate the battery/BMS to ensure it safely withstands normal and foreseeable misuse conditions for eBike electrical systems. Accordingly, incorporating these requirements into the rule improves the total safety of the eBike electrical system.

One of the hazard patterns identified in the incident data (table 4) is tampering. Section 11 of UL 2849–20 is not adequate to address the risks associated with users accessing the battery compartment. Consumers may attempt to modify or replace battery packs, including individual cells, even though they are not intended to be replaced or modified by the consumer. For example, in IDI No. 220908CCC1340, a consumer opened an eSBscooter and removed the battery pack. Although the incident product was an eSBscooter, this battery modification risk applies to all micromobility products within the scope of the rule, including eBikes.

To address this risk, the NPR proposes an additional requirement in

relation to section 11 of UL 2849–20 that would reduce the likelihood of consumers easily accessing the battery compartment using common household tools, such as a flat blade or Philips head screwdriver. The new requirement, as stated in proposed § 1265.2(b)(1), would require a battery compartment to be inaccessible using simple household tools or to be ultrasonically welded or secured by equivalent means, such as adhesives compliant with UL 746C or tamper-proof screws.

Construction: 12 Safety Circuits and Safety Analysis—To address one of the hazard patterns identified in the incident data (table 4, Unsafe Charging and Discharging), section 12 of UL 2849–20 requires the manufacturer to perform a safety analysis of their product to determine the specific fire and shock risks. This analysis sets the testing parameters such as the maximum charging voltage and current and the maximum temperature of the battery. The safety analysis must show that the BMS will limit or shut down the charging or discharging if normal limits of the battery are exceeded. The analysis is used to determine the electrical specification in the Performance section of UL 2849–20. Finally, the safety analysis ensures that protective circuits monitor events such as maximum assist speed and cutoff assistance due to braking, to mitigate the risk of thermal runaway. Staff advise that the required safety analysis in section 12 of UL 2849–20 is necessary to ensure that a BMS or other critical protective circuit addresses the potential hazards associated with eBike electrical system performance. The required evaluation and the described methods have been key elements of many other electrical voluntary standards, such as section 6.6.4 of UL 2054 and section 13 of UL 2580.⁹⁵

Construction: 13 Enclosing and Insulating Hazardous Parts—To reduce the risk of electric shock and thermal runaway that can lead to fires, section 13 of the UL 2849–20 requires eBikes to have one or more enclosures that contain all hazardous live electrical parts, including battery packs. Required enclosures must have sufficient strength and rigidity to withstand the potential physical abuse associated with the intended use of eBikes. This section sets forth requirements for the types and durability of materials for these enclosures, including nonmetallic and metallic materials, and criteria to

⁹⁵ UL 2054 was published in May 1997 and UL 2580 was published in October 2011; both predate UL 2849–20.

determine the suitability of polymeric materials, gaskets, and seals.

For example, non-metallic materials must have a minimum flame rating and consider suitability factors such as: resistance to impact; crush resistance; abnormal operations; severe conditions; and mold stress relief distortion. The enclosure itself must also be subject to the impact test in section 33 of UL 2849–20. Enclosures, frames, or handles on the eBike must not have sharp edges that would create a risk of injury during the normal use and maintenance of the product. Finally, openings in an enclosure must be designed to prevent inadvertent access to hazardous electrical parts.

UL 2849–20 also contains the following requirements that are consistent with other electrical standards, representing the best practices for safe electrical components, and CPSC preliminarily assesses that these requirements provide adequate protection to the consumer.

Construction: 14 Mounting—Section 14 of UL 2849–20 requires that components that are mounted on the eBike be subjected to the vibration test in section 38 of the standard, as described in section IV.A.3 of this preamble. Vibration tests are commonly used in other electrical standards, such as section 35 of UL 2580 applicable to lithium-ion batteries, to ensure that components and connections remain functional and within the safe operating envelope even when subjected to dynamic loading. Applying the vibration test to the battery/battery pack and the entire eBike thus addresses electrical shock and fire hazards.

Construction: 15 Printed Wiring Boards—Section 15 of the UL 2849–20 requires printed wiring boards to comply with the requirements in UL 796, and to have a flammability rating as described in section 17 of UL 2849–20. Staff advise that this requirement is adequate to address flammability and construction risks associated with printed wiring boards, and that this requirement is consistent with other electrical standards that reference UL 796 to establish safety requirements for printed wiring boards.

Construction: 16 Spacings and Separation of Circuits—To prevent electrical shocks and fires, section 16 of UL 2849–20 requires physical spacing between parts of opposite polarity. Proper spacings prevent a short circuit, *i.e.*, an unintentional connection that draws excess current in the circuit and produces extreme heat, stresses components/wires, and can cause fires. As the voltage between two electrical points increases, the distance between

them must comply with section 16 to prevent arcing, which could create an electrical shock and/or fire hazard. Section 16 of UL 2849–20 outlines what the minimum physical spacing must be, both through air and over-the-surface. Staff advise that the requirement for electrical spacings and table 16.1 are common electrical construction requirements that are consistent with other electrical standards and have been effective in preventing short circuits that can lead to fires.

Construction: 17 Flammability—To ensure that nonmetallic eBike parts do not propagate flames or fire, section 17 of UL 2849–20 requires such nonmetallic materials used for enclosures, internal parts, or internal parts of components, to meet the flammability requirement specified in UL 94. UL 94 specifies test procedures to classify polymeric materials based on their vertical flammability performance. The ratings are V–2, V–1, and V–0 in order from least to most flame resistant. These ratings are based on the amount of time it takes for the test flame to extinguish, the afterglow to disappear, and whether tissue paper ignites under the test sample. Staff advise that the electrical industry has relied on the flame ratings in UL 94 since the first edition of that standard in 1972, and that the industry has relied on V–1 rated plastics for electrical enclosures as a suitable means of fire containment for more than 50 years. However, stakeholders have noted concerns with adverse health effects from the application of some flame retardant chemicals in plastics and reported that plastic battery enclosures using flame retardant plastic are ineffective in containing a lithium-ion battery fire and therefore unnecessary.⁹⁶ As such, CPSC seeks comments on use of flame-resistant plastic for battery enclosures.

Construction: 18 Internal Wiring and Terminals—Section 18 of UL 2849–20 requires wiring used in an eBike electrical system to be insulated and acceptable for the purpose used, to prevent electric shock and fires. This means that manufacturers must consider the voltage, temperatures, and conditions of use. The wiring must be routed and reliably secured to the eBike to reduce excessive strain on the wires and to prevent loosening of wire connections and damage to insulation during use of the eBike. External terminals, meaning terminals that could

be exposed to contact by the consumer and could be used for charging, must be designed to prevent misalignment, disconnection, or inadvertent short circuiting. Charging terminals must be designed to prevent misalignment or short circuiting when connected to the charging equipment. Any terminals presenting hazardous voltage must be designed to prevent consumer access and must not be able to be short-circuited by external metal parts. Wiring that may be flexed during operation must comply with the Flexing Test in section 35 of UL 2849.

Staff advise that the wiring requirements in section 18 are adequate to address the risk of shock and fire from wiring that is not suitably routed, secured, and connected. Additionally, the temperature and overcurrent requirements of this standard address the ability of the wiring to carry the intended current without overheating of the eBike electrical system.

Construction: 19 Overcurrent Protection—To prevent overheating of the eBike electrical system, section 19 of UL 2849–20 requires that power, control, and auxiliary circuits be sufficiently sized to prevent overheating of the smallest conductor. UL 2849–20 requires compliance with two applicable consensus standards for components: positive temperature coefficient (PTC) overcurrent protection must comply with UL 60730–1, and fuses must comply with UL 248–1. These standards have long been commonly used in electrical system requirements, such as UL 1598, section 6.6, covering fuses used in Luminaires.

Construction: 20 Motors and Motor Controllers—To mitigate the potential of shock and fires from overheating motors and motor controllers, section 20 of UL 2849–20 requires that motors must not overheat and motors in hazardous voltage circuits, meaning those that have either an input voltage or output voltage considered hazardous according to UL 2849–20, must comply with UL 1004–1 or CSA C22.2 No. 100. If the motor is not in a hazardous circuit, then motors are required to comply with either UL 1004–1 or CSA C22.2 No. 100, or UL 2849–20 requirements. CPSC preliminarily assesses that section 20 is adequate to mitigate shock and fires associated with overheating motors and motor controllers because there is a reference standard covering the entire motor assembly and the motor assembly is tested as part of an eBike electrical system within the requirements of UL 2849–20.

Construction: 21 Operator Interface—Operator interface refers to the part of the eBike that the user engages with by

⁹⁶ January 10, 2024, CPSC staff Discussions with Green Science Policy on Lithium-Ion Battery Standards <https://www.cpsc.gov/s3fs-public/Green-Science-Policy-Meeting-Log.pdf?VersionId=sHgYg9z5yBmsMgQD9W119zpHeKcysFA>.

touching or contacting a screen, switch, or other mechanical or electrical switch, or lever, to actuate the motor or other electrical controls of the eBike. Because the consumer interacts with the operator interface, section 21 of UL 2849–20 requires hazardous electrical parts to be adequately enclosed or protected to mitigate injury. If the consumer has access to hazardous electrical parts, UL 2849–20 requires that such parts be enclosed as described in section 13 of UL 2849–20; the interface must also comply with section 21.2, requiring compliance with UL 60950–1 or UL 62368–1, if the interface has battery circuits with a touchscreen or high voltage backlights. CPSC preliminarily determines that the requirement in section 21 is adequate to protect consumers from shock due to exposure to hazardous electrical parts through enclosure or testing to referenced electrical consensus standards, which are commonly used in electrical standards.

Construction: 22 Grounding and Bonding—Grounding of electrical current routes hazardous energy away from the consumer to prevent electric shocks during charging and to facilitate tripping the branch circuit breaker to remove power and prevent overheating if a ground fault occurs, *i.e.*, if a metal part that is not part of a circuit and not intended to be electrically energized, becomes energized accidentally. Section 22 of UL 2849–20 requires that eBikes use a grounded and bonding system to achieve this protection. This requirement applies to both on-board and off-board chargers (separate power supply). Sections 22.2.1 through 22.2.11 reference and describe adequate grounding and bonding requirements used in other electrical consensus standards for this purpose. The requirements in this section ensure that the eBike electrical system is designed and manufactured with properly rated and integrated components and enclosures. Accordingly, incorporating these requirements into the rule is adequate to ensure the overall safety of the eBike electrical system.

CPSC preliminarily assesses that the grounding requirement in UL 2849–20 is based on well-established consumer product safety best practices, included in consensus standards used in the industry to address shock hazards such as UL 2594, *Electric Vehicle Supply Equipment*, and adequate to address the shock and fire hazards associated with eBikes.

Construction: 23 Chargers—The charger provides an electrical voltage which, if properly matched to the maximum battery pack charging voltage,

will safely charge the battery using an electrical current that is within the voltage, current, and temperature specifications of the cells contained in the battery pack. UL 2849–20 requires compliance with one of four consensus standards for power supplies: UL 1012, UL 1310, UL 60950–1, or UL 62368–1.⁹⁷ These power supply safety standards include requirements to ensure the safety of the charger with respect to its operation, *i.e.*, a charger that is compliant with these standards will not itself pose a risk of fire or shock to users during its normal and abnormal conditions. These standards find common use across a wide range of products including laptop computers. CPSC preliminarily assesses that section 23 of UL 2849–20 is adequate to protect consumers from electrical shock and fire during charging because the charger requirements in the reference standards above also address electric shock and fire.

Construction: 24 Electrical Cables and Connectors Between the eBike and the Equipment—Electric cables can transport hazardous energy to consumers if the cables break or if they are not constructed to carry the intended electrical energy. Accordingly, eBike cables and connectors must be suitably rated for use in the eBike. To address one of the hazard patterns identified in the incident data (table 4, Unsafe Charging and Discharging), and to prevent electric shock and fire hazards associated with electrical cables and connections, section 24 of UL 2849–20 requires that cables used to connect off board equipment to the eBike, such as a home eBike wall mount with integral charging port/connector, be permanently connected to the charger or connected to the charger with a connector that complies with section 24.2, which requires compliance to UL 2251 or UL 1977. The cable itself must comply with UL 62, which requires cables to be properly rated for anticipated current and to be suitably rated for the voltage and temperature used for the specific eBike. The conductor, which is the metal part of the wire inside the insulation material, must be sufficiently sized to conduct the anticipated current. Connectors used to connect off-board equipment to the eBike, such as such a charging dock or right-angle charging adapter, must comply with UL 2251 or UL 1977, and

the connectors must be suitably rated for the specific eBike use.

Based on staff's analysis, CPSC preliminarily assesses that section 24 is adequate to protect consumers against exposure to hazardous energy from cables and connectors because the requirements are based on long-standing effective consensus standards. UL 1977 is an industry-recognized standard for electrical connectors and UL 2251 expands these requirements to include additional electrical equipment charging scenarios.

Construction: 25 Supply Connections—To address one of the hazard patterns identified in the incident data (table 4, Unsafe Charging and Discharging), section 25 of UL 2849–20 requires that chargers and all other equipment located off board the eBike that is involved in transferring power to the eBike must comply with the applicable consensus standard for that equipment. CPSC preliminarily assesses that this requirement is adequate to address the associated risk of injury.

3. Performance Tests

The third major section of the standard is “Performance,” which establishes test methods and pass-fail criteria for the electrical system of the eBike. These tests stress the electrical system, including the battery and other electrical components, and require that the electrical system stay within its specifications (as determined in section 12) during normal and abnormal operations. Tests identified in the Performance section are either conducted to stress the battery pack, or the remainder of the electrical system of the eBike. Battery-specific tests may be waived when the test contains an exception for compliance with section 11.1(a) or 11.1(b).

Performance: 26 General—Section 26 of UL 2849–20 requires that performance tests be conducted on representative electrical systems of eBikes and outlines the basic testing required for determining battery pack compliance and for determining whether the battery pack is operational, before proceeding to other tests that may use the same sample. Staff advise that these requirements are adequate tests to ensure that hazardous outcomes such as fire or shock do not result from exposures to foreseeable conditions such as excessive temperature or current. Further, the range of temperatures, currents, abnormal operations, etc., represented in section 26 adequately address the failure modes seen in incidents and known to exist

⁹⁷ UL 1012—*Power Units Other Than Class 2*, UL 1310—*Class 2 Power Units*, UL 60950–1—*Information Technology Equipment—Safety—Part 1: General Requirements*, or UL 62368–1—*Audio/Video, Information and Communication Technology Equipment—Part 1: Safety Requirements*.

from engineering experience with other products.

Performance: 27 Input Test—Staff identified unsafe charging and discharging as a hazard pattern in the incident data (see table 4). eBike charging is done by the consumer, typically while the eBike is unattended, even when against the manufacturer's recommendation. As such, the amount of energy going into the eBike during charging should not be hazardous to the consumer or create a fire hazard. To address this risk of injury, section 27 of UL 2849–20 requires that the input current to an eBike while charging a fully discharged battery should not be more than 110 percent of the manufacturer-rated input current. For an external charger, the measured current shall not exceed the charger's output current rating.

Charging a battery too fast or using more current than anticipated could cause cells to overheat, particularly if the additional current allows the cells to charge faster than the safe operating region as defined by the cell's electrical specification. The charger plays a critical role by making sure that the output current of the charger limits the amount of energy going into the battery pack for safe charging and no increased risk of fire. Based on staff's review, this test is adequate to protect against possibly overcharging cells, which would increase the risk of thermal runaway.

Performance: 28 Temperature Test—To address one of the hazard patterns identified in the incident data (table 4, unsafe charging and discharging), section 28 of UL 2849–20 ensures that safety critical components in the eBike electrical system and the cells within the battery pack do not exceed their temperature ratings while the eBike is operating at the maximum rider weight and power and also when being charged. Exceeding the temperature ratings could damage a component and degrade its performance and create an unsafe condition. As such, the standard ensures that cells are monitored to ensure that they do not exceed their voltage, current and temperature ratings. Also, these tests measure user-accessible surfaces on the eBike during the same operating conditions to verify that the remain below acceptable limits to prevent thermal contact burns. This test uses two procedures. In the first, the battery, separate from the bike, is evaluated during charging from full discharge and during discharge at a current representing the manufacturer's rated maximum rider weight and operating conditions until fully discharged in accordance with the

manufacturer's specified final voltage. The other procedure tests the eBike with a power supply representing the battery pack under a mechanical load reflecting the manufacturer's rated maximum rider weight and operating conditions (such as speed, rider weight, or slope angle). This test ensures that the drivetrain components do not exceed their rated temperatures and fail, producing a risk of fire, shock, or thermal burns conditions.

The discharge/charge cycles specified in sections 28.4 and 28.5 do not indicate a timeframe between the termination of the full discharge and the start of the next charge cycle. It is foreseeable, however, that a user will ride an eBike or other micromobility product until the battery dies and then immediately plug in the product to recharge. In this situation, the battery cells may be at a temperature higher than the manufacturer-specified maximum charging temperature. In IDI 240112CCC1726, for example, the original charger that came with the eSBscooter was lost, and the consumer bought a replacement charger and used it a number of times without incident. On the day of the incident, after riding the eSBscooter until its battery depleted, the consumer placed his eSBscooter on the charger in the garage. After a short period of time the consumer's brother noticed smoke in the garage. The fire investigator assessed that the hoverboard had exploded and a fire ensued.

To address worst-case temperature scenarios such as this, where a battery is charged immediately after discharge, the NPR proposes a performance requirement based upon section 28.5 of UL 2849–20 but further specifies that prior to the second and third charge/discharge cycle in the test, the second charge cycle be initiated immediately after the first full discharge. This modification tests whether the BMS prohibits charging the battery if the cell surface temperature exceeds the specified upper limit. This test is an existing requirement in UL 2272–24 but not UL 2849–20.

Performance: 29 Isolation Resistance Test—To prevent electric shock to consumers through contact with any accessible part of the eBike as well as thermal runaway, section 29 evaluates electrically insulating materials to ensure that they have a minimum level of resistance and do not conduct electricity that could pose a risk of shock to a user contacting the insulation, or a short circuit that could cause overheating and fire. This test also ensures that the electrically insulating materials do not absorb moisture that

could decrease resistance. Moisture resistance is assessed in conjunction with the section 31 humidity conditioning. CPSC preliminarily assesses that these requirements are adequate to protect consumers from both shock and from risk of overheating and fire.

Performance: 30 Dielectric Strength Test—To prevent an electric short that can result in a shock or fire hazard as well as thermal runaway, section 30 of UL 2849–20 prescribes a standard diagnostic test procedure in which the electrical insulation and spacing between parts are evaluated by imposing a high voltage on the circuits, looking for weaknesses in the insulation or opposite polarity parts too close to each other. Inadequate electrical insulation and spacing may result in short circuits and fire, or inadequate user protection and electric shock. The test occurs after other electrical tests, to make sure that the underlying test condition does not result in the consumer being exposed to an electrical hazard. Staff advise that the test method is based on well-established consumer product safety best practices, included in voluntary consensus standards such as UL 2580, covering Batteries for Use in electric Vehicles, and is adequate to address the shock and fire hazards associated with eBikes.

Performance: 31 Humidity Conditioning Test—To address thermal runaway and shock, section 31 of UL 2849–20 requires eBikes to comply with the requirements for the Dielectric Strength Test, in section 30, and the Isolation Resistance Test, in section 29, following exposure to air having a relative humidity of 88 ± 2 percent at a temperature of 32 ± 2 °C (90 ± 3.6 °F). The purpose of this test is to ensure that the eBike electrical system does not present a fire or shock hazard due to environments with high temperature and high humidity. Increased humidity lowers the surface resistance of non-metallic parts. Testing for increased humidity provides a critical condition for evaluating the minimum resistance value of the electrical system, and CPSC preliminarily concludes that section 31 adequately addresses the hazards associated with this condition.

Performance: 32 Abnormal Operation Tests—To address unsafe charging and discharging, section 32 of UL 2849–20 is a series of nine tests for eBikes to evaluate the potential consequences to consumers of product or component failure. During the tests in sections 32.2 through 32.10, the eBike must not emit flames or molten metal, or become a risk of fire or electric shock. Section 32 requires the Abnormal Operation Tests

to be conducted on separate eBikes. Following each test, any hazardous voltage circuits are also subjected to the Isolation Resistance Test in section 29 (without humidity conditioning) or the Dielectric Strength Test in section 30. Each test must be continued until further change as a result of the test condition is reduced significantly. These are stress tests to ensure safe operation of the electrical system during these extreme but foreseeable operating conditions.

Section 32.1, *General*, defines the failing criteria that constitute a fire or shock risk as result of the abnormal operation tests being conducted.

Section 32.2, *Overcharging*, tests assess the safe operation of the electrical system due to a component failure in the charging protection circuit that allows the battery to be overcharged by 10 percent, which is consistent with the same requirement in UL 2580, which is a well-established standard for electric vehicle batteries. As discussed elsewhere, overcharging may lead to thermal runaway. An eBike that uses a battery that meets the requirements in UL 2271–23 or UL 2580 is not subjected to this testing because it already meets this requirement.

Section 32.3, *Component Fault*, assesses the safety impact of the failure of a single electrical component in the input and output power circuits. This includes capacitors, diodes, or solid-state devices (e.g., transistors) that may fail. This test assesses the fault tolerance of the input and output circuits to ensure that a single component failure will not create a risk of fire, shock, or injury.

Section 32.4, *Forced Ventilation/ Blocked Ventilation*, assesses eBikes with forced and blocked ventilation for hazardous conditions to consumers. The test requires the eBike to be operated with a fully charged battery supplying electrical energy to the fan/ventilation motor while the motor is in a locked state to determine whether the electrical system shuts down prior to overheating or electrical shock hazard. An eBike electrical system that relies on a fan or fans and vents for cooling is tested with the ventilation fans disabled and the ventilation openings blocked to ensure that these foreseeable fault conditions do not result in a risk of fire, shock, or injury.

Section 32.7, *Short Circuit*, evaluates the ability of the eBike battery pack to withstand short circuiting with a fault in the charging control circuit. For these tests the battery pack is short circuited, while each protective device in the charge control circuitry is shunted to simulate its failure. Examples of

protective devices include overcurrent protection and temperature limiting fuses. An eBike that uses a battery that meets the requirements in UL 2271–23 or UL 2580 is not subjected to this testing because it already meets this requirement.

Section 32.8, *Imbalanced Charging*, is a test on battery packs, which consists of a number of cells connected electrically in series and parallel. The cells are intended to all be at the same voltage during charging and discharging. However, over time some cells may lose their capacity more quickly than others and may not hold their charge as long. When one or more cells are at a different voltage from the remaining cells in the pack, this is an imbalance, creating the potential for overheating when charging or discharging. This testing forces a cell or cell block to be at a 50 percent higher SOC than the rest of the cells and then charges the pack to ensure that the imbalanced cells do not become overcharged. This is the same procedure as in UL 2580. A battery that meets the requirements in UL 2271–23 or UL 2580 is not subjected to this testing because it already meets this requirement.

Section 32.9, *Shock*, ensures that the battery pack does not pose a risk of fire or electrical shock as a result of a mechanical shock or impact. The test requirements are the same as those in UL 2580–22. A battery that meets the requirements in UL 2271–20 or UL 2580–22 is not subjected to this testing because it already meets the requirement.

Section 32.10, *Thermal Cycling*, evaluates the ability of the battery pack to withstand rapidly changing temperatures such as moving a battery pack from an unheated garage in winter into a heated house. The battery is placed in a conditioning chamber at one extreme of its recommended ambient temperature range for at least 6 hours, then switched to its opposite extreme rating in 15 minutes or less for five cycles at each temperature extreme. At the end of the thermal cycling the battery is subjected to a discharge/charge cycle. The thermal cycling shall not cause the battery to create a risk of fire or shock. A battery that meets the requirements in UL 2271–23 or UL 2580 is not required to be subjected to this testing because it already meets this requirement.

The abnormal operation tests in section 32 outline a program for stressing batteries of eBike electrical systems that staff advise is appropriate. The tests are waived for previously qualified micromobility battery packs.

In addition, the following tests contribute to the overall safety of the eBike electrical system, ensuring that it is designed and manufactured in accordance with best industry practices with properly rated and integrated components and enclosures.

Section 32.5, *Locked Rotor Motor*, evaluates whether the drive motor can safely withstand a locked rotor condition, which would simulate a motor becoming jammed and not able to spin. The motor must not exceed temperatures that could ignite tissue or cheesecloth. The motor rotor is locked for seven hours and temperatures monitored. The motor can be tested on the bike or removed if the motor temperatures cannot be measured with the motor installed. Motors that have already been tested to one of the equivalent UL 1004 series electric motor standards do not need to satisfy this test. This requirement is intended to ensure that a locked motor condition will not result in a fire that could propagate and ignite the battery.

