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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133-AF80

Suretyship and Guaranty; Segregated Deposit and Collateral

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is amending its regulations to eliminate prescriptive segregated deposit and collateral requirements for suretyship and guaranty agreements. By removing these requirements, the Board is authorizing federally insured credit unions (FICUs) acting as sureties and guarantors to design products that address member needs while maintaining safety and soundness standards. Federal credit unions (FCUs), and federally insured, state-chartered credit unions (FISCUs) if permitted under state law to act as a surety or guarantor, continue to be subject to other requirements related to these arrangements, including the applicable lending regulations. The final rule follows publication of the December 29, 2025, proposed rule, and takes into consideration the public comments received.

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

FOR FURTHER INFORMATION CONTACT: Keisha Brooks, Attorney-Advisor, Office of General Counsel, at (703) 518-6540 or at 1775 Duke Street, Alexandria, VA.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

A federal credit union (FCU) may only engage in activities that are either expressly authorized by statute or within its incidental powers. The Federal Credit Union Act (FCU Act) explicitly grants FCUs the power to,

among other activities, make loans to members and to provide letters of credit on behalf of members. The accompanying incidental powers provision states that each FCU may “exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated.” The FCU Act defines the business for which each FCU is incorporated—“promoting thrift among its members and creating a source of credit for provident or productive purposes.” In suretyship and guaranty agreements, a credit union promises to pay a member’s obligations in the event of default. NCUA has recognized that acting as a guarantor or surety on behalf of a member is a logical extension of an FCU’s authority to make loans to its members and to provide letters of credit on behalf of members; and involves risks that are similar in nature to the risks involved in an FCU’s lending activity. NCUA’s regulation at 12 CFR 701.20 (§ 701.20) sets the requirements for FCUs entering into suretyship and guaranty agreements for their members as an incidental power. The same requirements apply to FISCUs that are authorized under state law to enter into suretyship and guaranty agreements.

On December 29, 2025, the Board published a proposed rule to remove the specific segregated deposit and the detailed collateral criteria prescribed by § 701.20 for surety and guaranty agreements. Currently, paragraph (c)(3) of § 701.20 mandates a segregated deposit when a FICU serves as a surety or guarantor. Paragraph (d) of the section also requires a perfected security interest in collateral equal to 100 percent or 110 percent of the federal credit union’s potential liability, depending on the type of collateral. The 100 percent collateral category includes cash; obligations of the United States or its agencies; obligations fully guaranteed by the United States or its agencies as to principal and interest; and notes, drafts, bills of exchange, and bankers’ acceptances that are eligible for rediscount or purchase by a Federal Reserve Bank. The 110 percent category comprises real estate and marketable securities. The Board solicited public comments on these proposed changes to § 701.20, providing a 60-day comment period that concluded on February 27, 2026. This final rule takes into

consideration the public comments received on the proposal.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs.¹ The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.² Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.³ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁴ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

II. Final Rule

A. Overview

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on February 27, 2026, the Board received 15 comments regarding the proposed rule. Comments were submitted by an individual, state and regional credit union leagues, a national association representing state credit union supervisors and state-chartered credit unions, and national trade associations representing credit unions. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal without change.

In summary, this final rule amends § 701.20 to eliminate the specific segregated deposit and detailed collateral requirements for surety and guaranty agreements. The final rule retains two existing requirements designed to ensure the safety and soundness of surety and guaranty

¹ 12 U.S.C. 1752–1775.

² 12 U.S.C. 1766(a).

³ 12 U.S.C. 1787.

⁴ 12 U.S.C. 1789.

agreements. The first requires that the FICU's obligation under the agreement be limited to a fixed amount and limited in duration. Because the nature of a surety or guaranty agreement is a loan, the second provision requires that a FICU's performance under the agreement creates a loan that is permissible under the applicable lending regulations. The final rule also preserves state regulators' existing authority over FISCUs participating in surety and guaranty activities. In light of other requirements, the Board believes that maintaining a separate NCUA requirement for segregated deposits and collateral criteria specific to suretyship or guaranty agreements adds unnecessary complexity. The final rule will simplify the regulatory framework and reduce unnecessary compliance burdens.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's response to the comments.

All substantive comments expressed support for eliminating the segregated deposit and collateral requirements outlined in § 701.20. They described the proposal as a practical update that aligns regulatory requirements with current risk-management expectations rather than prescriptive collateral formulas.

Several commenters highlighted that removing the collateralization rules would lessen compliance burdens and afford credit unions greater operational flexibility to develop innovative products that better serve their members. Additionally, two commenters indicated that the changes may reduce costs and simplify arrangements for small FCUs and state credit unions. Three commenters described the current collateral requirements as rigid and burdensome. Moreover, other commenters noted that the proposal would enhance operational efficiency while maintaining standards of safety and soundness.

NCUA Response. The Board appreciates the support expressed by the commenters and agrees that removing the prescriptive segregated deposit and detailed collateral requirements required by § 701.20 will reduce burden and provide FICUs the flexibility to design products that meet member needs. As noted, the Board has elected to adopt the proposed rule without change.

Four commenters noted that existing lending regulations, such as NCUA's commercial lending rules under 12 CFR part 723, render the additional deposit

and collateral requirements for surety and guaranty agreements redundant and unnecessary. NCUA's member business loan and commercial lending regulations include collateral requirements that reflect a broad, principles-based regulatory approach. These principles are predicated on the Board's expectation that credit unions will maintain prudent risk management practices and sufficient capital to mitigate the risks associated with their commercial lending activities.

NCUA Response. The Board agrees that the prescriptive collateralization rules for surety and guaranty agreements required by § 701.20 are duplicative. As highlighted in the preamble to the proposed rule, § 701.20 requires that the suretyship or guaranty create an authorized loan under the applicable lending regulations. The Board emphasizes that a surety or guaranty agreement is not a mechanism to avoid the other applicable lending requirements. These requirements are designed to ensure the safety and soundness of lending transactions.

Section 701.20's segregated deposit and collateral requirements apply to FISCUs that are permitted to enter into suretyship and guaranty agreements under state law. Consequently, the proposed amendments would apply to such FISCUs. Four commenters from state and regional credit union leagues expressed support for eliminating these requirements, highlighting the advantages of regulatory relief through reduced compliance burdens and increased flexibility for member credit unions to introduce innovative products. Another commenter noted that the proposal empowered states to exercise authority over lending rules for state-chartered credit unions.

One commenter representing an association of state credit union supervisors and state-chartered credit unions expressed general support for the proposal, while underscoring the importance of maintaining the integrity of the state system and state authority within the dual-chartering framework. This association stressed that states should serve as the principal authority in establishing collateral requirements for state-chartered credit unions offering suretyship or guaranty services for members. This commenter recommended that the final rule explicitly communicate supervisory expectations and confirm that states retain the primary responsibility for tailoring requirements to their respective state-chartered credit unions.

The commenter also supported structural changes outside of § 701.20 to lessen administrative burden and

improve clarity for FISCUs. The recommendations included consolidating deposit-insurance regulations into a dedicated subchapter for FISCUs, distinct from FCU operational provisions, and clarifying the circumstances in which NCUA serves as share insurer for all FISCUs versus its role as the chartering or operating regulator for FCUs.

NCUA Response. The Board is always interested in feedback on the clarity of its regulatory requirements and remains committed to working with all credit unions to ensure the clarity of their regulatory obligations. The Board observes that, under current NCUA regulations, a FICU's authority to enter into surety or guaranty agreements depends on state law. The Board recognizes that such authorities derive from relevant state legislation, applicable state regulations, or official interpretations by the state supervisory authority. As discussed in both the proposed rule's preamble and this preamble, the relevant lending regulations will continue to govern all FISCUs, including FISCUs authorized under state law to participate in surety and guaranty activities. For example, 12 CFR part 723 outlines commercial lending standards applicable to all FISCUs, but states may implement equivalent regulations as deemed acceptable by NCUA, thereby preserving oversight over their institutions. The Board emphasizes that the current regulatory framework recognizing state-specific business lending rules remains unchanged. The commenter's other suggestion is outside the scope of the rulemaking. Accordingly, the Board has not revised the rule in response to the comment.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 ("Regulatory Planning and Review"), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁵ Executive Order 13563 ("Improving Regulation and Regulatory Review") supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.⁶ This final rule

⁵ 58 FR 51735 (Oct. 4, 1993).

⁶ 76 FR 3821 (Jan. 21, 2011).

was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.⁷ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act⁸ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.⁹ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.¹⁰ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule does not impose any new requirements that would result in small FICUs incurring an economic cost. To the extent that the final rule would have any economic impacts, they will be deregulatory in nature. The current rule authorizes FCUs to enter into suretyship and guaranty agreements. The final rule would remove the segregated deposit and collateral requirements for FCUs to enter into such agreements imposed by § 701.20. It is unlikely that small credit unions will participate in either of these activities. Less prescriptive regulation of surety/guarantor agreements may also encourage FICUs (irrespective of size) to increase the scale of this activity. Less prescriptive regulation should lower FICU supervision and examination expenses as well. To the extent that small FISCUs are authorized to enter into surety and guaranty agreements under state law, small FISCUs may

similarly benefit from the removal of the segregated deposit and associated collateral requirements imposed by § 701.20.

Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has reviewed this rule and determined that it does not create any new or revise any existing collections of information. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹¹ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. This final rule would apply to all FICUs, including FISCUs. FISCUs, however, may act as a surety or guarantor for members only to the extent permitted by their specific state law. NCUA expects that any effect on states or on the distribution of power and responsibilities among the various levels of government will be minor. The final rule is not intended to affect the division of responsibilities between NCUA and state supervisory authorities with oversight of FISCUs.

The final rule would remove the segregated deposit and collateral requirements imposed by § 701.20 when FCUs or FISCUs act as a surety and guarantor. FISCUs would remain subject to the other requirements, including compliance with the applicable lending regulations. The final rule may, therefore, have some direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. However, to the

extent the rule has any such effects, it will be to reduce the federal regulatory burden on FISCUs.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹² The final rule relates to the collateral requirements for FICUs to enter into surety and guaranty agreements, and any effect on family well-being is expected to be indirect. The final rule is exclusively concerned with removing separate segregated deposit and collateral requirements specific to such agreements imposed by a federal regulation. Any potential positive effect on family well-being, including financial well-being is, at most, indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹³ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.¹⁴ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board amends 12 CFR part 701, as follows:

⁷ 90 FR 9065 (Feb. 6, 2025).

⁸ 5 U.S.C. 601 *et seq.*

⁹ 5 U.S.C. 605(b).

¹⁰ 80 FR 57512 (Sept. 24, 2015).

¹¹ 64 FR 43255 (Aug. 4, 1999).

¹² Public Law 105–277, 112 Stat. 2681 (1998).

¹³ 5 U.S.C. 801–808.

¹⁴ 5 U.S.C. 804(3).

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

■ 1. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 12 U.S.C. 4311–4312.

§ 701.20 [Amended]

■ 2. Amend § 701.20 by revising paragraph (c) to read as follows and removing paragraph (d).

§ 701.20 Suretyship and guaranty.

* * * * *

(c) *Requirements.* The suretyship or guaranty agreement must be for the benefit of a principal that is a member and is subject to the following conditions:

(1) The federal credit union limits its obligations under the agreement to a fixed dollar amount and a specified duration and

(2) The federal credit union's performance under the agreement creates an authorized loan that complies with the applicable lending regulations, including the limitations on loans to one member or associated members or officials for purposes of §§ 701.21(c)(5), (d); 723.4(c).

[FR Doc. 2026–16027 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133–AF72

Limits on Loans to Other Credit Unions

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is issuing this rule to remove the regulations related to approval and policies on making loans to other credit unions. While this provision will no longer be codified in regulation, federal credit unions remain subject to statutory requirements related to making loans to credit unions. Federally insured, state-chartered credit unions remain subject to any other applicable NCUA or state law or regulation. The final rule follows publication of a December 29, 2025, proposed rule, and takes into

consideration the public comments received on the proposal.

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

FOR FURTHER INFORMATION CONTACT:

Ariel Pereira, Senior Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

The regulations in § 701.25 govern the ability of a federal credit union (FCU) to make loans, including investments in subordinated debt, to other credit unions. In accordance with section 107(7)(C) of the FCU Act, the regulation establishes an aggregate limit on such loans of 25 percent of the lending FCU's paid-in and unimpaired capital and surplus.¹ It also sets limits for loans to a single credit union borrower. The regulation sets forth specific eligibility requirements and aggregate limits for FCUs that invest in the subordinated debt of other credit unions. The requirements of § 701.25 are made applicable to federally insured, state-chartered credit unions (FISCUs) through § 741.227.²

In addition to the limits discussed above, § 701.25 imposes documentation requirements on FCU boards of directors, and through § 741.227 on FISCU boards as well. Specifically, paragraph (b) of § 701.25 requires the board of directors to approve all loans to other credit unions and to establish written policies for managing the associated credit risk. The policies must specify the limits on the aggregate principal amount of loans the FCU can make to all other credit unions and the aggregate principal amount of loans the FCU can make to any single credit union. Such limits specific to the FCU may not exceed the generally applicable limits established in § 701.25.

On December 29, 2025, the Board published a proposed rule requesting public comment on the removal of the documentation requirements codified in 12 CFR 701.25(b).³ As explained in the

¹ 12 U.S.C. 1757(7)(C). This statutory provision provides that an FCU may invest its funds “in accordance with rules and regulations prescribed by the Board, in loans to other credit unions in the total amount not exceeding 25 per centum of its paid-in and unimpaired capital and surplus.” In addition, section 107(5)(A)(x) of the FCU Act limits the aggregate amount that a single member may borrow from an FCU to “10 per centum of the credit union's unimpaired capital and surplus” (12 U.S.C. 1757(5)(A)(x)).

² FCUs and FISCUs are collectively referred to as federally insured credit unions, or FICUs.

³ 90 FR 60583 (Dec. 29, 2025).

preamble to the proposed rule, the Board believes this portion of the regulation is unnecessary and overly prescriptive. The FCU Act already requires an FCU's board of directors to approve all loans to other credit unions.⁴ Accordingly, for FCUs, § 701.25(b) is largely redundant of an existing statutory requirement. Moreover, FICU boards are in the best position to determine whether formal approval policies are necessary for such loans, consistent with the number, size, and risks associated with the FICU's lending practices. This final rule follows publication of the December 29, 2025, proposed rule, and takes into consideration the public comments received on the proposal.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs.⁵ The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.⁶ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁷ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁸ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

II. Final Rule

A. Overview

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on February 27, 2026, the Board had received 10 public comments. Comments were submitted by credit union leagues, a national association of state credit union supervisors, trade organizations, and advocacy organizations. After careful consideration of the issue raised by the commenters, the Board has decided to

⁴ 12 U.S.C. 1757(5)(C).

⁵ 12 U.S.C. 1752–1775.

⁶ 12 U.S.C. 1766(a).

⁷ 12 U.S.C. 1787.

⁸ 12 U.S.C. 1789.

adopt the proposal without change. The Board emphasizes that while FICU boards will no longer be required to adopt written policies regarding aggregate limits on loans to other credit unions, FICUs remain subject to the limits and other requirements regarding such loans set forth in the other provisions of § 701.25. FISCUs should refer to state law to determine whether their boards must approve loans to other credit unions.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

1. Unanimous Support for Proposed Rule

The commenters were unanimous in their support for the proposed rule. They agreed with the NCUA's assessment that the documentation requirements are duplicative and unnecessary. The commenters wrote that removal of § 701.25(b) would enable FICUs to more efficiently manage liquidity and enhance mutual support among credit unions. The commenters also appreciated the reduction in compliance burden, noting that this would especially benefit smaller FICUs.

NCUA Response. The Board appreciates the support expressed by the commenters and agrees that removal of § 701.25(b) will provide FICUs with greater flexibility. As noted, the Board has elected to adopt the proposed rule without change.

2. Additional Suggested Improvements to Loan Limit Requirements

One commenter, a national trade organization, also offered the following suggestions for additional changes to the NCUA requirements governing credit union lending to other credit unions.

Comment: Upfront consolidation of lender prohibitions. The commenter suggested the NCUA consider revising its regulation and accompanying instructions so that lender prohibitions are clearly presented at the beginning of the document rather than being embedded. The commenter wrote that placing these prohibitions in a more prominent location would help reduce confusion by making this critical information easier to identify and navigate.

NCUA Response. The Board is always interested in feedback on the clarity of its regulatory requirements and instructions. However, the commenter's suggestion is outside the scope of this rulemaking. Accordingly, the Board has

not revised the rule in response to the comment.

Comment: Greater flexibility in addressing limit violations. The commenter also suggested the NCUA consider providing greater flexibility when a credit union exceeds the generally applicable limits, rather than requiring the FICU dispose of these investments. The commenter wrote that FICUs have incurred hundreds of thousands of dollars in losses when compelled to dispose of some of these assets.

NCUA Response. The commenter's suggestion is outside the scope of the rulemaking and, therefore, no change to the rule has been made in response.

Comment: Due diligence requirements. The commenter objected that the pre- and post-funding due diligence requirements for these transactions are unnecessarily cumbersome. While recognizing the importance of proper underwriting and risk management, the commenter wrote that any reduction by the NCUA would constitute significant relief for credit unions. In particular, the commenter suggested that the NCUA adopt a tiered approach in which the scope of required due diligence varies based on the loan amount or the issuing credit union's CAMELS rating, rather than adhering to the current one-size-fits-all framework.

NCUA Response. The scope of the recommendation made by the commenter is broader than that of the proposed rule. No change to the rule has therefore been made, as the comment is outside the scope of the rulemaking.

3. Consolidation of Deposit Insurance Regulations

One commenter, a national association of state credit union supervisors, recommended the NCUA consolidate all of its deposit insurance related regulations in a clearly delineated, self-contained sub-chapter distinct from the FCU chartering and operational requirements. The commenter wrote that that would clarify when the NCUA is acting in its capacity as share insurer for all FICUs versus as regulator for FCUs, reducing ambiguity for state-chartered institutions and examiners. The commenter also wrote that such consolidation would significantly reduce regulatory burden by eliminating the current need of FISCUs to navigate through the entirety of the NCUA's regulations to find even minor share insurance provisions applicable to FISCUs.

NCUA Response. The suggestion made by the commenter is outside the scope of the rulemaking. Accordingly, the rule has not been revised in

response to the comment. However, the NCUA remains committed to working with all credit unions to ensure the clarity of their regulatory obligations.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 ("Regulatory Planning and Review"), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁹ Executive Order 13563 ("Improving Regulation and Regulatory Review") supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁰ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a "significant regulatory action" as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 ("Unleashing Prosperity Through Deregulation") requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹¹ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act¹² generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹³ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.¹⁴ The Board fully considered the

⁹ 58 FR 51735 (Oct. 4, 1993).

¹⁰ 76 FR 3821 (Jan. 21, 2011).

¹¹ 90 FR 9065 (Feb. 6, 2025).

¹² 5 U.S.C. 601 *et seq.*

¹³ 5 U.S.C. 605(b).

¹⁴ 80 FR 57512 (Sept. 24, 2015).

potential economic impacts of the regulatory amendments on small credit unions.

To the extent that the final rule has any economic impacts, they are deregulatory in nature. The final rule removes the requirement that FICU boards adopt minimum approval and written policy standards regarding loans to other credit unions. While these documentation requirements might impose some economic costs on FICUs, they are unlikely to be significant. Any impacts associated with their rescission are therefore also unlikely to impose a significant economic burden. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement.

The information collection requirements contained in 12 CFR 701.25(b) are approved by OMB under OMB Control Number 3133-0207. The rescission of these regulations, along with the information collection requirement(s) contained therein and the revision of OMB Control Number 3133-0207, will reduce public information collection burden by an estimated 1,250 annual burden hours.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹⁵ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. This final rule applies to FCUs and to FISCUs. The rulemaking may, therefore, have some direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. However, to the extent the rule has any such effects, it

will be to relieve FISCUs of regulatory burden. The final rule removes the requirement that FICU boards adopt minimum approval and written policy standards regarding loans to other credit unions. In doing so, the final rule defers to state law on approval requirements for loans that FISCUs make to other credit unions.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁶ The regulatory requirements are exclusively concerned with the adoption of written policies by FICUs regarding loans to other credit unions. The potential positive effect on family well-being, including financial well-being, is, at most, indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁷ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.¹⁸ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board amends 12 CFR part 701 as follows:

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

■ 1. The authority citation for part 701 is revised to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 12 U.S.C. 4311–4312.

§ 701.25 [Amended]

■ 2. In § 701.25 remove paragraph (b) and redesignate paragraph (c) as paragraph (b).

[FR Doc. 2026–16035 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133–AF81

Chartering and Field of Membership for Federal Credit Unions—Interpretive Ruling and Policy Statement 08–2

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is rescinding Interpretive Ruling and Policy Statement (IRPS) 08–2. The Chartering and Field of Membership Manual (Chartering Manual) incorporates the current requirements for adding underserved areas, making IRPS 08–2 unnecessary. This rescission reduces the burden for federal credit unions (FCUs) by limiting the number of sources that FCUs must check to verify compliance with applicable requirements. After considering the public comments, the Board adopts the proposal without modification.

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

FOR FURTHER INFORMATION CONTACT: Keisha Brooks, Attorney-Advisor, Office of General Counsel, at (703) 518–6540 or 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Since 1979, the Board has issued IRPS to address various generally applicable interpretive and policy matters through

¹⁵ 64 FR 43255 (Aug. 4, 1999).

¹⁶ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁷ 5 U.S.C. 801–808.

¹⁸ 5 U.S.C. 804(3).

publication in the **Federal Register**.¹ In issuing IRPS, the Board has often, but not always, used notice-and-comment procedures comparable to those it uses for codified regulations. While the IRPS are often not codified in the Code of Federal Regulations, NCUA does make the currently effective IRPS available on its public website at <https://ncua.gov/regulation-supervision/rules-regulations/interpretive-rulings-policy-statements>. As NCUA's rules, regulations, and interpretive positions evolved over the years, the Board has withdrawn or rescinded certain IRPS when guidance was superseded by a new IRPS or incorporated into NCUA's regulations.²

In 1989, the Board issued its Chartering and Field of Membership Policy (IRPS 89–1), which consolidated NCUA's chartering and field of membership (FOM) guidance. The Board also incorporated IRPS 89–1 by reference into § 701.1 of NCUA's regulations. Over the years, the Board periodically updated the policy through other IRPS and amended § 701.1 to reference the updated IRPS. In 2008, after notice and consideration of public comment, the Board issued IRPS 08–2 to update and clarify NCUA's policies for adding underserved areas.³ In 2010, the Board revised § 701.1 to establish the Chartering Manual as the consolidated source for FCU chartering and FOM policies in Appendix B to part 701 of NCUA's regulations.⁴

On January 14, 2026, the Board announced its proposal to rescind IRPS 08–2 as a separate policy, emphasizing that Chapter 3 of the Chartering Manual already contains the prevailing FOM rules for underserved areas.⁵ In the proposed rule, the Board stated that rescinding IRPS 08–2 would ease the regulatory burden for FCUs by reducing the number of reference sources they must consult to comply with applicable FOM requirements. The comment period ended on March 16, 2026.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the Federal Credit Union (FCU Act). Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and

the federal supervisory authority for federally insured credit unions (FICUs).⁶ The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.⁷ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁸ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁹ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the National Credit Union Share Insurance Fund remain safe and sound.

The Board is also issuing this final rule pursuant to its rulemaking authority under Section 109 of the FCU Act.¹⁰ Section 109 of the FCU Act establishes the chartering and FOM framework for FCUs.¹¹ Section 109(d)(3) directs the Board to issue guidelines or regulations, after notice and opportunity for comment, setting forth the criteria that the Board will apply in determining whether or not an additional group may be included within the FOM category of an existing multiple common bond FCU.¹² Sections 109(a) and 109(f)(2)(E) reference more general rulemaking authority with respect to associational groups and FCU FOMs.¹³ Pursuant to its authority under the FCU Act, the Board implements these statutory requirements through the Chartering Manual.¹⁴

II. Final Rule

A. Overview

This final rule follows publication of the January 14, 2026, proposed rule, and takes into consideration the comments received on the proposal. By the close of the public comment period on March 16, 2026, the Board received 13 public comments. Of these, 11 addressed rescinding IRPS 08–2. Comments were

submitted by FCUs, trade associations, credit union leagues, and one individual.

Most commenters expressed support for the proposal. As detailed below, these commenters observed that IRPS 08–2 overlaps with underserved area requirements found in Chapter 3 of the Chartering Manual. Moreover, commenters agreed that the proposal would ease the compliance burden for FCUs without altering existing requirements. One comment broadly expressed opposition to rescinding multiple IRPS; however, they did not provide comments specific to rescinding IRPS 08–2. After careful consideration of the comments, the Board has decided to adopt the proposal as final without change.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

Commenters generally agreed that IRPS 08–2 is redundant or outdated. Most commenters stated that rescinding IRPS 08–2 would shift reliance to the Chartering Manual. These commenters noted that this shift promotes consistency, makes supervisory expectations easier to understand, and helps FCUs allocate fewer resources to duplicative tasks. Some commenters observed that maintaining parallel standards across multiple sources creates unnecessary complexity and may result in misalignment and ambiguity. Other commenters noted that IRPS 08–2 contains outdated references, and its removal aligns with efforts to modernize and reduce regulatory burden.

Most commenters identified the benefits of rescinding IRPS 08–2 in terms of reducing the compliance burden for FCUs. Several commenters noted that rescission would streamline compliance by limiting the number of sources that FCUs must consult for underserved area standards. One commenter specifically noted that these changes would be particularly beneficial for community-focused, small credit unions. Lastly, another commenter observed that, while the proposal would directly reduce the burden for FCUs, streamlining and modernization would benefit the broader credit union system by improving clarity and consistency across charters.

A few commenters recommended additional changes outside the scope of the proposal. One commenter wrote that NCUA's continued reliance on IRPS adds procedural layers and unnecessary regulatory burdens. This commenter

¹ The first NCUA IRPS was published in April 1979. IRPS No. 79–1, Statement of Policy Regarding Relationship of Credit Union Service Corporations and Existing Accounting Service Centers, 44 FR 21762 (Apr. 12, 1979).

² See e.g., Withdrawal of outdated and unnecessary Interpretive Rulings and Policy Statements (IRPS), 62 FR 50245 (Sept. 25, 1997); Final Rule, 89 FR 79380 (Sept. 30, 2024).

³ 73 FR 73392 (Dec. 2, 2008).

⁴ 75 FR 36257, 36263 (June 25, 2010).

⁵ Proposed Rule, 91 FR 1464 (Jan. 14, 2026).

⁶ 12 U.S.C. 1752–1775.

⁷ 12 U.S.C. 1766(a).

⁸ 12 U.S.C. 1787.

⁹ 12 U.S.C. 1789.

¹⁰ 12 U.S.C. 1751 *et seq.*

¹¹ 12 U.S.C. 1753(5), 1754, 1759.

¹² 12 U.S.C. 1759.

¹³ 12 U.S.C. 1759.

¹⁴ 12 CFR part 701, App. B. The Chartering Manual addresses all aspects of chartering FCUs. In that respect, it is like the regulations of the Office of the Comptroller of the Currency applicable to the chartering of national banks or federal savings associations. 12 CFR part 5.

urged NCUA to discontinue issuing IRPS and suggested publishing all regulatory requirements solely in the Code of Federal Regulations. Another commenter conditioned their support for the proposal on continued transparency in updates to the Chartering Manual. Specifically, the commenter wrote that the Chartering Manual should remain easily accessible on *NCUA.gov*, the agency's public website. Additionally, the commenter noted that NCUA should provide notice and an opportunity for public comment before implementing any substantive changes to the Chartering Manual, with any updates clearly marked and dated. Several commenters supported additional streamlining and modernization to reduce burdens on FCUs.

One commenter opposed rescinding multiple IRPS, arguing that removing established guidance without replacements creates regulatory ambiguity. The commenter noted that eliminating IRPS could weaken consumer protection, reduce transparency, and increase the risk of inconsistent enforcement. The commenter urged NCUA to assess impacts, consult additional stakeholders, and provide replacement guidance before proceeding.

NCUA Response. The Board agrees with the majority of commenters that IRPS 08–2 has become redundant. The Board agrees that consolidating FOM requirements in the Chartering Manual improves clarity and consistency. The Board agrees and expects the rescission of IRPS 08–2 to reduce regulatory burden and enhance operational efficiency by limiting the number of sources that FCUs must check to verify compliance with applicable laws and regulations.

The broader suggestions addressing IRPS in general and future amendments to the Chartering Manual are outside the scope of this specific rescission. As noted in this preamble and the preamble to the proposed rule, rescinding IRPS 08–2 simplifies NCUA's regulatory framework without changing substantive requirements. The Board acknowledges the concern with the continued accessibility and clear versioning of the Chartering Manual. The Board observes that this rescission does not change § 701.1, which specifies that the Chartering Manual is contained in Appendix B to 12 CFR part 701 and is also available online at *ncua.gov*. Consistent with § 701.1, the Board expects that the Chartering Manual will remain publicly available on the agency's website. In addition, because the Chartering Manual is published in

the Code of Federal Regulations, the public can review current and prior versions on the **Federal Register** website and *GovInfo.gov*. The Board agrees that any future amendments of substantive effect should follow applicable notice-and-comment procedures. The Board notes the constructive feedback and will consider it in the future as appropriate. Accordingly, the Board adopts the proposal as final and, therefore, rescinds IRPS 08–2.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.¹⁵ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁶ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁷ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.¹⁸ If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual

basis for such certification.¹⁹ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.²⁰ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule is intended to ease the compliance burden on FCUs by limiting the number of sources that FCUs of all sizes must check to ensure compliance with applicable requirements. The rescission is also designed to reduce confusion by allowing FCUs to focus principally on applicable statutes and codified regulations. The rescission imposes no new requirements that would result in FCUs (irrespective of size) incurring an economic cost. To the extent the rescission has any economic impact, it will be indirect by reducing the staff time and other resources FCUs currently devote to checking potentially duplicative sources to ensure compliance with existing requirements in the Chartering Manual. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has reviewed this rule and determined that it does not create any new or revise any existing collections of information. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.²¹ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. NCUA expects that any effect on states or on the

¹⁵ 58 FR 51735 (Oct. 4, 1993).

¹⁶ 76 FR 3821 (Jan. 21, 2011).

¹⁷ 90 FR 9065 (Feb. 6, 2025).

¹⁸ 5 U.S.C. 601 *et seq.*

¹⁹ 5 U.S.C. 605(b).

²⁰ 80 FR 57512 (Sept. 24, 2015).

²¹ 64 FR 43255 (Aug. 4, 1999).

distribution of power and responsibilities among the various levels of government will be minor. This final rule would only affect FCUs. The final rule reinforces existing regulatory requirements applicable solely to FCUs and is not intended to affect the division of responsibilities between NCUA and state regulatory authorities with oversight of federally insured, state-chartered credit unions. The rulemaking therefore does not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.²² The final rule relates to the FOM requirements for FCUs, and any effect on family well-being is expected to be indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.²³ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.²⁴ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2026–16031 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133–AF78

Chartering and Field of Membership for Federal Credit Unions—Interpretive Ruling and Policy Statement 06–1

AGENCY: National Credit Union
Administration (NCUA).

ACTION: Final action.

SUMMARY: The NCUA Board (Board) is rescinding Interpretive Ruling and Policy Statement (IRPS) 06–1. The Chartering and Field of Membership Manual (Chartering Manual) incorporates the current requirements for adding underserved areas, making IRPS 06–1 unnecessary. This rescission reduces the burden for federal credit unions (FCUs) by limiting the number of sources that FCUs must check to verify compliance with applicable requirements. After considering the public comments, the Board adopts the proposal without modification.

DATES: This final action is effective on September 8, 2026.

FOR FURTHER INFORMATION CONTACT:

Keisha Brooks, Attorney-Advisor, Office of General Counsel, at (703) 518–6540 or 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Since 1979, the Board has issued IRPS to address various generally applicable interpretive and policy matters in the **Federal Register**.¹ In issuing IRPS, the Board has often, but not always, used notice-and-comment procedures comparable to those it uses for codified regulations. While the IRPS are often not codified in the Code of Federal Regulations, NCUA does make the currently effective IRPS available on its public website at [https://ncua.gov/regulation-supervision/rules-regulations/interpretive-rulings-policy-](https://ncua.gov/regulation-supervision/rules-regulations/interpretive-rulings-policy-statements)

statements. As NCUA’s rules, regulations, and interpretive positions evolved over the years, the Board has withdrawn or rescinded certain IRPS when the guidance was superseded by a new IRPS or incorporated into NCUA’s regulations.²

In 1989, the Board issued its Chartering and Field of Membership Policy (IRPS 89–1), which consolidated NCUA’s chartering and field of membership (FOM) guidance. The Board also incorporated IRPS 89–1 by reference into § 701.1 of NCUA’s regulations. Over the years, the Board periodically updated the policy through other IRPS and amended § 701.1 to reference the updated IRPS. In 2006, after notice and consideration of public comment, the Board issued IRPS 06–1 to update and clarify NCUA’s policies for adding underserved areas.³ In 2010, the Board revised § 701.1 to establish the Chartering Manual as the consolidated source for FCU chartering and FOM policies in Appendix B to part 701 of NCUA’s regulations.⁴

On February 11, 2026, the Board announced its proposal to rescind IRPS 06–1 as a separate policy, noting that Chapter 3 of the Chartering Manual already contains the prevailing requirements for adding underserved areas.⁵ In the proposed rule, the Board stated that rescinding IRPS 06–1 would also ease the regulatory burden for FCUs by reducing the number of reference sources they must consult to comply with applicable FOM requirements. The comment period ended on April 13, 2026.

B. Legal Authority

The Board is issuing this final action pursuant to its authority under the Federal Credit Union (FCU) Act). Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for federally insured credit unions (FICUs).⁶ The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.⁷ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage,

² See e.g., Withdrawal of outdated and unnecessary Interpretive Rulings and Policy Statements (IRPS), 62 FR 50245 (Sept. 25, 1997); Final Rule, 89 FR 79380 (Sept. 30, 2024).

³ 71 FR 36667 (June 28, 2006).

⁴ 75 FR 36257, 36263 (June 25, 2010).

⁵ Proposed Rule, 91 FR 6138 (Feb. 11, 2026).

⁶ 12 U.S.C. 1752–1775.

⁷ 12 U.S.C. 1766(a).

¹ The first NCUA IRPS was published in April 1979. IRPS No. 79–1, Statement of Policy Regarding Relationship of Credit Union Service Corporations and Existing Accounting Service Centers, 44 FR 21762 (Apr. 12, 1979).