Section 32.6, *Running Overload*, evaluates a motor's ability to safely withstand an overload condition in conditions such as going up a very steep grade, carrying a rider weighing more than the specified limit, or a failing wheel bearing. Similar to the locked rotor test, a motor that is not tested for compliance with one of the UL 1004 series electric motor standards must not exceed temperatures that could ignite tissue or cheesecloth. For this testing, which may be conducted with the motor removed from the vehicle, load is progressively increased until overload protection activates or the motor's windings fail. This requirement, too, is intended to ensure that a locked motor condition will not result in a fire that could propagate and ignite the battery.

Additional Requirement Addressing Incompatible Chargers—UL 2849–20 does not address the risk of electric shock and fire associated with use of an aftermarket eBike charger that uses the same charging connector as the OEM charger but is configured in the opposite polarity, i.e., the positive and negative contacts reversed. The reversed polarity of an aftermarket charger may result in a cell being exposed to an out-of-specification voltage, causing excessive current and possibly fire or damage to the cell. For example, in IDI 240112CCC3378, the consumer plugged in an aftermarket charger to an eSBscooter. The consumer smelled smoke and the eSBscooter emitted sparks after charging for approximately 30 minutes. An unsafe rapid discharge can occur if the charger's output connector polarity is the reverse of the

battery polarity. Although this incident occurred on an eSBscooter, this incident is also possible with eBike electrical systems if the charger connector polarity is reversed. Section 18.4 of UL 2849–20 requires the OEM eBike charger output connector polarity to match the micromobility battery polarity.

To address the unreasonable risk of injury and death associated with incompatible chargers with reversed polarity from the battery, the NPR proposes to add a reverse polarity test to section 32 of UL 2849–20. The test would require, while monitoring temperature, a reverse voltage to be applied to the eBike electrical system for 4 hours or until a fire or explosion occurs. The test would require that no reverse voltage be imposed on the battery cells. This would require the eBike's electrical system to have a means to prevent an incorrect charging polarity from damaging the battery pack.

Other Performance Requirements addressing Fire and Shock Hazards not associated with Battery Thermal Runaway—The requirements below address fire and shock hazards not associated with battery thermal runaway and contribute to the overall safety of the eBike electrical system, ensuring that products are designed and manufactured in accordance with best industry practices with properly rated and integrated components and enclosures. Accordingly, incorporating these requirements improves the total safety of the eBike electrical system.

Performance: 33 Impact Test—Section 33 of UL 2849–20 subjects an eBike to blows simulating objects hitting the eBike in intended and foreseeable misuse conditions, to determine whether such impacts pose a risk of electric shock or fire hazard to the consumer. Section 33 requires the battery enclosure to withstand an impact of 6.8 J (5 foot-pounds) by dropping a 535g (1.18 pound) steel ball onto the battery enclosure from a height of 1.29 m (51 inches). All exposed surfaces of the battery enclosure must be tested. Additionally, eBikes must not show signs of cracking or other deleterious effects from the oven conditioning and must not be distorted. After the impact test, any openings resulting from the test must be assessed for access to hazardous live parts. This impact test is commonly used in other electrical standards such as section 62.3, *Steel Sphere Impact Test*, in UL 1449, covering Surge Protective Devices. CPSC preliminarily assesses that the impact requirements are adequate to evaluate whether the eBike electrical system poses an electric shock or fire hazard to the consumer.

Performance: 34 Mold Stress Test—Section 34 of UL 2849–20 tests for shrinkage or distortion of an eBike thermoplastic enclosure that could result in consumer exposure to hazardous parts or reduced electrical spacings. Fully discharged eBike samples must first be conditioned in an oven for seven hours. After removal from the conditioning oven and cooled to room temperature, each sample is subjected to the Isolation Resistance Test in section 29 (without humidity conditioning) or the Dielectric Strength Test in section 30, and there must be no damage of the eBike system enclosure that would allow access to parts of hazardous voltage, as tested by using the 2.5 mm diameter by 100 mm long rod described in UL 2271–23 and the articulate finger probe used in Figure 18.1 of UL 2849–20. Based on staff's review, CPSC preliminarily concludes that the requirements of the mold stress test are adequate at protecting the consumer from electrical shock because the requirements are based on well-established consumer product safety best practices and included in voluntary consensus standards such as UL 1449, *Surge Protective Devices*.

Performance: 35 Flexing Test—Section 35 of UL 2849–20 evaluates the protection of wiring that is subject to movement during use of the eBike to ensure that the wires do not fray and become damaged and pose a risk of fire or shock by creating conditions for an internal short. The moving part is flexed 500 cycles, then subjected to a dielectric voltage withstand test as in section 30 to assess the continued effectiveness of the electrical insulation properties of the wires. The wires are also visually inspected for any other signs of fraying or compromised insulation that would contribute to a possible short circuit between conductors of opposite polarity or to metal parts that are accessible to the user. CPSC preliminarily finds that this test is adequate to assess risks of fire and shock related to wire flexing because the test method is substantially similar to the flexing test in section 11.9, *Cord Sets and Power Supply Cords*, in UL 817, which has demonstrated value in protecting consumers.

Performance: 36 Ingress Protection Tests—Section 36 of UL 2849–20 evaluates the ability of the eBike to withstand potential water exposure. The test requires the eBike battery enclosure be exposed to splashing water in accordance with the Standard for Degrees of Protection Provided by Enclosures (IP Code), IEC 60529, Tests for Protection Against Water Indicated by the Second Characteristic Numeral 4

(IPX4). IPX4 corresponds to a splash rating. If the equipment is operational after water exposure, a charge and discharge cycle is conducted. There should be no indication of shock or fire hazard. If the manufacturer intends for the eBike to withstand a higher level of water resistance, then the eBike shall be evaluated and marked accordingly. As discussed in the Marking and Instructions section below, the NPR additionally proposes that instructions must include warnings and appropriate actions that consumers should take to avoid injury in the event that an eBike submerges in the water.

Performance: 37 Permanence of Marking Test—Section 37 of UL 2849–20 requires a test to determine the permanence of required marking and labeling adhered to the product surface, unless the labels already comply with UL 969, Marking and Labeling Systems (UL 969). The test requires soaking a cloth with water and then rubbing the label with the cloth for 15 seconds; the same test is then repeated using a cloth soaked with the petroleum spirit in section 37.3. After rubbing with water and the petroleum spirit, the label should not show evidence of damage, including curling, should still be legible, and should not be easily removable by hand. This test is commonly used in electrical standards relying upon product labeling to inform consumer about technical ratings and other safety information related to the safe use of electrical products, including UL 1449, the Standard for Surge Protective Devices, and ANSI/UL 1598–2021 & CSA C22.2 No. 250.0:21, the Standard for Luminaires. CPSC preliminarily assesses that the permanency requirement is adequate to ensure required markings and labels retain their utility after exposure to reasonably foreseeable environmental conditions.

Performance: 38 Vibration Test—As stated in the discussion on section 14, components that are mounted on the eBike must be subjected to the vibration test in section 38 of the standard. CPSC preliminarily concludes that this test is adequate at assessing hazards related to vibration because vibration testing of the battery pack ensures minimum mechanical integrity of the components. Moreover, these tests are commonly used in other electrical standards, such as section 35 of UL 2580, which is applicable to lithium-ion batteries. Subjecting the entire eBike to the vibration test is a best practice to mitigate electrical shock and fire hazards and CPSC preliminarily assesses that it is necessary to ensure the battery pack maintains safe

operations after being exposed to dynamic loads expected during reasonably foreseeable use conditions.

Performance: 39 Strain Relief Test—Section 39 of UL 2849–20 evaluates the strength of interconnecting cables to withstand pulling and pushing against electrical wires during eBike use, using a strain relief pull and push back test. The test is designed to determine whether the movement of conductors results in a reduction of electrical spacings or exposed electrical conductors, potentially creating an electrical shock or fire hazard. The strain relief test assesses whether an interconnecting cable is prevented from being pushed or pulled into the product through the cord entry hole, which could expose the cable to mechanical damage, high temperature, reduced spacings, or internal damage to connectors or components. This test to protect consumers from shock and fire hazards is commonly used in electrical standards, such as UL 1449, Surge Protective Devices, section 57, and has been widely accepted by industry.

4. Sections That Are Out-Of-Scope of the Proposed Rule

The NPR does not propose to require two sections of UL 2849–20 that address mechanical rather than electrical hazards associated with eBikes: section 40 of UL 2849–20, *Performance: Startup Assistance Mode Test*, which evaluates the eBike startup assistance mode; and section 41 of UL 2849–20, *Performance: Motor Assistance Control Test*, which assesses the motor assistance of EPAC eBikes.⁹⁸

5. Marking and Instructions

Marking: 42 General—Section 42 of UL 2849–20 contains general marking requirements. Markings must be legible and have an adhesive backing compliant with UL 969 and CSA C22.2 No 0.15, or the label must comply with the permanency test in section 37. CPSC preliminarily assesses that these are adequate requirements to ensure permanency as the markings and labeling systems are referenced across not only UL standards, such as UL 507 Electric Fans and UL 749 Household Dishwashers, but also ANSI standards (e.g., ANSI/OPEI B175.3 Internal Combustion Engine-Powered Hand-Held Grass Trimmers and Brushcutters, ANSI 325 Door, Drapery, Gate, Louver, Window Operators and Systems).

Marking: 43 Nameplate and Identification—Section 43 requires

eBikes to be marked with the manufacturer's name or other descriptive marking identifying the organization, part number, model number, electrical ratings, and date of manufacture. Section 43 also requires that if the product has been manufactured at more than one factory location, the markings must include a distinctive marking to identify that the product was manufactured in a particular factory. Based on staff's review, the above requirements are adequate to position consumers to order the correct replacement parts and respond to a recall when necessary. The requirement to display such product identifying information is consistent with other consumer product safety standards such as those for durable infant or toddler products.

Section 43.3 states that if an eBike is sold with a battery pack that has its battery management system residing in components or circuits outside the battery pack, then the eBike must display the following statement or an equivalent: "Use Only Charger (____)." The blank must contain identifying information for the charger. Section 43.4 requires that all external terminals and connections, including the battery terminals if the battery pack is not keyed,⁹⁹ be provided with identification and, if applicable, with polarity markings. These requirements reduce fire risk by informing consumers about the specific charger that is compatible with the eBike and accurately identifying the external terminals, connections, and polarity markings.

Marking: Cautionary Markings—Section 44 requires specific wording for cautionary markings on eBikes and specifies required text formatting. The primary voluntary consensus standard providing guidelines for the design of safety signs and labels for application to consumer products is ANSI Z535.4, American National Standard Product Safety Signs and Labels.¹⁰⁰ The ANSI standard includes recommendations for the design, application, use, and placement of warning labels. CPSC relies on ANSI recommendations when assessing the adequacy of warning design for voluntary standards, including this assessment of the warnings in UL 2849–20. The safety hierarchy or hazard control hierarchy is a priority scheme to address product hazards. The fundamental sequence of

priorities in the safety hierarchy includes three approaches to address product safety: (1) design out the hazard; (2) guard against the hazard; and (3) warn about the hazard. For a warning to be effective, it must first capture the user's attention. People do not typically seek out warnings, therefore warnings must be located prominently and have design characteristics that make them stand out. Further, the content of the warning must motivate safe behavior.¹⁰¹ When assessing the adequacy and efficacy of a warning, CPSC considers a warning's content, design, and location.

Section 44.1 describes specific wording to utilize in a cautionary marking and specifies text height requirements, such as requiring use of the word "CAUTION" or "WARNING," and requiring that the letters shall not be less than 3.2 mm (1/8 inch) high, and the remaining letters be at a minimum of 1.6 mm (1/16 inch) high. Although text sizes required by UL 2849–20 are within the dimensions suggested by ANSI Z535.4 for small products (table B1), eBikes are not small products. Therefore, the NPR proposes to increase the text size requirement to 5 mm (0.2 inch) for the signal words (e.g., "WARNING") and 2.5 mm (0.1 inch) for the remaining letters, which aligns with ANSI Z535.4 recommendation for a 2-foot viewing distance, which is a likely distance from which these warnings would be viewed.

Section 44.1 also states that "WARNING" or "DANGER" can be used as alternatives for "CAUTION." Allowed signal words (e.g., WARNING, DANGER, CAUTION) are commonly used signal words for cautionary markings in the safety literature, including ANSI Z535.4.

Section 44.2 requires that cautionary markings remain visible and legible during normal eBike operation and cannot be located on a removable component. If a marking appears on a removable component, removal of that part must impair the operation of the entire product; in addition, the marking must be visible and legible to the operator during normal operation of the unit. CPSC preliminarily assesses that the visibility requirement in UL 2849–20 is adequate to provide visible and legible cautionary markings because ANSI Z535.4 states that warnings must be placed so they are "readily visible to the intended viewer" and will "alert the viewer to the hazard in time to take

⁹⁹ Keyed means the charging input connector is designed so that it fits into the micromobility product only one way.

¹⁰⁰ American National Standards Institute (2023). ANSI Z535.4. American National Standard for Product Safety Signs and Labels. Rosslyn, VA: National Electrical Manufacturers Association.

¹⁰¹ Laughery, K.R., & Wogalter, M.S. (2006). Designing effective warnings. In R. Williges (ed.) *Reviews of Human Factors and Ergonomics*, Vol. 2. (pp. 241–271). Santa Monica, CA: Human Factors and Ergonomics Society.

⁹⁸ On March 15, 2024, the Commission has issued an advance notice of proposed rulemaking concerning eBike mechanical hazards. 89 FR 18861.

appropriate action” (section 9.1). However, the requirement for warnings to be visible and legible to the user while riding the eBike may not be appropriate for the battery-related warnings because research shows that most effective warnings are placed proximate to the hazard.¹⁰² CPSC preliminarily determines that locations that are proximate to the battery would be more effective for warnings that are related to batteries and for the proposed warnings discussed below, the NPR proposes specific locations that may supersede 44.2.

Section 44.3 of UL 2849–20 requires a replacement marking for user replaceable fuses. Either the fuse or fuse holder must be labeled if the fuse reduces the risk of fire or electric shock and the fuse is user replaceable. The marking must be readily visible during replacement of the fuse, consist of the word “WARNING,” and contain the following statement or equivalent: “Risk of Fire and Electric Shock—Replace Only With Same Type and Ratings of Fuse.” Warning information should include a description of the hazard and instructions for specific actions to avoid or prevent the hazard.¹⁰³ Staff assess that the warning content of the user replaceable fuse label includes both a description of the hazard and how to avoid it and is therefore clear and adequate. In addition, the placement for fuse warnings is adequate because it follows ANSI recommendations and ensures the warning is readily visible to the consumer during replacement of the fuse.

Warning Statement Formatting: An effective warning label first must be visible and noticeable, and it must capture and maintain consumers’ attention. ANSI Z535.4 includes several design requirements that UL 2849–20 is lacking. To align with ANSI Z535.4 and improve the noticeability of the warning labels, the NPR proposes an additional marking requirement in new section 44.4 of UL 2849–20 and applicable for all warning statements in the standard. The new provision would require formatting modifications to the warning statements to, for example, be in contrasting color to the background; require the safety alert symbol and signal word to be in black letters on an orange background if the label is already using color processing; and specify heights and fonts of safety messaging.

Homemade Battery Warning: Staff reviewed four incidents involving homemade batteries, three of which resulted in a fatality. In one incident (IDI 220908CAA1357), the victim and his landlord were manufacturing, repairing, charging, and selling lithium-ion batteries in the basement of their residence. In the second incident (IDI 220413CAA1350), the victim was reportedly manufacturing lithium-ion battery packs and repairing micromobility units in his apartment. A lithium-ion battery pack self-ignited, resulting in a fire and death of the victim. In the third incident (IDI 230213CAA1777), the victim and his pets died in a house fire that involved homemade batteries. In the fourth incident (IDI 200909CFE0001), the consumer “used parts of a camper battery to make his homemade bike battery . . . and built a system on the bicycle to use the battery for power.” According to the fire investigator and the consumer, the homemade battery was charged for several hours just before the fire occurred. No injury was reported.

CPSC assesses from the IDIs that a warning describing the consequences of using homemade batteries on micromobility products would help deter consumers from utilizing or manufacturing homemade batteries described in the reported incidents. Accordingly, the NPR proposes that eBikes include a warning against the use of homemade batteries. The proposed language stating “WARNING—Homemade batteries have caused fire and death. Never use a homemade battery with your [type of product]” describes hazard, the severe consequences of using homemade batteries (fire and death), and how to avoid the hazard.

Lifetime of the Battery/Charging Frequency: CPSC is aware of several fire incidents involving the charging of a micromobility product battery after an extended period of disuse. In one incident (IDI 231114HCC3195), a consumer purchased an eBike and stored it in a garage for almost a year before charging it for the first time. The consumer later found soot and smoke damage in the garage and that the battery of the eBike had exploded. The consumer’s neighbor was a fire commissioner and determined that the cause of the fire was the battery suffering thermal runaway, which caused the battery cells to rocket out.

Another incident (IDI 220428CFE0001) led to fatalities of two children involved an eScooter battery that had not been used for over three months. In another OMP incident (IDI

211130HFE0002), an inoperable eScooter caused a fire after the battery was plugged in for charging for approximately one year.

To address the risk of fire from infrequent charging of lithium-ion batteries, the NPR proposes to add a new section 44.6 building on UL 2849–20, requiring cautionary markings to include language informing consumers about the frequency with which to charge the lithium-ion battery and when to discard the battery. If the battery is not replaceable, the warning must be on the eBike including on the battery; if replaceable, the warning must be located on the battery. This language will alert consumers to safer battery charging behavior, particularly focusing on the amount of time since the last battery charge and whether the battery is still safe and functional for use.

Hazardous Voltage Warning: UL 2849–20 does not contain a warning about hazardous voltage circuits, even though the standard defines the threshold for a circuit to be operating at a hazardous voltage. Therefore, the NPR proposes to add a new section 44.7 to UL 2849–20, which adds a warning statement for such products to inform consumers that hazardous voltage may be present, stating “Warning: Hazardous Voltage Circuits” or using an International Organization for Standardization (ISO) symbol for this hazard and that consumers should not open the enclosure.

Non-Replaceable Battery Warning: Staff also observed that UL 2849–20 does not have a warning about batteries that are not user replaceable. eBikes with non-replaceable batteries must include warnings about a potential electric shock and fire hazard resulting from opening, disassembling, repairing or modifying the battery. Accordingly, to address the risk of shock and fire to consumers, the NPR proposes adding a new section 44.8, requiring a warning on the battery enclosure and/or eBike/OMP enclosure that serves as the outer enclosure of the battery, so that consumers are informed about the risk of fire and electric shock associated with consumers attempting to manipulate a battery that is not user replaceable. The proposed warning would state: “WARNING—Risk of Fire and Electric Shock—Battery and/or battery components are not user replaceable. Do not attempt to open, disassemble, or repair.”

Cooling down the Battery: The NPR proposes adding a new warning in section 44.9 advising consumers to allow their eBike to cool down after use and before plugging it in to charge. Similar statements are in online “Best

¹⁰² Wogalter, M.S., Conzola, V.C., & Smith-Jackson, T.L. (2002). Research-based guidelines for warning design and evaluation. *Applied Ergonomics*, 33, 219–230. [https://doi.org/10.1016/S0003-6870\(02\)00009-1](https://doi.org/10.1016/S0003-6870(02)00009-1).

¹⁰³ *Ibid*.

Practices,” and CPSC is aware of various micromobility products that contain this information on the products.¹⁰⁴ ¹⁰⁵ As noted above, allowing charging of the battery when cells are more than their maximum specified charging temperature may damage the cell, possibly leading to overheating, thermal runaway, and a potential fire hazard. For micromobility products with limited physical space, markings may be displayed within an app that is used to operate or maintain the eBike or on the eBike screen. The Commission requests comments on the feasibility of this requirement considering the physical space for such information.

Instructions: General—Sections 45 through 50 of UL 2849–20 require that the product contain legible instructions, including for installation, operation, and risk of fire, electric shock, or injury to the users of the product.

Section 45 of UL 2849–20 contains general requirements for instructions, such as user maintenance, moving, and storage. Instructions must be provided in separate manuals or combined in one or more manuals, and contain details emphasizing the risk of fire, electrical shock, and injury from use of the product. The standard states that instructions may not replace written and detailed instruction with images; however, images may be accompanied by written instructions. Specific sections of the instructions must be written entirely in upper case letters and emphasize headings, such as, installation, operation, user maintenance, moving and storage, and require the following statements or an equivalent, “IMPORTANT SAFETY INSTRUCTIONS” and “SAVE THESE INSTRUCTIONS.” Such statements must be clear and understandable. When the associated risk involves death or serious injury, UL 2849–20 allows substitution of the signal word “DANGER” for “WARNING”. Section 45.1 provides that the instruction manual must include the same

cautionary information found on the product, in the same format.

Section 46 of UL 2849–20 requires that all instructions pertaining to the risk of fire or electric shock are to be properly titled and must be provided to users; manufacturers can add more instructions as long as they do not conflict with the basic precautions listed in the standard. Based on best practices in developing instructions, CPSC preliminarily assesses the detailed list of statements and specifications in the instructions is adequate to address the fire and shock risks; however, the list lacks needed instructions based on incidents that would inform consumers on safely handling a removable battery pack what to do if the micromobility product submerges in the water. Accordingly, the NPR proposes adding two additional requirements to the instructions, to address the associated risk of shock and fire:

- To address the risk of fire associated with battery removal and storage safety, the NPR proposes a new section 51 requiring that a battery pack intended for removal and charging outside of the eBike must be provided with instructions for the safe handling, removal, and insertion of the battery pack into the eBike. Instructions must cover such handling during charging and for battery storage outside of the eBike.
- CPSC is aware of three fire or explosion incidents, resulting in one death, that involved prior or contemporaneous exposure to water (X2390880A, IDI 230912CCC1279, IDI 220511CCC3843). Given the nature of these incidents, the NPR proposes that instructions must include warnings and appropriate actions that consumer should take in the event that a micromobility product submerges in the water.

Removing instructions about the use of specific charger (48.4): The NPR proposes removing the language in section 48.4 of UL 2849–20 as contradictory to the proposed rule, because it discusses utilizing the manufacturer’s recommended chargers only, while the proposed rule allows the

use of aftermarket chargers as long as they comply with the applicable section of UL 2849–20 and the proposed requirement that aftermarket chargers are provided with a marking to indicate the specific eBike(s) for which they are intended to be used.

6. Other Voluntary Standards for eBikes—EN 15194

The Commission is aware of and considered the European standard (EN) for eBikes, EN 15194—Cycles—Electrically power assisted cycles—EPAC Bicycles (EN 15194), which has a narrower scope than UL 2849, and only covers EPAC (pedal-assisted) eBikes. Table 9 compares the requirements in UL 2849–20 with those in EN 15194. Compared to UL 2849–20, the EN standard does not include requirements for electrical systems that provide a higher level of safety than the requirements in UL 2849–20, and in some instances, falls short of adequately addressing all of the product’s hazards covered by the UL 2849–20. For example, EN 15194 does not include any of the requirements for flammability as found in section 17 of UL 2849–20. The Commission considers the flammability requirements in UL 2849–20 critical for fire safety because they help to deter the spread of fire during a thermal runaway event by requiring that the polymeric material extinguish within a specific maximum amount of time as to limit or slow down fire propagation. Accordingly, the NPR does not propose to incorporate requirements of EN 15194 into the rule because UL 2849–20 is more robust in addressing the hazards associated with eBikes. The Commission requests comment on this proposal.

7. Adequacy of UL 2849–20 To Address Identified Hazards

Table 8 summarizes how various sections of UL 2849–20 apply to the hazard patterns identified in the incident data. For each use and hazard pattern, table 8 also summarizes (in italics) the NPR’s proposed modifications and additions to UL to address inadequate provisions.

¹⁰⁴ <https://fluidfreeride.com/blogs/news/how-to-charge-electric-scooter>.

¹⁰⁵ <https://www.cyrusher.com/blogs/news/summer-ebike-battery-tips>.