²² Public Law 105–277, 112 Stat. 2681 (1998).

²³ 5 U.S.C. 801–808.

²⁴ 5 U.S.C. 804(3).

conservatorships, and liquidations.⁸ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁹ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the National Credit Union Share Insurance Fund remain safe and sound.

The Board is also issuing this final action pursuant to its rulemaking authority under Section 109 of the FCU Act.¹⁰ Section 109 of the FCU Act establishes the chartering and FOM framework for FCUs.¹¹ Section 109(d)(3) directs the Board to issue guidelines or regulations, after notice and opportunity for comment, setting forth the criteria that the Board will apply in determining whether or not an additional group may be included within the FOM category of an existing multiple common bond FCU.¹² Sections 109(a) and 109(f)(2)(E) reference more general rulemaking authority with respect to associational groups and FCU FOMs.¹³ Pursuant to its authority under the FCU Act, the Board implements these statutory requirements through the Chartering Manual.¹⁴

II. Final Rule

A. Overview

This final action follows publication of the February 11, 2026, proposed rule, and takes into consideration the comments received on the proposal. By the close of the public comment period on April 13, 2026, the Board received 22 public comments. Of these, 15 addressed rescinding IRPS 06–1. Comments were submitted by FCUs, trade associations, credit union leagues, and individuals.

Most commenters expressed support for the proposal. These commenters observed that IRPS 06–1 overlaps with Chapter 3 of the Chartering Manual, and its rescission would avoid unnecessary complexity and duplicative tasks. Moreover, commenters agreed that the proposal would ease the compliance burden for FCUs without altering existing requirements. Four commenters opposed the proposed rescission, noting

that the proposal may increase regulatory ambiguity and inconsistent supervision. After careful consideration of the comments, the Board has decided to adopt the proposal as final without change.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

Most commenters supported rescission, stating that IRPS 06–1 is redundant. Several commenters observed that the proposal promotes efficiency and consistency by shifting focus to the Chartering Manual as the consolidated source for FOM requirements. Some commenters observed that maintaining parallel standards across multiple sources creates unnecessary complexity and may result in duplicative compliance checks.

Most commenters identified the benefits of rescinding IRPS 06–1 in terms of reducing the compliance burden for FCUs. Several commenters noted that rescission would streamline compliance by limiting the number of sources that FCUs must consult for FOM requirements. Several commenters remarked that simplification is particularly beneficial for smaller FCUs with limited staff resources. Many commenters agreed that rescinding IRPS 06–1 would not alter substantive requirements. These commenters observed that the Chartering Manual will continue to guide compliance, thereby maintaining safety and soundness.

Several commenters expressed concern that rescinding IRPS 06–1 could increase regulatory ambiguity and remove beneficial redundancies that may help close regulatory gaps. According to one commenter, removing these provisions due to perceived repetition could compromise rule integrity and potentially create loopholes. Noting that oversight and documentation are part of responsible governance and member protection, this commenter also cautioned against equating staff effort with lack of value. Another commenter stated that proposed rescission may adversely impact smaller FCUs that rely on interpretive rulings as accessible summaries, anchors for consistent interpretation, and training tools. This commenter suggested that the Board retain IRPS 06–1 in abbreviated form and clearly link guidance within the Chartering Manual to ensure high visibility and consistent examiner references.

A few commenters recommended additional changes outside the scope of the proposal. One commenter wrote that NCUA's continued reliance on IRPS adds procedural layers and unnecessary regulatory burdens. This commenter urged NCUA to discontinue issuing IRPS and suggested publishing all regulatory requirements solely in the Code of Federal Regulations. Another commenter conditioned their support for the proposal on continued transparency in updates to the Chartering Manual. Specifically, the commenter wrote that the Chartering Manual should remain easily accessible on *ncua.gov*, the agency's public website. Additionally, the commenter noted that NCUA should provide notice and an opportunity for public comment before implementing any substantive changes to the Chartering Manual, with any updates clearly marked and dated. Several commenters supported additional streamlining and modernization to reduce burdens on FCUs. Another commenter opposed rescinding multiple IRPS, arguing that removing established guidance without replacements creates regulatory ambiguity. The commenter noted that eliminating IRPS could weaken consumer protection, reduce transparency, and increase the risk of inconsistent enforcement. The commenter urged NCUA to assess impacts, consult additional stakeholders, and provide replacement guidance before proceeding.

NCUA Response. The Board agrees with the majority of commenters that IRPS 06–1 has become redundant. The Board agrees that consolidating FOM requirements in the Chartering Manual improves clarity and consistency. The Board agrees and expects the rescission of IRPS 06–1 to reduce regulatory burden and enhance operational efficiency by limiting the number of sources that FCUs must check to verify compliance with applicable laws and regulations.

The broader suggestions addressing IRPS in general and future amendments to the Chartering Manual are outside the scope of this specific rescission. As noted in this preamble and the preamble to the proposed rule, rescinding IRPS 06–1 simplifies NCUA's regulatory framework without changing substantive requirements. The Board acknowledges the concern with the continued accessibility and clear versioning of the Chartering Manual. The Board observes that this rescission does not change § 701.1, which specifies that the Chartering Manual is contained in Appendix B to 12 CFR part 701 and is also available online at *ncua.gov*.

⁸ 12 U.S.C. 1787.

⁹ 12 U.S.C. 1789.

¹⁰ 12 U.S.C. 1751 *et seq.*

¹¹ 12 U.S.C. 1753(5), 1754, 1759.

¹² 12 U.S.C. 1759.

¹³ 12 U.S.C. 1759.

¹⁴ 12 CFR part 701, App. B. The Chartering Manual addresses all aspects of chartering FCUs. In that respect, it is like the regulations of the Office of the Comptroller of the Currency applicable to the chartering of national banks or federal savings associations. 12 CFR part 5.

Consistent with § 701.1, the Board expects that the Chartering Manual will remain publicly available on the agency's website. In addition, because the Chartering Manual is published in the Code of Federal Regulations, the public can review current and prior versions on the **Federal Register** website and *GovInfo.gov*. The Board agrees that any future amendments of substantive effect should follow applicable notice-and-comment procedures. The Board notes the constructive feedback and will consider it in the future as appropriate. Accordingly, the Board adopts the proposal as final and, therefore, rescinds IRPS 06–1.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.¹⁵ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁶ This final action was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final action is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁷ This final action is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.¹⁸

If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹⁹ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.²⁰ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule is intended to ease the compliance burden on FCUs by limiting the number of sources that FCUs of all sizes must check to ensure compliance with applicable requirements. The rescission is also designed to reduce confusion by allowing FCUs to focus principally on applicable statutes and codified regulations. The rescission imposes no new requirements that would result in FCUs (irrespective of size) incurring an economic cost. To the extent the rescission has any economic impact, it will be indirect by reducing the staff time and other resources FCUs currently devote to checking potentially duplicative sources to ensure compliance with existing requirements in the Chartering Manual. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has reviewed this rule and determined that it does not create any new or revise any existing collections of information. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.²¹ NCUA, an

agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. NCUA expects that any effect on states or on the distribution of power and responsibilities among the various levels of government will be minor. This final action would only affect FCUs. The final action reinforces existing regulatory requirements applicable solely to FCUs and is not intended to affect the division of responsibilities between NCUA and state regulatory authorities with oversight of federally insured, state-chartered credit unions. The rulemaking therefore does not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final action will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.²² The final action relates to the FOM requirements for FCUs, and any effect on family well-being is expected to be indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.²³ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.²⁴ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

¹⁵ 58 FR 51735 (Oct. 4, 1993).

¹⁶ 76 FR 3821 (Jan. 21, 2011).

¹⁷ 90 FR 9065 (Feb. 6, 2025).

¹⁸ 5 U.S.C. 601 *et seq.*

¹⁹ 5 U.S.C. 605(b).

²⁰ 80 FR 57512 (Sept. 24, 2015).

²¹ 64 FR 43255 (Aug. 4, 1999).

²² Public Law 105–277, 112 Stat. 2681 (1998).

²³ 5 U.S.C. 801–808.

²⁴ 5 U.S.C. 804(3).

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,

Secretary of the Board.

[FR Doc. 2026–16028 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133–AF82

Chartering and Field of Membership for Federal Credit Unions—Interpretive Ruling and Policy Statement 10–1

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final action.

SUMMARY: The NCUA Board (Board) is rescinding Interpretive Ruling and Policy Statement (IRPS) 10–1. The Chartering and Field of Membership Manual (Chartering Manual) incorporates NCUA's current chartering requirements for federal credit unions (FCUs), making IRPS 10–1 unnecessary. This rescission reduces the burden for FCUs by limiting the number of sources that they must check to verify compliance with applicable requirements. After considering the public comments, the Board adopts the proposal without modification.

DATES: This action is effective on September 8, 2026.

FOR FURTHER INFORMATION CONTACT: Keisha Brooks, Attorney-Advisor, Office of General Counsel, at (703) 518–6540 or 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Since 1979, the Board has issued IRPS to address various generally applicable interpretive and policy matters through publication in the **Federal Register**.¹ In issuing IRPS, the Board has often, but not always, used notice-and-comment procedures comparable to those it uses for codified regulations. While the IRPS are often not codified in the Code of Federal Regulations, NCUA does make the currently effective IRPS available on its public website at <https://ncua.gov/regulation-supervision/rules-regulations/interpretive-rulings-policy-statements>. As NCUA's rules,

regulations, and interpretive positions evolved over the years, the Board has withdrawn or rescinded certain IRPS when guidance was superseded by a new IRPS or incorporated into NCUA's regulations.²

In 1989, the Board issued its Chartering and Field of Membership Policy (IRPS 89–1), which consolidated NCUA's chartering and field of membership (FOM) guidance. The Board also incorporated IRPS 89–1 by reference into § 701.1 of NCUA's regulations. Over the years, the Board periodically updated the policy through other IRPS and amended § 701.1 to reference the updated IRPS. In 2010, after notice and consideration of public comment, the Board issued IRPS 10–1 to update the Chartering Manual and clarify NCUA's community chartering policies.³ In the 2010 final rule, the Board also revised § 701.1 to establish the Chartering Manual in Appendix B to part 701 of NCUA's regulations as the consolidated source for FCU chartering, conversion, and FOM policies.⁴

On January 14, 2026, the Board announced its proposal to rescind IRPS 10–1 as a separate policy, emphasizing that the Chartering Manual already contains the prevailing community chartering requirements for FCUs.⁵ In the proposed rule, the Board stated that rescinding IRPS 10–1 would ease the regulatory burden for FCUs by reducing the number of reference sources they must consult to comply with applicable chartering and FOM requirements. As proposed, rescinding IRPS 10–1 would not change any substantive requirements or otherwise amend § 701.1. The comment period ended on March 16, 2026.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the Federal Credit Union (FCU Act). Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for federally insured credit unions (FICUs).⁶ The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of

the FCU Act.⁷ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁸ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁹ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the National Credit Union Share Insurance Fund remain safe and sound.

The Board is also issuing this final rule pursuant to its rulemaking authority under Section 109 of the FCU Act.¹⁰ Section 109 of the FCU Act establishes the chartering and FOM framework for FCUs.¹¹ Section 109(d)(3) directs the Board to issue guidelines or regulations, after notice and opportunity for comment, setting forth the criteria that the Board will apply in determining whether or not an additional group may be included within the FOM category of an existing multiple common bond FCU.¹² Sections 109(a) and 109(f)(2)(E) reference more general rulemaking authority with respect to associational groups and FCU FOMs.¹³ Pursuant to its authority under the FCU Act, the Board implements these statutory requirements through the Chartering Manual.¹⁴

II. Final Rule

A. Overview

This final rule follows publication of the January 14, 2026, proposed rule, and takes into consideration the comments received on the proposal. By the close of the public comment period on March 16, 2026, the Board received 13 public comments. Of these, 11 addressed rescinding IRPS 10–1. Comments were submitted by FCUs, trade associations, credit union leagues, and one individual.

Most commenters expressed support for the proposal. As detailed below, these commenters observed that IRPS 10–1 overlaps with the requirements found in the Chartering Manual. Moreover, commenters agreed that the proposal would ease the compliance

⁷ 12 U.S.C. 1766(a).

⁸ 12 U.S.C. 1787.

⁹ 12 U.S.C. 1789.

¹⁰ 12 U.S.C. 1751 *et seq.*

¹¹ 12 U.S.C. 1753(5), 1754, 1759.

¹² 12 U.S.C. 1759.

¹³ 12 U.S.C. 1759.

¹⁴ 12 CFR part 701, App. B. The Chartering Manual addresses all aspects of chartering FCUs. In that respect, it is like the regulations of the Office of the Comptroller of the Currency applicable to the chartering of national banks or federal savings associations. 12 CFR part 5.

¹ See IRPS No. 79–1, Statement of Policy Regarding Relationship of Credit Union Service Corporations and Existing Accounting Service Centers, 44 FR 21762 (Apr. 12, 1979).

² See *e.g.*, Withdrawal of outdated and unnecessary Interpretive Rulings and Policy Statements (IRPS), 62 FR 50245 (Sept. 25, 1997); Final Rule, 89 FR 79380 (Sept. 30, 2024).

³ 75 FR 36257 (June 25, 2010).

⁴ 75 FR at 36263.

⁵ Proposed Rule, 91 FR 1464 (Jan. 14, 2026).

⁶ 12 U.S.C. 1752–1775.

burden for FCUs without altering existing requirements. One comment broadly expressed opposition to rescinding multiple IRPS; however, they did not provide comments specific to rescinding IRPS 10–1. After careful consideration of the comments, the Board has decided to adopt the proposal as final without change.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

Commenters generally agreed that IRPS 10–1 is redundant or outdated. Most commenters stated that rescinding IRPS 10–1 would shift reliance to the Chartering Manual. Several commenters noted that relying on the Chartering Manual as the consolidated source for chartering and FOM requirements reduces ambiguity and supports supervisory clarity. Additionally, several commenters expressed concern that maintaining overlapping standards across multiple sources could lead to inconsistencies and interpretive ambiguity. Two commenters indicated the rescission promotes consistent application across institutions.

Most commenters highlighted the benefits of rescinding IRPS 10–1 in terms of reducing the compliance burden for FCUs. Several commenters noted that rescission would streamline compliance by limiting the number of sources that FCUs must consult to understand chartering and FOM requirements. Several commenters indicated that consolidating NCUA's community chartering requirements in the Chartering Manual will make compliance easier for FCUs. One commenter emphasized the benefit to small credit unions. Another commenter added that rescinding IRPS 10–1 will reduce associated paperwork burdens while maintaining safety and soundness. Several commenters indicated that removing outdated materials, such as IRPS 10–1, supports burden reduction and transparency. Lastly, one commenter observed that, while the proposal would directly reduce the burden for FCUs, streamlining and modernization would benefit the broader credit union system by improving clarity and consistency across charters.

A few comments recommended additional changes outside the scope of the proposal. One commenter wrote that NCUA's continued reliance on IRPS adds procedural layers and unnecessary regulatory burdens. This commenter urged NCUA to discontinue issuing IRPS and suggested publishing all

regulatory requirements solely in the Code of Federal Regulations. Another commenter conditioned their support for the proposal on continued transparency in updates to the Chartering Manual. Specifically, the commenter wrote that the Chartering Manual should remain easily accessible on *ncua.gov*, the agency's public website. Additionally, the commenter noted that NCUA should provide notice and an opportunity for public comment before implementing any substantive changes to the Chartering Manual, with any updates clearly marked and dated. Several commenters supported additional streamlining and modernization to reduce burdens on FCUs.

One commenter opposed rescinding multiple IRPS, arguing that removing established guidance without replacements creates regulatory ambiguity. The commenter noted that eliminating IRPS could weaken consumer protection, reduce transparency, and increase the risk of inconsistent enforcement. The commenter urged NCUA to assess impacts, consult additional stakeholders, and provide replacement guidance before proceeding.

NCUA Response. The Board agrees with the majority of commenters that IRPS 10–1 has become redundant. The Board agrees that consolidating chartering and FOM requirements in the Chartering Manual improves clarity and consistency. The Board agrees and expects the rescission of IRPS 10–1 to reduce regulatory burden and enhance operational efficiency by limiting the number of sources that FCUs must check to verify compliance with applicable laws and regulations.

The broader suggestions addressing IRPS in general and future amendments to the Chartering Manual are outside the scope of this specific rescission. As noted in this preamble and the preamble to the proposed rule, rescinding IRPS 10–1 simplifies NCUA's regulatory framework without changing substantive requirements. The Board acknowledges the concern with the continued accessibility and clear versioning of the Chartering Manual. The Board observes that this rescission does not change § 701.1, which specifies that the Chartering Manual is contained in Appendix B to 12 CFR part 701 and is also available online at *ncua.gov*. Consistent with § 701.1, the Board expects that the Chartering Manual will remain publicly available on the agency's website. In addition, because the Chartering Manual is published in the Code of Federal Regulations, the public can review current and prior

versions on the **Federal Register** website and *GovInfo.gov*. The Board agrees that any future amendments of substantive effect should follow applicable notice-and-comment procedures. The Board notes the constructive feedback and will consider it in the future as appropriate. Accordingly, the Board adopts the proposal as final and, therefore, rescinds IRPS 10–1.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 ("Regulatory Planning and Review"), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.¹⁵ Executive Order 13563 ("Improving Regulation and Regulatory Review") supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁶ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a "significant regulatory action" as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 ("Unleashing Prosperity Through Deregulation") requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁷ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.¹⁸ If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual

¹⁵ 58 FR 51735 (Oct. 4, 1993).

¹⁶ 76 FR 3821 (Jan. 21, 2011).

¹⁷ 90 FR 9065 (Feb. 6, 2025).

¹⁸ 5 U.S.C. 601 *et seq.*

basis for such certification.¹⁹ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.²⁰ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule is intended to ease the compliance burden on FCUs by limiting the number of sources that FCUs of all sizes must check to ensure compliance with applicable requirements. The rescission is also designed to reduce confusion by allowing FCUs to focus principally on applicable statutes and codified regulations. The rescission imposes no new requirements that would result in FCUs (irrespective of size) incurring an economic cost. To the extent the rescission has any economic impact, it will be indirect by reducing the staff time and other resources FCUs currently devote to checking potentially duplicative sources to ensure compliance with existing requirements in the Chartering Manual. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has determined that the changes in the rule do not create a new information collection or revise an existing information collection as defined by the PRA. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.²¹ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. NCUA expects

that any effect on states or on the distribution of power and responsibilities among the various levels of government will be minor. This final rule would only affect FCUs. The final rule reinforces existing regulatory requirements applicable solely to FCUs and is not intended to affect the division of responsibilities between NCUA and state regulatory authorities with oversight of federally insured, state-chartered credit unions. The rulemaking therefore does not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.²² The final rule relates to the chartering and FOM requirements for FCUs, and any effect on family well-being is expected to be indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.²³ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.²⁴ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2026–16024 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 701 and 721

RIN 3133–AF83

Credit Union Service Contracts

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is revising its regulations governing the organization and operation of federal credit unions (FCUs) by eliminating a provision related to credit union service contracts. The Board intends to reduce administrative costs and compliance complexity with this revision, enabling FCUs to serve their members more efficiently.

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

FOR FURTHER INFORMATION CONTACT: Rachel Ackmann, Senior Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

NCUA originally issued rules related to FCUs entering service contracts in the 1970s.¹ In 1982, the rules governing service centers and other FCU contracting activities were combined into one section to enhance the scope of FCU contractual agreements. Section 701.26 has remained largely unchanged since 1982 with one exception. A 1998 amendment removed a provision that treated advance payments to a vendor for more than three² months of service as an investment in a credit union service organization, a change made to reduce regulatory burden and provide FCUs with greater flexibility in managing vendor contracts.³ Section 701.26 has not been amended since 1998.

B. Legal Authority

Section 107(1) of the Federal Credit Union Act (FCU Act) gives an FCU the

¹⁹ 5 U.S.C. 605(b).

²⁰ 80 FR 57512 (Sept. 24, 2015).

²¹ 64 FR 43255 (Aug. 4, 1999).

²² Public Law 105–277, 112 Stat. 2681 (1998).

²³ 5 U.S.C. 801–808.

²⁴ 5 U.S.C. 804(3).

¹ 39 FR 44422 (Dec. 24, 1974).

³ 63 FR 10756 (Mar. 5, 1998).

power to enter into contracts.⁴ Additionally, the incidental powers provision of the FCU Act expressly grants FCUs the power “to exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated.”⁵ Accordingly, FCUs have broad authority to enter into contractual agreements to perform or engage in activities that are expressly authorized by the FCU Act or are incidental to the business of credit unions.

Additionally, the FCU Act includes a general grant of regulatory authority, and it authorizes the Board to prescribe regulations for the administration of the FCU Act.⁶ Therefore, the Board has authority to regulate FCU contractual agreements.

Part 701 of NCUA’s regulations codifies these FCU Act authorities and governs the organization and structure of FCUs, including a wide range of operational activities. The part establishes the framework for essential functions such as lending, governance, member services, and ensuring that FCUs operate in a safe and sound manner.

Section 701.26 defines a FCU’s authority to enter contracts for assets or services that relate to its daily operations. The regulation covers contracts with third-party vendors and other organizations, including credit unions, that offer services to credit unions. The regulation also allows one FCU to represent one or more other credit unions or organizations in contractual arrangements with a third party and authorizes the sharing of fixed assets.⁷ Agreements must be in writing and must advise all parties subject to the agreement that the goods and services provided are subject to examination by NCUA to the extent permitted by law. Section 701.26 does not give FCUs the authority to provide services directly to other credit unions but reflects authority to contract for assets or services that may be offered to credit unions through shared service arrangements. That is, § 701.26 does not address FCUs directly offering services to other credit unions.

On February 25, 2026, the Board issued a proposed rule to eliminate § 701.26 because it is unnecessary. The authority for an FCU to enter contracts

for operational services is inherent in its charter and its general powers under the FCU Act.⁸ Additionally, the regulation’s principal requirement—that such agreements be in writing—is a standard business practice, which exists regardless of whether it is mentioned in NCUA’s regulations. Accordingly, the Board proposed to rescind § 701.26 to reduce administrative costs and compliance complexity, enabling FCUs to serve their members more efficiently.

II. Final Rule

A. Overview

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on April 27, 2026, the Board received 12 public comments. Comments were submitted by individuals, FCUs, state credit union leagues, and national credit union trade associations. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal with one change. The final rule amends NCUA’s incidental powers rule to reflect FCU authority to represent one or more other credit unions or organizations in contractual arrangements with a third party and authorizes the sharing of fixed assets.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board’s responses to the comments.

One individual commenter opposed the proposed rule. This commenter generally raised concern about NCUA’s deregulatory efforts and stated the proposal prioritized reducing regulatory obligations over maintaining the safeguards necessary to protect credit union members, but the commenter did not have comments specific to the proposed rule.

Another commenter did not outrightly oppose the proposed rule but expressed substantial concerns. The commenter noted that service provider relationships remain operationally significant to many FCUs and can present third-party risk. The commenter was in favor of removing outdated prescriptive language only if maintaining sound risk management expectations, such as adopting clear guidance to replace it. The commenter reasoned that without a clear framework, contracts may omit essential provisions such as audit rights and information security obligations. The commenter also suggested that

removal could lead to unclear expectations and inconsistent examiner interpretations across regions on what is standard business practice.

The Board agrees with the commenter that third-party service provider relationships remain operationally significant, and sound due diligence related to contractual relationships is imperative to the success of these relationships. The Board notes that it continues to expect FCUs to adhere to standard business practices and maintain safe and sound practices regarding third-party contracts, including that all contracts should be written.⁹ However, § 701.26 does not impose any minimum standards for contracts, outside of the requirement for contracts to be in writing. Therefore, while the Board agrees with the importance of managing third-party relationships, the removal of § 701.26 does not raise any concern regarding FCU management of third-party relationships. The Board also does not believe that removal of § 701.26 leads to unclear expectations regarding standard business practices.

Most commenters supported removing § 701.26. Commenters pointed to redundancy with the FCU Act, which includes authority for FCUs to enter contracts for operational services. Other commenters stated that it is unnecessary to explicitly state that FCUs must execute contracts in writing, as that is standard business practice. One commenter noted that state law may require contracts to be in writing. Many commenters stated that removing § 701.26 would streamline regulations, reduce administrative costs, and allow FCUs to operate more efficiently without compromising safety and soundness. The Board agrees with these commenters as outlined in the proposed rule.

One commenter encouraged the Board to consider reaffirming, either in the preamble to the final rule or through supervisory guidance, that the removal of § 701.26 does not alter existing expectations regarding written contracts, vendor oversight, or safe and sound third-party risk management practices. The Board is reaffirming that the removal of § 701.26 does not alter existing expectations regarding written contracts, vendor oversight, or safe and sound third-party risk management practices. To operate safely and soundly, FCUs must carefully consider the potential risks these relationships

⁴ 12 U.S.C. 1757(1).

⁵ 12 U.S.C. 1757(17).

⁶ 12 U.S.C. 1766(a).

⁷ Examples of where an FCU may represent another credit union or organization include sharing of management services, loan operations, and negotiations with vendors for shared services or products. 47 FR 30460 (July 14, 1982).

⁸ 91 FR 9185 (Feb. 25, 2026).

⁹ SL No. 07–01 (2007), available at <https://ncua.gov/regulation-supervision/letters-credit-unions-other-guidance/evaluating-third-party-relationships-0>.

may present and how to manage them. FCUs should consider how contracts address important terms, such as audit rights, information security obligations, business continuity expectations, indemnification, performance metrics, data ownership/return provisions, termination for cause or convenience language, and dispute resolution terms.

The proposed rule specifically sought comments on whether part 721 should be updated to explicitly recognize the authority of FCUs, in joint operations and other resource sharing situations, to act as a representative of another credit union or organization. Commenters were mixed. One commenter did not believe it was necessary as part 721 provides sufficient flexibility to include this authority, but a few commenters recommended updating part 721. One commenter generally stated that the absence of clear regulatory text may create uncertainty for FCUs, examiners, and third-party partners. One commenter stated that NCUA should clarify whether a corporate credit union may act in such a representative capacity. Section 701.26 does not govern corporate credit unions' permissible activities and permissible activities for corporate credit unions are subject to § 704.12.

In response to commenters, the final rule amends part 721 to explicitly recognize the authority of FCUs, in joint operations and other resource sharing situations, to act as a representative of another credit union or organization. The provision permits an FCU to represent another credit union in contractual arrangements, but does not authorize an FCU to provide any other services or activities to FCUs, only to act as a representative.¹⁰

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.¹¹ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹² This final rule

was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹³ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act¹⁴ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹⁵ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.¹⁶ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule only removes an existing regulatory provision related to FCU contracting. The regulation's requirement—that such agreements be in writing—is a standard business practice, which exists regardless of whether it is mentioned in NCUA's regulations. The Board considers the regulation to be superfluous, and its removal streamlines NCUA's regulations, thereby reducing burden.

Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control

number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has determined that the changes in the rule do not create a new information collection or revise an existing information collection as defined by the PRA. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹⁷ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The changes only apply to and affect FCUs and do not affect state-chartered credit unions. The final rule has no effect on states or on the distribution of power and responsibilities among the various levels of government. Therefore, the Board affirms it will not affect the division of responsibilities between NCUA and state regulatory authorities with oversight of federally insured, state-chartered credit unions.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁸ The final rule relates to FCUs' contractual requirements, and any effect on family well-being is expected to be indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁹ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.²⁰ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the

¹⁰ 66 FR 40845 (Aug. 6, 2001).

¹¹ 58 FR 51735 (Oct. 4, 1993).

¹² 76 FR 3821 (Jan. 21, 2011).

¹³ 90 FR 9065 (Feb. 6, 2025).

¹⁴ 5 U.S.C. 601 *et seq.*

¹⁵ 5 U.S.C. 605(b).

¹⁶ 80 FR 57512 (Sept. 24, 2015).

¹⁷ 64 FR 43255 (Aug. 4, 1999).

¹⁸ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁹ 5 U.S.C. 801–808.

²⁰ 5 U.S.C. 804(3).

CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects

12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

12 CFR Part 721

Incidental powers, Credit unions.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board amends 12 CFR parts 701 and 721 as follows:

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

- 1. The authority citation for part 701 is revised to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 12 U.S.C. 4311–4312.

§ 701.26 [Removed and reserved]

- 2. Remove and reserve § 701.26.

PART 721—INCIDENTAL POWERS

- 3. The authority citation for part 721 continues to read as follows:

Authority: 12 U.S.C. 1757(17), 1766 and 1789.

- 4. Amend § 721.3, by adding paragraph (n) to read as follows:

§ 721.3 What categories of activities are preapproved as incidental powers necessary or requisite to carry on a credit union's business?

* * * * *

(n) *Representative activities.* Acting as a representative of and entering into a contractual agreement with one or more credit unions or other organizations for the purpose of sharing, utilizing, renting, leasing, purchasing, selling, and/or joint ownership of fixed assets or engaging in activities and/or services

which relate to the daily operations of credit unions.

[FR Doc. 2026–16021 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 701, 741, and 746

RIN 3133–AF88

Third-Party Servicing of Indirect Vehicle Loans

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is issuing a final rule removing NCUA's unnecessarily prescriptive regulation regarding third-party servicing of indirect vehicle loans. This action will reduce regulatory burden and provide federally insured credit unions (FICUs) with greater operational flexibility, consistent with a principles-based supervisory approach. The intent is to reduce administrative costs and compliance complexity, enabling credit unions to serve their members more efficiently.

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

FOR FURTHER INFORMATION CONTACT: John H. Brolin or Ariel Pereira, Senior Staff Attorneys, at (703) 518–6540; or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

In 2006 NCUA approved a final rule (2006 Final Rule) governing FICU purchases of indirect vehicle loans serviced by third parties, which is codified in §§ 701.21(h) and 741.203(c) of NCUA's regulations. At that time, the Board recognized that indirect lending has certain advantages for credit unions, such as growth in membership and loans. The Board was concerned, however, that some credit unions may involve themselves in indirect lending programs without adequate due diligence, appropriate controls, or sufficient experience with a third-party servicer. At that time, the Board thought this could create undue risk when a third party manages a credit union's relationship with automobile dealers and with credit union members whose loans are serviced by the third party.

The resulting regulation governing third-party servicing of indirect vehicle loans set prescriptive, inflexible limits on the aggregate amount of indirect

loans and participations in indirect loans. The 2006 Final Rule limits the aggregate amount of indirect loans and participations in indirect loans a credit union may purchase from any one servicer to 50 percent of the credit union's net worth, which, after 30 months of experience with a particular servicer, the rule increases the limit to 100 percent of net worth. These requirements create a rigid, one-size-fits-all framework that is unduly burdensome for credit unions. The Board believes that a credit union's board is in the best position to develop policies that are appropriately scaled to its activities. Removing NCUA's current regulatory requirements would reduce regulatory burden and provide credit unions with greater operational flexibility, consistent with a principles-based supervisory approach. Accordingly, on March 25, 2026, the Board issued a proposed rule to remove these prescriptive requirements and allow credit union boards to develop their own policies.¹ Public comments received on the proposal offered unqualified support. Accordingly, the Board is now issuing a final rule removing NCUA's unnecessarily prescriptive regulation regarding third-party servicing of indirect vehicle loans.

Credit union boards will continue to be responsible for developing policies and procedures that protect the safety and soundness of the credit union and ensure that their purchases of indirect vehicle loans serviced by third parties are appropriately scaled for the credit union's size and the complexity of the transactions. NCUA will continue to monitor credit unions' purchases of indirect vehicle loans serviced by third parties through the examination process.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the Federal Credit Union Act (FCU Act). Under the FCU Act, NCUA is the chartering and supervisory authority for federal credit unions (FCUs) and the federal supervisory authority for FICUs.² The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.³ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage,

¹ 91 FR 14484.

² 12 U.S.C. 1752–1775.

³ 12 U.S.C. 1766(a).

conservatorships, and liquidations.⁴ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁵ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

Section 107(5) of the FCU Act⁶ sets forth general requirements that an FCU must comply with to make loans. Section 206 of the FCU Act⁷ sets forth the Board's authority to intervene in situations where any FICU, among other things, is engaging or has engaged in unsafe or unsound practices in conducting its business.

II. Final Rule

A. Overview

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on May 26, 2026, the Board had received 14 public comments. Comments were submitted by credit unions, state credit union leagues, national trade associations, and a national association of state credit union supervisors. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal without change.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

All 14 commenters offered unqualified support for the proposed rule. Commenters generally appreciated NCUA's efforts to modernize its regulatory framework governing indirect vehicle loans and agreed that existing supervisory and risk-management frameworks already provide meaningful safeguards. In general, commenters also stated that the proposal will help reduce regulatory burden, improve competitive equity, and allow credit unions to continue serving their members responsibly. Additional details regarding the specific comments received are included in the section-by-section analyses below.

C. § 701.21 Loans to Members and Lines of Credit to Members

§ 701.21(h) *Third party servicing of indirect vehicle loans.* Current § 701.21(h)(1) limits the aggregate amount of indirect vehicle loans and participations in indirect vehicle loans a FCU may purchase from any one servicer to 50 percent of the credit union's net worth. After 30 months of experience with a particular servicer, paragraph (h)(1) increases the limit to 100 percent of net worth. Paragraph (h)(2) sets forth a process for a FCU to request a waiver from the concentration limits from its Regional Director. Paragraph (h)(3) sets forth a timeline for NCUA to provide written responses to waiver requests. Paragraph (h)(4) defines various terms, including the term "third-party servicer," which excludes federally insured depositories, wholly owned subsidiaries of those depositories, and certain servicing entities.

Commenters generally stated that the existing concentration limits do not sufficiently account for differences in institutional size, sophistication, business strategy, and risk-management capabilities, noting that the supervisory landscape has evolved considerably over the past two decades. Commenters suggested that credit unions today operate with varying levels of operational complexity, and boards are best positioned to establish policies and procedures tailored to their institution's indirect lending activities and overall risk profile. Commenters further noted that, since 2006, NCUA has developed broader supervisory expectations related to third-party vendor management, enterprise risk management, internal controls, and board governance that more comprehensively address these risks. Commenters also noted that the waiver process can create administrative burden and operational uncertainty despite the continued availability of supervisory oversight through the examination process. Finally, commenters pointed out that similar prescriptive concentration restrictions generally do not apply to other insured depository institutions participating in indirect auto lending markets so removing § 701.21(h) will remove a potential competitive disadvantage for credit unions.

The Board agrees with commenters that the provisions in § 701.21(h) impose a prescriptive framework for the purchase of indirect vehicle loans serviced by third parties, which is unduly burdensome for credit unions. The Board believes that a FCU's board is in the best position to develop

policies that are appropriately scaled to its purchases of indirect vehicle loans serviced by third parties. Accordingly, the final rule removes current paragraph (h) from § 701.21.