Table 8 – Provisions of UL 2849-20 Addressing Use and Hazard Patterns Associated with eBikes

Use Pattern – Incident Review	Hazard Pattern	Sections of UL 2849
(a) While charging	Unsafe Charging	9, 11, 12, 13, 15, 17, 18, 23, 24, 26, 27, 28, 29, 30, 31, 32.1-3, 32.7-8 <i>Modify 28.5</i>
(b) Spontaneous/being stored/resting in open space	Unsafe Battery	11, 12, 13, 14, 15, 17, 18, 32.2-4, 32.7-9, 33
(c) During /shortly after riding	Unsafe Discharging (Include product in contact with water)	9, 11, 12, 13.5, 15, 17, 18, 28, 36
(d) After charging/unplugging	Unsafe Charging	9, 11, 12, 13, 15, 17, 18, 23, 26, 28, 29, 30, 32.1-3, 32.7-9 <i>Modify 28.5</i>
(e) User removing/replacing battery	Tampering	Not Addressed <i>Add to 11</i>
(f) Aftermarket battery/charger	Unsafe Battery, After market (reverse polarity)	Not Addressed <i>Add to 32</i>
(g) Homemade battery packs	Incompatible Components	Not addressed <i>Add label in 44.5</i>
(h) Unspecified	Unknown	NA
Additional Requirements		
Requirements addressing fire and shock hazards not associated with battery thermal runaway		7, 8, 16, 19, 20, 32.4-6, 33-35, 38, 39
Requirements that are industry best practice relating to fire and shock hazards		37
Requirements that address shock only		8.2.1, 10, 12.8, 12.9, 13.4, 18.5, Figure 18.1, 21, 22

As described in section III, incidents associated with micromobility products within the scope of this NPR experienced instances of smoking, overheating, and fire. The incidents of smoking resulted in the user physically seeing smoke coming from the incident product. The incidents of overheating involved the user indicating a burning smell, physically getting burned from trying to move or handle the product, or getting burned while in physical contact with the product. The incidents of fire are associated with an electrical failure where the battery pack was the source of the fire. A thermal runaway failure of a cell within the battery pack can result in a battery fire. The intense heat generated by the failing cell may initiate thermal runaway in adjacent cells. This may ignite the micromobility product enclosure and propagate to adjacent combustible materials. Gases generated within the burning cells may also develop internal pressure that forcibly ejects the cell contents that escape the micromobility product enclosure and spread fire farther.

From fall 2015 through early 2016, in the absence of a product safety standard for personal eMobility products, staff's

eSBscooter assessments of products involved in fire incidents identified deficiencies in the design and construction of the electrical systems including inadequate temperature limiting by the BMS, poor cell quality, and inferior workmanship. Subsequent to publication of the first edition of UL on November 21, 2016, staff began to see personal eMobility products that were compliant with the first edition of UL 2272 with integrated electrical system designs and battery packs with certified cells to maintain cells within their specifications while charging and riding and reduce the risk of fire from cell thermal runaway. The results for eBikes were similar relative to UL 2849's publication date of January 2, 2020. For the other assessments completed, staff observed that products that are certified to the three voluntary standards incorporated by reference in this proposed rule result in a decreased likelihood of fire risk.

CPSC's analysis nevertheless finds that, overall, the requirements in UL 2849–20 do not address all identified hazards associated with lithium-ion batteries and eBike electrical systems. Because of this, as noted above, the NPR

proposes several modifications to the standard's performance, marking, and labeling requirements. These modifications are summarized below.

As incident data shows, consumers may attempt to modify or replace battery packs, including individual cells, even though they are not intended to be replaced or modified by the consumer. The NPR proposes to add requirements (section 11) for both consumer replaceable and non-consumer replaceable battery packs to prevent a consumer from opening the battery pack outer enclosure or the eBike enclosure and attempting to modify the battery.

To address the unreasonable risk of injury and death associated with incompatible chargers with reversed polarity from the battery, the NPR proposes to add to the requirements of section 32 of UL2849–20 a reverse polarity test that requires the eBike's electrical system to have a means to prevent an incorrect charging polarity from damaging the battery pack. The BMS should prevent charging in the foreseeable scenario where a user will ride the bike until the battery dies and then immediately plug in the product to

recharge, in which case the cells may be at a temperature higher than the manufacturer-specified maximum charging temperature. Accordingly, the NPR proposes a performance testing procedure that would be based upon UL 2849–20 section 28.5 but specify that between the second and third charge/discharge cycle, a charge be initiated immediately after the full discharge to simulate the worst case temperature scenario and test that BMS prohibits charging the battery if the cell surface temperature exceeds the specified upper limit. The NPR is also proposing to add warnings about the need to cool down the product after each use and before plugging it in to charge (section 44.9).

To address the use of homemade batteries in micromobility products as seen in the incident data, the NPR proposes to add a warning label (section 44.5) alerting against the use of homemade batteries.

To address the unsafe charging hazard due to infrequent charging or prolonged duration of not charging the battery, the NPR proposes to inform consumers about the recommended frequency of charging or discarding the battery after a certain duration of non-use (section 44.6).

To address the unintended consequences of battery/eBike contact with water and submersion in water as seen in the incident data, the NPR proposes language in the instructions warning against immersing or submerging the eBike, the battery, or any of the electrical components in water and also providing steps for consumers to take in the event that submersion occurs (section 52).

To align with other standards and best practices, the NPR proposes to require:

markings about hazardous voltage and not opening enclosures with hazardous circuits, where applicable; warnings not to open, disassemble, or attempt to repair battery enclosures or device enclosures; and instructions that include all warnings for the eBike, information on safe handling of battery packs, and additional formatting requirements to improve the visibility of warning statements.

8. Ability of the NPR To Address eBike Incidents

Staff assess that out of the 67 eBike battery incidents reported via CPSRMS, 56 would have been addressed by compliance with UL 2849–20 as modified in this NPR. Staff further advise that the NPR's provisions would address the hazard patterns seen in seven of the nine deadly incidents that collectively resulted in 12 fatalities (with some incidents having multiple fatalities). Staff could not identify the specific hazard pattern in the remaining 11 incidents, although the proposed rule could potentially address some or all of these incidents. Therefore, the NPR would address, *at a minimum*, approximately 84 percent of the eBike incidents identified as relating to lithium-ion batteries.

B. Other Micromobility Products (OMPs) and Batteries

1. Technical Requirements in UL 2272–24, UL 2271–23 and EN 15194

This section describes and evaluates the adequacy of the requirements in UL 2272–24 (OMPs), UL 2271–23 (lithium-ion batteries), and EN 15194 (EPAC eBikes). Table 9, below, cross references the most significant requirements of

these three standards.¹⁰⁶ The far-left column in table 9 states each requirement in UL 2849–20, including the Commission's preliminary determination regarding adequacy of the provision to address associated risks of injury. Each column to the right compares another standard to UL 2849–20: cross-referencing the applicable section; stating whether the requirement is the same (M) or similar (R); and noting whether the requirement is adequate to address the associated hazards to prevent or reduce an unreasonable risk of injury (A), inadequate to address the associated hazards (I), not addressed (Blank), addressed in a different way (O), or not applicable (N/A).

Table 9 reflects that the majority of requirements that address battery and charger fire hazards in UL 2722–24 and UL 2271–23 are identical or substantially similar to those in UL 2849–20. Additionally, as with UL 2849–20, both UL 2272–24 and UL 2271–23 lack a reverse polarity test to address the risk of fire involving use of chargers of opposite polarity than the originally intended charger, and thus the NPR proposes to add a new test to prevent reverse polarity, as described in section IV.A.3 of this preamble. Finally, table 9 identifies that the performance requirements in the EN standard for eBikes are not as robust as those in UL 2849–20.

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¹⁰⁶ We note that the introductions to all four standards contain the same or similar types of information, such as Scope, Definitions, and Units of Measurement.

Table 9 – Comparison of Construction and Performance Requirements

UL 2849-20	UL 2272-24	UL 2271-23	EN 15194:2017 + A1:2023
Scope: Electrical Systems for eBikes, pedal-assisted and non-pedal assisted	Scope: Electrical Systems for Personal eMobility Devices ¹⁰⁷	Scope: Batteries for Light Electric Vehicle Applications ¹⁰⁸	Scope: Electrically Power Assisted Cycles, only
7 General, (A)	(O),(A)	(O) (A)	4.2.1 (A)
8 Power Levels, (A)	15, 16.2, (O), (A)	14, 15.1, (O), (A)	4.3.22 (A)
9 Combination of Battery, Battery Management System, and Charger, (A)	16.1, (O), (A)	15.2.4, (O) (A)	
10 User Protection While Charging, (A)	15, 16.8, 30, (R), (A)	14, 30, (R), (A)	
11 Battery Packs, (I)*	17, (R), (A)	16, (R), (I)*	4.2.3, 4.3.22 (A)
12 Safety Circuits and Safety Analysis, (A)	16, (M), (A)	15, (M), (A)	4.3.5.2.2, 4.3.5.3, 4.3.5.6, 4.3.5.7 (A)
13 Enclosing and Insulating Hazardous Parts, (A)	9, (R), (I)**	9, (R), (A)	
14 Mounting, (A)	(O), (A)	(O), (A)	
15 Printed Wiring Boards, (A)	Annex A1,(O), (A)	Annex A1, (O), (A)	
16 Spacings and Separation of Circuits, (A)	14, (M), (A)	13, (M), (A)	1.6.3 (A)
17 Flammability, (A)	7, (M), (A)	7, (M), (A)	
18 Internal Wiring and Terminals, (A)	10, (M),(A)	10, (M), (A)	4.2.6, 4.2.8 (A)
19 Overcurrent Protection, (A)	12, (R), (A)	11, (R), (A)	4.2.7 (A)
20 Motors and Motor Controllers, (A)	18 (Motors only), (M), (A)	N/A	
21 Operator Interface, (A)	15, (O)	N/A	
22 Grounding and Bonding, (A)	15, (R), (A)	14, (R), (A)	
23 Chargers, (I)^	11, (M), (A)	N/A	4.2.4 (A)
24 Electrical Cables and Connectors Between the eBike and the Equipment, (A)	10.6, (R), (A)	10.7, (R),(A)	4.2.7 (A)
25 Supply Connections, (A)	11, (O), (A)	N/A	4.2.7 (A)
26 General, (A)	20, (R), (A)	18 (R), (A)	4.1, (R), (A)
27 Input, (A)	36, (M), (A)	N/A	
28 Temperature, (I)^+	27, (R), (A)	28 (R), (I)^+	4.2.5.3, (R), (A)
29 Isolation Resistance, (A)	31, (M), (A)	31 (R), (A)	
30 Dielectric Strength, (A)	30, (R), (A)	30 (R), (A)	4.2.7, (R), (A)
31 Humidity Conditioning, (A)	31.4, (O), (A)	31.2.4 (O), (A)	
32 Abnormal Operation Tests, (I)#	(O), (I)#	(O), (I)#	
32.1 General, (A)	20, (R), (A)	18, (R), (A)	4.1, (R), (A)
32.2 Overcharging, (A)	24, (M), (A)	23, (M), (A)	
32.3 Component Fault, (A)	16.3, (O), (A)	15.1.3, (O), (A)	
32.4 Forced Ventilation/Blocked Ventilation, (A)			
32.5 Locked Rotor Motor, (A)	42, (M), (A)	N/A	
32.6 Running Overload, (A)	41, (M), (A)	N/A	
32.7 Short Circuit, (A)	25, (M), (A)	25, (M), (A)	

32.8 Imbalanced Charging, (A)	29, (M), (A)	29, (M), (A)	
32.9 Shock, (A)	35, (O), (A)	34, (O), (A)	
32.10 Thermal Cycling, (A)	45, (M), (A)	43, (R), (A)	
33 Impact, (A)	(O)	(O)	4.2.10, (R), (A)
	37 Crush, (A)	35 Crush, (A)	
	38 Drop Test, (A)	36 Drop, (A)	
34 Mold Stress, (A)	39, (M), (A)	37, (R), (A)	
35 Flexing, (A)	10, (O), (A)	10, (O), (A)	4.2.6, (R), (A)
36 Ingress Protection, (A)	44, (M), (A)	42 (M), (A)	4.2.9, (R), (A)
37 Permanence of Marking, (A)	46, (M), (A)	44, (M), (A)	5.2.2, (R), (A)
38 Vibration, (A)	34, (O), (A)	33, (O), (A)	
39 Strain Relief, (A)	43, (M), (A)	40, (M), (A)	4.2.8, (R), (A)
40 Startup Assistance Mode, (A)	N/A	N/A	4.2.12, (R), (A)
41 Motor Assistance Control, (A)	N/A	N/A	4.2.11, (R), (A)
N/A	44.2 Partial Immersion (A)	41 Immersion (A)	
NOTES: A = Adequate requirement; I = Inadequate to address associated hazards; O = Hazards addressed through alternate means from UL 2849-20 Blank = No equivalent requirement N/A = Not Applicable to the Product M=Same Requirement as UL 2849-20, R=Substantively similar Requirement as UL 2849-20, *Lacks tamper resistance requirements to deter access to cells in the battery pack **Exception to 9.2.3 is inadequate means to prevent cell access +Lacks adequate assurance of maintaining cell surface temperatures within specifications when charging right after discharge ^Lacks adequate charger connector/battery connector compatibility verification test #Lacks protection against charging when using an aftermarket charger with incompatible voltage polarity			

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UL 2272-24 (OMPs)—The performance requirements for electrical systems contained in UL 2849-20 and UL 2272-24 are almost identical, and include the same test methods, compliance criteria, and requirements for electrical system components. These requirements with the same test and pass-fail criteria specified for both UL 2849-20 (eBike) and UL 2272-24 (OMPs) are marked (M) in table 9. For example, as shown in the row numbered 11 in the left column, section 11 of UL 2849-20 and section 17 of UL 2272-24 both accept battery packs that have been tested to UL 2271-23, without additional testing, to reduce testing burden.

Performance requirements for major electrical system components, including the battery pack comprised of cells, a BMS, charger, and motor, are substantively similar in both standards.

For example, while section 10 of UL 2849-20, *User Protection While Charging*, and section 15 of UL 2272-24, *Insulation Levels and Protective Grounding*, specify electrical insulation and grounding to address the same shock hazard, the language is different. These requirements are marked (R) in table 9 to indicate that both standards have similar requirements but are worded differently.

Requirements marked (O) in table 9 provide for different test methods or pass-fail criteria compared to UL 2849-20 (eBikes) but address the same hazard. For example, sections 14 and 38.2 in UL 2849-20 and section 34 in UL 2272-24 both require vibration tests to evaluate the battery packs. The vibration test in UL 2849-20 specifies mounting the battery pack onto the vibration table while UL 2272-24 requires that the entire OMP be mounted to the vibration table. In general, differences between eBikes and OMPs account for the testing variations. For example, while both UL 2849-20 (eBike) and UL 2272-24 (OMPs) address battery pack integrity due to vibration, the test methods are different because an eSBscooter typically has a non-user replaceable

battery and solid tires without a shock absorbing suspension. CPSC preliminarily assesses the vibration requirements in UL 2272-24 (OMPs), sections 14 and 38.2, are adequate to address these risks as indicated in table 9 with an (A) marking.

If the standard is inadequate to address the hazard, table 9 is marked (I) for the relevant requirement with a footnote explaining the assessment. For example, the requirements for battery packs are inadequate in UL 2849-20 and UL 2271-23 because they do not address tamper-resistance requirements for the battery enclosure/compartments to deter access to the cells.

Sections 24 and 25 of UL 2849-20 regarding electrical connections and cables for eBikes apply specifically to eBikes and are therefore not addressed in UL 2272-24.

Section 9.2.3 of UL 2272-24 requires that the outer enclosure of the battery be ultrasonically welded, use tamper-proof screws or have other equivalent means to ensure that it cannot be opened using a common household tool such as a flat blade or Philips head screwdriver. However, this section also provides an exception that a broken seal (or other

¹⁰⁷ This NPR describes the products as OMPs, and includes eScooters, eSBscooters, eSkateboards, eUnicycles, and hybrids of these products.

¹⁰⁸ This NPR refers to these as aftermarket batteries used in products subject to the rule, which includes all micromobility products that are consumer products under the Commission's jurisdiction.

easily detectable means for identifying a new opening) can replace the above requirement to remind users that a product with a broken seal should not be used and must be recycled. CPSC staff assess that replacing a tamper-proof means with a tamper-evident seal and relying on the consumer to not access the battery, rather than constructing the battery enclosure to resist user access, does not provide an equal level of protection against users accessing cells in the battery pack. For this reason, the NPR proposes to remove the exception in section 9.2.3 of UL 2272–24.

Finally, both UL 2849–20 and UL 2272–24 fail to mitigate the fire hazard associated with aftermarket chargers (row 32 Abnormal Operation Test in table 9), as described in section IV.A of this preamble, and thus the NPR proposes to add to the requirements of both standards a new performance requirement for reverse polarity protection.

UL 2271–23—UL 2271–23 (Batteries) for light electric vehicles (LEV) contains requirements for battery packs, including for BMS, that protect the cells within the battery pack during charging and discharging. Examples of LEVs within the scope of this NPR and UL 2271–23 include electric bicycles, electric scooters, and personal e-mobility devices (described as OMPs in this proposed rule). Comparing the requirements of UL 2271–23, applicable to lithium-ion batteries, with those of UL 2849–20 for eBikes, the requirements fall into two groups. As shown in table 9, the first group of requirements, including sections 20, 21, 23, 24, and 25 of UL 2849, are not applicable to batteries; these requirements state requirements for a complete eBike, not for component batteries.

The remaining requirements in UL 2271–23 are similar to tests in UL 2849–20 that expose batteries to stresses similar to those imposed by the micromobility products in which the batteries are intended to be used. For these tests, table 9 cross-references the battery tests in UL 2271–23 that are the same or similar to those in UL 2849–20. Several UL 2849–20 battery stress tests, such as sections 32.2 and 32.7, waive the test if the battery already complies with section 11.1(a) or 11.1(b) of UL 2849–20, which references the same test requirements in UL 2271–23. Except for section 16 of UL 2271–23, the battery electrical requirements contained in UL 2271–23 are similar to those contained in UL 2849–20, and as discussed in section IV.A of this preamble, are adequate to address the associated risks of injury.

Section 16 of UL 2271–23, *Cells, Electrochemical Capacitors, and Repurposed Cells and Batteries*, is substantially similar to section 11 of UL 2849–20. However, this requirement is inadequate (as marked (I) in table 9) because both standards fail to mitigate the foreseeable risk of injury from consumers accessing the battery compartment on a micromobility product. The Commission preliminarily determines that these provisions in both UL standards are inadequate to address the risk of injury from accessing the batteries. For example, IDI 220908CCC1340 was for an eBScooter battery incident associated with a consumer who performed work inside the battery compartment enclosure, resulting in smoke at the battery connection port. To better address this risk, the NPR proposes to add to the requirements of UL 2271–23 a new section 16.9 that is identical to the proposed section 11 augmenting UL 2849–20, to tamper-proof micromobility battery enclosures.

Table 9 indicates section 28.5 of UL 2271–23 is inadequate (I) because it does not address the risk of injury from damage to the battery due to charging immediately after a fully discharging the battery. Therefore, this NPR proposes to specify that between the second and third charge/discharge cycle a charge be initiated immediately after the full discharge to simulate a scenario in which the user attempts to recharge the battery immediately after it is fully discharged. This test is intended to ensure that the battery will not charge when its cells exceed their maximum charging temperature; otherwise, charging may damage the cell and lead to overheating, thermal runaway, and fire. This is the same requirement proposed in this NPR for UL 2849–20 and is similar to the requirement included in UL 2272–24. With the proposed revisions, CPSC concludes that UL 2271–23 would adequately address the electrical hazards for batteries intended, marketed, or designed for use with micromobility products subject to this NPR.

UL 2271–23 does not have requirements to address a reverse polarity charging condition as may occur with use of a charger connector configured in the opposite polarity as the battery terminal. This NPR proposes to add a new reverse polarity charging test that is the same as the proposal for UL 2849–20 as described in section IV.A.3 of this preamble.

EN 15194—Table 9 also compares the current European standard for electric pedal-assisted eBikes, EN 15194:2017+A1:2023, with UL 2849–20.

The scope of EN 15194 is limited to pedal-assisted eBikes, while UL 2849–20 covers both electric pedal-assisted cycles and electric cycles not requiring pedaling to operate. Compared to UL 2849–20, EN 15194 either does not include requirements that are critical to protect consumers from electric shock and fire, or its requirements are inadequate. For example, the blank boxes in table 9 demonstrate that EN 15194 does not contain equivalent requirements as those stated in sections 9, 10, 13, 14, 15, 17, 20, 21, and 22 of UL 2849–20. These requirements address important electrical hazards associated with eBikes, including: testing the combination of the battery, battery charger, and battery management system circuit; user protections while charging; enclosing and insulating hazardous parts; component mounting (vibration test); displacement of components mounted on printed wiring boards and minimum flammability requirements; flammability of non-metallic materials; thermal protection for motors and motor controllers; operator interface protections; and protecting consumers through grounding and bonding of electrical connections.

EN 15194 also does not contain equivalent tests for abnormal eBike operations contained in UL 2849–20 sections 32.2–32.10, intended to address electrical systems tests that force the battery pack or motor to operate outside their safe operating conditions, nor the vibration test in section 38.¹⁰⁹ Although EN 15194 conducts temperature tests on the EPAC eBike, and addresses battery performance in section 4.2.3, referencing EN 50604–1:2016 and EN 50604–1:2016/A1:2021, EN 15194 does not test the entire electrical system using the intended battery, as is done under UL 2849–20 and UL 2272–24. Based on staff's analysis, as summarized in table 9, UL 2849–20 is more robust and more protective of consumer safety during reasonably foreseeable use and misuse scenarios than EN 15194.

Based on staff's analysis of EN 15194, as summarized in table 9, the Commission preliminarily determines that EN 15194 is inadequate to address the unreasonable risks of injury that can be associated with lithium-ion batteries and the electrical systems of eBikes.

2. Marking and Labeling Requirements in UL 2272–24

Markings: General—Section 47 of UL 2272–24 describes, at a minimum, that

¹⁰⁹ Battery tests in the referenced EN 15194 standard are not as comprehensive as those in UL 2849–20 and only cover EPAC eBikes.

markings must be legible, adhered to the product, and comply with associated standards including UL 969, Standard for Safety of Marking and Labeling Systems, or CSA C22.2 No 0.15, Adhesive Labels. These requirements address permanency of markings and are commonly referenced tests for electrical products.

Sections 47.3, 47.4 and 47.5 of UL 2272–24 require:

- The product must include the date of manufacture.

- The product must contain identifying information about the manufacturer, such as name, trade name, trademark including part number or model number; electrical ratings listed in volt dc and Ah or Wh; and maximum weight in lbs or kg and speed in mph or km/h.

- The product must be marked with charging instructions and the standard provides prescriptive language such as “Use Only () Charger.” All external terminals and connections must contain identification and polarity markings that comply with associated standards.

CPSC staff assess that the required markings identifying the product, manufacturer, and the appropriate charger are adequate to inform consumers. Beyond these requirements, however, the Commission proposes that if the product is manufactured in more than one factory, a distinctive marking to identify that the product was manufactured in a particular factory shall be included to allow the consumer to properly identify the product in the case of a recall.

Section 47.6 of UL 2272–24 states the products with separable battery packs that are intended to be user removable must include markings indicating the appropriate battery pack and use the following or equivalent statements, “Use only () battery pack with this personal e-mobility device.” In addition, the appropriate separable battery pack must be marked with the following or equivalent statement, “Use only with () personal e-mobility device.” The blanks are filled with the manufacturer’s name and model number of the product in which the batteries are used.

The required statement about using a certain battery pack with the micromobility product does not cover aftermarket battery packs that may be designed and manufactured according to the proposed rule and can be used safely with the micromobility product. The NPR therefore proposes that the micromobility product not include a statement about which battery packs are suitable, but rather that battery packs that are sold separately indicate which

micromobility products can be used with the battery pack.

Section 47.7 of UL 2272–24 requires specific words, letters, or symbols illustrating the grounding system, which CPSC staff assess as adequate. In addition, section 47.8 states products which contain hazardous voltage circuits must be marked as such. Staff assess that although this requirement is adequate to identify the potential shock associated with hazardous voltage circuits, it lacks the instruction on how to avoid it, therefore, the NPR proposes to add “Do not open the enclosure.” to section 47.8 of UL 2272–24.

When applicable, section 47.9 of the standard requires that the product must include the following statements or equivalent, “WARNING—To reduce risk of injury, user must read instruction manual” (or the product must be marked with relevant ISO symbols representing general warning sign containing an exclamation mark within a triangle and referring to instruction manual sign containing a human figure holding an open manual/booklet). CPSC preliminarily concludes that this requirement is adequate to inform consumers about referencing the instruction manual. Section 47.11 of UL 2272–24 also requires the following or equivalent statement “Store Indoors When Not In Use” for personal eMobility products with plastic enclosures not evaluated for UV rays and rain.

In addition, section 47.12 of UL 2272–24 requires the following or equivalent marking on the battery enclosure and/or device enclosure that serves as the outer enclosure of the battery “WARNING—Risk of Fire and Electric Shock—Battery and/or battery components are not user replaceable.” Although this warning informs consumers about the risk associated with user replaceable batteries, it does not instruct users on how to avoid the hazards. Accordingly, the NPR proposes to add a statement “Do not attempt to open, disassemble or repair” to 47.12 of UL 2272–24.

To improve the noticeability of the warnings, the NPR proposes that the text size requirements in UL 2849–20 be applied to UL 2272–24 as well. Also, to improve the noticeability of the warnings, the NPR proposes that the design of required warnings proposed in new section 44.4 of UL 2849–20 be applied to warnings required in UL 2272–24 as well, in a new section 47.14. In addition, to improve the noticeability of the required markings, the NPR proposes that UL 2272–24 be supplemented with similar requirements to UL 2849–20 to ensure that the cautionary marking is located

on a part of the product that is either not removable or that impairs the operation of the product when removed.