D. § 741.203 Minimum Loan Policy Requirements

§ 741.203(c). Current § 741.203(c) provides that federally insured, state-chartered credit unions (FISCUs) must adhere to the requirements set forth in § 701.21(h) concerning third-party servicing of indirect vehicle loans. Paragraph (c) also requires that, before a state-chartered credit union applies to a Regional Director for a waiver under § 701.21(h)(2), it must first notify its state supervisory authority. In addition, paragraph (c) states that the Regional Director will not grant a waiver unless the appropriate state official concurs in the waiver. Finally, paragraph (c) provides that the 45-day period for the Regional Director to act on a waiver request, as described in § 701.21(h)(3), will not begin until the Regional Director has received the state official's concurrence and any other necessary information.

Commenters generally stated that the requirements in current § 741.203(c) can result in additional operational complexity without providing meaningful supervisory benefit beyond the existing oversight inherent in state and federal examination processes. Commenters stated further that FISCUs already operate under robust supervisory frameworks that include board oversight, risk-management expectations, vendor due diligence requirements, and ongoing examination review by both state regulators and NCUA. As with FCUs, commenters felt that FISCUs are fully capable of developing policies and controls that appropriately reflect the scale and complexity of their indirect lending activities. Finally, commenters stated that safety and soundness objectives can be more effectively achieved through risk-focused supervision and institution-specific governance practices.

The provisions in § 741.203(c) impose the same prescriptive framework in § 701.21(h) on FISCUs for the purchase of indirect vehicle loans serviced by third parties. The Board also believes that a FISCU's board is in the best position to develop policies that are appropriately scaled for its purchases of indirect vehicle loans serviced by third parties. Accordingly, consistent with the removal of § 701.21(h), the final rule also removes current paragraph (c) from § 741.203(c).

⁴ 12 U.S.C. 1787.

⁵ 12 U.S.C. 1789.

⁶ 12 U.S.C. 1757(5).

⁷ 12 U.S.C. 1786.

E. § 746.201 Authority, Purpose, and Scope

§ 746.201(c) *Scope*. Current § 746.201(c) lists rule sections and subsections covered under part 746, subpart B for appeals of initial agency determinations by a program office, which the petitioner has a right to appeal to the Board. Among other things, paragraph (c) lists § 701.21(h)(3), which this proposal would remove. NCUA did not receive comments on this change. Accordingly, the final rule removes the citation to § 701.21(h)(3) consistent with the other changes made by this rule.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁸ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.⁹ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁰ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act¹¹ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If

the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹² For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.¹³ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule will remove NCUA’s regulation regarding third-party servicing of indirect vehicle loans. This action reduces regulatory burden and provides credit unions with greater operational flexibility, consistent with a principles-based supervisory approach. The intent is to reduce administrative costs and compliance complexity, enabling credit unions to serve their members more efficiently. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has determined that the changes in the rule do not create a new information collection or revise an existing information collection as defined by the PRA. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹⁴ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The rule would remove a prescriptive limitation that currently applies to FISCUs, which would remove a federally imposed

restriction on state-chartered entities. The rulemaking will not have a direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁵

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁶ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.¹⁷ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects

12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

12 CFR Part 741

Bank deposit insurance, Credit, Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 746

Administrative practice and procedure, Claims, Credit unions, Investigations.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,

Secretary of the Board.

For the reasons discussed above, the NCUA Board amends 12 CFR parts 701, 741, and 746 as follows:

⁸ 58 FR 51735 (Oct. 4, 1993).

⁹ 76 FR 3821 (Jan. 21, 2011).

¹⁰ 90 FR 9065 (Feb. 6, 2025).

¹¹ 5 U.S.C.601 *et seq.*

¹² 5 U.S.C. 605(b).

¹³ 80 FR 57512 (Sept. 24, 2015).

¹⁴ 64 FR 43255 (Aug. 4, 1999).

¹⁵ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁶ 5 U.S.C. 801–808.

¹⁷ 5 U.S.C. 804(3).

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

■ 1. The authority citation for part 701 is revised read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 12 U.S.C. 4311–4312.

§ 701.21 [Amended]

■ 2. In § 701.21, remove paragraph (h).

PART 741—REQUIREMENTS FOR INSURANCE

■ 3. The authority citation for part 741 continues to read as follows:

Authority: 12 U.S.C. 1757, 1766(a), 1781–1790, 1790d, 3331 *et seq.*; 31 U.S.C. 3717.

§ 741.203 [Amended]

■ 4. In § 741.203, remove paragraph (c).

PART 746—APPEALS PROCEDURES

■ 5. The authority citation continues to read as follows:

Authority: 12 U.S.C. 1766, 1787, and 1789.

§ 746.201 [Amended]

■ 6. In § 746.201, amend paragraph (c) by removing the citation “701.21(h)(3)”.

[FR Doc. 2026–16029 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 701 and 746

RIN 3133–AF95

Purchase, Sale, and Pledge Of Eligible Obligations

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: This final rule streamlines the NCUA Board (Board)’s regulations governing the purchase, sale, and pledge of eligible obligations. Specifically, the final rule removes the prescriptive lists of items that must be addressed in the written policies adopted by a federal credit union (FCU). Removal of the mandated items will enable a more efficient and principles-based approach. The final rule also removes detailed requirements regarding conflicts of interest and compensation. These regulatory provisions are unnecessary because FCUs are already governed by

broader conflict of interest provisions in their bylaws and by the fiduciary duties of their officials. The final rule follows publication of a February 25, 2026, proposed rule and takes into consideration the public comments received on the proposal. After careful consideration of the comments, the Board has decided to adopt the proposed rule without change.

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

FOR FURTHER INFORMATION CONTACT:

Ariel Pereira and John Brolin, Senior Attorneys, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

On February 25, 2026, the Board published a proposed rule to streamline 12 CFR 701.23, which governs the purchase, sale, and pledge of eligible obligations, for public comment.¹ The Board proposed to remove the prescriptive lists of items that must be addressed in the written policies adopted by an FCU.

Section 701.23 governs the purchase of whole or partial loans from various sources, including the eligible obligations of an FCU’s own members, student loans, and real estate-secured loans. Paragraph (b)(6) of § 701.23 provides that the purchases of eligible obligations and notes of liquidating credit unions must comply with the purchasing FCU’s internal written purchase policies. The paragraph goes on to mandate a detailed list of requirements for an FCU’s internal written purchase policies. Paragraph (c) of § 701.23 establishes similarly prescriptive elements that must be addressed in an FCU’s written policies on the sale of eligible obligations. Paragraph (d) does the same for the required written policy to address the pledging of eligible obligations.

These requirements, which cover due diligence, risk management, underwriting, portfolio concentration limits, and legal review, create a rigid, one-size-fits-all framework that is unduly burdensome, particularly for smaller FCUs. Section 107(13) of the FCU Act requires the Board to prescribe “rules and regulations” for the purchase, sale, and pledge of eligible obligations, but does not require the Board to mandate a detailed framework for internal credit union policies. Accordingly, the Board proposed revising paragraphs (b)(6), (c), and (d) of

§ 701.23 to remove the prescriptive list of items that must be addressed in the FCU’s written policies.

The Board also proposed to remove paragraph (g) of § 701.23, which establishes a detailed code of conduct regarding conflicts of interest and compensation. The regulation’s broad prohibition on compensation, followed by a narrow list of exceptions, is inflexible and may hinder legitimate incentive structures. FCUs are already governed by broader conflict of interest provisions in their bylaws and by the fiduciary duties of their officials. The FCU Act does not require the Board to establish such a detailed compensation framework.

In addition to the substantive amendments discussed above, the Board also proposed making several technical, non-substantive changes to the regulations. As a result of the removal of existing paragraph (g), current § 701.23(h) would be redesignated as § 701.23(g). A conforming change to the appeals procedures regulation in 12 CFR part 746 was also proposed to reflect this redesignation. Specifically, the current reference to “701.23(h)” in § 746.201(c) would be revised to read “701.23(g).”

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for federally insured credit unions (FICUs). The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe regulations for the administration of the FCU Act.² Section 209 of the FCU Act is a plenary grant of regulatory authority to NCUA to issue regulations necessary or appropriate to carry out its role as share insurer for all FICUs.³ The FCU Act also includes an express grant of authority for the Board to subject federally chartered central, or corporate, credit unions to such rules, regulations, and orders as the Board deems appropriate.⁴

II. Final Rule

When the public comment period ended on April 27 2026, the Board had received 15 public comments on the proposed rule. Comments were received from individuals, a nonprofit advocacy

² 12 U.S.C. 1766(a).

³ 12 U.S.C. 1789.

⁴ 12 U.S.C. 1766(a).

¹ 91 FR 9188 (Feb. 25, 2026).

organization, credit unions, state credit union leagues, national trade associations, and a national association of state credit union supervisors. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal without change. The following sections of this preamble summarize the significant issues raised by the commenters, and NCUA's responses to these issues.

A. Support for Proposed Rule

Nine of the commenters offered unqualified support for the proposed rule. The commenters wrote that the regulatory changes would reduce compliance burden on FCUs. The commenters appreciated the flexibility provided by the proposed rule, which would enable FCUs to develop written policies appropriately scaled for their operations, while not increasing safety and soundness risks. The commenters also agreed with the removal of the conflict-of-interest and compensation provisions because these matters are already governed by FCU bylaws and fiduciary duties.

NCUA Response. The Board appreciates the support of the commenters. As noted, the Board has decided to adopt the proposed rule without change. The Board continues to believe that an FCU's board is in the best position to develop policies that are appropriately scaled for its activities. Although FCUs would still be required to maintain written policies, removing the mandated items will allow boards to exercise their business judgment in developing these policies while remaining accountable for safe and sound operations.

B. Request for Guidance

Three commenters, while supporting the proposed rule, also expressed concern about the resulting increased reliance on institutional interpretation and supervisory judgment. The commenters wrote that additional clarity would be beneficial to ensure expectations remain consistent and that FCUs are not subject to varying interpretations of appropriate governance practices. The commenters suggested that NCUA clarify, possibly through guidance, that the rulemaking is not intended to reduce supervisory expectations regarding due diligence, risk management, underwriting discipline, or board oversight. The commenters wrote that such guidance would help ensure continued FCU alignment with safe and sound practices.

NCUA Response. The Board emphasizes that nothing in the final rule

alters the supervisory expectation that FCUs be operated in a safe, sound, and resilient manner. The final rule removes the overly prescriptive list of items that must be addressed in an FCU's written policies regarding the purchase, sale, or pledge of eligible obligations. However, FCUs are still required to maintain internal written policies regarding such transactions and will continue to be evaluated on their compliance with the policies. With regards to the removal of the conflict of interest provisions, the Board reiterates that FCUs remain subject to the conflict of interest provisions in their bylaws and the fiduciary duties of their officials.

C. Additional Deregulatory Suggestions

One commenter, a nonprofit advocacy organization for small credit unions, supported the proposed rule and urged NCUA to apply the same principles-based philosophy to address four additional issues. Specifically, the commenter requested that NCUA: (1) reduce the frequency and scope of examinations for FCUs with less than \$500 million in assets and a CAMELS rating of 1 or 2; (2) ease examiner "over-compliance" pressure and acceptance of simple in-house methods; (3) raise asset thresholds or simplify current expected credit loss (CECL) accounting methodology and asset liability management/net economic value requirements; and (4) modernize Bank Secrecy Act (BSA) rules to reduce pressure on minor, low-impact findings. The commenter wrote that these are the issues small credit unions have identified as the most significant in the surveys it has conducted.

NCUA Response. The Board appreciates the feedback provided by the commenter but notes that the suggestions are outside the scope of this rulemaking. With regards to the commenter's suggestions regarding examinations, the Board will continue to assess its examination program for possible improvements. With respect to the suggestion regarding BSA, the Board notes that on April 10, 2026, NCUA, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation published a proposed rule to align each agency's anti-money laundering and countering the financing of terrorism (AML/CFT) regulations with changes concurrently proposed by the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).⁵ The regulatory amendments are intended to modernize and reform federal

supervision of AML/CFT programs, and to ultimately reduce compliance burden.⁶ With regards to CECL, the Board notes that the accounting methodology is mandated under Generally Accepted Accounting Principles. However, the Board's regulations provide several mechanisms to ameliorate the effects of CECL on credit unions. Specifically, the CECL final rule established a three-year phase-in of the adverse effects on the regulatory capital of credit unions, and exempted credit unions with total assets of less than \$10 million from CECL.⁷

D. Opposition to Proposed Rule

Two duplicate comments opposed the proposed rule on general grounds. The commenters wrote that the current regulations establish clear standards and are necessary to ensure FCUs are held accountable for their practices. The commenters did not, however, discuss any of the details of the proposed rule or this regulation as a whole.

NCUA Response. The Board respectfully disagrees with the comments. The Board continues to believe that the final rule will relieve FCUs from the burden of having to comply with an unnecessarily prescriptive requirement. The regulatory change establishes a principles-based approach that enables boards to exercise their business judgment, while preserving the safety and soundness of FCU operations.

E. General Opposition to NCUA's Deregulation Project

One commenter expressed general opposition to NCUA's deregulation project. The commenter was concerned that NCUA's proposals appear to prioritize reducing regulatory obligations over maintaining the safeguards necessary to protect credit unions, preserve institutional stability, and maintain public trust in the federally insured credit union system. The commenter wrote that, while several of the proposals characterize existing regulatory provisions as unnecessarily duplicative, this duplication may be necessary to ensure clarity and compliance.

NCUA Response. The Board respectfully disagrees with the commenter. This final rule is part of NCUA's Deregulation Project, through which the Board is reviewing all of its

⁵ 91 FR 18304 (April 10, 2026); 91 FR 18704 (April 10, 2026).

⁶ See, <https://www.fincen.gov/news/news-releases/fincen-proposes-rule-fundamentally-reform-financial-institution-programs>; <https://ncua.gov/newsroom/press-release/2026/agencies-request-comment-anti-money-laundering-countering-financing-terrorism-proposed-rule>.

⁷ 86 FR 34924 (July 1, 2021).

existing regulations to ensure they are focused on the safety, soundness, or resilience of credit unions.⁸ The regulations proposed for removal are those the Board has determined are obsolete, merely repeat statutory requirements, prescribe guidance rather than requirements, or are unduly burdensome. The Board disagrees that duplication may be necessary to ensure the clarity of regulatory requirements. While regulations are necessary to establish binding requirements, there are other available resources (such as written guidance and webinars) that can help address questions regarding the clarity or scope of specific regulations.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁹ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁰ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹¹ This final rule is

considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA)¹² generally requires that, in connection with a final rulemaking, an agency prepare a regulatory flexibility analysis that describes the impact of the final rule on small entities. A regulatory flexibility analysis is not required, however, if the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities (defined for purposes of the RFA to include credit unions with assets less than \$100 million)¹³ and publishes its certification and a short, explanatory statement in the **Federal Register** together with the rule.

This final rule removes the prescriptive lists of items that must be addressed in an FCU’s written policies regarding the sale, purchase, and pledge of eligible obligations. While the current requirement to maintain written policies might impose some economic costs on FCUs, they are unlikely significant. Although FCUs will still be required to maintain these written policies, they will no longer be subject to any additional costs they may have incurred in addressing the items currently specified in the regulations. Given that the economic costs of maintaining the current written policies is insignificant, the economic impact of removing the prescribed lists is equally unlikely to have a significant economic impact.

The final rule also removes detailed requirements regarding conflicts of interest and compensation. The permissibility of incentive structures currently prohibited under the current regulations may have some economic impact. However, the Board does not anticipate that such impacts will be significant because FCUs will remain governed by broader conflict of interest provisions in their bylaws and by the fiduciary duties of their officials.

Accordingly, NCUA certifies the final rule will not have a significant

economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid Office of Management and Budget control number. The PRA applies to rulemakings in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information-collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. The information collection requirements contained in § 701.23 are approved by OMB under OMB control number 3133–0127.

The final rule contains information collection recordkeeping and reporting requirements that will require revision of an existing information collection for approval under the PRA. NCUA is proposing to extend for three years, with revision, its information collection. The revision was submitted to OMB for approval under OMB control number 3133–0127. The rescission of these regulations, along with the information collection requirement(s) contained therein and the revision of OMB control number 3133–0127, will reduce public information collection burden by an estimated 686 annual burden hours.

Title of Information Collection: Purchase, Sale, and Pledge of Eligible Obligations, 12 CFR 701.23.

OMB Control Number: 3133–0127.
Estimated Number of Respondents: 343.

Estimated Number of Responses per Respondent: Varies.

Estimated Annual Responses: 343.

Estimated Hours per response: Varies.

Estimated Total Annual Burden Hours: 10,231.5.

NCUA estimates a total annual burden of 10,231.5 hours as follows:

NCUA SUMMARY OF ESTIMATED ANNUAL BURDEN

12 CFR	Information collection activity	Type of burden	Number of respondents	Responses per respondent	Hours per response	Estimated annual burden hours
701.23(b)(1)	Develop written policies to purchase, sell, or pledge eligible obligations.	Recordkeeping	343	1	6	2,058

⁸ For more information regarding NCUA’s Deregulation Project, please refer to <https://ncua.gov/news/deregulation-project>.