Homemade Batteries: As discussed in section IV.A of this preamble, homemade batteries pose a risk of fire when used with a micromobility product. Therefore, the NPR proposes a new section 47.15 be added to the requirements of UL 2272–24 to require the same homemade battery warning for OMPs that is proposed for eBikes in section 44.5 of UL 2849–20.

Lifetime of Batteries/Frequency of Charging: As discussed in section IV.A of this preamble, some micromobility product incidents are associated with the condition of the battery and the frequency of charging. Therefore, to address battery fires related to charging, this NPR proposes to add a new section 47.16 in connection with UL 2272–24, the same as proposed in section 44.6 to complement UL 2849–20, to require improved warnings pertaining to the frequency with which to charge the battery.

Cooling down the Battery: As discussed in section IV.A of this preamble, the NPR proposes to require warnings on OMPs subject to UL 2272–24 to advise consumers to allow their micromobility products to cool down after use and before plugging in to charge the product. The NPR proposes a new section 47.17 supplementing UL 2272–24 that would require this warning in the same location as is proposed to be added to the provisions of UL 2849–20.

Manufacturing Location: Although the markings required in UL 2272–24 to identify the product and manufacturer are helpful for consumers to potentially respond to a recall involving a hazardous defect, the markings fail to indicate a particular manufacturing facility if the product is manufactured in more than one factory. Therefore, the NPR proposes that if a product is manufactured in more than one factory, a distinctive marking to identify in which factory the product was manufactured is required; this proposed requirement is in new proposed section 47.18.

Instructions: General—Section 48 describes that the product must contain instructions for proper use including charging, operating, storage, and disposal. The standard requires instructions to include specific details such as temperature limits, appropriate charger usage, weight limits for the product, maximum permissible speed, and surfaces appropriate for using the device. In addition, instructions for replacement of user replaceable fuses

and lightbulbs must be included with the product.

Section 48.2 states that if a product contains a user removable battery pack, then the instructions must address safe handling, including removal and insertion, during charging and specification of storage outside of the product. Section 48.3 of the standard requires the two warning statements (“WARNING—Risk of Fire and Electric Shock—No User Serviceable Parts” and “WARNING—Risk of Fire and Electric Shock—Battery and/or battery components are not user replaceable”) to be included in the instructions. Section 48.5 requires that products not intended for high altitude locations indicate that they are not intended for use at elevations greater than 2000 m above sea level. Section 48.6 requires the following or equivalent statements in the instructions: “Prolonged Exposure to UV Rays, Rain and the Elements May Damage the Enclosure Materials, Store Indoors When Not in Use.”

To better address the unreasonable risks of injury or death associated with OMP battery fires, the NPR proposes that OMPs within the scope of UL 2272–24 must follow the same, more comprehensive and detailed, instructional requirements as in sections 45 through 50 of UL 2849–20 (but replacing the term “eBike” with “personal eMobility product”). Like the requirements in UL 2849–20, the NPR also proposes to add to UL 2272–24 the same requirements that instructions be visually distinguishable from the remainder of the text and that illustrations accompany, but not replace, textual warnings. Finally, as with UL 2849–20, the NPR proposes to require that OMP instructions in UL 2272–24 include all warnings.

Instructions associated with micromobility products submerged in water: As with the proposals for supplementing UL 2849–20, the NPR proposes that OMPs also contain added instructions, in section 48.11 associated with UL 2272–24, regarding warnings and appropriate actions that consumers should take in the event a micromobility product is submerged in water.

3. Marking and Labeling Requirements in UL 2271–23

Markings: General—Section 46 of UL 2271–23 describes that, at a minimum, battery markings must be legible, permanent, adhered to the product, and comply with associated standards such as UL 969, *Standard for Safety of Marking and Labeling Systems*, or CSA C22.2 No. 0.15, *Adhesive Labels*. These requirements are commonly referenced

tests for electrical products. Section 46.2 of UL 2271–23 states that batteries must be marked with specified information about the manufacturer, such as name, trade name, or trademark as well as part number or model number, and electrical ratings in volts dc (direct current) and Ah (Ampere-hour) or Wh (Watt-hour) and battery chemistry. Section 46.3 of UL 2271–23 states that terminals must be marked positive or negative with words or symbols representing the polarity unless the terminal is keyed in a manner that prevents incorrect connections. The standard states all external terminals and connections must also contain identification and polarity markings that comply with associated standards. Section 46.5 states batteries must also be marked with the date of manufacture, charging instructions, and required prescriptive language, such as “Use Only (____) Charger.” The standard requires that the statement must be visible to the user, including after installation, if the battery is not removed for charging. Section 46.7 states batteries must also be marked with specific symbols illustrating the battery grounding system.

CPSC preliminarily assesses that the markings required in UL 2271–23 are necessary and largely adequate to inform consumers about the specifics of the product, battery chemistry, and appropriate charger to use to reduce the risk of fire and/or shock. Although the markings identifying the product and manufacturer are helpful for consumers to respond to a potential recall, the required markings fail to indicate a particular manufacturing facility if the product is manufactured in more than one factory. Therefore, the NPR proposes a new requirement in section 46.16 requiring that if a product is manufactured in more than one factory, a distinctive marking is required to identify in which factory that the product was manufactured. The proposed language is the same as current section 43.5 proposed in connection with UL 2849–20 and proposed new section 47.18 associated with UL 2272–24.

According to UL 2271–23, batteries that contain hazardous voltage circuits must be marked “WARNING: Hazardous Voltage Circuits. To Reduce the Risk to Electric Shock, Never Disassemble. No User Serviceable Parts” or must include the electric shock hazard symbol ISO 3864 No. 5036 (lightning bolt within a triangle). UL 2271–23 states that, when applicable, batteries and battery systems must be marked, “Repurposed” or “Second Life” and “UL 1974.” The marking requirements in UL 2271–23 appear adequate to address the risk of

death and injury associated with hazardous voltage circuits, because they describe the hazard and explain how to avoid it. However, UL 2271–23 does not specify the design of the warning. Accordingly, to improve the visibility of warnings so that consumers may see and heed them, the NPR proposes to add a new section 46.12 to supplement UL 2271–23, to require revisions to the warning text size requirements for batteries, like those the NPR proposes for eBikes. In addition, as discussed in section IV.A of this preamble, the NPR proposes that the requirement be included in new section 44.4 of UL 2849–20 also be included in a new section 46.13 of UL 2271–23 to improve the noticeability of the warnings on batteries.

Lifetime of Batteries/Frequency of Charging: As discussed in section IV.A of this preamble, some micromobility product incidents have been associated with the lifetime of the battery or frequency of charging. Similar to proposed section 44.6 UL 2849–20, the NPR proposes adding markings to UL 2271–23 as new section 46.14, with improved noticeability pertaining to frequency with which to charge the battery.

Specifying the compatible micromobility product: The NPR also proposes to add a warning statement on the removable battery pack about the specific micromobility product in which the battery pack is intended to be used. This requirement is already included in section 47.6 of UL 2272–24, which requires the appropriate separable battery pack to be marked with the following or equivalent statements, “Use only with (____) personal e-mobility device.” This requirement assists consumers in selecting a compatible battery pack for their micromobility product.

Instructions: General—Section 47 of UL 2271–23 states that batteries must be provided with instructions for their proper use, including temperature limits, charging, discharging, storage, disposal, and replacing user replaceable fuses. Section 47.3 of UL 2271–23 states that non-removable batteries must contain a marking or indication located near the accessible charging port of the product. Section 47.5 states the battery instructions must include the following or equivalent statements, “WARNING: Risk of Fire and Electric Shock. Never Disassemble. No User Serviceable Parts.” Although CPSC preliminarily assesses that these instructions adequately inform consumers on how to handle the batteries in expected use scenarios, the instructions should be

legible and include all warnings, which is proposed in new section 47.6.

Table 10 provides a summary of the proposed marking and labeling requirements for all three standards.

Table 10 – Summary of Marking and Labeling Requirements

Requirement		UL 2849-20	UL 2272-24	UL 2271-23	Rationale
1	Design requirements for warnings	Added	Added	Added	ANSI Z535
2	Homemade battery warning	Added	Added	NA	Incidents
3	Lifetime of battery/Frequency of charging warning	Added	Added	Added	Incidents
4	Hazardous voltage circuit warning	Added	X	X	Harmonize with other UL standard
5	Not user replaceable battery warning	Added	X	NA	Harmonize with other UL standard
6	Cooling down the battery warning	Added	Added	NA	Best Practice
7	Including all warning statements in instructions	Added	Added	Added	Best Practice in Developing Instructions
8	User removable battery pack instructions	Added	X	NA	Harmonize with other UL standard
9	Text size of Warning statements	X-Revised	Added	Added	Harmonize/Other Standards
10	Specifying the Factory	X	Added	Added	Harmonize with other UL standard
11	Location of Cautionary Markings	X	Added	NA	Harmonize/ANSI Z535
12	Detailed instructions from UL 2849	X	Added	NA	Harmonize with other UL standard
13	Visually distinguishable instructions	X	Added	NA	Harmonize/Best Practice
14	Illustrations in Instructions	X	Added	NA	Harmonize/Best Practice
15	Specifying micromobility product on the Battery	Not included	X	Added	From UL 2272
16	Specifying micromobility product on aftermarket charger	NA	NA	NA	Added to the rule to guide consumers
16	Legibility of Instructions	X	Added (#13)	Added	Harmonize/ANSI Z535
17	Instructions regarding submersion	Added	Added	NA	Incidents

X: Already in the standard

Added: Proposed rule adds as a requirement

NA: Not applicable as a requirement

4. Other Voluntary Standards—EN 17128

EN 17128:2020, *Light motorized vehicles for the transportation of persons and goods and related facilities and not subject to type-approval for on-road use—Personal light electric vehicles (PLEV)—Requirements and test methods*, applies to personal light electric vehicles totally or partially electrically powered from self-contained power sources with or without self-balancing system, with exception of vehicles intended for hire from unattended station. Staff reviewed this European standard, the requirements of which are primarily focused on mechanical performance of off-road micromobility products. The safety performance requirements for electrical systems of the covered products are not as comprehensive as those in UL 2272–24. Therefore, this NPR is not based on the provisions in EN 17128.

5. Ability of UL 2272–24 and UL 2271–23 To Address the Identified Hazards

CPSC's analysis finds that, overall, the requirements in UL 2272–24 and UL 2271–23 do not address all identified hazards associated with lithium-ion batteries and OMP electrical systems. Because of this, the NPR proposes several modifications to both standards as noted above. These modifications are summarized below,

As incident data shows, consumers may attempt to modify or replace battery packs, even though they are not intended to be replaced or modified by the consumer. The NPR proposes to add requirements (section 16.9 to UL 2271–23) to reduce the likelihood of users accessing battery cells on a user replaceable battery pack intended to provide power to the motor(s) of an eBike or personal eMobility product. Further, the NPR proposes to remove the exception for a tamper-evident seal to replace the stricter requirement in section 9.2.3 of UL 2272–24.

Similar to the proposal in eBikes, the NPR proposes to revise section 28.5 of UL 2271–23 to test whether BMS prevents charging when the cells are at a temperature higher than the manufacturer-specified maximum charging temperature, addressing the scenario where a user rides the micromobility product until the battery dies and then immediately plugs in the product to recharge.

To address charger-related incidents resulting from incompatibility, the NPR proposes new requirements (section 32 in UL 2271–23 and section 33 in UL 2272–24) to add a reverse polarity test to prevent damage to the battery pack due to use of an incompatible charger.

The NPR proposes to add several warnings for OMPs to address scenarios observed in the incident data, similar to eBikes, including against using homemade batteries (section 47.15), about the need to cool down the product after each use and before plugging it in to charge (section 47.17), and for both OMPs and user replaceable battery packs about recommended frequency of

charging or discarding the battery after a certain duration of non-use (section 47.16 in UL 2272–24 and section 46.14 in UL 2271–23).

To inform consumers of the proper match between battery pack and micromobility product, the NPR proposes that each battery pack specify the micromobility product name and model for which the battery pack is intended (section 46.15 of UL 2271–23).

To address the unintended consequences of battery/eBike contact with water and submersion in the water as seen in the incident data, the NPR proposes language in the instructions warning against immersing or submerging the OMP, the battery, or any of the electrical components in water and also providing steps for consumers to take in the event submersion occurs (section 48.11).

To align with other standards and best practices, the NPR proposes additional formatting requirements for both UL standards to improve the visibility of warning statements; and for OMPs to require markings about hazardous voltage and not opening enclosures with hazardous circuits, where applicable; warnings not to open, disassemble, or attempt to repair battery enclosures or device enclosures; and instructions that include all warnings for the OMP.

6. Ability of the NPR To Address OMP Incidents

Of the 65 eScooter incidents reported via CPSRMS, CPSC staff assess that 54 incidents can be addressed by compliance with UL 2272–24 and four incidents can be addressed by compliance with UL 2271–23, either through existing requirements or the proposed modifications in this NPR. Staff assess that the NPR would address six of the seven fatal incidents (nine of 13 fatalities). Staff could not identify the specific hazard pattern in eight incidents (spontaneous, after charging or unknown). Staff accordingly estimate that, *at a minimum*, 88 percent of the eScooter incidents would be addressable by the proposed rule.

CPSC staff assess that out of the 86 micromobility product incidents other than eScooters and eBikes reported via CPSRMS, 64 incidents can be addressed by compliance with UL 2272–24 and five incidents can be addressed by compliance with UL 2271–23, either through existing requirements or the proposed requirements. The assessment indicates that the NPR would address four of the six fatal incidents (eight of 14 fatalities). Staff could not identify the specific hazard pattern in 17 incidents (spontaneous or unknown).

Accordingly, *at a minimum*, 80 percent

of the OMP incidents would be addressable by the proposed rule.

C. Compliance With Voluntary Standards

As described in Tab A to Staff's Briefing Memorandum, CPSC obtained estimated compliance rates from a 2023 survey of "brick and mortar" retail stores. This survey found that 10 of 93 eBikes, and 17 of 19 OMPs, displayed a mark from an accredited certification lab that serves as a proxy for compliance with a voluntary safety standard such as UL 2849–20 or UL 2272–24.¹¹⁰ The initial weighted compliance rate across all product types is approximately 45 percent.¹¹¹ Together with the substantial number of incidents involving death and injury associated with noncompliant micromobility products, the survey data show that product compliance with the UL voluntary standards has not yet reached the level where the risk to consumers from these products is comprehensively mitigated. Accordingly, the Commission preliminarily determines that micromobility products within the scope of the rule are unlikely to substantially comply with UL 2849–20, UL 2272–24, or UL 2271–23 in the absence of the proposed rule.

V. Description of the Proposed Rule

To eliminate or adequately reduce the unreasonable risks of injury and death to consumers from electric shock, fires, explosions, expulsion of gas or flames, burns, overheating, and smoke inhalation, associated with lithium-ion batteries used in micromobility products and the electrical systems of micromobility products, this NPR proposes to require products within the scope of the rule to comply with the applicable UL voluntary standard, with modifications, as explained in section IV of this preamble and summarized below.

¹¹⁰ This survey includes caveats (e.g., small and non-representative sample, not including online retailers, not testing products to confirm compliance) that introduce uncertainty. In addition, staff's review of online retail brands presents an inconsistent picture. CPSC requests data from stakeholders on the compliance rate of micromobility products that would be subject to the rule proposed in the NPR.

¹¹¹ Staff forecast an annual average of 19.2 million products in use each year from 2026 to 2030. eBikes (11.2 million), eScooters (1.6 million), and OMP's (6.4 million) represent approximately 58.3, 8.4, and 33.3 percent of these total units in use, respectively. Out of these 19.2 million products in use, 8.3 million compliant products are in use within the same period, or roughly 45 percent (8.3 million compliant products in use = 11.2 million * 10.75% + 1.6 million * 89.47% + 6.4 million * 89.47%).

A. 1265.1—Scope, Purpose, Definitions, and Effective Date

Proposed § 1265.1(a) describes the purpose of the NPR, which is to establish a mandatory rule to address the risks of death and injury associated with lithium-ion batteries used in micromobility products, as defined in the rule, and the electrical systems of such products. Proposed § 1265.1(a) also explains that the scope of the NPR includes lithium-ion batteries used in micromobility products and the electrical systems of such products, including lithium-ion batteries provided or sold separately from the micromobility product (user replaceable battery packs), aftermarket battery chargers provided or sold separately from a micromobility product, and components provided or sold with eBike conversion kits.

Proposed § 1265.1(b) contains definitions applicable to the rule, relying on the definitions in section 3 of the CPSA, 15 U.S.C. 2052, such as the definition of a "consumer product," as well as definitions that are specific to the rule. Specific definitions include products within the scope of the rule, including: "aftermarket battery charger," "eBike conversion kit," "user replaceable battery pack," "eBike," "micromobility product," and "personal eMobility product" (which refers to a non-eBike product and is also called "other micromobility product" or "OMP" in this proposed rule). The definition of "micromobility product" explains that the term applies to all products within the scope of the rule, including: electric bicycles (eBikes), electric scooters, both stand-up and seated (eScooters), electric self-balancing scooters (eSBscooters), electric skateboards (eSkateboards), electric unicycles (eUnicycles), and hybrids of these products. The rule also defines the regulated components of micromobility products, such as battery management systems and enclosures.

Proposed § 1265.1(c) provides the effective date of a final rule, stating that the Commission issues the rule to address the unreasonable risk of death and injury associated with lithium-ion batteries used in micromobility product electrical systems, and that all products within the scope of the rule that are manufactured after the proposed 180-day effective date must comply with the rule.

B. 1265.2—Requirements for eBikes

Proposed § 1265.2 contains requirements for eBikes. Proposed § 1265.2(a) states that except for the additions and modifications provided in

paragraph (b), each eBike must comply with all provisions of UL 2849–20 that apply to the product. Proposed § 1265.2(b) requires that eBikes also comply with the additions and exclusions stated in the rule, including three new performance requirements, several exclusions, and several additions and modifications to the warnings and instruction requirements.

Proposed new substantive requirements in § 1265.2(b)(1) through (3) include:

(1) tamper-resistant battery enclosure to prevent consumers from accessing the battery pack;

(2) post-discharge charge test to ensure that the BMS prohibits charging the battery if the cell surface temperature exceeds the specified upper limit to prevent the risk of fire associated with charging; and

(3) reverse polarity test to prevent damage to the battery pack associated with use of an incompatible battery charger.

Proposed § 1265.2(b)(4) does not require compliance with sections 40 and 41 of UL 2849–20, because these requirements apply to mechanical characteristics of eBikes, as opposed to electrical characteristics. Finally, proposed § 1265.2(b)(5) through (9) describe additions and modifications to the warnings and instruction requirements for eBikes, as explained in section IV.A.6 and table 10 of this preamble.

C. 1265.3—Requirements for Personal eMobility Products

Proposed § 1265.3 contains requirements for personal eMobility products, or OMPs. Proposed § 1265.3(a) states that except for the additions and modifications provided in paragraph (b), each personal eMobility product must comply with all provisions of UL 2272–24 that apply to the product. Proposed § 1265.3(b) requires that personal eMobility products also comply with the stated additions and exclusions.

Proposed § 1265.3(b) requires personal eMobility products to comply with UL 2272–24 with one substantive exclusion, one substantive addition, as well as modifications and additions to the warning and instruction requirements. Proposed § 1265.3(b)(1) states that personal eMobility products cannot satisfy the requirements of the rule by relying on the exception in section 9.2.3 of UL 2272–24 that allows a tamper-evident seal instead of a tamper-resistant battery enclosure. Replacing a tamper-proof means with a tamper-evident seal does not provide an equal level of deterrence to users accessing cells in the battery pack,

because a tamper-evident seal relies on the consumer to understand and heed a warning not to access or use the battery if the seal is broken. Proposed § 1265.3(b)(2) inserts a new substantive reverse polarity test for aftermarket battery chargers to prevent damage to the battery pack associated with use of an incompatible battery charger. Proposed § 1265.3(b)(3) through (7) include additions and modifications to the warnings and instructions in UL 2272–24, as explained in section IV.B.2 and table 10 of this preamble.

D. 1265.4—Requirements for User Replaceable Battery Packs

Proposed § 1265.4 contains requirements for user replaceable battery packs sold separately from a micromobility product. Proposed § 1265.4(a) states that except for the additions and modifications provided in paragraph (b), each user replaceable battery pack must comply with UL 2271–23. Proposed new substantive requirements in § 1265.4(b)(1) through (3) include: (1) tamper-resistant battery enclosure to prevent consumers from accessing the battery pack; (2) post-discharge charge test to ensure that the BMS prohibits charging the battery if the cell surface temperature exceeds the specified upper limit to prevent the risk of fire associated with such charging; and (3) reverse polarity test to prevent damage to the battery pack associated with use of an incompatible battery charger. Proposed § 1265.4(b)(4) and (5) contain additions and modifications to the warnings and instructions in UL 2271–23, as explained in section IV.B.3 and table 10 of this preamble.

E. 1265.5—Requirements for eBike Conversion Kits

Proposed § 1265.5 contains requirements for components marketed, intended, or designed as part of an eBike conversion kit. Proposed § 1265.5(a) states that except for the additions and modifications provided in paragraph (b), components marketed, intended, or designed as part of an eBike conversion kit must comply with the specified sections of UL 2849–20. Proposed § 1265.5(b)(1) through (5) state the specific substantive provisions of UL 2849–20, and the new proposed requirements, to which components of conversion kits must comply. Proposed § 1265.5(b)(6) and (7) state the marking and instructions required for battery packs and chargers provided as part of an eBike conversion kit. In summary, the requirements in § 1265.5(b) are:

• If provided in a conversion kit, the battery pack must comply with sections 9 (*Combination of Battery, Battery*

Management System, and Charger) and 12 (*Battery Packs*) of UL 2849–20, and all sections referenced in those sections.

• To prevent a user from accessing battery cells within a battery pack, the outer enclosure of the battery pack must not be capable of being opened using common household tools, such as a flat blade or Philips head screwdriver. The enclosure shall be ultrasonically welded or secured by equivalent means. Equivalent means include adhesives complying with the adhesive requirements of UL 746C, or single use or tamper-proof screws.

• If provided, each battery charger must comply with sections 7 (*General*), 8 (*Power Levels*), 9 (*Combination of Battery, Battery Management System, and Charger*), 10 (*User Protection While Charging*), and 23 (*Chargers*) of UL 2849–20, and all referenced sections within those sections. Additionally, the connector provided with the charger for connecting to the battery terminal for charging shall prevent misalignment, reverse polarity, or electrical mismatch. Compliance with this provision must be observable or, if necessary, meet the Protective Circuits and Safety Analysis requirements in section 12 in UL 2849–20.

• If provided, the operator interface must comply with sections 7 (*General*), 8 (*Power Levels*), and 21 (*Operator Interface*) of UL 2849–20, and all sections referenced in those sections.

• If provided, the motors and motor controllers in eBike conversion kits shall comply with sections 7 (*General*), 8 (*Power Levels*), and 20 (*Motors and Motor Controllers*) of UL 2849–20, and all sections referenced in those sections.

• If provided, a user replaceable battery pack must comply with sections 46 (*Markings*) and 47 (*Instructions*) of UL 2271–23, including all sections referenced in those sections, as well as the additional markings and instructions for user replaceable battery packs required in § 1265.4(b)(4) and (5).

• If provided, each battery charger must comply with the marking and instructions for aftermarket battery chargers in § 1265.6(a) and (c).

F. 1265.6—Requirements for Aftermarket Battery Chargers

Proposed § 1265.6 provides requirements for aftermarket battery chargers based on the micromobility product with which they are associated. Proposed § 1265.6(a) requires aftermarket battery chargers marketed, intended, or designed to charge an eBike battery to comply with section 23 of UL 2849–20, incorporated by reference in § 1265.7, and the additional requirements stated in § 1265.2(b)(2).

Proposed § 1265.6(b) requires aftermarket battery chargers marketed, intended, or designed to charge a personal eMobility product battery to comply with section 11 of UL 2272. Finally, proposed § 1265.6(c) requires that all aftermarket battery chargers be marked with the following statement: “Use only with [manufacturer to insert appropriate micromobility product name and model].” The warning text must include the safety alert symbol, the signal word “WARNING”, and text.

G. 1265.7—Standards Incorporated by Reference

Proposed § 1265.7 sets forth the Office of the Federal Register’s (OFR) approval of incorporation by reference and describes how interested parties can obtain a copy of each voluntary standard incorporated.

H. 1265.8—Prohibited Stockpiling

Proposed § 1265.8 prohibits manufactures and importers of noncompliant micromobility products from stockpiling products after the publication of a final rule. The Commission’s authority to issue an anti-stockpiling provision is in section 9(g)(2) of the CPSA. 15 U.S.C. 2058(g)(2). Accordingly, § 1265.8(a) prohibits manufacturers and importers of micromobility products, including the components addressed in this proposed rule (user replaceable battery packs, aftermarket battery chargers, and components of eBike conversion kits), from manufacturing or importing products that do not comply with the requirements of the final rule in the 180-day period between the date of the final rule’s publication in the **Federal Register** and the effective date of the rule, at a rate that is greater than 120 percent of the rate at which they manufactured or imported such products during the base period for the manufacturer. The base period described in § 1265.8(b) is the average monthly manufacturing or importing volume for the 13-month period immediately preceding promulgation of the final rule. “Promulgation” means the date the final rule is published in the **Federal Register**.

I. 1265.9—Severability

Proposed § 1265.9 contains a severability clause. This NPR contains multiple sections and requirements intended to address the unreasonable risks of death and injury associated with products within the scope of the rule. Because the NPR includes multiple requirements, the NPR proposes to state the Commission’s intent that if certain

requirements in a final rule are stayed or determined to be invalid by a court, the remaining requirements in the rule should continue in effect.

J. Proposed Appendix A to Part 1265

The findings required by section 9 of the CPSA are discussed in the regulatory text in an appendix A to part 1265 (Findings Required by the Consumer Product Safety Act).

VI. Preliminary Regulatory Analysis

A proposed consumer product safety rule published in the **Federal Register** in accordance with the requirements of sections 7 and 9 of the CPSA must include a preliminary regulatory analysis that contains: a preliminary description of the potential benefits and potential costs of the proposed rule; a discussion of relevant voluntary standards; and a description of any reasonable alternatives to the proposed rule, together with a summary description of their potential costs and benefits, and a brief explanation of why such alternatives should not be published as a proposed rule. 15 U.S.C. 2056, 15 U.S.C. 2058. The information and analysis in this section is based on Tab A of Staff’s NPR Briefing Memorandum.

A. Preliminary Discussion of Potential Benefits and Costs of the Rule

1. Quantified Benefits and Costs

The micromobility market includes emerging products, some of which have only been introduced in the last decade and are rapidly growing in popularity and consumer acceptance. The relative novelty of these products poses challenges in the data. For example, fire incident data that CPSC staff use to identify addressable fire incidents do not have a product category for lithium-ion batteries. This could cause lithium-ion battery fires from micromobility products to be mislabeled or not identified if micromobility products were not mentioned in the narrative for the incident. eBike data especially have a high degree of uncertainty because eBikes are the least mature segment of the micromobility marketplace, with substantial uncertainties related to product safety, consumer demand, producer behavior in the absence of a CPSC regulation addressing battery safety, and a growing presence of other regulation—particularly at the state and local levels. The uncertainty surrounding these factors represent the most significant source of variability in this analysis.

Given these uncertainties, we present the results of the staff’s benefits and costs analyses for this NPR under two framings: (1) an estimate that uses the incident data collected despite likely underestimation of incidents, and (2) an upper-bound estimate in which staff address the uncertainty in incidents by aligning eBike fatality rate with the rate of eScooters—which are the most developed micromobility product market.

CPSC staff conducted a benefits analysis for the NPR which accounted for mitigated deaths, injuries, and property damage from the proposed rule by monetizing deaths using the value of statistical life (VSL), injuries using CPSC’s Injury Cost Model (ICM), and property damage based on historical damage assessments. Over a 30-year study period, staff’s estimate of the total annualized benefits from the proposed rule, discounted at 3 percent, is \$61.17 million due to mitigating deaths and injuries from battery fires. The upper-bound estimate identifies total annualized benefits of \$472.97 million, discounted at 3 percent, from the same mitigation.

The safety improvements proposed in this NPR would involve two main costs: (1) a compliance cost to upgrade micromobility products to meet CPSC’s performance requirements; and (2) deadweight losses or market impacts caused by the increased price associated with compliance with the regulation and the subsequent decline in demand. As detailed in Tab A of Staff’s NPR Briefing Memorandum, staff estimate the total annualized costs from the proposed rule, discounted at 3 percent, to be \$146.52 million.

When costs are compared to the conservative estimate of benefits, the estimated costs of the rule exceed benefits. Staff calculate annualized net benefits (benefits less costs) to be –\$85.35 million, discounted at 3 percent. Based on these estimates, the NPR would have a benefit-cost ratio of 0.42 for all micromobility products, meaning it returns \$0.42 of benefits for every \$1 in cost. For the upper-bound estimate of benefits, benefits exceed costs. The NPR would yield estimated annualized net benefits of \$326.45 million and a benefit-cost ratio of 3.23, or \$3.23 of benefits for every \$1 in cost. Staff consider this plausible projection to represent an upper bound of the estimated net benefits for this NPR.

Tables 11 and 12 display the annualized benefits, costs, and net benefits, along with the benefit-cost ratio, for both the estimates.

Table 11 - Total Annualized Net Benefits and B/C Ratio

Outputs	Undiscounted	3% Discount	7% Discount
Benefits	\$67.02	\$61.17	\$54.15
Costs	\$147.23	\$146.52	\$147.42
Net Benefits (Benefits – Costs)	(\$80.21)	(\$85.35)	(\$93.27)
B/C Ratio	0.46	0.42	0.37

Table 12 - Total Annualized Net Benefits and B/C Ratio (Upper-Bound Assumptions)

Outputs	Undiscounted	3% Discount	7% Discount
Benefits	\$491.74	\$472.97	\$450.91
Costs	\$147.23	\$146.52	\$147.42
Net Benefits (Benefits – Costs)	\$344.51	\$326.45	\$303.49
B/C Ratio	3.34	3.23	3.06

2. Unquantified Benefits and Costs

CPSC assesses that there are likely both unquantified benefits and unquantified costs from the proposed rule. The unquantified benefits stem from avoided property damage, legal costs, and insurance premium increases. Because the data on fire incidents did not have a product category for lithium-ion batteries, staff's analysis could be underestimating the number of incidents and the magnitude of loss from fires from these batteries. Additionally, fires in multi-dwelling units have the potential to impose significant negative externalities, such as a fire that results in property loss for a neighbor. Staff could not quantify these impacts due to a lack of robust data in the various data sources reviewed. Secondly, fires spreading to nearby structures could result in additional legal costs. Legal costs are likely a fraction of the total property losses associated with these fires; however, the potential large magnitude of these losses could make some legal fees significant. Staff do not have the robust data to estimate potential legal costs avoided based on the proposed rule.

B. Assessment of Voluntary Standards

Sections IV.A and IV.B of this preamble describe the adequacy of the voluntary standards, improvements made by the NPR, and the level of compliance with the voluntary standards for each product covered by the NPR. Based on this analysis, the Commission preliminarily determines that the voluntary standards are inadequate to address the risk of injury, and that micromobility products do not substantially comply with the voluntary standards at this time. Therefore, the

Commission preliminarily determines that relying on voluntary standards development in lieu of rulemaking would not eliminate or adequately reduce an unreasonable risk of injury.

C. Alternatives to the Proposed Rule

The Commission considered six alternatives to the proposed rule: (1) limit the scope of the rule to eScooters and OMPs; (2) conduct marketing campaigns instead of promulgating a final rule; (3) conduct recalls instead of promulgating a final rule; (4) rely only on voluntary standards development; (5) propose a later effective date; and (6) take no action.

1. Limit the Scope of the Rule to eScooters and OMPs

The Commission could limit the scope of the NPR to OMPs, removing eBikes, because the estimated benefits and costs from those products are more certain than for the less mature eBike market, and estimated benefits of the proposed rule for OMPs more assuredly outweigh the estimated costs from the rule. With this alternative, estimated benefits of the NPR would be highly likely to exceed its estimated costs.

Section 9(c) of CPSA directs staff to identify potential benefits and costs. Although this alternative would provide greater confidence that the rule would generate positive net benefits, a positive economic case is not required for the Commission to improve consumer product safety by rule. This alternative would leave the fire hazard from lithium-ion batteries unreasonably high for eBikes and expose eBike riders and others, including vulnerable young children and seniors, to this fire hazard. As the youngest of the three product types, eBikes have the least mature

market with the highest growth potential, creating uncertainty about what the future of the product, market, and safety record will be. An argument against excluding eBikes is the Commission should not wait for the eBike to mature and potentially harm more consumers.

2. Conduct Marketing Campaigns Instead of Promulgating a Final Rule

Rather than promulgating a final rule, the Commission could issue news releases or utilize other information and marketing techniques to warn consumers about the identified associated hazards with micromobility product electrical systems, including lithium-ion batteries. With this alternative, micromobility product manufacturers would incur no costs to modify or test their products to comply with a final rule.

Information and marketing campaigns may change consumer preferences, increasing demand for micromobility products that comply with the voluntary standard relative to those that do not. However, staff estimate that the resulting, market-driven compliance rate for producers would be well below the (nearly) 100 percent compliance rate that a final rule can produce. Therefore, much of the societal costs would continue to be incurred by consumers in the form of deaths, injuries, and property damage. For this reason, the Commission is not pursuing this alternative.

3. Conduct Recalls Instead of Promulgating a Final Rule

The Commission could continue to negotiate recalls that reduce the number of fire/electric shock incidents and their societal costs by removing unsafe

products from the market. As with consumer education campaigns, this option would merely maintain the status quo and staff estimate the compliance rate would be far below the nearly 100 percent compliance rate that a mandatory rule can produce. Section III.F of this preamble details the 29 micromobility product recalls CPSC conducted from January 2016 through November 2024. Furthermore, unlike a rule that would apply to newly manufactured micromobility products, recalls only apply to an individual manufacturer and product, do not extend to similar products, and occur only after consumers have purchased and used such products and have been exposed to and potentially injured or killed by the hazard. Additionally, recalls can only address products that are already on the market and cannot prevent unsafe products from entering the market. As with information and marketing campaigns, much of the societal costs would continue to be incurred by consumers in the form of deaths, injuries, and property damage. For these reasons, recalls would not eliminate or adequately reduce an unreasonable risk of injury associated with these products in the absence of rulemaking.

4. Rely on Voluntary Standard Development

The Commission could direct CPSC staff to work with voluntary standards development organizations to address the associated hazards. This alternative would allow firms and other participants in the voluntary standards process to collectively determine the degree, manner, and timing of hazard mitigation, which could lead to approaches that delay or reduce costs incurred by firms to address the hazard. In addition, firms may choose not to comply with the voluntary standards and therefore incur no associated costs.

Staff already participate in the UL process for all three of the UL standards the NPR proposes to incorporate by reference, so this alternative, like education campaigns and recalls, maintains the status quo. Technical staff in recent years have made proposals to UL 2849 and attended meetings, including comments made to other proposals for the three technical standards identified, UL 2849, UL 2272, and UL 2271. Furthermore, societal benefits would be limited to products manufactured by firms that choose to comply with the voluntary standard; and, as discussed, micromobility products and aftermarket batteries do not substantially comply with the applicable voluntary standards.

5. Set a Later Effective Date

The Commission could establish an effective date for its proposed rule later than 180 days. The proposed rule includes an effective date that is 180 days after the final rule is published in the **Federal Register**. A later effective date would allow manufacturers more time to redesign their micromobility products, modify production lines, spread research and development costs over a greater period, and mitigate supply chain issues.

However, staff analysis indicates existing micromobility products and associated lithium-ion battery pack containers may accommodate UL-compliant cells, battery management systems, and controllers with little or no required modifications. Therefore, costs associated with these manufacturing activities to achieve compliance are unlikely to be significant. Based on the foregoing, the Commission is not proposing an effective date later than 180 days.

6. Take No Regulatory Action

The Commission considered the merits of taking no action. As the relevant UL voluntary standards are relatively new, in particular the UL 2272–24 revision, compliance rates may improve in the future. State and local regulation mandating compliance with voluntary standards for micromobility products, insurance availability, and other forces may accelerate compliance with the standards. However, without a mandatory regulation, firms could choose to continue to produce non-compliant micromobility products for the U.S. market. Given persistent deaths and injuries from micromobility product fires, the risk of lithium-ion battery fires destroying entire houses or structures, the number of deaths and injuries involving multi-unit dwellings, and increasing micromobility product sales, the Commission is not pursuing this alternative.

VII. Initial Regulatory Flexibility Act Analysis

Whenever an agency publishes an NPR, the Regulatory Flexibility Act (5 U.S.C. 601–612; RFA) requires that the agency prepare an initial regulatory flexibility analysis (IRFA) that describes the impact that the proposed rule would have on small businesses and other entities, unless the agency has a factual basis for certifying that the proposed rule “will not have a significant economic impact on a substantial

number of small entities.”¹¹² The IRFA must contain:

- a description of why action by the agency is being considered;
- a succinct statement of the objectives of, and legal basis for, the proposed rule;
- a description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply;
- a description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record; and
- an identification to the extent practicable, of all relevant Federal rules which may duplicate, overlap or conflict with the proposed rule.

An IRFA must also contain a description of any significant alternatives that would accomplish the stated objectives and would minimize any significant economic impact of the proposed rule on small entities.

A. Reason for Agency Action

As stated in section I of this preamble, this NPR is intended to address an unreasonable risk of injury and death to consumers from electric shock, fires, explosions, expulsion of gas or flames, burns, overheating, and smoke inhalation, particularly hazards associated with thermal runaway, in micromobility products that use lithium-ion batteries. CPSC anticipates that, if finalized, the proposed rule would be highly effective and would likely mitigate approximately 90 percent of deaths and injuries associated with lithium-ion batteries used in micromobility products within the scope of the rule, depending on the type of micromobility product.

B. Objectives of and Legal Basis for the Rule

As stated in section I of this preamble, the Commission proposes this rule under sections 7 and 9 of the CPSA to reduce the risks of death and injury associated with lithium-ion batteries used in micromobility products and their electrical systems.

C. Small Entities to Which the Rule Will Apply

The NPR would apply to all manufacturers and importers of micromobility products. Micromobility

¹¹² 5 U.S.C. 605 (b) of The Regulatory Flexibility Act of 1980, as amended. Available at <https://www.sba.gov/advocacy/regulatory-flexibility-act>.

product manufacturers may be classified in the North American Industrial Classification (NAICS) category 336991 (Motorcycle, Bicycle and Parts Manufacturing), or possibly 336999 (All Other Transportation Equipment Manufacturing), or 335910 (Battery Manufacturing). The Small Business Administration (SBA) size standards for these NAICS classifications are 1,050 employees, 1,000 employees and 1,250 employees, respectively. CPSC staff identified 36 U.S. micromobility product manufacturers with fewer than 1,050 employees.

Importers of micromobility products could be wholesale or retail distributors. Micromobility product wholesalers may be classified in NAICS categories 423860 (Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers), 423910 (Sporting and Recreational Goods and Supplies Merchant Wholesalers), or 441228 (Motorcycle, ATV, and All Other Motor Vehicle Dealers). The SBA size standard for NAICS classification 423860 is 175 employees and NAICS classification 423910 is 100 employees. The SBA size standard for NAICS classification 441228 is \$35 million. CPSC staff identified 20 firms distributing foreign manufactured micromobility products in 2024 that could be considered small businesses.¹¹³

D. Compliance Requirements of the Proposed Rule, Including Reporting and Recordkeeping Requirements

The NPR would establish a mandatory standard for lithium-ion batteries used in micromobility products and the electrical systems of such products. If the proposed rule is finalized, suppliers would have to meet the proposed performance and labeling requirements to sell products in the United States. Under the NPR, all micromobility products and all spare, replacement, conversion kit, and other aftermarket batteries would be required to comply with UL 2849–20, UL 2272–24, and UL 2271–23, as applicable, including modifications to performance requirements for electrical systems for eBikes and OMPs, as well as batteries intended for those products, and for operating instructions, labeling, and safety markings. Firms with noncompliant products would need to procure and install compliant batteries to test micromobility products and aftermarket batteries.

¹¹³ Staff made these determinations using information from Pitchbook and ReferenceUSAGov.

E. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rule

At the time of this document, no Federal rules duplicate, overlap, or conflict with the proposed rule.

F. Potential Impact on Small Entities

One purpose of the IRFA is to evaluate the impact of a regulatory action on small entities and determine whether that impact is economically significant. CPSC typically uses one percent of gross revenue as the threshold for determining whether an NPR could be “economically significant.” When the expected impact is 1 percent of gross revenue or more, CPSC staff prepare an initial regulatory flexibility analysis.¹¹⁴

1. Impact on Small Manufacturers

The summary of the preliminary regulatory analysis in section VI of this preamble, and the full regulatory analysis in Tab A of the Staff Briefing Memorandum, discuss costs more fully. Based on that analysis, micromobility product suppliers may incur costs to redesign, manufacture, and test product electrical systems to achieve compliance with the NPR’s requirements. However, the cost analysis bases its per-unit compliance cost on the difference in price between batteries that are compliant with the current UL standards and those that are noncompliant as an appropriate proxy. Manufacturers would choose to develop their own compliant battery systems only if this option is less costly in the long run than sourcing compliant battery and electrical systems from currently compliant suppliers.

Staff identified 36 micromobility product manufacturers that meet SBA size standards for small businesses. CPSC expects compliant components to easily integrate into current micromobility product models with little to no required modification of existing frames or other components. CPSC also expects additional internal battery components, or changes to existing components, required to comply with the NPR would fit within current case and frame designs. CPSC staff, however, expect the costs of the new components to exceed the 1

¹¹⁴ The one percent of gross revenue threshold is cited as example criteria by the SBA and is commonly used by agencies in determining economic significance. See U.S. Small Business Administration, Office of Advocacy, *A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act and Implementing the President’s Small Business Agenda and Executive Order 13272*, May 2012, pp 18–20, available at: http://www.sba.gov/sites/default/files/rfguide_0512_0.pdf.

percent of gross revenue threshold for a significant economic effect. Staff estimated the compliance cost per unit to be \$230 for eBikes, \$114.86 per eScooters, and \$162.79 per OMPs, all above 1 percent of the price for each product. A substantial number of small micromobility firms will incur these costs; in particular, the estimated compliance rate of eBike products is low at approximately 11 percent. Therefore, the Commission preliminarily determines that the economic impact of the proposed rule on small manufacturers likely will be significant.

2. Impact on Small Importers

Staff identified 20 possible importers of micromobility products from foreign suppliers considered small businesses based on SBA size standards. A small importer could be significantly adversely impacted by NPR if its foreign supplier withdrew from the U.S. market rather than incur the costs of compliance. If sales of micromobility products are a substantial source of the importer’s business, and the importer cannot find an alternative supplier of micromobility products, the economic impact on these firms may be significant. Staff, however, advise that it is unlikely that foreign manufacturers will exit such a fast-growing market. Moreover, many micromobility products are manufactured in China and these manufacturers sell other similar products as well. Accordingly, a decline in micromobility product sales may be offset by sales and revenue from other products.

Staff expect a decline in demand from the expected increase in price due to compliance; however, this is not expected to significantly affect the market. This is because many non-eBike micromobility products currently follow UL standards and the costs to ensure compliance with the NPR for compliant products are negligible. While staff estimate that only a small share of eBikes currently comply with UL 2849–20, state and local regulations, along with insurance requirements, may push the eBike industry in the direction of compliance with the UL standard, independent of CPSC rulemaking. Overall, the cost of compliance is expected to exceed the 1 percent of revenue threshold applied by CPSC and as such even importing firms that continue supplying these products to the U.S. market will incur a significant impact if the Commission finalizes the rule.

G. Alternatives for Reducing the Adverse Impact on Small Entities

The Commission considered several alternatives to the proposed rule, which are discussed in section VI.C of this preamble.

H. Conclusion

Staff identified 36 micromobility product manufacturers that meet the SBA criteria to be considered small firms and assessed that the proposed rule is likely to have a significant economic impact on these 36 firms. Staff estimated that there are 20 importers of foreign manufactured micromobility products that meet the SBA criteria to be considered small. A small importer whose supplier exits the market could experience a significant adverse economic impact. However, given the fast-growing market, staff do not anticipate foreign manufacturers to exit the U.S. market. Given that assumption, CPSC assesses that the economic impact on the importers of foreign manufactured micromobility products will be limited to the production costs to manufacture compliant products. These costs are expected to exceed the 1 percent of gross revenues threshold. The Commission welcomes public comments on this IRFA. Small businesses that believe they will be affected by the proposed rule are encouraged to submit comments. The comments should be specific and describe the potential impact, magnitude, and alternatives that could reduce the impact of the proposed rule on small businesses.

VIII. Environmental Considerations

Generally, the Commission's regulations are considered to have little

or no potential for affecting the human environment, and environmental assessments and impact statements are not usually required. *See* 16 CFR 1021.5(a). This NPR to create mandatory requirements lithium-ion batteries used in micromobility products is not expected to have an adverse impact on the environment and is considered to fall within the "categorical exclusion" for the purposes of the National Environmental Policy Act. 16 CFR 1021.5(c).

IX. Paperwork Reduction Act

This NPR contains information collection requirements that are subject to public comment and review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA; 44 U.S.C. 3501–3521). Under the PRA, an agency must publish the following information:

- a title for the collection of information;
- a summary of the collection of information;
- a brief description of the need for the information and the proposed use of the information;
- a description of the likely respondents and proposed frequency of response to the collection of information;
- an estimate of the burden that will result from the collection of information; and
- notice that comments may be submitted to OMB.

44 U.S.C. 3507(a)(1)(D). In accordance with this requirement, the Commission provides the following information:

Title: Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of

Micromobility Products Containing Such Batteries

Summary, Need, and Use of Information: The Commission is considering a proposed rule to establish a mandatory safety standard to address the unreasonable risks of death and injury to consumers from electric shock, fires, explosions, expulsion of gas or flames, burns, overheating, and smoke inhalation associated with lithium-ion batteries used to power micromobility products, including eBikes, eScooters, self-balancing scooters (eSBscooters), eSkateboards, eUnicycles, and hybrids of these products. The NPR includes recordkeeping, labeling, and third-party disclosure requirements that are considered information collections under the Paperwork Reduction Act of 1995 (PRA; 44 U.S.C. 3501–3521). The proposed rule would incorporate by reference existing voluntary standards: UL 2849–20 (eBikes), UL 2272–24 (other micromobility products), and UL 2271–23 (user replaceable battery packs) with performance and labeling modifications, and covers aftermarket battery chargers and eBike conversion kits within its scope. The proposed information collections support the effectiveness of the proposed rule.

Respondents and Frequency: The information collection would apply to all manufacturers and importers of micromobility products subject to proposed rule and user replaceable battery packs used in micromobility products. Typically, manufacturers and importers of micromobility products subject to the rule will not respond to the collection annually and will only respond on occasion.

Estimate of Respondent Burden:

Table 13: Estimated Annual Reporting Burden

Burden Type	Number of Respondents	Frequency of Response	Total Annual Responses	Duration of Response	Annual Burden (hours)
Third party recordkeeping for certification	75	500	37,500	30 minutes	18,750
Labeling of micromobility electrical systems	75	500	37,500	2 minutes	1,250
Disclosure to Third Parties	75	500	37,500	5 minutes	3,125
Total Burden	225	–	112,500	–	23,125

Section 14(a)(1) of the CPSA, 15 U.S.C. 2063(a)(1), requires that suppliers of regulated products test and certify that their products conform to CPSC's mandatory standards. CPSC assumes the collection of information would impose third party recordkeeping burden for the

certification of children's micromobility products and batteries within the scope of the rule. Approximately 75 respondents, producers/importers who supply micromobility products, including those intended for children, or batteries would respond to the

collection annually, and on average each respondent would respond 500 times per year.¹¹⁵ CPSC assumes that on

¹¹⁵ Some respondents are expected to respond less than 500 times per year, and therefore CPSC has likely overestimated the total annual response

average respondents will spend 30 minutes per response on recordkeeping for the certification process.¹¹⁶

Therefore, the estimated annual burden for third party recordkeeping certification is 18,750 hours (37,500 responses × 30 minutes per response = 1,125,000 minutes or 18,750 hours).

Section 14 of the CPSA and 16 CFR part 1110 require that micromobility products and batteries be tested and certified to demonstrate the products are compliant with the rule. CPSC assumes approximately 75 respondents would respond to the collection annually, and on average each respondent would respond 500 times per year. On average, respondents will spend two minutes per response on labeling. Therefore, the estimated annual burden for labeling of micromobility electrical systems is 1,250 hours (37,500 responses × 2 minutes per response = 75,000 minutes or 1,250 hours).

Finally, suppliers of micromobility products and aftermarket batteries would be required to disclose product records to third parties to conform to the proposed rule, and CPSC assumes the collection of information would impose third party disclosure burdens on suppliers of micromobility products and aftermarket batteries. Accordingly, CPSC assumes approximately 75 respondents would respond to the collection annually, and on average each respondent would respond 500 times per year. On average, respondents will spend 5 minutes per third party disclosure response. Therefore, the estimated annual burden for third party disclosure is 3,125 hours (37,500 responses × 5 minutes per response = 187,500 minutes or 3,125 hours).

Based on this analysis, the proposed standard, if finalized, would impose a total paperwork burden to industry of 23,125 hours annually (18,750 hours recordkeeping + 1,250 hours labeling + 3,125 hours disclosure).