⁹ 58 FR 51735 (Oct. 4, 1993).
¹⁰ 76 FR 3821 (Jan. 21, 2011).
¹¹ 90 FR 9065 (Feb. 6, 2025).

¹² 5 U.S.C. 601 *et seq.*
¹³ See 80 FR 57512 (Sept. 24, 2015).

NCUA SUMMARY OF ESTIMATED ANNUAL BURDEN—Continued

12 CFR	Information collection activity	Type of burden	Number of respondents	Responses per respondent	Hours per response	Estimated annual burden hours
701.23(b)(3)(ii)	Retain a written agreement and schedule of eligible obligations purchased in the purchaser's office, when purchasing eligible obligations.	Recordkeeping	343	36	0.25	3,087
701.23(b)(3)(iii)	Request written approval before purchasing eligible obligations of a liquidating credit union.	Reporting	35	1	8	280
701.23(b)(6)	Internal written purchase policies.	Recordkeeping	343	1	4	1,372
701.23(c)(2)	Retain a written agreement and schedule of eligible obligations sold in the seller's office, when selling eligible obligations.	Recordkeeping	144	43	0.25	1,548
701.23(d)(1)(ii)	Retain copies of the original loan documents when pledging eligible obligations.	Recordkeeping	343	11	0.25	943.25
701.23(d)(1)(iii)	Retain a written agreement and schedule of eligible obligations pledged in the credit union's office, when pledging eligible obligations.	Recordkeeping	343	11	0.25	943.25
701.23(g)(1)	Submit a written request to NCUA seeking expanded authority related to the purchase of eligible obligations from another federally insured credit union.	Reporting	0	1	8	0
701.23(g)(1)	Submit an appeal to the NCUA Board regarding a regional director's determination of the expanded authority request.	Reporting	0	1	20	0
<i>Total Estimated Annual Burden (Hours).</i>	.....	.....	.....	.....	.....	10,231.5

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages certain regulatory agencies to consider the impact of their actions on state and local interests. NCUA, an agency as defined in 44 U.S.C. 3502(5), complies with the executive order to adhere to fundamental federalism principles. This final rule applies solely to FCUs and therefore will not have a substantial direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of section 654 of the

Treasury and General Government Appropriations Act, 1999.¹⁴ The regulatory requirements that are the subject of this final rule are exclusively concerned with FCU policies regarding the sale, purchase, and pledge of eligible obligations. The potential positive effect on family well-being, including financial well-being is, at most, indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁵ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by

the CRA.¹⁶ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a "major rule." OIRA has determined that this rule is not a "major rule" within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects*12 CFR Part 701*

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex

¹⁴ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁵ 5 U.S.C. 801–808.

¹⁶ 5 U.S.C. 804(3).

discrimination, Signs and symbols, Surety bonds.

12 CFR Part 746

Administrative practice and procedure, Claims, Credit unions, Investigations.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board amends 12 CFR parts 701 and 746, as follows:

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS.

■ 1. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 12 U.S.C. 4311–4312.

§ 701.23 [Amended]

■ 2. Amend § 701.23 by:

- a. Revising paragraphs (b)(6), (c), and (d)(1);
- b. Removing paragraph (g); and
- c. Redesignating paragraph (h) as paragraph (g), to read as follows:

§ 701.23 Purchase, sale, and pledge of eligible obligations.

* * * * *

(b) * * *

(6) *Written purchase policies.*

Purchases of eligible obligations and notes of liquidating credit unions must comply with the purchasing Federal credit union's internal written purchase policies.

(c) *Sale.* A Federal credit union may sell, in whole or in part, to any source, eligible obligations of its members, eligible obligations purchased in accordance with paragraph (b)(1)(ii) of this section, student loans purchased in accordance with paragraph (b)(1)(iii) of this section, and real estate loans purchased in accordance with paragraph (b)(1)(iv) of this section, within the limitations of the board of directors' written sale policies.

(d) *Pledge.* (1) A Federal credit union may pledge, in whole or in part, to any source, eligible obligations of its members, eligible obligations purchased in accordance with paragraph (b)(1)(ii) of this section, student loans purchased in accordance with paragraph (b)(1)(iii) of this section, and real estate loans

purchased in accordance with paragraph (b)(1)(iv) of this section, within the limitations of the board of directors' written pledge policies.

* * * * *

PART 746—APPEALS PROCEDURES

■ 3. The authority citation for part 746 continues to read as follows:

Authority: 12 U.S.C. 1766, 1787, and 1789.

§ 746.201 [Amended]

■ 4. In § 746.201, revise the reference to “701.23(h)(3)” to read “701.23(g)(3).”

[FR Doc. 2026–16030 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

Corporate Credit Unions

12 CFR Part 704

RIN 3133–AF84

Corporate Credit Unions

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final action.

SUMMARY: The NCUA Board (Board) is issuing this action to rescind its Interpretive Ruling and Policy Statement (IRPS) 11–02, which addresses chartering corporate credit unions, because it is redundant to the Federal Corporate Credit Union Chartering Manual. This action eliminates potential confusion.

DATES: This action is effective on September 8, 2026.

FOR FURTHER INFORMATION CONTACT:

Office of General Counsel: Rachel Ackmann, Senior Attorney, at (703) 548–2601 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

The Board issued IRPS 11–02 in 2011 following the 2008–2009 financial crisis and the restructuring of the corporate credit union system. As part of that restructuring, the Board believed some groups of consumer credit unions would form new corporate credit unions. The Board sought to provide uniform requirements for prospective new corporate federal credit unions (FCUs) and NCUA's standards for evaluating applications. On September 24, 2010, the Board issued a proposed IRPS setting forth the requirements and process for chartering corporate FCUs

because previous corporate chartering guidance had been withdrawn.¹ After reviewing public comments, the Board issued a final IRPS on February 24, 2011.² The final IRPS set forth requirements for prospective new corporate FCUs and NCUA's standards for evaluating applications. It also included detailed timelines for processing charter applications. NCUA also issued the Federal Corporate Credit Union Chartering Manual (chartering manual) as a companion resource to IRPS 11–02.³

Following the issuance of IRPS 11–02 and the chartering manual, the Board chartered a new corporate FCU as part of restructuring the corporate system. The Board, however, has not chartered any new corporate FCU in the last 10 years.

The Board proposed to rescind IRPS 11–02 on January 14, 2026, because it is no longer needed.⁴ The Board stated its belief that it is reasonable to rely on the chartering manual for NCUA guidance on corporate FCU chartering and that the proposed rule may reduce redundancy and eliminate potential confusion by providing for only one source on chartering federal corporate credit unions.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for federally insured credit unions (FICUs).⁵ The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.⁶ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁷ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁸ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry

¹ 75 FR 60651 (Oct. 1, 2010).

² 76 FR 10209 (Feb. 24, 2011).

³ Available on NCUA's website, <https://ncua.gov/files/publications/FederalCorporateCUC chartering Manual.pdf>.

⁴ 91 FR 1471 (Jan. 14, 2026).

⁵ 12 U.S.C. 1752–1775.

⁶ 12 U.S.C. 1766(a).

⁷ 12 U.S.C. 1787.

⁸ 12 U.S.C. 1789.

and the Share Insurance Fund remain safe and sound.

The FCU Act also includes an express grant of authority for the Board to subject federally chartered central, or corporate, credit unions to such rules, regulations, and orders as the Board deems appropriate.⁹

II. Final Rule

A. Overview

This action follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on March 16, 2026, the Board had received 10 public comments. Comments were submitted by individuals, state credit union leagues, and national credit union trade associations. After careful consideration of the issue raised by the commenters, the Board has decided to adopt the proposal without change.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

Two individual commenters were opposed to the proposed rule. These commenters expressed general concerns about NCUA's deregulatory efforts but did not have comments specific to the proposed rule.

Most commenters supported the proposed rule. Commenters discussed how the IRPS is redundant with the chartering manual and that removing it will reduce confusion as entities would only have one source to look for guidance on chartering corporate credit unions. Commenters generally stated this would lower regulatory burden and streamline guidance without affecting safety or soundness. The Board agrees and expects the rescission of IRPS 11–02 to reduce regulatory burden generally by limiting the number of sources that FCUs must check to ensure compliance with laws and regulations. In conjunction with removing IRPS 11–02, NCUA also intends to make technical updates to the chartering manual. For example, the changes would update terminology related to the responsible office and language reflecting electronic submission.

One commenter who supported the rule generally, strongly encouraged NCUA to ensure that the chartering manual remains easily accessible on the agency's public website, that any updates are clearly marked and dated, and that the agency provides notice and

an opportunity for public comment before implementing any substantive revisions. The Board intends for the chartering manual to remain a public document. However, the manual may be updated in the future without notice and comment rulemaking as it is not a binding rule and instead serves a guidance.¹⁰

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 ("Regulatory Planning and Review"), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.¹¹ Executive Order 13563 ("Improving Regulation and Regulatory Review") supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹² This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a "significant regulatory action" as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 ("Unleashing Prosperity Through Deregulation") requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹³ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act¹⁴ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along

with a statement providing the factual basis for such certification.¹⁵ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.¹⁶ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

There are no corporate credit unions under \$100 million in assets. Also, the Board finds it unlikely that prospective corporate credit unions would be under that threshold. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has determined that the rescission of the IRPS does not create a new information collection or revise an existing information collection as defined by the PRA.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹⁷ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. This rescission removes guidance regarding procedures and timelines for chartering federal corporate credit unions and does not impact state-chartered corporate credit unions. The rulemaking therefore does not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

¹⁰ Available at, <https://ncua.gov/files/publications/FederalCorporateCUCharteringManual.pdf> describing the chartering manual as chartering guidance or chartering guidelines.

¹¹ 58 FR 51735 (Oct. 4, 1993).

¹² 76 FR 3821 (Jan. 21, 2011).

¹³ 90 FR 9065 (Feb. 6, 2025).

¹⁴ 5 U.S.C. 601 *et seq.*

¹⁵ 5 U.S.C. 605(b).

¹⁶ 80 FR 57512 (Sept. 24, 2015).

¹⁷ 64 FR 43255 (Aug. 4, 1999).

⁹ 12 U.S.C. 1766(a).

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁸ The rescission is exclusively concerned with chartering federal corporate credit unions. While the final rule is intended to maintain a strong corporate system to support consumer credit unions in their provision of financial services to members, the potential positive effect on family well-being, including financial well-being is, at most, indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁹ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.²⁰ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a “major rule.” OIRA has determined that this rule is not a “major rule” within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2026–16022 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 741

RIN 3133–AG00

Requirements for Insurance

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is amending its regulations that establish the requirements for obtaining and maintaining federal share insurance with the National Credit Union Share Insurance Fund (Share Insurance Fund). The provisions of this part apply to all

federally insured credit unions (FICUs). The rule will reduce regulatory burden by eliminating unnecessary and redundant requirements related to disclosing when nonmember accounts are not covered by federal share insurance.

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

FOR FURTHER INFORMATION CONTACT: Frank Kressman, General Counsel, Office of General Counsel at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Part 741 generally applies to federal credit unions (FCUs), federally insured, state-chartered credit unions (FISCUs), and credit unions applying for insurance of accounts pursuant to title II of the Federal Credit Union Act (FCU Act). This part prescribes various requirements for obtaining and maintaining federal share insurance and paying insurance premiums and the capitalization deposit. Subpart A of part 741 contains substantive requirements that are not codified elsewhere in NCUA’s regulations. Subpart B lists additional regulations, set forth elsewhere in NCUA’s regulations as applying to FCUs, that also apply to FISCUs.

A FICU that is permitted by state law to accept nonmember shares or deposits from sources other than other credit unions and public units (or, for low-income designated credit unions, any nonmembers) must, under NCUA’s current regulation § 741.10, identify such accounts on all required reports to NCUA and notify all nonmember account holders in writing that their accounts are not insured by the Share Insurance Fund.

Section 741.10 applies to FISCUs that are permitted by state law to accept nonmember shares or deposits from sources other than those provided for in the FCU Act. Shares or deposits from other credit unions and public units or, for low-income-designated credit unions, from any nonmembers, are included as insurable accounts under the FCU Act.¹ For any other nonmember funds permitted by state law, § 741.10 requires FISCUs to identify such nonmember accounts as nonmember shares or deposits on any statement or report required by the Board for insurance purposes. Immediately after a state-chartered credit union receives notice from NCUA that its member

accounts are federally insured, § 741.10 requires the credit union to advise any present nonmember share and deposit holders, by letter, that their accounts are not insured by the Share Insurance Fund. FISCUs are similarly required to notify any future nonmember share and deposit fund holders by letter as they open accounts.

To reduce regulatory burden, on January 28, 2026, the Board published a notice of proposed rulemaking in the **Federal Register** proposing to eliminate § 741.10 of subpart A of part 741 as its provisions are redundant to the disclosures FISCUs already must make as part of their agreement for maintaining federal share insurance.² NCUA adopted this regulation in 1995 to incorporate requirements already imposed on FISCUs by the Agreement for Insurance of Accounts, which must be completed by state-chartered credit unions applying for federal share insurance.³ Current NCUA Form 9600, “Information to be Provided in Support of the Application of a State Chartered Credit Union for Insurance of Accounts,” maintains these same requirements.⁴

As noted in the proposal, the Board is now of the view that, to minimize the volume of regulations and other materials FICUs must review to comply with legal and contractual requirements, § 741.10 should be removed as duplicative of the contractual requirement imposed on FISCUs as part of maintaining federal share insurance. Thus, the Board proposed to remove § 741.10 but stressed that FISCUs are still contractually required to fulfill the terms of NCUA Form 9600 as a condition of maintaining federal share insurance coverage.

In the proposal, the Board also solicited comments suggesting changes that should be made to § 741.9 of NCUA’s regulations, which prohibits FICUs from offering member shares that are not eligible for federal share insurance coverage.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs.⁵ The FCU Act grants NCUA a broad mandate to issue

² 91 FR 3690 (Jan. 28, 2026).

³ 60 FR 58502 (Nov. 28, 1995).

⁴ See Form NCUA 9600, *Information to be Provided in Support of the Application of a State Chartered Credit Union for Insurance of Accounts*, page 14, available at https://ncua.gov/files/publications/resources-expansion/NCUA_9600.pdf.

⁵ 12 U.S.C. 1752–1775.

¹⁸ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁹ 5 U.S.C. 801–808.

²⁰ 5 U.S.C. 804(3).

¹ See 12 U.S.C. 1752(5).

regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.⁶ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁷ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁸ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

II. Final Rule

A. Overview

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. When the public comment period closed on March 30, 2026, the Board had received 12 public comments. Comments were submitted by individuals, state leagues and national trades, and an association of state credit union supervisors. Eleven commenters supported the proposal. One generally opposed NCUA's deregulatory initiative. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal without change.

B. Discussion of Public Comments

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

All 11 supportive commenters concurred with the Board's assessment that the provision is an unnecessary regulatory requirement that is duplicative of the contractual obligations imposed by Form 9600 for maintaining share insurance. This contract clearly and independently sets forth the requirements to identify nonmember share or deposit accounts and to notify nonmembers that such accounts are not insured by the Share Insurance Fund. One state league provided a FICU's comment noting the redundancy does not enhance consumer understanding or safety but does create additional administrative work. The commenter said the proposal streamlines compliance expectations while preserving all essential disclosure requirements. Three commenters said

the proposal maintains essential protections while streamlining compliance by eliminating unnecessary notifications and cutting duplicative paperwork and reporting. Three commenters cited benefits to small FICUs. The Board appreciates and agrees with these comments.

One commenter suggested that NCUA should provide a more standardized plain-language document to ensure compliance with the contractual obligations under Form 9600 and that all people, including those lacking great financial literacy, receive consistent information across all FISCUs. They suggested that the final rule contain a clear reminder that even though the regulatory section is being removed, the requirement to notify nonmembers of a lack of federal insurance remains a condition of maintaining federal share insurance. The commenter also agreed with the Board's determination that the changes will not negatively impact families' well-being. The Board appreciates the commenter's input but has not seen evidence of a need to provide FICUs a standardized notice document. The Board also believes it clearly stated in the proposal that the removal of § 741.10 does not remove FISCUs' contractual obligation to fulfill the terms of NCUA Form 9600 as a condition of maintaining federal share insurance coverage. Nevertheless the Board reiterates here that the removal of § 741.10 does not remove FISCUs' contractual obligation to notify nonmembers of their lack of federal share insurance remains a condition of maintaining federal share insurance.

One commenter voiced general opposition to NCUA's deregulatory actions and expressed that the actions inappropriately prioritized reducing regulatory burdens at the expense of protecting consumers and the safety of FICUs. The Board appreciates the commenter's input but strongly disagrees that NCUA's deregulatory actions have prioritized reducing regulatory burdens at the expense of protecting consumers and the safety of FICUs.

Separately, in response to the proposal's request for additional comments on § 741.9, which prohibits offering member shares not eligible for federal share insurance coverage, one commenter supported considering removing § 741.9. This commentator generally supports greater flexibility for FISCUs, but stressed that the volume of deregulatory proposed rules has not provided sufficient time to thoroughly analyze the implications of removing the prohibition. The commenter said removing § 741.9 also might be

beneficial, should the credit union system obtain access to supplemental capital for net worth purposes on par with credit unions worldwide. The Board appreciates the commenter's input and will continue to consider it as it evaluates any future changes.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 ("Regulatory Planning and Review"), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁹ Executive Order 13563 ("Improving Regulation and Regulatory Review") supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁰ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a "significant regulatory action" as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 ("Unleashing Prosperity Through Deregulation") requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹¹ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act¹² generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹³ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in

⁶ 12 U.S.C. 1766(a).