Labor Cost of Respondent Burden. According to the U.S. Bureau of Labor Statistics (BLS), Employer Costs for Employee Compensation, the total compensation cost per hour worked for all private industry workers in goods-producing industries was \$45.31 (March 2024, https://www.bls.gov/news.release/archives/ecec_06182024.pdf). Based on this analysis, CPSC staff estimate that labor cost of respondent burden would impose a cost to industry of

approximately \$1,047,794 annually (23,125 hours × \$45.31 per hour = \$1,047,793.75).

Cost to the Federal Government. The estimated annual cost of the information collection requirements to the federal government is approximately \$4,774, which includes 60 staff hours to examine and evaluate the information as needed for Compliance activities. This is based on a GS-12, step 5 level salaried employee. The average hourly wage rate for a mid-level salaried GS-12 employee in the Washington, DC metropolitan area (effective as of January 2024) is \$53.87 (GS-12, step 5). This represents 67.7 percent of total compensation (U.S. Bureau of Labor Statistics, “Employer Costs for Employee Compensation,” March 2024, percentage of wages and salaries for all civilian management, professional, and related employees: https://www.bls.gov/news.release/archives/ecec_06182024.pdf). Adding an additional 32.3 percent for benefits brings average annual compensation for a mid-level salaried GS-12 employee to \$79.57 per hour. Assuming that approximately 60 hours will be required annually, this results in an annual cost of \$4,774 (\$79.57 per hour × 60 hours = \$4,774.20).

CPSC has submitted the information collection requirements of this proposed rule to OMB for review in accordance with PRA requirements. 44 U.S.C. 3507(d). Pursuant to 44 U.S.C. 3506(c)(2)(A), the Commission invites comments on:

- whether the proposed collection of information is necessary for the proper performance of CPSC’s functions, including whether the information will have practical utility;
- the accuracy of CPSC’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- ways to enhance the quality, utility, and clarity of the information the Commission proposes to collect;
- ways to reduce the burden of the collection of information on respondents, including the use of automated collection techniques, when appropriate, and other forms of information technology;
- the estimated burden hours associated with labels, including any alternative estimates; and
- the estimated respondent cost other than burden hour cost.

X. Preemption

Executive Order (E.O.) 12988, *Civil Justice Reform* (Feb. 5, 1996), directs agencies to specify the preemptive effect of a rule in the regulation. 61 FR 4729

(Feb. 7, 1996). The proposed regulation for lithium-ion batteries used in micromobility products is issued under authority of the CPSA. 15 U.S.C. 2051–2089. Section 26 of the CPSA provides that whenever a consumer product safety standard is in effect and applies to a risk of injury associated with a consumer product, no State or political subdivision of a State shall have any authority either to establish or to continue in effect any provision of a safety standard or regulation which prescribes any requirements as to the performance, composition, contents, design, finish, construction, packaging or labeling of such product which are designed to deal with the same risk of injury, unless such requirements are identical to the requirements of the Federal consumer product safety rule. 15 U.S.C. 2075(a).

The Federal Government, or a State or local government, may establish or continue in effect a non-identical requirement for its own use that is designed to protect against the same risk of injury as the CPSC standard if the Federal, State, or local requirement provides a higher degree of protection than the CPSA requirement. *Id.* 2075(b). In addition, States or political subdivisions of a State may apply for an exemption from preemption regarding a consumer product safety standard, and the Commission may issue a rule granting the exemption if it finds that the State or local standard: (1) provides a significantly higher degree of protection from the risk of injury or illness than the CPSA standard, and (2) does not unduly burden interstate commerce. *Id.* 2075(c).

Thus, the proposed rule for lithium-ion batteries used in micromobility products and electrical systems of micromobility products containing such batteries could, if finalized, preempt non-identical State or local requirements for products within the scope of this rule that are designed to protect against the same risk of injury and prescribing performance or labeling requirements for such products addressed in this rule.

XI. Testing, Certification, and Notice of Requirements

Section 14(a) of the CPSA includes requirements for certifying that children’s and non-children’s products comply with applicable mandatory standards. 15 U.S.C. 2063(a). Section 14(a)(1) addresses required certifications for non-children’s products, and sections 14(a)(2) and (a)(3) address certification requirements specific to children’s products.

burden (Number of Responses × Frequency of Response = Total Annual Responses).

¹¹⁶ A small percentage of lithium-ion batteries sold annually are intended for use in children’s products and would be subject to additional third party testing. The estimates in table 13 account for this additional certification burden.

A “children’s product” is a consumer product that is “designed or intended primarily for children 12 years of age or younger.” *Id.* 2052(a)(2). The following factors are relevant when determining whether a product is a children’s product:

- manufacturer statements about the intended use of the product, including a label on the product if such statement is reasonable;
- whether the product is represented in its packaging, display, promotion, or advertising as appropriate for use by children 12 years of age or younger;
- whether the product is commonly recognized by consumers as being intended for use by a child 12 years of age or younger; and
- the Age Determination Guidelines issued by CPSC staff in September 2002, and any successor to such guidelines. *Id.* “For use” by children 12 years and younger generally means that children will interact physically with the product based on reasonably foreseeable use. 16 CFR 1200.2(a)(2). Children’s products may be decorated or embellished with a childish theme, be sized for children, or be marketed to appeal primarily to children. *Id.* § 1200.2(d)(1).

Aftermarket batteries are unlikely to be children’s products, but CPSC is aware that some micromobility products are specifically designed for children, and based on the factors listed above, fall within the definition of a “children’s product.” If the Commission issues a final rule for micromobility products that use lithium-ion batteries, such a rule would require micromobility products that are children’s products to meet the third party testing and certification requirements in section 14(a) of the CPSA. The Commission’s requirements for certificates of compliance are codified at 16 CFR part 1110.

Non-Children’s Products. Section 14(a)(1) of the CPSA requires every manufacturer (which includes importers¹¹⁷) of a non-children’s product that is subject to a consumer product safety rule under the CPSA or a similar rule, ban, standard, or regulation under any other law enforced by the Commission to test such products, using a reasonable testing program, and to certify based on that testing that the product complies with all applicable CPSC-enforced requirements. 15 U.S.C. 2063(a)(1).

Children’s Products. Section 14(a)(2) of the CPSA requires the manufacturer or private labeler of a children’s product

that is subject to a children’s product safety rule to certify that, based on a third party conformity assessment body’s testing, the product complies with the applicable children’s product safety rule. *Id.* 2063(a)(2). Section 14(a) also requires the Commission to publish a notice of requirements (NOR) for a third party conformity assessment body (*i.e.*, testing laboratory) to obtain accreditation to assess conformity with a children’s product safety rule. *Id.* 2063(a)(3)(A). Because some micromobility products within the scope of this proposed rule are children’s products, the proposed rule is a children’s product safety rule, as applied to those products. Accordingly, if the Commission issues a final rule, it will also issue an NOR.

The Commission published a final rule, codified at 16 CFR part 1112, entitled *Requirements Pertaining to Third Party Conformity Assessment Bodies*, which established requirements and criteria concerning testing laboratories. 78 FR 15836 (Mar. 12, 2013). Part 1112 includes procedures for CPSC to accept a testing laboratory’s accreditation and lists the children’s product safety rules for which CPSC has published NORs. When CPSC issues a new NOR, it must amend part 1112 to include that NOR. Accordingly, as part of this NPR, the Commission proposes to amend part 1112 to add the “Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries” to the list of children’s product safety rules for which CPSC has issued an NOR.

Testing laboratories that apply for CPSC acceptance to test micromobility products that are children’s products for compliance with the new rule would have to meet the requirements in part 1112. When a laboratory meets the requirements of a CPSC-accepted third party conformity assessment body, the laboratory can apply to CPSC to include 16 CFR part 1265, *Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries*, in the laboratory’s scope of accreditation of CPSC safety rules listed on the CPSC website at: www.cpsc.gov/labsearch.

Children’s products must be tested by a CPSC-accepted third party lab, which is a laboratory accredited to ISO 17025:2017 for the specific testing scope by an ILAC–MRA recognized Accrediting Body. CPSC-accepted test labs are listed on CPSC’s website by rule. To meet CPSC’s requirements, children’s products must be tested by a third party laboratory whose

accreditation has been accepted by CPSC to test to this proposed rule and be certified by the manufacturer or importer as compliant with the regulation. Non-children’s products are not required to be third party tested, but each product must be tested (either first or third party), or products must demonstrate compliance using a reasonable testing program and be certified based on passing test reports.

Accordingly, to assess test lab capacity, CPSC staff researched the availability of existing ISO–17025:2017 accredited laboratories with test capabilities for the three standards proposed to be incorporated by reference in this NPR. CPSC staff found at least 34 test laboratories that are ISO–17025:2017 accredited to test to UL 2271–23, at least 11 laboratories ISO–17025:2017 accredited to test UL 2272–24, and at least 21 laboratories ISO–17025:2017 accredited to test to UL 2849–20 at that time. Each of these labs could apply for CPSC acceptance to test children’s micromobility products subject to a final rule. Test lab availability therefore is unlikely to be an issue when considering an appropriate effective date, but CPSC requests comment on this issue.

XII. Effective Date

The Administrative Procedure Act (APA) generally requires that the effective date of a rule be at least 30 days after publication of a final rule. 5 U.S.C. 553(d). Section 9(g)(1) of the CPSA states that a consumer product safety rule shall specify the date such rule is to take effect, and that the effective date must be at least 30 days after promulgation but cannot exceed 180 days from the date a rule is promulgated, unless the Commission finds, for good cause shown, that a later effective date is in the public interest and publishes its reasons for such finding.

If finalized, the Commission proposes an effective date of 180 days after publication of the final rule in the **Federal Register**. The rule would be applicable to products manufactured after the effective date. 15 U.S.C. 2058(g)(1). Some micromobility products are already compliant with the applicable UL standards. Moreover, as reviewed above, compliant manufacturers are already testing their products for compliance with the UL standards. For those products that do not comply, or that must update product design to meet the required testing, CPSC does not anticipate a lengthy time for redesign. Importantly, manufacturers can likely source a different battery to

¹¹⁷ The CPSA defines a “manufacturer” as “any person who manufactures or imports a consumer product.” 15 U.S.C. 2052(a)(11).

meet the requirements of this proposed rule.

XIII. Incorporation by Reference

As explained in section I.A, and described in detail in sections IV and V of this preamble, the Commission proposes to incorporate by reference three UL voluntary standards, with modifications:

- ANSI/CAN/UL 2849:2020, *Standard for Safety for Electrical Systems for eBikes* (UL 2849–20) (eBikes);
- ANSI/CAN/UL 2272:2024, *Standard for Safety for Electrical Systems for Personal E-Mobility Devices* (UL 2272–24) (eScooters, eSBscooters, eSkateboards, eUnicycles, and hybrid products); and
- ANSI/CAN/UL 2271:2023, *Standard for Safety for Batteries for Use in Light Electric Vehicle (LEV) Applications* (UL 2271–23) (user replaceable battery packs).

The OFR has regulations concerning incorporation by reference. 1 CFR part 51. For a proposed rule, agencies must discuss in the preamble of the NPR ways that the materials the agency proposes to incorporate by reference are reasonably available to interested persons or how the agency worked to make the materials reasonably available. In addition, the preamble of the proposed rule must summarize the material. 1 CFR 51.5(a).

In accordance with the OFR's requirements, sections IV.A and IV.B of this preamble summarize the requirements of the three UL standards the Commission proposes to incorporate by reference and section V of this preamble summarizes the proposed requirements in this NPR. UL 2849–20, UL 2272–24, and UL 2271–23 are copyrighted. During the comment period, you may view a read-only copy of these voluntary UL standards free of charge at on UL's website at <https://www.ulstandards.com/IBR/logon.aspx>. Alternatively, interested parties may inspect a copy of these standards free of charge by contacting Alberta E. Mills, Office of the Secretary, U.S. Consumer Product Safety Commission, 4330 East West Highway, Bethesda, MD 20814; telephone: 301–504–7479; email: cpsc-os@cpsc.gov. To download or print the standards, interested persons may purchase a copy of each standard through Underwriters Laboratories, Inc. (UL), 333 Pfingsten Road, Northbrook, IL 60062 or through UL's website at www.UL.com.

XIV. Proposed Findings

The CPSA requires the Commission to make certain findings when issuing a

consumer product safety standard. Specifically, the CPSA requires the Commission to consider and make findings about the following:

- the degree and nature of the risk of injury the rule is designed to eliminate or reduce;
 - the approximate number of consumer products subject to the rule;
 - the need of the public for the products subject to the rule and the probable effect the rule will have on the cost, availability, and utility of such products;
 - any means to achieve the objective of the rule while minimizing adverse effects on competition, manufacturing, and commercial practices;
 - that the rule, including the effective date, is reasonably necessary to eliminate or reduce an unreasonable risk of injury associated with the product;
 - that issuing the rule is in the public interest;
 - if a voluntary standard addressing the risk of injury has been adopted and implemented, that either compliance with the voluntary standard is not likely to result in the elimination or adequate reduction of the risk or injury, or it is unlikely to be substantial compliance with the voluntary standard;
 - that the benefits expected from the rule bear a reasonable relationship to its costs; and
 - that the rule imposes the least burdensome requirement that prevents or adequately reduces the risk of injury.
- 15 U.S.C. 2058(f)(1), (f)(3). At the NPR stage, the Commission makes these findings on a preliminary basis to allow the public to submit comments. Appendix A of the proposed regulation text contains the Commission's proposed findings.

XV. Request for Comments

The Commission invites interested persons to submit their comments to the Commission on any aspect of the proposed rule as provided in the instructions in the **ADDRESSES** section at the beginning of this NPR. Additionally, the Commission seeks comment on whether the rule should address or require the following:

A. Marking and Labeling Requirements

- Whether, pursuant to the Commission's authority in section 14(c)(4) of the CPSA, 15 U.S.C. 2063(c)(4), the rule should require that each micromobility product subject to the rule have a visible and legible label on the product indicating compliance with the rule, such as "Meets CPSC Safety Requirements for Lithium-Ion Batteries";

- Whether additional on-product marking or instructions should be required to advise consumers on how to safely operate the micromobility product (e.g., not riding immediately after charging);

- Whether fire resistant manufacturer labeling/markings on the battery pack should be required for post fire identification;

- Whether CPSC's rule should align the marking required in UL 2849–20 and UL 2272–24 about using a specific charger with the NPR proposal to allow the use of aftermarket chargers as long as they comply with the applicable sections of UL 2849–20 and UL 2272–24 and the proposed requirement that aftermarket chargers be provided with a marking to indicate the specific micromobility product for which they are intended to be used.

B. Performance Requirements

- As proposed, the BMS does not monitor the charger's input voltage and current to the battery. The Commission requests comments on whether BMS should be required to communicate with the charger to verify basic compatibility (voltage, current and power ratings of the charger) with the battery and to prevent out of specification charging voltage or current applied to the battery;

- Whether fire resistant enclosures that use flame retardant chemicals should be prohibited in micromobility devices;

C. Effective Date

- The reasonableness of the proposed 180-day effective date and recommendations for a different effective date, if justified;

D. Regulatory Analysis

- The reasonableness of the estimated compliance rates with current voluntary standards used in the regulatory analysis and recommendations for different compliance rates, if justified;

- Whether the compliance costs for this proposed rule as estimated in the regulatory analysis are reasonable; if not, commenters should provide sources or rationale for any alternate data/estimates on costs of compliance.

E. Stockpiling

- Whether setting the anti-stockpiling provision rate at 120 percent of the base period, and setting the base period as the average monthly manufacturing or import volume of the 13 months immediately preceding the month of promulgation of the final rule, is reasonable.

XVI. Notice of Opportunity for Oral Presentation

Section 9 of the CPSA requires the Commission to provide interested parties “an opportunity for oral presentation of data, views, or arguments.” 15 U.S.C. 2058(d)(2). The Commission must keep a transcript of such oral presentations. *Id.* Any person interested in making an oral presentation regarding this NPR must contact the Commission, as described under the **DATES** and **ADDRESSES** section of this document.

XVII. Promulgation of a Final Rule

Section 9(d)(1) of the CPSA requires the Commission to promulgate a final consumer product safety rule within 60 days of publishing a proposed rule. 15 U.S.C. 2058(d)(1). Otherwise, the Commission must withdraw the proposed rule if it determines that the rule is not reasonably necessary to eliminate or reduce an unreasonable risk of injury associated with the product or is not in the public interest. *Id.* However, the Commission can extend the 60-day period, for good cause shown, if it publishes the reasons for doing so in the **Federal Register**. *Id.*

The Commission finds that there is good cause to extend the 60-day period for this rulemaking. Under both the Administrative Procedure Act and the CPSA, the Commission must provide an opportunity for interested parties to submit written comments on a proposed rule. 5 U.S.C. 553; 15 U.S.C. 2058(d)(2). The Commission typically provides 60 days for interested parties to submit written comments. In this case, a shorter comment period may limit the quality and utility of information CPSC receives in comments, particularly for areas where it seeks data and other detailed information that may take time for commenters to compile. Additionally, the CPSA requires the Commission to provide interested parties with an opportunity to make oral presentations of data, views, or arguments. 15 U.S.C. 2058. After receiving written and oral comments, CPSC staff must have time to review and evaluate those comments.

These factors make it impractical for the Commission to issue a final rule within 60 days of this proposed rule. Moreover, issuing a final rule within 60 days of the NPR may limit commenters’ ability to provide useful input on the rule, and CPSC’s ability to evaluate and take that information into consideration in developing a final rule. Accordingly, the Commission finds that there is good cause to extend the 60-day period.

XVIII. Executive Order 12866, Regulatory Planning and Review, and Executive Order 13563, Improving Regulation and Regulatory Review

Executive Order 12866 states that OMB’s Office of Information and Regulatory Affairs (OIRA) determines whether a regulatory action is significant and subject to the requirements of the Executive Order and OMB review. Regulatory Planning and Review, 58 FR 51735 (Oct. 4, 1993). Section 3(f) of Executive Order 12866 defines a “significant regulatory action” as a 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, territorial, 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, the President’s priorities, or the principles set forth in the Executive order. OIRA has determined that this proposed rule is a “significant regulatory action” under Section 3(f)(1) of Executive Order 12866.

Executive Order 13563 directs agencies to, among other things, propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; that it is tailored to impose the least burden on society, consistent with obtaining the regulatory objectives; and that, in choosing among alternative regulatory approaches, the agency has selected those approaches that maximize net benefits. Improving Regulation and Regulatory Review, 76 FR 3821, 3821 (Jan. 21, 2011). Executive Order 13563 recognizes that some costs and benefits are difficult to quantify and provides that, when appropriate and permitted by law, agencies may consider and discuss qualitatively values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts. *Id.* The Commission’s analysis outlines the impacts that may result from this proposed rule. OIRA has determined that this proposed rule, if finalized as proposed, is expected to be an Executive Order 14192 regulatory action.

List of Subjects

16 CFR Part 1112

Administrative practice and procedure, Audit, Consumer protection, Reporting and recordkeeping requirements, Third party conformity assessment body.

16 CFR Part 1265

Administrative practice and procedure, Bicycles, Chargers, Consumer protection, Electronic mobility, Imports, Incorporation by reference, Infants and children, Lithium-ion batteries, Micromobility products, Personal eMobility products, Scooters, Self-balancing scooters, Skateboards, Unicycles.

For the reasons discussed in the preamble, the Commission proposes to amend title 16 of the Code of Federal Regulations as follows:

PART 1112—REQUIREMENTS PERTAINING TO THIRD PARTY CONFORMITY ASSESSMENT BODIES

■ 1. The authority citation for part 1112 continues to read as follows:

Authority: 15 U.S.C. 2063.

■ 2. Amend § 1112.15 by adding paragraph (b)(58) to read as follows:

§ 1112.15 When can a third party conformity assessment body apply for CPSC acceptance for a particular CPSC rule or test method?

* * * * *

(b) * * *

(58) 16 CFR part 1265, Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries.

* * * * *

■ 3. Add part 1265 to read as follows:

PART 1265—SAFETY STANDARD FOR LITHIUM-ION BATTERIES USED IN MICROMOBILITY PRODUCTS AND ELECTRICAL SYSTEMS OF MICROMOBILITY PRODUCTS CONTAINING SUCH BATTERIES

Sec.

1265.1 Purpose and scope, definitions, and effective date.

1265.2 Requirements for eBikes.

1265.3 Requirements for personal eMobility products.

1265.4 Requirements for user replaceable battery packs.

1265.5 Requirements for eBike conversion kits.

1265.6 Requirements for aftermarket battery chargers.

1265.7 Standards incorporated by reference.

1265.8 Prohibited stockpiling.

1265.9 Severability.

Appendix A to Part 1265—Findings Required by the Consumer Product Safety Act

Authority: 15 U.S.C. 2056, 15 U.S.C. 2058.

§ 1265.1 Purpose and scope, definitions, and effective date.

(a) *Purpose and scope.* The purpose of this part is to establish a consumer product safety rule for lithium-ion batteries used in micromobility products, as defined in this part, and the electrical systems of micromobility products containing such batteries, including battery management systems (BMS), chargers, and any other electrical component of the BMS, to address the unreasonable risks of injury and death associated with such products due to electric shock, fires, explosions, expulsion of gas or flames, burns, overheating, and smoke inhalation, including from thermal runaway of lithium-ion cells. The scope of this part also includes lithium-ion batteries provided or sold separately from the micromobility product (user replaceable battery packs), which includes batteries intended for use in micromobility products that are included in modification kits and eBike electrical system conversion kits, as well as aftermarket battery chargers provided or sold separately from a micromobility product.

(b) *Definitions.* The definitions of section 3 of the Consumer Product Safety Act (CPSA), 15 U.S.C. 2052, and the following additional definitions apply to this part.

Aftermarket battery charger means a battery charger provided or sold separately from a micromobility product. An aftermarket battery charger may be provided or sold by an original equipment manufacturer (OEM) of micromobility products, or by a third party manufacturer, to replace or supplement the originally supplied battery charger.

Battery management system means an electronic circuit that monitors critical parameters of cells within a battery pack during charging and discharging to ensure that the cells stay within their safe area of operation so that they are not stressed and become damaged, fail, overheat and ignite. Critical parameters include the cell current, voltage, and surface temperature. The BMS disconnects the battery from the external circuit to protect the cells when specifications are exceeded. The BMS can be an integral part of a battery pack or external to the battery and part of the mobility product controls.

Charger means an electronic circuit that converts external alternating current (AC) power, such as from a residential receptacle outlet, to direct

current (DC) for connection to the battery to recharge it. A charger may be a discrete component that is completely separable from the mobility product, or an integral part of the mobility product.

eBike conversion kit means components provided with an eBike conversion kit or sold separately from an eBike to enable a user to convert a non-powered bicycle to an eBike. A conversion kit includes typically the following components: drive motor, motor controller, operator interface, wiring and cable assemblies, battery pack, and battery charger. The scope of this part includes any type of conversion kit, including mid-drive systems, which integrate the motor into the pedal gear/crankshaft assembly, and hub drives that have an electric motor integrated into a bicycle wheel hub.

Electric bicycle or eBike means a bicycle that is propelled by an electric motor or motors powered by a rechargeable lithium-ion battery. An eBike has functional pedals, i.e., the foot pedals drive the wheel to propel the bicycle. An eBike includes electric pedal assist cycles (EPAC) and non-EPAC eBikes. An EPAC requires the user to pedal for the electric motor to engage. A non-EPAC bike may be propelled without pedaling. Non-EPAC eBikes may also operate in an EPAC mode.

Enclosure means a housing that reduces consumer accessibility to a part of the micromobility product that involves a risk of fire, electric shock, or injury to persons, or that reduces the risk of propagation of flame, sparks, and molten metal initiated by an electrical disturbance occurring within, as defined in section 5.5 of ANSI/CAN/UL 2849–20.

Micromobility product means a consumer product used for personal mobility that relies on an electric motor powered by a lithium-ion rechargeable battery. Micromobility products include electric bicycles (eBikes), electric scooters, both stand-up and seated (eScooters), electric self-balancing scooters (eSBscooters), electric skateboards (eSkateboards), electric unicycles (eUnicycles), and hybrids of these products.

Personal eMobility product means a non-eBike personal transportation device for a single rider, propelled by a wheel or wheels driven by electrical motor(s) powered by a rechargeable lithium-ion battery. Personal eMobility products may also be referred to as other micromobility products (OMPs) in this part. Personal eMobility products include all micromobility products within the scope of this part that are not an eBike, which includes eScooters,

eSBscooters, eSkateboards, eUnicycles, and hybrids of these products.

User replaceable battery pack means a battery pack intended to be removed by the consumer for charging separately from the micromobility product or as a replacement battery pack. A battery pack intended for use with an eBike conversion kit is considered a consumer replaceable battery pack.

(c) *Effective date.* To address the unreasonable risk of death and injury associated with lithium-ion batteries used in micromobility product electrical systems, all products within the scope of this part that are manufactured after [DATE 180 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE], must comply with this part.