⁷ 12 U.S.C. 1787.

⁸ 12 U.S.C. 1789.

⁹ 58 FR 51735 (Oct. 4, 1993).

¹⁰ 76 FR 3821 (Jan. 21, 2011).

¹¹ 90 FR 9065 (Feb. 6, 2025).

¹² 5 U.S.C. 601 *et seq.*

¹³ 5 U.S.C. 605(b).

assets.¹⁴ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The final rule will reduce regulatory burdens on FICUs by eliminating an unnecessary and redundant section within NCUA's regulations, which imposes requirements on FICUs for obtaining and maintaining federal share insurance. Its removal simplifies the regulatory code by eliminating unnecessary text. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withholding 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. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has reviewed this rule and determined that it does not create any new or revise any existing collections of information. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹⁵ NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The final rule will reduce regulatory burden by eliminating an unnecessary and redundant section within NCUA's regulations imposing requirements on FICUs for obtaining and maintaining federal share insurance. Thus the rulemaking will not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁶ The final rule will reduce regulatory burden by eliminating an unnecessary and redundant section within NCUA's regulations imposing requirements on FICUs for obtaining and maintaining federal share insurance. While the rescission is intended to reduce regulatory burden generally to allow FCUs to focus on their provision of financial services to members, any potential positive effect on family wellbeing, including financial wellbeing, is, at most, indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁷ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.¹⁸ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a "major rule." OIRA has determined that this rule is not a "major rule" within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR part 741

Bank deposit insurance, Credit, Credit unions, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board amends 12 CFR part 741 as follows:

PART 741—REQUIREMENTS FOR INSURANCE

■ 1. The authority citation for part 741 continues to read as follows:

Authority: 12 U.S.C. 1757, 1766(a), 1781–1790, 1790d, 3331 *et seq.*; 31 U.S.C. 3717.

¹⁶ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁷ 5 U.S.C. 801–808.

¹⁸ 5 U.S.C. 804(3).

§ 741.10 [Removed and Reserved]

■ 2. Remove and reserve § 741.10.
[FR Doc. 2026–16023 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 741

RIN 3133–AF97

Termination of Excess Insurance Coverage

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is amending its regulations that establish the requirements for obtaining and maintaining federal share insurance with the National Credit Union Share Insurance Fund (Share Insurance Fund). The provisions of this part apply to all federally insured credit unions (FICUs). This final rule will reduce regulatory burden by amending the provision on the timing of prior notice provided to members of the termination of excess non-federal insurance coverage.

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

FOR FURTHER INFORMATION CONTACT: Thomas Zells, Senior Staff Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Part 741 generally applies to federal credit unions (FCUs), federally insured, state-chartered credit unions (FISCUs), and credit unions applying for insurance of accounts pursuant to Title II of the Federal Credit Union Act (FCU Act). This part prescribes various requirements for obtaining and maintaining federal share insurance and the payment of insurance premiums and capitalization deposit. Subpart A of part 741 contains substantive requirements that are not codified elsewhere in NCUA's regulations. Subpart B lists additional regulations that are codified elsewhere in NCUA's regulations as applying to FCUs, which also apply to FISCUs. Section 741.5 requires a FICU that maintains excess share insurance coverage in addition to the coverage provided by the Share Insurance Fund to notify all members in writing at least 30 days before the effective date of any

¹⁴ 80 FR 57512 (Sept. 24, 2015).

¹⁵ 64 FR 43255 (Aug. 4, 1999).

termination of that excess coverage. NCUA adopted this rule in 1986.¹

On January 28, 2026, the Board published a notice of proposed rulemaking in the **Federal Register** proposing to amend the 30-day notification requirement in § 741.5 to provide more flexibility and reduce regulatory burden. Specifically, the Board proposed removing the 30-day requirement and simply requiring FICUs to notify members before any excess share insurance coverage is terminated. In the proposal, the Board noted that the 30-day timeframe imposes a prescriptive requirement not explicitly mandated by the FCU Act. While the Board believes members need to be notified before their excess coverage ends, requiring 30 days' prior notice may not provide sufficient flexibility or align with state law or contractual agreements. The Board is of the view that these timing considerations are best left to the discretion of each FICU board of directors and a more flexible standard would still satisfy the goal of informing members of the change before it occurs. The proposal did reiterate that FICUs should consider their member agreements and applicable state law requirements when determining adequate prior notice for members.

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs.² The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.³ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁴ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁵ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

II. Final Rule

A. Overview

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on March 30, 2026, the Board had received 18 public comments. Comments were submitted by individuals, national trades organizations and state credit union leagues, a FICU, and an association of state credit union supervisors. Twelve commenters supported the proposal, five opposed it, and one suggested an alternate approach. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal without any substantive change. A summary of the comments received and the Board's responses to them are provided below.

B. Discussion of Public Comments

1. Comments in Support of the Proposed Change

Twelve commenters supported the removal of the 30-day notice requirement to FICU members before their excess insurance coverage ends. All 12 commenters cited the benefit of increased flexibility for FICUs. Five commenters specifically said that the change would provide flexibility without causing any material harm or burden to member awareness. Six commenters said the change would provide FICU boards the flexibility to implement notice time frames that reflect state law and the contractual requirements of individual private insurers, including provisions around the required time frame to notify members of excess insurance coverage termination. One noted that a mismatch between federal and contractual notice requirements can cause increased burdens tracking and reconciling differing notice requirements. They said this would reduce burdens for FISCUs by allowing them to focus compliance efforts on state requirements, rather than reconciling competing federal deadlines. Another commenter noted the 30-day requirement applies even if state law mandates a different notice period. One commenter said that removing NCUA's prescriptive rule allows states to tailor expectations and requirements for FISCUs.

Nine commenters cited the benefits of reduced regulatory and compliance burdens. Three commenters said the 30-day requirement can create operational constraints and felt the proposal would better accommodate operational realities. Eight noted the proposal

maintains the same substance, requiring FICUs to notify members before terminating excess coverage so they can adjust accounts. Three of these commenters stressed the proposal does not prohibit FICUs from deploying their own, potentially longer, notification requirements, further empowering boards to manage member agreements. One commenter expressed support, but asked how NCUA will ensure FICUs still give members fair and adequate warning before their insurance drops.

NCUA Response

The Board agrees with the supportive commenters that the proposal will provide flexibility and regulatory relief without negatively impacting member awareness. As to how NCUA will ensure FICUs still provide members fair and adequate warning before their insurance drops, the Board believes the requirement to notify members in advance of any reduction of *excess* insurance coverage should provide members adequate notice and an opportunity to restructure any affected accounts. The Board stresses that this notice only relates to optional excess insurance coverage that a FICU has purchased from a private insurer above the minimum \$250,000 in coverage provided to all FICU members by NCUA. Any notice provided to members is unrelated to and does not affect the share insurance coverage provided by NCUA. The Board also reiterates that notices for termination of excess insurance coverage are still subject to state law and contractual requirements.

2. Comments Opposing the Proposed Change

Five commenters provided comments in opposition, with three specifically addressing this proposal. One urged the Board to either retain the current standard or set some minimum for clarity and member protection, reasoning that the 30-day requirement is a clear and enforceable standard that protects FICU members compared to the proposed "prior to" termination standard that the commentator opined is vague. They felt the proposal leaves members vulnerable and could lead to a lack of transparency and adequate time for member account changes. Another commenter expressed vehement opposition to removing the 30-day requirement. A third commenter strongly opposed the change, arguing that, while it is valid to make processes more efficient, it should not come at the cost of removing FICU member protections. The commenter said citizens have a right to transparency about their coverage and what is done

¹ 51 FR 37549 (Oct. 23, 1986).

² 12 U.S.C. 1752–1775.

³ 12 U.S.C. 1766(a).

⁴ 12 U.S.C. 1787.

⁵ 12 U.S.C. 1789.

with their funds and said depositors' money should not be subject to the preferred efficiency of CEOs and executives. Two other commenters voiced general opposition to NCUA's deregulatory actions and expressed that the actions inappropriately prioritized reducing regulatory burdens at the expense of protecting consumers and the safety of FICUs.

NCUA Response

The Board appreciates the commenters expressing their concerns, but disagrees that the change will negatively impact members or the safety and soundness of FICUs. The Board believes that the requirement to notify members in advance of any reduction of excess insurance coverage should provide members adequate notice and an opportunity to restructure any affected accounts. The Board again stresses that this notice only relates to optional excess insurance coverage that a FICU has purchased from a private insurer above the minimum \$250,000 in coverage provided to all FICU members by NCUA. Any notice provided to members is unrelated to and does not affect the share insurance coverage provided by NCUA. The Board also reiterates that notices for termination of excess insurance coverage are still subject to state law and contractual requirements.

3. Comments Suggesting an Alternative Approach

One commenter proposed an alternative approach, suggesting that, to balance regulatory flexibility with consumer protection, NCUA establish a minimum baseline notification period (for example, 10–15 days) rather than eliminating the timeframe entirely. They felt this would still reduce burden while ensuring members retain a reasonable opportunity to respond to changes affecting their financial security. The commenter expressed concern that the more flexible standard in the proposal could result in inconsistent notification practices across institutions and insufficient time for members to make informed financial decisions. They worried a shorter or undefined notice period could disproportionately impact individuals who rely on excess coverage but may not closely monitor FICU communications.

NCUA Response

The Board appreciates the commenter's perspective and the rationale for their proposed alternative approach. However, the Board believes that maintaining a specific notification period would not address potential

inconsistencies with state law and contractual notice requirements and thus would impose unnecessary burdens on FICUs. As stated above, the Board does not believe that the proposed change will negatively impact members or the safety and soundness of FICUs. The Board believes that the requirement to notify members in advance of any reduction of excess insurance coverage should provide members adequate notice and an opportunity to restructure any affected accounts. The Board stresses that this notice only relates to optional excess insurance coverage that a FICU has purchased from a private insurer above the minimum \$250,000 in coverage provided to all FICU members by NCUA. Any notice provided to members is unrelated to and does not affect the share insurance coverage provided by NCUA. The Board also reiterates that notices for termination of excess insurance coverage are still subject to state law and contractual requirements.

In sum, the Board is adopting the proposed rule without substantive change. The final rule includes a plain language change—the phrase “prior to” is being changed to “before” in revised § 741.5. This new wording does not change the regulation's meaning.

III. Regulatory Procedures

A. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁶ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.⁷ This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a “significant regulatory action” as defined by section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by

the elimination of existing costs associated with at least 10 prior regulations.⁸ This final rule is considered an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act⁹ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹⁰ For purposes of this analysis, NCUA considers small credit unions to be those having under \$100 million in assets.¹¹ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The rule will reduce the regulatory burden on FICUs by eliminating the inflexible requirement for FICUs to notify members 30 days before excess non-Share Insurance Fund share insurance coverage is terminated. The Board does not expect the final rule to change FICUs' obligations to their members materially because FICUs will still be required to provide prior notice. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. The PRA applies to rulemaking in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. NCUA has determined that the changes described in this final rule do not create a new information collection or revise an existing information collection as defined by the PRA.

⁶ 90 FR 9065 (Feb. 6, 2025).

⁹ 5 U.S.C. 601 *et seq.*

¹⁰ 5 U.S.C. 605(b).

¹¹ 80 FR 57512 (Sept. 24, 2015).

⁶ 58 FR 51735 (Oct. 4, 1993).

⁷ 76 FR 3821 (Jan. 21, 2011).

D. Executive Order 13132 on Federalism

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.¹² NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The change will reduce regulatory burden by eliminating an unnecessary provision within NCUA's regulations imposing timing requirements on FICUs for providing member notice when excess non-federal insurance coverage is terminated. The change is not expected to change FICUs' obligations to their members materially and thus the rulemaking will not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

E. Assessment of Federal Regulations and Policies on Families

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.¹³ While the change is intended to reduce regulatory burden generally to allow FICUs to focus on their provision of financial services to members, any potential positive effect on family well-being, including financial well-being is, at most, indirect.

F. Congressional Review Act

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.¹⁴ NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.¹⁵ An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a "major rule." OIRA has determined that this rule is not a "major rule" within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in 12 CFR Part 741

Bank deposit insurance, Credit, Credit unions, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board, this 29th day of July, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board amends 12 CFR part 741 as follows:

PART 741—REQUIREMENTS FOR INSURANCE

■ 1. The authority citation for part 741 continues to read as follows:

Authority: 12 U.S.C. 1757, 1766(a), 1781–1790, 1790d, 3331 *et seq.*; 31 U.S.C. 3717.

■ 2. Revise § 741.5 to read as follows:

§ 741.5 Notification of termination of excess insurance coverage.

In the event of a credit union's termination of share insurance coverage other than that provided by the NCUSIF, the credit union must notify all members in writing of such termination before the effective date of termination.

[FR Doc. 2026–16026 Filed 8–5–26; 8:45 am]

BILLING CODE 7535–01–P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 39**

[Docket No. FAA–2026–4638; Project Identifier MCAI–2023–00794–R; Amendment 39–23431; AD 2026–16–01]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Airbus Helicopters Model AS350B, AS350BA, AS350B1, AS350B2, AS350B3, AS350D, EC130B4, and EC130T2 helicopters. This AD was prompted by reports of an incorrectly installed engine flange on the main gear box (MGB) engine coupling. This AD requires inspecting the MGB engine coupling for correct installation and, depending on the results, corrective actions. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective September 10, 2026.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of September 10, 2026.

ADDRESSES:

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4638; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

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

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4638.

FOR FURTHER INFORMATION CONTACT:

Aryanna Sanchez, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (520) 990–9321; email: aryanna.t.sanchez@faa.gov.

SUPPLEMENTARY INFORMATION:**Background**

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to certain Airbus Helicopters Model AS350B, AS350BA, AS350B1, AS350B2, AS350B3, AS350D, EC130B4, and EC130T2 helicopters. The NPRM was published in the **Federal Register** on May 15, 2026 (91 FR 27873). The NPRM was prompted by EASA AD 2023–0127, dated June 27, 2023 (EASA AD 2023–0127) (also referred to as the MCAI), issued by EASA, which is the Technical Agent for the Member States of the European Union. The MCAI states that on the final assembly line, the engine flange on the MGB engine coupling may have been installed inverted.

¹² 64 FR 43255 (Aug. 4, 1999).

¹³ Public Law 105–277, 112 Stat. 2681 (1998).

¹⁴ 5 U.S.C. 801–808.

¹⁵ 5 U.S.C. 804(3).

In the NPRM, the FAA proposed to require inspecting the MGB engine coupling for correct installation and, depending on the results, corrective actions.

The FAA is issuing this AD to detect and correct the inverted installation of the engine flange on the MGB engine coupling. The unsafe condition, if not detected and corrected, could result in the loss of power transmission to the MGB and the main rotor and lead to loss of control of the helicopter.

You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4638.

Discussion of Final Airworthiness Directive

Comments

The FAA received a comment from one commenter, Papillon Airways (Papillon). The following presents the comment received on the NPRM and the FAA’s response to the comment.

Request To Change the Applicability

Papillon requested the FAA revise the applicability of the NPRM, to apply not only to the production date of the helicopters but also that the NPRM apply to helicopters with less than 3,500 total flight hours. Papillon stated the date ranges are too broad and they do not address high usage aircraft. Papillon also stated that aircraft with more than

3,500 flight hours have likely already replaced the engine and gearboxes [MGB] and would therefore no longer be affected by the unsafe condition.

The FAA disagrees with revising the applicability of this final rule. The FAA is unable to determine how many helicopters may have replaced the MGBs or engines before 3,500 total hours time-in-service (TIS) or how many helicopters may not have replaced the MGB or engine before exceeding 3,500 total hours TIS. The FAA acknowledges that a majority of the MGBs may have been replaced. Thus, adopting the MCAI applicability ensures that all helicopters that may be affected are included in this final rule. The FAA did not change this AD as a result of this comment.

Conclusion

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA’s bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data, considered any comments received, and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. Except for

minor editorial changes, this AD is adopted as proposed in the NPRM. None of the changes will increase the economic burden on any operator.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2023–0127, which specifies procedures for a one-time inspection of the MGB engine coupling for correct installation. Depending on the results, EASA AD 2023–0127 specifies installing a correctly assembled engine flange or a new engine flange. EASA AD 2023–0127 also specifies reporting the inspection results to the manufacturer. This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the ADDRESSES section.

Differences Between This AD and the MCAI

The MCAI applies to Airbus Helicopters Model AS350BB helicopter, whereas this AD does not because that model does not have an FAA type certificate.

Costs of Compliance

The FAA estimates that this AD affects 4,102 helicopters of U.S. registry.

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

ESTIMATED COSTS				
Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspect MGB engine coupling	1 work-hour × \$85 per hour = \$85	\$0	\$85	\$348,670

The FAA estimates the following costs to do any corrective actions that would be required based on the results

of the inspection. The agency has no way of determining the number of

helicopters that might need this corrective action:

ON-CONDITION COSTS			
Action	Labor cost	Parts cost	Cost per product
Install engine flange	2 work-hours × \$85 per hour = \$170	Up to \$1,935	Up to \$2,105.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency’s authority.

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section

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

Regulatory Findings

This AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that this AD:

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

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

(3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

- 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

- 2. The FAA amends § 39.13 by adding the following new airworthiness directive:

2026–16–01 Airbus Helicopters: Amendment 39–23431; Docket No. FAA–2026–4638; Project Identifier MCAI–2023–00794–R.