§ 1265.2 Requirements for eBikes.

(a) Except as provided in paragraph (b) of this section, each eBike must comply with all provisions of ANSI/CAN/UL 2849:2020, *Standard for Safety for Electrical Systems for eBikes* (UL 2849–20) (approved on January 20, 2020), incorporated by reference in § 1265.7, that apply to the product.

(b) eBikes shall comply with UL 2849–20 with the following additions and exclusions:

(1) Insert a new section 11.1A of UL 2849–20 as follows: 11.1A For both consumer replaceable and non-consumer replaceable battery packs that provide power to the motor(s), to prevent a consumer from opening the battery pack outer enclosure or the eBike enclosure that serves as the outer enclosure of the battery compartment and attempting to modify the battery, such outer enclosure must not be capable of being opened using common household tools, such as a flat blade or Philips head screwdriver. The enclosure must be ultrasonically welded or secured by equivalent means. Equivalent means includes adhesives complying with the adhesive requirements of UL 746C, *Standard for Polymeric Materials—Use in Electrical Equipment Evaluations*, or single use or tamper-proof screws.

(2) Replace the first sentence in section 28.5 of UL 2849–20 with the following: “Immediately following the discharge cycle, initiate another charge. The BMS shall not permit charging if the surface temperature of a cell within the battery pack is higher than the manufacturer’s specified maximum cell surface temperature during charging. Complete the full charge followed by a full discharge. Repeat a charge and discharge cycle.”

(3) Insert a new section 32.11 to UL 2849–20:

(i) 32.11 Aftermarket (Non-specified) Charger—Reverse Polarity Test.

(ii) 32.11.1 This test evaluates the ability of the system or battery pack to withstand connection of a charger to the battery or eBike with an output connector that is the opposite polarity of the recommended charger. This testing is waived for battery systems already evaluated to section 32A of UL 2271–23 as required in § 1265.4.

(iii) 32.11.2 With a fully charged representative battery pack, a programmable DC supply power set to a current limit of 8A and at 125% of the maximum charge voltage is to be connected in the reverse polarity as intended for normal charging.

(iv) 32.11.3 Protective devices that have been determined reliable may remain in the circuit.

(v) 32.11.4 The reverse voltage is to be applied for 4 hours or until a fire or explosion occurs. Temperatures shall be measured on the cell/module where temperatures may be highest for monitoring purposes.

(vi) 32.11.5 At no time during the 4-hour test period shall the reverse voltage be imposed on the cells.

(vii) 32.11.6 If the electrical system of the eBike is operational after the test, it shall be subjected to a minimum of one charge/discharge cycle at the manufacturer's maximum specified values. The test shall be followed by a

1-hour observation time and temperatures are to be monitored prior to concluding the test.

(viii) 32.11.7 At the conclusion of the test and after cooling to near ambient temperature, representative battery packs that contain a hazardous operating voltage shall be subjected to the test in section 30a of UL 2849–20, *Dielectric Voltage Withstand Test*, or the test in section 29 of UL 2849–20, *Isolation Resistance Test* (without humidity conditioning).

(4) Exclude sections 40 and 41 of UL 2849–20.

(5) Instead of complying with section 44.1 of UL 2849–20, comply with the following: The words, “CAUTION,” “WARNING,” OR “DANGER” in a cautionary marking shall be in letters not less than 5 mm (0.2 inch) high. The remaining letters in a cautionary marking shall not be less than 2.5 mm (0.1 inch) high except as specified. The words, “WARNING” or “DANGER” are alternatives for the word, “CAUTION.”

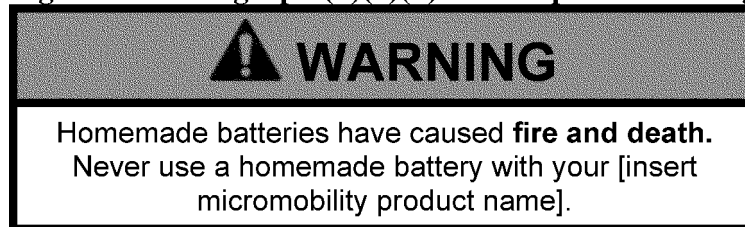
(6) Insert new sections 44.4 through 44.9 to UL 2849–20 as follows:

(i) 44.4 Warning statements (message panel) must be in contrasting color to the background onto which the warning statement is printed. The safety alert symbol and signal word must be in black letters on an orange background if subject materials already use printed color processing, otherwise the use of

black and white or contrasting colors is acceptable. Warning statements must be in contrasting color to the background onto which the warning statement is printed. The safety alert symbol (exclamation mark in a triangle), when used with the signal word (e.g., WARNING), must precede the signal word. The base of the safety alert symbol must be on the same horizontal line as the base of the letters of the signal word. The height of the safety alert symbol must equal or exceed the signal word letter height. The signal word “WARNING” must be used for all cautionary markings specified in section 44.1 in UL 2849. The signal word must appear in sans serif letters in upper case only.

(ii) 44.5 The following warning shall be provided on the eBike on a part that is not removable. The warning text must include the safety alert symbol, signal word, and text. Manufacturers must insert the specific type of the micromobility product into the warning. The use of color is required when the subject materials already use printed color processing, otherwise the use of black and white or contrasting colors is acceptable. Figure 1 to this paragraph (b)(6)(ii) provides an example warning of the format required in this paragraph (b)(6)(ii).

Figure 1 to Paragraph (b)(6)(ii)—Example of Warning



(iii) 44.6 Add the following warning statement or equivalent “To prevent risk of fire, ensure that battery is fully charged at every [manufacturer to insert recommended frequency]” or “To prevent the risk of fire, discard the battery if not used for [manufacturer to insert recommended duration].” The style, location and color requirements shall be the same as homemade battery warning specified in paragraph (b)(6)(ii) of this section.

(iv) 44.7 eBikes that contain hazardous voltage circuits shall be marked “Warning: Hazardous Voltage Circuits” or be marked with the electric shock hazard symbol from ISO 3864, No. 5036 (lightning bolt within a

triangle) and shall contain the text “Do not open the enclosure.”

(v) 44.8 The following or equivalent marking shall be provided on the battery enclosure and/or device enclosure that serves as the outer enclosure of the battery: “WARNING—Risk of Fire and Electric Shock—Battery and/or battery components are not user replaceable. Do not attempt to open, disassemble or repair.”

(vi) 44.9 Each eBike shall be marked advising consumers to allow the eBike to cool down after each use and before plugging in the eBike or battery to charge. For eBikes with limited physical space, markings may be displayed within a software application that is used to operate or maintain the eBike.

(7) Insert the following sentence at the end of section 45.1 of UL 2849–20:

“Instructions shall include all cautionary markings included in section 44, Cautionary Markings.”

(8) Exclude section 48.4 of UL 2849–20.

(9) Insert new sections 51 and 52 to UL 2849–20 as follows:

(i) 51. A user removable battery pack intended for removal and charging outside of the eBike shall be provided with instructions for safe handling including removal and insertion into the eBike and during charging, and instructions for storage outside of the eBike.

(ii) 52. Each eBike shall be provided with instructions warning against immersing or submerging the eBike, the

battery, or any of the electrical components in water and shall also include steps for consumers to take to address a potential fire hazard in the event that the eBike, battery, or any electrical component is exposed to water.

§ 1265.3 Requirements for personal eMobility products.

(a) Except as provided in paragraph (b) of this section, each personal eMobility product must comply with all applicable provisions of ANSI/CAN/UL 2272:2024, *Standard for Safety for Electrical Systems for Personal E-Mobility Devices* (UL 2272–24) (approved on April 19, 2024), incorporated by reference in § 1265.7.

(b) Personal eMobility products shall comply with UL 2272–24 with the following additions and exclusions:

(1) Instead of complying with the exception in 9.2.3 of UL 2272–24, comply with the following: An easily detectable means for a new opening, for example a tamper-evident seal, is allowed but cannot be a substitute for the requirement. The manufacturer shall remind users not to use a product with broken seals and shall be immediately forwarded for appropriate recycling.

(2) Insert a new section 33A in UL 2272–24 as follows:

(i) 33A Aftermarket (Non-specified) Charger—Reverse Polarity Test.

(ii) 33A.1. This test evaluates the ability of the electrical system or battery pack to withstand the connection of a charger to the battery or personal eMobility product with an output connector that is the opposite polarity of the recommended charger. Use one personal eMobility product sample for this test.

(iii) 3A.1.1 This testing may be waived for battery systems evaluated to and compliant with UL 2271–23.

(iv) 33A.1.2 Unless noted otherwise, conduct all tests in a room with an ambient temperature of 25 ± 5 °C (77 ± 9 °F).

(v) 33A.1.3 Measure temperature using thermocouples consisting of wires not larger than 0.21 mm² (24 AWG), not smaller than 0.05 mm² (30 AWG), and that are connected to a potentiometer-type instrument. Make temperature measurements with the measuring junction of the thermocouple held tightly against the component/location being measured. For those tests that require the sample to reach thermal equilibrium (also referred to as steady

state conditions), consider thermal equilibrium achieved if no change in temperature greater than ± 2 °C (± 3.6 °F) is indicated after three consecutive temperature measurements taken at intervals of 10% of the previously elapsed duration of the test, but not less than 15 min.

(vi) 33A.2 With a fully charged representative battery pack, connect in the reverse polarity intended for normal charging a programmable DC supply power set to a current limit of 8A and at 125% of the maximum charge voltage.

(vii) 33A.3 Protective devices that have been determined reliable may remain in the circuit.

(viii) 33A.4 Apply the reverse voltage for 4 hours or until a fire or explosion occurs. Measure temperatures on the cell/module where temperatures may be highest for monitoring purposes.

(ix) 33A.5 At no time during the 4-hour test period shall the reverse voltage be imposed on the cells.

(x) 33A.6 If the electrical system of the personal eMobility product is operational after the test, subject the product to a minimum of one charge/discharge cycle at the manufacturer's maximum specified values. The test shall be followed by a 1-hour observation time prior to concluding the test and temperatures shall be monitored.

(xi) 33A.7 At the conclusion of the test and after cooling to near ambient temperature, subject representative battery packs that contain a hazardous operating voltage to the Dielectric Voltage Withstand Test in section 30 of UL 2272–24 or to the Isolation Resistance Test (without humidity conditioning) in section 31 of UL 2272–24.

(3) Instead of complying with section 47.6 of UL 2272–24, comply with the following: 47.6 For personal eMobility products with separable battery packs that are intended to be user removable, the separable battery pack shall be marked “Use only with (____) personal eMobility product.” The information to be filled in must, at a minimum, include the name of the personal eMobility product manufacturer and the model number for each product with which the battery pack is intended for use, so that users can identify personal eMobility products in which the battery pack is safe for use.

(4) Instead of complying with section 47.8 of UL 2272–24, comply with the

following: 47.8 Personal eMobility products that contain hazardous voltage circuits shall be marked “Warning: Hazardous Voltage Circuits” or be marked with the electric shock hazard symbol ISO 3864, No. 5036 (lightning bolt within a triangle) and contain the text “Do not open the enclosure.”

(5) Instead of complying with section 47.12 of UL 2272–24, comply with the following: 47.12 The following or equivalent marking shall be provided on the battery enclosure and/or product enclosure that serves as the outer enclosure of the battery: “WARNING—Risk of Fire and Electric Shock—Battery and/or battery components are not user replaceable. Do not attempt to open, disassemble or repair.”

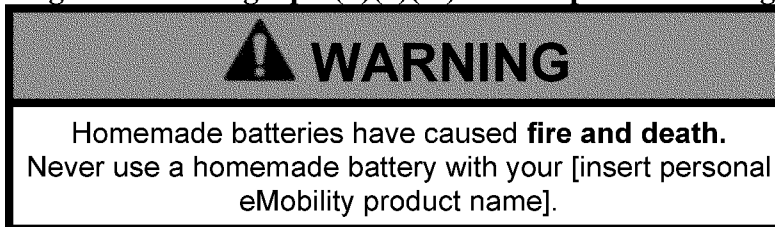
(6) Insert new sections 47.13 through 47.19 to UL 2272–24 as follows:

(i) 47.13. Text size of signal words such as WARNING must be at least 0.2 inch (5 mm) in height and the message panel text letters must be no less than 0.1 inch (2.5 mm) high except as specified.

(ii) 47.14. Warning statements (message panel) must be in contrasting color to the background onto which the warning statement is printed. The safety alert symbol and signal word must be in black letters on an orange background if subject materials already use printed color processing, otherwise the use of black and white or contrasting colors is acceptable. Warning statements must be in contrasting color to the background onto which the warning statement is printed. The safety alert symbol (exclamation mark in a triangle), when used with the signal word (e.g., WARNING) must precede the signal word. The base of the safety alert symbol must be on the same horizontal line as the base of the letters of the signal word. The height of the safety alert symbol must equal or exceed the signal word letter height. The signal word must appear in sans serif letters in upper case only.

(iii) 47.15. The following warning shall be provided on the personal eMobility product on a part that is not removable. The warning text must include the safety alert symbol, signal word, and text. The manufacturer must insert the specific type of personal eMobility product into the warning. Figure 1 to this paragraph (b)(6)(iii) provides an example warning in the format required in this paragraph (b)(6)(iii).

Figure 1 to Paragraph (b)(6)(iii)—Example of Warning



(iv) 47.16. Each personal eMobility product must contain the following warning or equivalent: “To prevent risk of fire, ensure that battery is fully charged at every [manufacturer to insert recommended frequency]” or “To prevent risk of fire, discard the battery if not used for [manufacturer to insert recommended duration].” The style, location and color requirements shall be the same as the homemade battery warning required in paragraph (b)(6)(iii) of this section.

(v) 47.17. Each personal eMobility product shall be marked to warn consumers to allow their product to cool down after use and before plugging the product in to charge. For personal eMobility products with limited physical space, markings may be displayed within a software application that is used to operate or maintain the personal eMobility product.

(vi) 47.18. If a manufacturer produces or assembles personal eMobility products at more than one factory location, each product shall have a distinctive marking—which may be in code—to identify the product of a particular factory.

(vii) 47.19. Each cautionary marking shall be located on a part of the personal eMobility product that is not removable or, if removable, on a part that impairs the operation of the unit when removed.

(7) Insert new sections 48.7 through 48.11 to UL 2272–24 as follows:

(i) 48.7. Meet instructional requirements in sections 45 through 50 of UL 2849–20 and where applicable, the requirement shall read “personal eMobility product” instead of “eBike.”

(ii) 48.8. Specific safety instructions shall be in separate manuals or, if combined, be visually distinguishable from the remainder of the text.

(iii) 48.9. While illustrations may accompany text, they cannot replace written instructions.

(iv) 48.10. Instructions shall include all warnings.

(v) 48.11 Each personal eMobility product shall contain warnings against immersing or submerging the product, the battery, or any of the components in water and include steps for consumers

to take in the event that it occurs, to address a potential fire hazard.

§ 1265.4 Requirements for user replaceable battery packs.

(a) Except as provided in paragraph (b) of this section, each user replaceable battery pack that is not sold with a micromobility product must comply with all applicable provisions of ANSI/CAN/UL/ULC 2271:2023, *Standard for Safety for Batteries for Use in Light Electric Vehicle (LEV) Applications* (UL 2271–23) (approved on September 14, 2023), incorporated by reference in § 1265.7.

(b) User replaceable battery packs that are not sold with a micromobility product shall comply with UL 2271–23 with the following additions and exclusions:

(1) Insert new section 16.9 into UL 2271–23 as follows: 16.9 To reduce the likelihood of users accessing battery cells on a user replaceable battery pack intended to provide power to the motor(s) of an eBike or personal eMobility product, the battery pack outer enclosure shall be constructed such that it is not capable of being opened using common household tools, such as a flat blade or Philips head screwdriver. The enclosure shall be ultrasonically welded or secured by equivalent means. Equivalent means include adhesives complying with the adhesive requirements of UL 746C, *Standard for Polymeric Materials—Use in Electrical Equipment Evaluations*, or single use or tamper-proof screws.

(2) Instead of complying with section 28.5 of UL 2271–23, complying with the following: 28.5 Immediately following the discharge cycle, another charge shall be initiated. The BMS shall not permit charging if the surface temperature of a cell within the battery pack is higher than the manufacturer’s specified maximum cell surface temperature during charging. A full charge shall be completed followed by a full discharge.

(3) Insert new section 32A into UL 2271–23 as follows:

(i) 32A Aftermarket (Non-specified) Charger—Reverse Polarity Test.

(ii) 32A.1 This test evaluates the ability of the battery pack to withstand

connection of a charger with an output connector that is configured in the opposite polarity of the recommended charger.

(iii) 32A.1.1 Conduct all tests, unless noted otherwise, in a room with an ambient temperature of $25 \pm 5^\circ\text{C}$ ($77 \pm 9^\circ\text{F}$).

(iv) 32A.1.2 Measure temperature using thermocouples consisting of wires not larger than 0.21 mm^2 (24 AWG) and not smaller than 0.05 mm^2 (30 AWG) connected to a potentiometer-type instrument. Make temperature measurements with the measuring junction of the thermocouple held tightly against the component/location being measured. For those tests that require the sample to reach thermal equilibrium (also referred to as steady state conditions), consider thermal equilibrium achieved if no change in temperature greater than $\pm 2^\circ\text{C}$ ($\pm 3.6^\circ\text{F}$) is indicated after three consecutive temperature measurements taken at intervals of 10% of the previously elapsed duration of the test, but not less than 15 min.

(v) 32A.2 With a fully charged representative battery pack, connect in the reverse polarity intended for normal charging a programmable DC supply power set to a current limit of 8A and at 125% of the maximum charge voltage.

(vi) 32A.3 Protective devices that have been determined reliable may remain in the circuit.

(vii) 32A.4 Apply the reverse voltage for 4 hours or until a fire or explosion occurs. Measure temperatures on the cell/module where temperatures may be highest for monitoring purposes.

(viii) 32A.5 At no time during the 4-hour test period shall the reverse voltage be imposed on the cells.

(ix) 32A.6 If the battery is operational after the test, subject the battery to a minimum of one charge/discharge cycle at the manufacturer’s maximum specified values. The test shall be followed by a 1-hour observation time prior to concluding the test and temperatures are to be monitored.

(x) 32A.7 At the conclusion of the test and after cooling to near ambient temperature, subject representative

battery packs that contain a hazardous operating voltage to the Dielectric Voltage Withstand Test in section 30 of UL 2272–24 or to the Isolation Resistance Test (without humidity conditioning) in section 31 of UL 2272–24.

(4) Insert new sections 46.12 to 46.16 into UL 2271–23 as follows:

(i) 46.12. Text size of signal words such as WARNING must be at least 0.2 inch (5 mm) in height and the message panel text letters must be no less than 0.1 inch (2.5 mm) high except as specified.

(ii) 46.13. Warning statements (message panel) must be in contrasting color to the background onto which the warning statement is printed. The safety alert symbol and signal word must be in black letters on an orange background if the subject materials already use printed color processing, otherwise the use of black and white or contrasting colors is acceptable. Warning statements must be in contrasting color to the background onto which the warning statement is printed. The safety alert symbol (exclamation mark in a triangle), when used with the signal word (e.g., WARNING) must precede the signal word. The base of the safety alert symbol must be on the same horizontal line as the base of the letters of the signal word. The height of the safety alert symbol must equal or exceed the signal word letter height. The signal word must appear in sans serif letters in upper case only.

(iii) 46.14. Each battery pack must be marked with the following language or equivalent: “To prevent risk of fire, ensure that battery is fully charged at every [manufacturer to insert recommended frequency]” or “To prevent the risk of fire, discard the battery if not used for [manufacturer to insert recommended duration].” The warning text must include the safety alert symbol, signal word “WARNING” and text.

(iv) 46.15. Each battery pack must be marked with the following statement: “Use only with [manufacturer to insert appropriate micromobility product name and model].” The warning text must include the safety alert symbol, signal word “WARNING” and text.

(v) 46.16. Each battery pack must be marked to identify the particular factory that assembled the battery pack, if more than one factory manufactures the same product.

(5) Insert new section 47.6 into UL 2271–23 as follows: 47.6 Instructions must be legible and include all warnings.

§ 1265.5 Requirements for eBike conversion kits.

(a) Components marketed, intended, or designed as part of an eBike conversion kit must comply with the specified sections of UL 2849–20, incorporated by reference in § 1265.7, as described in paragraph (b) of this section.

(b) Components marketed, intended, or designed as part of an eBike conversion kit shall comply with the following:

(1) If provided, the battery pack of an eBike conversion kit for powering the drive motor shall comply with sections 9 (*Combination of Battery, Battery Management System, and Charger*) and 12 (*Battery Packs*), and all referenced sections therein, of UL 2849–20.

(2) To prevent a user from accessing battery cells within a battery pack, the outer enclosure of the battery pack shall not be capable of being opened using common household tools, such as a flat blade or Philips head screwdriver. The enclosure shall be ultrasonically welded or secured by equivalent means. Equivalent means includes adhesives complying with the adhesive requirements of UL 746C, or single use or tamper-proof screws.

(3) If provided, the battery charger of each eBike conversion kit shall comply with sections 7 (*General*), 8 (*Power Levels*), 9 (*Combination of Battery, Battery Management System, and Charger*), 10 (*User Protection While Charging*), and 23 (*Chargers*), and all referenced sections therein, of UL 2849–20. The connector provided with the charger for connecting to the battery terminal for charging shall prevent misalignment, reverse polarity, or electrical mismatch. Compliance with this paragraph (b)(3) must be observable or, if necessary, meet the Protective Circuits and Safety Analysis requirements in section 12 of UL 2849–20.

(4) If provided, the operator interface of each eBike conversion kit shall comply with sections 7 (*General*), 8 (*Power Levels*), and 21 (*Operator Interface*), and all referenced sections therein, of UL 2849–20.

(5) If provided, the motors and motor controllers in eBike conversion kits shall comply with sections 7 (*General*), 8 (*Power Levels*), and 20 (*Motors and Motor Controllers*), and all referenced sections therein, of UL 2849–20.

(6) If provided, a user replaceable battery pack must comply with sections 46 (*Markings*) and 47 (*Instructions*) of UL 2271–23, including all referenced sections within those sections, as well as the additional markings and

instructions for user replaceable battery packs required in § 1265.4(b)(4) and (5).

(7) If provided, each battery charger must comply with the marking and instructions for aftermarket battery chargers in § 1265.6(a) and (c).

§ 1265.6 Requirements for aftermarket battery chargers.

(a) Aftermarket battery chargers, if marketed, intended, or designed to charge an eBike battery, shall comply with section 23 of UL 2849–20, incorporated by reference in § 1265.7, and the requirements in § 1265.2(b)(2).

(b) Aftermarket battery chargers, if marketed, intended, or designed to charge a personal eMobility product battery, shall comply with section 11 of UL 2272–24, incorporated by reference in § 1265.7.

(c) Aftermarket battery chargers shall be provided with the following statement: “Use only with [manufacturer to insert appropriate micromobility product name and model].” The warning text must include the safety alert symbol, signal word “WARNING” and text.

§ 1265.7 Standards incorporated by reference.

(a) The standards required in this part, as stated in paragraph (b) of this section, are incorporated by reference into this part with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. This material is available for inspection at the U.S. Consumer Product Safety Commission and at the National Archives and Records Administration (NARA). Contact the U.S. Consumer Product Safety Commission at: the Office of the Secretary, U.S. Consumer Product Safety Commission, 4330 East West Highway, Bethesda, MD 20814, telephone (301) 504–7479, email: cpssc@cpssc.gov. For information on the availability of this material at NARA, visit <https://www.archives.gov/federal-register/cfr/ibr-locations> or email fr.inspection@nara.gov.

(b) A free, read-only copy of the standards incorporated by reference are available for viewing on UL’s website at <https://www.ulstandards.com/IBR/logon.aspx>. You may also obtain a copy of each standard through Underwriters Laboratories, Inc (UL), 333 Pfingsten Road, Northbrook, IL 60062 or through UL’s website at www.UL.com.

(1) ANSI/CAN/UL 2849:2020, *Standard for Safety for Electrical Systems for eBikes* (UL 2849–20) (approved on January 20, 2020), incorporation by reference approved for §§ 1265.2, 1265.5, and 1265.6.

(2) ANSI/CAN/UL 2272:2024, *Standard for Safety for Electrical*

Systems for Personal E-Mobility Devices (UL 2272–24) (approved on April 19, 2024), incorporation by reference approved for §§ 1265.3 and 1265.6.

(3) ANSI/CAN/UL/ULC 2271:2023, *Standard for Safety for Batteries for Use in Light Electric Vehicle (LEV) Applications* (UL 2271–23) (approved on September 14, 2023), incorporation by reference approved for §§ 1265.4 and 1265.5.

§ 1265.8 Prohibited stockpiling.

(a) *Prohibited acts.* Manufacturers and importers of noncompliant micromobility products, including the components addressed in this part (user replaceable battery packs, aftermarket battery chargers, and components of eBike conversion kits), shall not manufacture or import such products that do not comply with the requirements of this part in any 180-day period between [date of publication of the final rule], and [effective date of the final rule], at a rate that is greater than 120 percent of the rate at which they manufactured or imported noncompliant micromobility products during the base period for the manufacturer.

(b) *Base period.* The base period for lithium-ion batteries used in micromobility products is the 13-month period immediately preceding [date of publication of the final rule].

§ 1265.9 Severability.

The provisions of this part are separate and severable from one another. If any provision is stayed or determined to be invalid, it is the Commission's intention that the remaining provisions shall continue in effect.

Appendix A to Part 1265—Findings Required by the Consumer Product Safety Act

Section 9(f) of the Consumer Product Safety Act (15 U.S.C. 2058(f)) requires the Commission to make findings concerning the following topics and to include the findings in the rule. Because the findings are required to be published in the rule, they reflect the information that was available to the Consumer Product Safety Commission (Commission, CPSC) when the rule was issued.

A. Degree and nature of the risk of injury.

(1) Lithium-ion batteries used in micromobility products and the electrical systems of micromobility products, including components of eBike conversion kits, user replaceable battery packs, and aftermarket chargers, present an unreasonable risk of death and injury to consumers from electric shock, fires, explosions, expulsion of gas or flames, burns, overheating, and smoke inhalation. The primary risk of injury is associated with thermal runaway of

micromobility electrical systems. In a multicell battery pack, the heat produced by the failure of one cell may propagate to other cells in the pack, expanding the release of extreme heat and fire due to thermal runaway induced in other cells, with temperatures that can exceed 1000 °C (1832 °F).

(2) Once ignited, flaming lithium-ion battery contents and gases build internal pressure and can be explosively ejected from the cell enclosure. The flaming materials may ignite nearby combustibles. Because micromobility products are often left to charge in a garage, house, or multifamily dwelling, fires can spread to combustible materials stored in those locations, such as gas or kerosene in a garage, and carpets, furniture, drapes, decorative items, and other electronic equipment in the house. Fires can also spread to the structure itself. Smoke produced by combustion is a colloid consisting of airborne solids, liquid particles, and gases (e.g., CO₂, CO) mixed with air. Harmful gases and fire may result in injuries and deaths to anyone inside the house or building.

(3) CPSC identified 227 unique incidents involving 357 victims that are related to micromobility products' lithium-ion batteries from January 1, 2019, through December 31, 2023. CPSC is aware of 39 fatalities, 181 injuries, and 137 non-injury incidents. Thirty-nine incidents involved multiple victims with fatalities and injuries. Of the 37 fatalities with age information, four (11 percent) were under 5 years old and nine (24 percent) were 65 and older. These fatality rates for young children and seniors are disproportionately higher compared to their corresponding proportions in the general U.S. population.

(4) Consumers are exposed to the unreasonable risks of injury during foreseeable use of micromobility products, such as during charging and discharging of lithium-ion batteries. Twenty-one out of the 39 incidents involving multiple-victim incidents (54 percent) occurred while the product was plugged in charging, including 15 out of 32 fatalities (47 percent) and 79 out of 137 injuries (58 percent). Seven multi-victim incidents were reported while the products were being stored or resting in open space and unexpectedly caught fire, causing four deaths and 33 injuries. Two incidents with five injuries were associated with products during use, shortly after use, or after unplugging a charger from the product. Users removing or replacing the battery and using a user replaceable battery or aftermarket charger were associated with four incidents, two deaths, and nine injuries. An incident was reported in which the victim was manufacturing, repairing, and charging homemade lithium-ion batteries, resulting in one death and two injuries. The remaining four multiple-victim incidents did not provide specific hazard description but accounted for 10 deaths and nine injuries.

B. Number of consumer products subject to the rule. (1) The Commission is aware of 179 firms that manufacture or supply eBikes to the U.S. market. In 2021, 898,100 eBikes were sold in the United States. Staff estimate a high growth rate for this market, estimating that in 2024 about 1.4 million eBikes were sold in the United States.

(2) The Commission is aware of 81 firms supplying 704 eScooter models/variants to the U.S. market. In 2021, 177,500 eScooters for commercial and private use were sold in the United States. CPSC staff estimate that in 2024, 257,500 eScooters were sold in the United States.

(3) The Commission is aware of 67 firms that manufacture or supply OMPs, meaning eSBscooters, eSkateboards, and eUnicycles, to the U.S. market. In 2021, about 1.3 million eSBscooters, and 124,100 eSkateboards and eUnicycles, were sold in the United States. In 2024, staff estimate about 1.4 million eSBscooters and 182,900 eSkateboards and eUnicycles were sold in the United States.

C. The public need for lithium-ion batteries in micromobility products and the effects of the rule on their utility, cost, and availability.

(1) Micromobility products are marketed, intended, and designed for recreational off-road use, and for transportation in urban and suburban areas, typically for short distances. Products are sold to consumers for personal recreation and business use as well as to businesses for commercial purposes, such as rideshares and rentals for consumer use.

(2) eBikes are open frame bicycles with an electric motor and battery installed to assist the rider. eBikes are sold for use by children and adults; children's products can be purchased for as little as \$200, while cargo models intended to carry additional passengers and/or cargo can sell for more than \$10,000. Premium eBikes start at \$2,500 and have more powerful motors that can reach speeds exceeding 28 miles per hour (mph) with pedal assist, hydraulic brakes, and lighter frames. The average price across all eBikes is approximately \$3,150.

(3) Conversion kits for eBikes are battery products that convert a traditional bicycle to an eBike. Prices for conversion kits range from \$100 to \$400 not including a battery.

(4) eScooters are two-wheeled products comprised of a platform (with or without seating) supported by wheels in a longitudinal placement and without pedals. eScooters also use handlebars that enable users to steer and brake. Child and youth models range from \$79 to \$333, with the average at \$188. Adult model prices average \$780 and range from \$499 to \$7,299. Commercial eScooters are eScooters purchased for business operations instead of personal use and are mostly purchased by ridesharing companies to add to their fleet in urban areas. For all categories, the average eScooter model price was about \$510.

(5) OMPs, such as eSBscooters (examples include segways and hoverboards), eSkateboards, and eUnicycles, are used primarily for recreation and are considered more difficult to operate than eBikes and eScooters. One type of eSBscooters, segways, are battery-powered mobility products that have two parallel wheels connected by a platform on which the user stands, and a steering bar. The original Segway sold for approximately \$5,000, while other versions sell for \$300 to \$1,000. Segway-type eSBscooters specific to the children's market range in price from \$299 to \$499. Another type of eSBscooter consists of battery-powered mobility products, such as hoverboards, that have two parallel wheels

connected by a platform on which the user stands. The market price for children's models ranges from \$89 to \$370 and adult models range from \$150 to \$399 in price.

(6) eSkateboards are board platforms supported by four wheels that are powered by electric motors, typically either a hub motor or a belt drive and gear system. eUnicycles are platforms supported by a single wheel, powered by an electric motor. eSkateboard and eUnicycle products for the adult market are split between entry-level at prices between \$200 and \$650, and higher-performance varieties at more than double these prices. eUnicycles start at around \$1,000.

(7) The Commission finds that the rule, if adopted, would not have a substantial effect on the utility or availability of micromobility products, and the impact on cost depends on the product type. The Commission expects no loss of function or utility to these products from the rule because the construction and performance requirements would not affect riding ability, steering, or top speed for these products. CPSC estimates the incremental cost to manufacturers to produce a compliant product to be an average of \$230 for a noncompliant eBike, \$114.86 for a noncompliant eScooter, and \$162.79 for remaining OMPs. These compliance costs are per unit estimates for the first year of the rule and the Commission expects these costs to decrease throughout the years due to economies of scale. While these costs are not insignificant, the Commission does not expect a significant change in the market that would affect the availability of these products.

D. Other means to achieve the objective of the rule, while minimizing adverse effects on competition and manufacturing. (1) The Commission considered six alternatives to achieving the rule's objective of reducing the unreasonable risks of death and injury associated with lithium-ion batteries used in micromobility products and their electrical systems.

(2) *Limiting the Scope of the Rule to OMPs.* The Commission considered removing eBikes from the rule. With this alternative, estimated benefits of the rule would be highly likely to exceed its estimated costs. However, this alternative would not address the unreasonable risks of death and injury associated with eBikes and thus would expose consumers, including vulnerable young children and seniors, to those hazards. eBikes have the least mature market with the highest growth potential, leading to uncertainty about what the future of the product, market, and safety record will be going forward. The Commission determines that the risk of death and injury to consumers associated with eBikes weighs against removing eBikes from the rule.

(3) *Conduct Marketing Campaigns Instead of Promulgating a Final Rule.* Rather than promulgating a rule, the Commission considered issuing news releases and utilizing other information and marketing techniques to warn consumers about the unreasonable risks of death and injury to consumers. CPSC already conducts education campaigns yet deaths and injuries associated with lithium-ion batteries in micromobility

products continue to occur. Therefore, much of the societal costs would continue to be incurred by consumers in the form of deaths, injuries, and property damage. For this reason, the risk of death and injury to consumers associated with micromobility products weigh against relying primarily on consumer education campaigns to address the hazards.

(4) *Conduct Recalls Instead of Promulgating a Final Rule.* CPSC has already announced 29 consumer-level recalls and incidents continue to occur, so this option would merely maintain the status quo and not otherwise advance the safety of micromobility products. Furthermore, unlike a rule that applies to newly manufactured micromobility products, recalls only apply to specific products, and occur only after consumers have purchased and used such products and have been exposed to and potentially injured or killed by the hazard. Recalls do not prevent unsafe products from entering the market. If the Commission adopted this alternative, much of the societal costs would continue to be incurred by consumers in the form of deaths, injuries, and property damage. For these reasons, the Commission finds that recalls would not adequately eliminate or reduce the unreasonable risk of injury associated with micromobility products in the absence of rulemaking.

(5) *Rely on Voluntary Standard Development.* This alternative would allow firms and other stakeholders to collectively determine the degree, manner, and timing of hazard mitigation, which could delay or reduce the effectiveness of standards intended to address the hazard. In addition, firms may choose not to comply with voluntary standards and therefore incur no associated costs. CPSC staff already participate in the UL process for all three of the UL standards incorporated by reference into this part, so this alternative, like recalls, maintains the status quo. Accordingly, the Commission finds that relying on voluntary standards development in lieu of rulemaking would not eliminate or adequately reduce an unreasonable risk of injury.

(6) *Set a Later Effective Date.* A later effective date would allow manufacturers more time to redesign micromobility products, modify production lines, or spread research and development costs over a greater period, and mitigate supply chain issues. However, costs associated with these manufacturing activities are unlikely to be significant. The costs of the rule instead come primarily from sourcing compliant components that are currently available and can be incorporated into finished products within 180 days, and changes to warnings that would not require more than 180 days. Additionally, laboratories are already available to test products and lab capacity should not be an issue. Based on the foregoing, the Commission finds that addressing the unreasonable risk of injury within 180 days outweighs any argument that firms require more than 180 days to comply.

(7) *Take No Regulatory Action.* As the relevant UL voluntary standards, particularly the UL 2272–24 revision, are relatively new, compliance rates may improve in the future.

State and local regulations mandating compliance with voluntary standards for micromobility products, such as a recent regulation in New York City, insurance availability, and other forces may accelerate compliance with the voluntary standards. However, without a Federal mandatory regulation, firms could choose to continue to produce non-compliant micromobility products. Given persistent deaths and injuries associated with these products, the Commission finds that maintaining the status quo will not eliminate or adequately reduce the unreasonable risk of death and injury associated with micromobility products.

E. The rule (including its effective date) is reasonably necessary to eliminate or reduce an unreasonable risk of injury. (1) As summarized in this appendix, consumers are exposed to an unreasonable risk of injury associated with these products. Vulnerable populations, children and the elderly, are disproportionately represented in the incident data. Despite the existence of voluntary standards, CPSC's work on the voluntary standards—and recalls, deaths, and injuries—continue.

(2) The Commission does not expect the adoption of this part to have a substantial effect on the utility or availability of products, as stated in paragraph C of this appendix. Weighing the possibility of increased costs for micromobility products within the scope of the rule with the continuing deaths and injuries to consumers, the Commission concludes that micromobility products pose an unreasonable risk of injury and death and that the rule is reasonably necessary to reduce that unreasonable risk of injury and death.

(3) The Commission also finds that an effective date of 180 days after publication of a final rule is reasonably necessary to address the unreasonable risks of death and injury associated with lithium-ion batteries used in micromobility products. When balancing the risk of death and injury to consumers against the possibility that some products may be less available during a transition period in the market, the Commission finds that the public interest is better served by protecting the safety of consumers.

F. Public interest. Adherence to the requirements of the rule will significantly reduce or eliminate hazards associated with micromobility products within the scope of the rule without major disruption to industry or consumers; thus, the Commission finds that promulgation of the rule is in the public interest.

G. Voluntary standards. (1) The rule incorporates by reference three voluntary standards applicable to micromobility products: UL 2849–20 (applicable to eBikes, eBike conversion kits, and related battery chargers); UL 2272–24 (applicable to OMPs and related battery chargers); and UL 2271–23 (applicable to user replaceable battery packs), with modifications to fully address the associated risks of injury. Although many requirements in the UL standards adequately address the hazards, overall, the requirements in the UL standards do not address all identified hazards associated with lithium-ion batteries used in micromobility

products and their electrical systems. Accordingly, the rule includes several modifications to the standard's performance, marking, and labeling requirements. The Commission finds that without these modifications, UL 2849–20, UL 2272–24, and UL 2271–23 are inadequate to eliminate or adequately reduce the unreasonable risks of injury associated with these products.

(2) CPSC obtained estimated compliance rates from a 2023 survey of “brick and mortar” retail stores and found that weighted compliance rate across all micromobility product types in use (including eBikes) is approximately 45 percent. Together with the substantial number of incidents involving death and injury associated with noncompliant micromobility products, the survey data show that product compliance with the UL voluntary standards has not reached the level where the risk to consumers from these products is adequately mitigated. Accordingly, the Commission determines that it is unlikely that there will be substantial compliance with UL 2849–20, UL 2272–24, or UL 2271–23.

H. Relationship of benefits to costs. (1) CPSC conducted a benefits and costs analysis which accounts for mitigated deaths, injuries, and property damage by monetizing deaths using the value of statistical life (VSL), injuries using CPSC's Injury Cost Model (ICM), and property damage based on historical damage assessments.

(2) The micromobility product market includes emerging products, some of which have only been introduced in the last decade and are rapidly growing in popularity and consumer acceptance. The relative novelty of these products poses challenges in the incident data. For example, fire incident data that CPSC staff use to identify addressable fire incidents do not have a product category for lithium-ion batteries, which may cause lithium-ion battery fires from micromobility products to be mislabeled or not identified if a micromobility product is not mentioned in the incident narrative. eBike data especially have a high degree of uncertainty because eBikes are the least mature segment of the micromobility product marketplace, with substantial uncertainties related to product safety, consumer demand, producer behavior in the absence of a CPSC regulation addressing battery safety, and a growing

presence of other regulations—particularly at the state and local levels.

(3) Given these uncertainties, the Commission presents the results of the benefits and costs analyses under two framings: (a) an estimate that uses the incident data collected despite likely underestimation of incidents, and (b) an upper-bound estimate that addresses the uncertainty in incidents by aligning eBike fatality rate with the rate of eScooters—which is the most developed micromobility product market.

(4) Over a 30-year study period, the estimate of the total annualized benefits, discounted at 3 percent, is \$61.17 million from mitigated death and injuries associated with lithium-ion batteries used in micromobility products and their electrical systems. The upper-bound estimate identifies total annualized benefits of \$472.97 million, also discounted at 3 percent.

(5) The safety improvements in this part involve two main costs: (a) a compliance cost to upgrade micromobility products to meet performance requirements; and (b) deadweight losses or market impacts caused by the increased price associated with compliance with the regulation and the subsequent decline in demand. The Commission estimates the total annualized costs from the proposed rule, discounted at 3 percent, to be \$146.52 million.

(6) When costs are compared to the estimate of benefits, the estimated costs of the rule exceed benefits. Estimated annualized net benefits (benefits less costs) are –\$85.35 million, discounted at 3 percent. Based on this estimate the rule would have a benefit-cost ratio of 0.42 for all micromobility products, meaning it returns \$0.42 of benefits for every \$1 in costs.

(7) The upper-bound estimate of benefits yields annualized net benefits of \$472.97 million and a benefit-cost ratio of 3.23, meaning the rule returns \$3.23 of benefits for every \$1 in costs.

(8) There are both unquantified benefits and unquantified costs. The unquantified benefits stem from avoided property damage, legal costs, and insurance premium increases. Because the available data on fire incidents do not have a product category for lithium-ion batteries, CPSC's analysis could be underestimating the number of incidents and the magnitude of loss from fires from

these batteries. Additionally, fires in multi-dwelling units have the potential to impose significant negative externalities, such as a fire that results in property loss for a neighbor. CPSC could not quantify these impacts due to a lack of robust data in the various data sources reviewed. Fire spreading to nearby structures also could result in additional legal costs; the potentially large magnitude of these losses could make some legal fees significant.

(9) Based on this analysis, the Commission finds that the benefits expected from the rule bear a reasonable relationship to the anticipated costs of the rule.

I. Least burdensome requirement that would adequately reduce the risk of injury.

(1) The Commission considered less burdensome alternatives to the final rule, detailed in paragraph D of this appendix, but finds that none of these alternatives would eliminate or adequately reduce the risk of injury.

(2) For example, the Commission considered relying on voluntary recalls, compliance with the voluntary standard, and education campaigns, rather than issuing a mandatory standard. These alternatives would have minimal costs but would be unlikely to reduce the associated risks of injury.

(3) The Commission considered issuing a standard that only applies to OMPs and removes eBikes. This approach would impose lower costs on manufacturers but is unlikely to adequately reduce the risk of injury because it would not address the unreasonable risks of injury associated with eBikes.

(4) Based on the analysis of the alternatives to rulemaking in paragraph D of this appendix, the Commission finds that the rule is the least burdensome requirement that would adequately eliminate or reduce the unreasonable risk of death and injury associated with lithium-ion batteries used in micromobility products and their electrical systems.

Alberta E. Mills,

Secretary, Consumer Product Safety Commission.

[FR Doc. 2026–12749 Filed 6–23–26; 8:45 am]

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FEDERAL REGISTER

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June 24, 2026

Part V

The President

Notice of June 22, 2026—Continuation of the National Emergency With Respect to North Korea

Notice of June 22, 2026—Continuation of the National Emergency With Respect to the Western Balkans

Presidential Documents

Title 3—**Notice of June 22, 2026****The President****Continuation of the National Emergency With Respect to North Korea**

On June 26, 2008, by Executive Order 13466, the President declared a national emergency with respect to North Korea pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the existence and risk of the proliferation of weapons-usable fissile material on the Korean Peninsula. The President also found that it was necessary to maintain certain restrictions with respect to North Korea that would otherwise have been lifted pursuant to Proclamation 8271 of June 26, 2008, which terminated the exercise of authorities under the Trading With the Enemy Act (50 U.S.C. App. 1 *et seq.*) with respect to North Korea.

On August 30, 2010, the President signed Executive Order 13551, which expanded the scope of the national emergency declared in Executive Order 13466 to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the continued actions and policies of the Government of North Korea, manifested by its unprovoked attack that resulted in the sinking of the Republic of Korea Navy ship Cheonan and the deaths of 46 sailors in March 2010; its announced test of a nuclear device and its missile launches in 2009; its actions in violation of United Nations Security Council Resolutions 1718 and 1874, including the procurement of luxury goods; and its illicit and deceptive activities in international markets through which it obtains financial and other support, including money laundering, the counterfeiting of goods and currency, bulk cash smuggling, and narcotics trafficking, which destabilize the Korean Peninsula and imperil United States Armed Forces, allies, and trading partners in the region.

On April 18, 2011, the President signed Executive Order 13570 to take additional steps to address the national emergency declared in Executive Order 13466 and expanded in Executive Order 13551 that would ensure implementation of the import restrictions contained in United Nations Security Council Resolutions 1718 and 1874 and complement the import restrictions provided for in the Arms Export Control Act (22 U.S.C. 2751 *et seq.*).

On January 2, 2015, the President signed Executive Order 13687 to expand the scope of, and to take further steps with respect to, the national emergency declared in Executive Order 13466, as expanded in Executive Order 13551, and addressed further in Executive Order 13570, to address the threat to the national security, foreign policy, and economy of the United States constituted by the provocative, destabilizing, and repressive actions and policies of the Government of North Korea, including its destructive, coercive cyber-related actions during November and December 2014, actions in violation of United Nations Security Council Resolutions 1718, 1874, 2087, and 2094, and commission of serious human rights abuses.

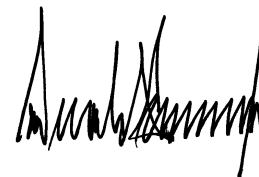
On March 15, 2016, the President signed Executive Order 13722 to take additional steps with respect to the national emergency declared in Executive Order 13466, as modified in scope and relied upon for additional steps in subsequent Executive Orders, to address the Government of North Korea's continuing pursuit of its nuclear and missile programs, as evidenced by

its February 7, 2016, launch using ballistic missile technology and its January 6, 2016, nuclear test in violation of its obligations pursuant to numerous United Nations Security Council resolutions and in contravention of its commitments under the September 19, 2005, Joint Statement of the Six-Party Talks, that increasingly imperils the United States and its allies.

On September 20, 2017, the President signed Executive Order 13810 to take further steps with respect to the national emergency declared in Executive Order 13466, as modified in scope and relied upon for additional steps in subsequent Executive Orders, to address the provocative, destabilizing, and repressive actions and policies of the Government of North Korea, including its intercontinental ballistic missile launches of July 3 and July 28, 2017, and its nuclear test of September 2, 2017; its commission of serious human rights abuses; and its use of funds generated through international trade to support its nuclear and missile programs and weapons proliferation.

The existence and risk of the proliferation of weapons-usable fissile material on the Korean Peninsula and the actions and policies of the Government of North Korea continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For this reason, the national emergency declared in Executive Order 13466, expanded in scope in Executive Order 13551, addressed further in Executive Order 13570, further expanded in scope in Executive Order 13687, and under which additional steps were taken in Executive Order 13722 and Executive Order 13810, must continue in effect beyond June 26, 2026. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13466 with respect to North Korea.

This notice shall be published in the *Federal Register* and transmitted to the Congress.



THE WHITE HOUSE,
June 22, 2026.

Presidential Documents

Notice of June 22, 2026

Continuation of the National Emergency With Respect to the Western Balkans

On June 26, 2001, by Executive Order 13219, the President declared a national emergency with respect to the Western Balkans pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Republic of Macedonia (what is now the Republic of North Macedonia) and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999, in Kosovo. The President subsequently amended that order in Executive Order 13304 of May 28, 2003, to take additional steps with respect to certain actions that obstruct implementation of, among other things, the Ohrid Framework Agreement of 2001 relating to the former Republic of Macedonia (what is now the Republic of North Macedonia).

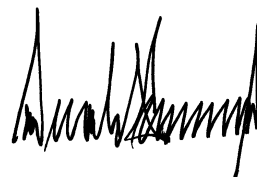
On June 8, 2021, the President signed Executive Order 14033, which expanded the scope of the national emergency declared in Executive Order 13219, as amended, finding that the situation in the territory of the former Socialist Federal Republic of Yugoslavia and the Republic of Albania (the Western Balkans), over the past two decades, including the undermining of post-war agreements and institutions following the breakup of the former Socialist Federal Republic of Yugoslavia, as well as widespread corruption within various governments and institutions in the Western Balkans, stymies progress toward effective and democratic governance and full integration into transatlantic institutions, and thereby constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States.

On January 8, 2025, the President signed Executive Order 14140, in view of events in the Western Balkans, including continued attempts by individuals to challenge the sovereignty and territorial integrity of Western Balkans nations, to undermine post-war agreements and institutions, to engage in significant corruption that erodes the rule of law and trust in democratic governance, and to evade United States Government sanctions, and in order to take additional steps with respect to the national emergency with respect to the Western Balkans.

The actions of persons threatening the peace and international stabilization efforts in the Western Balkans, including acts of extremist violence and obstructionist activity, and the situation in the Western Balkans, which stymies progress toward effective and democratic governance and full integration into transatlantic institutions, continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, the national emergency declared in Executive Order 13219, under which additional steps were taken in Executive Order 13304, which was expanded in scope in Executive Order 14033, and under which additional steps were taken in Executive Order 14140, must continue in effect beyond June 26, 2026. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for

1 year the national emergency declared in Executive Order 13219 with respect to the Western Balkans.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

A handwritten signature in black ink, appearing to be a stylized representation of a name, possibly "Donald Trump", with a long, sweeping horizontal stroke at the bottom.

THE WHITE HOUSE,
June 22, 2026.

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