(a) Effective Date

This airworthiness directive (AD) is effective September 10, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Airbus Helicopters, certificated in any category, identified in paragraphs (c)(1) through (3) of this AD.

(1) Model AS350B, AS350BA, AS350B1, AS350B2, and AS350B3 helicopters, with a helicopter manufacture date before May 15, 2023.

(2) Model AS350D helicopters, with a helicopter manufacture date before May 15, 2023, except helicopters equipped with a Lycoming engine.

(3) Model EC130B4 and EC130T2 helicopters, with a helicopter manufacture date before February 13, 2023.

Note 1 to paragraph (c)(1): Helicopters with AS350B3e designation are Model AS350B3 helicopters.

(d) Subject

Joint Aircraft System Component (JASC) Code 6300, Main rotor drive.

(e) Unsafe Condition

This AD was prompted by reports of an incorrectly installed engine flange on the main gear box (MGB) engine coupling. The FAA is issuing this AD to detect and correct the inverted installation of the engine flange on the MGB engine coupling. The unsafe

condition, if not detected and corrected, could result in the loss of power transmission to the MGB and the main rotor and lead to loss of control of the helicopter.

(f) Compliance

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

(g) Required Actions

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with European Union Aviation Safety Agency AD 2023–0127, dated June 27, 2023 (EASA AD 2023–0127).

(h) Exceptions to EASA AD 2023–0127

(1) Where EASA AD 2023–0127 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where EASA AD 2023–0127 refers to flight hours, this AD requires using hours time-in-service.

(3) Where the material referenced in EASA AD 2023–0127 specifies discarding certain parts, this AD requires removing those parts from service.

(4) This AD does not adopt the “Remarks” section of EASA AD 2023–0127.

(i) No Reporting Requirement

Although EASA AD 2023–0127 specifies to submit certain information to the manufacturer, this AD does not require that action.

(j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (k) of this AD and email to AMOC@faa.gov.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(k) Additional Information

For more information about this AD, contact Aryanna Sanchez, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (520) 990–9321; email: aryanna.t.sanchez@faa.gov.

(l) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2023–0127, dated June 27, 2023.

(ii) [Reserved]

(3) For EASA material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3,

50668 Cologne, Germany; phone: +49 221 8999 000; email: ADS@easa.europa.eu; website: easa.europa.eu. You may find the EASA material on the EASA website at ad.easa.europa.eu.

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

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

Issued on July 30, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–16047 Filed 8–5–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–3866; Project Identifier MCAI–2025–01200–R; Amendment 39–23432; AD 2026–16–02]

RIN 2120–AA64

Airworthiness Directives; Bell Textron Canada Limited Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Bell Textron Canada Limited Model 505 helicopters. This AD was prompted by a report of a quality escape in the production installation of a washer installed on the tail rotor pitch link assembly (pitch link assembly). This AD requires a one-time visual inspection for proper installation of the washer installed on the pitch link assembly and, depending on the results of the inspection, corrective actions. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective September 10, 2026.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of September 10, 2026.

ADDRESSES:

AD Docket: You may examine the AD docket at regulations.gov under Docket No. FAA–2026–3866; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except

Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

- For Transport Canada material identified in this AD, contact Transport Canada, Transport Canada National Aircraft Certification, 159 Cleopatra Drive, Nepean, Ontario, K1A 0N5, Canada; phone: (888) 663-3639; email: TC.AirworthinessDirectives-Consignesdenavigabilite.TC@tc.gc.ca. You may find the Transport Canada material on the Transport Canada website at tc.canada.ca/en/aviation.
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222-5110. It is also available at regulations.gov under Docket No. FAA-2026-3866.

FOR FURTHER INFORMATION CONTACT:
David Enns, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946-4147; email: david.enns@faa.gov.

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to certain Bell Textron Canada Limited Model 505 helicopters. The

NPRM was published in the **Federal Register** on April 23, 2026 (91 FR 21741). The NPRM was prompted by Transport Canada AD CF-2025-34, dated July 3, 2025, (Transport Canada AD CF-2025-34) (also referred to as the MCAI), issued by Transport Canada, which is the aviation authority for Canada. The MCAI states Bell Textron Canada Limited has discovered a quality escape in the production installation of the pitch link assemblies where a washer was installed in the wrong location. The MCAI further states this incorrect installation could cause fracture of the pitch horn stud due to fatigue or when the rotor blade exceeds the travel during certain control inputs and blade flapping angles. The unsafe condition, if not addressed, could result in fracture of the pitch horn stud due to fatigue or when the rotor blade exceeds the travel during certain control inputs and blade flapping angles and loss of directional control of the helicopter.

In the NPRM, the FAA proposed to require a one-time visual inspection for proper installation of the washer installed on the pitch link assembly and, depending on the results of the inspection, corrective actions. The FAA is issuing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at regulations.gov under Docket No. FAA-2026-3866.

Discussion of Final Airworthiness Directive

Comments

The FAA received no comments on the NPRM or on the determination of the costs.

Conclusion

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA reviewed the relevant data, considered any comments received, and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. This AD is adopted as proposed in the NPRM.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Transport Canada AD CF-2025-34, which specifies procedures for a one-time visual inspection for proper installation of the pitch link assembly and, depending on the results of the inspection, reassembling the pitch link assembly and washer or removing and replacing the pitch link assembly, tail rotor pitch horn, packings, and conical washer.

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

Costs of Compliance

The FAA estimates that this AD affects 10 helicopters of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspect pitch link assembly	1 work-hour × \$85 per hour = \$85	\$0	\$85	\$850

The FAA estimates the following costs to do any replacements that would

be required based on the results of the inspection. The agency has no way of

determining the number of helicopters that might need these replacements:

ON-CONDITION COSTS

Action	Labor cost	Parts cost	Cost per product
Replace pitch link assembly, tail rotor pitch horn, packings, and conical washer.	4 work-hours × \$85 per hour = \$340 (per assembly).	\$4,396 (per assembly) ...	Up to \$9,472.
Remove and reassemble pitch link assembly	1 work-hour × \$85 per hour = \$85	\$0	\$85.

The FAA has included all known costs in its cost estimate. According to the manufacturer, however, some of the costs of AD may be covered under

warranty, thereby reducing the cost impact on affected operators.

Authority for This Rulemaking

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

section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency's authority.

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

Regulatory Findings

This AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that this AD:

- (1) Is not a "significant regulatory action" under Executive Order 12866,
- (2) Will not affect intrastate aviation in Alaska, and
- (3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

- 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

- 2. The FAA amends § 39.13 by adding the following new airworthiness directive:

2026-16-02 Bell Textron Canada Limited:
Amendment 39-23432; Docket No. FAA-2026-3866; Project Identifier MCAI-2025-01200-R.

(a) Effective Date

This airworthiness directive (AD) is effective September 10, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Bell Textron Canada Limited Model 505 helicopters, certificated in any category, as identified in Transport Canada AD CF-2025-34, dated July 3, 2025 (Transport Canada AD CF-2025-34).

(d) Subject

Joint Aircraft System Component (JASC) Code 6400, Tail rotor system.

(e) Unsafe Condition

This AD was prompted by a report of a quality escape in the production installation of a washer installed on the tail rotor pitch link assembly. The FAA is issuing this AD to detect proper installation. The unsafe condition, if not addressed, could result in fracture of the pitch horn stud due to fatigue or when the rotor blade exceeds the travel during certain control inputs and blade flapping angles and loss of directional control of the helicopter.

(f) Compliance

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

(g) Requirements

Except as specified in paragraph (h) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, Transport Canada AD CF-2025-34.

(h) Exceptions to Transport Canada AD CF-2025-34

(1) Where Transport Canada AD CF-2025-34 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where Transport Canada AD CF-2025-34 requires compliance in terms of air time, this AD requires using hours time-in-service.

(3) Where paragraph (1) of Transport Canada AD CF-2025-34 specifies "Perform a one-time inspection of the tail rotor pitch link assembly installation", this AD requires replacing that text with "Perform a one-time inspection of the tail rotor pitch link assembly installation and, if applicable, remove and reassemble the pitch link assembly and washer".

(4) Where the material referenced in Transport Canada AD CF-2025-34 specifies to discard certain parts, this AD requires removing those parts from service.

(i) Special Flight Permit

Special flight permits, as described in 14 CFR 21.197 and 21.199, are not allowed.

(j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local

Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (k) of this AD and email to: AMOC@faa.gov.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(k) Additional Information

For more information about this AD, contact David Enns, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946-4147; email: david.enns@faa.gov.

(l) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Transport Canada AD CF-2025-34, dated July 3, 2025.

(ii) [Reserved]

(3) For Transport Canada material identified in this AD, contact Transport Canada National Aircraft Certification, 159 Cleopatra Drive, Nepean, Ontario K1A 0N5, Canada phone: (888) 663-3639; email: TC.AirworthinessDirectives-Consignesdenavigabilite.TC@tc.gc.ca. You may find this material on the Transport Canada website at tc.canada.ca/en/aviation.

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222-5110.

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

Issued on July 30, 2026.

Steven W. Thompson,

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

[FR Doc. 2026-16043 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 39**

[Docket No. FAA–2026–3488; Project Identifier AD–2024–00583–R; Amendment 39–23429; AD 2026–15–17]

RIN 2120–AA64

Airworthiness Directives; Various Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is superseding Airworthiness Directive (AD) 2015–20–12 for certain Sikorsky Aircraft Corporation Model S–61A, D, E, L, N, NM, R, and V; Croman Corporation Model SH–3H; Carson Helicopters, Inc., Model S–61L and SH–3H; Glacier Helicopter, Inc., Model CH–3E; Robinson Air Crane, Inc., Model CH–3E, CH–3C, HH–3C and HH–3E; and Siller Helicopters Model CH–3E and SH–3A helicopters. AD 2015–20–12 required performing calculations to determine whether the main rotor shaft (MRS) was used in repetitive external lift (REL) operations or non-REL operations, performing a nondestructive inspection (NDI) of the REL MRS for cracks and, depending on the results of the NDI, replacing the MRS, marking any REL MRS at the time of the NDI, establishing retirement lives for each REL MRS, and removing from service any MRS with oversized dowel pin bores. Since the FAA issued AD 2015–20–12, a design re-evaluation shows that the MRS on certain helicopter models requires a lower life limit. This AD retains some of the requirements of AD 2015–20–12, and also reduces the retirement life for a certain MRS installed on certain helicopters and updates the type certificate holder name for some of the affected helicopter models. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective September 10, 2026.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of September 10, 2026.

ADDRESSES:

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–3488; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, any comments received, and other information. The

address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

- For Sikorsky material identified in this AD, contact a Sikorsky Field Representative or Sikorsky's Service Engineering Group at Sikorsky Aircraft Corporation, Mailstop K100, 124 Quarry Road, Trumbull, CT 06611; phone: (800) 946–4337 (1–800–Winged-S); email: wcs_cust_service_eng.gr-sik@lmco.com; website: [sikorsky360.com](https://www.sikorsky360.com).

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–3488.

FOR FURTHER INFORMATION CONTACT:

Isabel Saltzman, Aviation Safety Engineer, FAA, 1701 Columbia Avenue, College Park, GA 30337; phone: (781) 238–7649; email: ecb-cos@faa.gov.

SUPPLEMENTARY INFORMATION:**Background**

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to supersede AD 2015–20–12, Amendment 39–18291 (80 FR 63422, October 20, 2015) (AD 2015–20–12). AD 2015–20–12 applied to certain Sikorsky Aircraft Corporation; Sikorsky Aircraft; Croman Corporation; Carson Helicopters, Inc.; Glacier Helicopter, Inc.; Robinson Air Crane, Inc.; and Siller Helicopters Model S–61A, D, E, L, N, NM (S/N 61454), R, V, CH–3C, CH–3E, HH–3C, HH–3E, SH–3A, and SH–3H helicopters with a MRS, part number S6135–20640–001, S6135–20640–002, or S6137–23040–001, installed. The NPRM was published in the **Federal Register** on April 21, 2026 (91 FR 21269). The NPRM was prompted by the manufacturer's design re-evaluation that shows that the MRS on certain helicopter models requires a lower life limit based on torque, ground-air-ground (GAG) cycle, and fatigue testing. In the NPRM, the FAA proposed to retain the requirements of AD 2015–20–12, except the retirement life of a Non-REL MRS. The FAA also proposed to require reducing the retirement life of a Non-REL MRS currently assigned a 13,000-hour time-in-service (TIS) retirement life to 7,300 hours TIS. If the hours TIS on a Non-REL MRS are greater than 7,300 hours TIS and the MRS is installed, the FAA proposed to require removing it from service at the

next main gearbox overhaul. If the hours TIS on a Non-REL MRS are greater than 7,300 hours TIS, and the MRS is uninstalled or in overhaul, the FAA proposed to require removing it from service. If the hours TIS on a Non-REL MRS are less than 7,300 hours TIS, the FAA proposed to require removing the MRS from service before exceeding 7,300 hours TIS.

AD 2015–20–12 describes life limits as retirement lives. Retirement lives and life limits are used interchangeably throughout this AD. While life limit is the 14 CFR part 43 terminology, the FAA uses retirement life and life limit in this AD because some of the initial requirements of this AD have been in place for over a decade.

The FAA is issuing this AD to address the unsafe condition on these products.

Discussion of Final Airworthiness Directive**Comments**

The FAA received no comments on the NPRM or on the determination of the costs.

Conclusion

The FAA reviewed the relevant data, considered any comments received, and determined that air safety requires adopting the AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. Except for minor editorial changes, this AD is adopted as proposed in the NPRM. None of the changes will increase the economic burden on any operator.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Sikorsky Alert Service Bulletin (ASB) No. 61B–35–69, Revision A, dated October 10, 2023, which specifies procedures for determining the total number of accumulated cycles since new for the MRS, determining REL and Non-REL status, assigning new REL and Non-REL MRS retirement lives, marking the REL MRS, and annotating the retirement life of the MRS in the existing helicopter logbook.

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

Costs of Compliance

The FAA estimates that this AD affects 76 helicopters of U.S. registry.

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

ESTIMATED COSTS

Action	Labor rate	Parts cost	Cost per product	Cost on U.S. operators
NDI of an REL MRS	3 work-hours × \$85 per hour = \$255	\$50	\$305	\$23,180
Replace/remove an MRS	3 work-hours × 85 per hour = 255	81,471	81,471	6,191,796
Revise the log card	1 work-hour × 85 per hour = 85	0	85	6,460

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

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

Regulatory Findings

This AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that this AD:

- (1) Is not a "significant regulatory action" under Executive Order 12866,
- (2) Will not affect intrastate aviation in Alaska, and
- (3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

- 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

- 2. The FAA amends § 39.13 by:

- a. Removing Airworthiness Directive 2015–20–12, Amendment 39–18291 (80 FR 63422, October 20, 2015); and
- b. Adding the following new airworthiness directive:

2026–15–17 Various Helicopters:

Amendment 39–23429; Docket No. FAA–2026–3488; Project Identifier AD–2024–00583–R.

(a) Effective Date

This airworthiness directive (AD) is effective September 10, 2026.

(b) Affected ADs

This AD replaces AD 2015–20–12, Amendment 39–18291 (80 FR 63422, October 20, 2015) (AD 2015–20–12).

(c) Applicability

This AD applies to various helicopters, certificated in any category, identified in paragraphs (c)(1) through (7) of this AD, with a main rotor shaft (MRS) part number S6135–20640–001, S6135–20640–002, or S6137–23040–001, installed.

(1) Model CH–3E helicopters; current type certificate holders include but are not limited to, Glacier Helicopter, Inc. and Siller Helicopters.

(2) Sikorsky Aircraft Corporation Model S–61A, S–61D, S–61E, and S–61V helicopters.

(3) Sikorsky Aircraft Model S–61L, S–61N, S–61NM (serial number (S/N) 61454), and S–61R helicopters.

(4) Model S–61L helicopters; current type certificate holders include but are not limited to, Carson Helicopters.

(5) Model SH–3A helicopters; current type certificate holders include but are not limited to, Siller Helicopters.

(6) Model SH–3H helicopters; current type certificate holders include but are not limited to, Carson Helicopters and Croman Corporation.

(7) Model USAF CH–3C, CH–3E, HH–3C, and HH–3E helicopters; current type certificate holders include but are not limited to, Reynolds Aviation.

(d) Subject

Joint Aircraft System Component (JASC) Code/Air Transport Association (ATA) of America Code 6320, Main Rotor Gearbox.

(e) Unsafe Condition

This AD was prompted by a design re-evaluation that shows that the MRS on certain helicopter models requires a lower life limit based on torque, ground-air-ground (GAG) cycle, and fatigue testing. The FAA is issuing this AD to detect and correct a fatigue crack in the MRS. The unsafe condition, if not addressed, could result in a MRS structural failure, loss of power to the main rotor, and subsequent loss of control of the helicopter.

(f) Compliance

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

(g) Required Actions

(1) Within 10 hours time-in-service (TIS) after November 24, 2015 (the effective date of AD 2015–20–12):

(i) Create a component history card or equivalent record for each MRS.

(ii) If there is no record of the hours TIS on an individual MRS, substitute the helicopter's hours TIS or the helicopter's transmission hours TIS if both the shaft and transmission were installed new at the same time.

(iii) If the record of external lift cycles (lift cycles) on an individual MRS is incomplete, add the known number of lift cycles to a number calculated by multiplying the number of hours TIS of the individual MRS by the average lift cycles calculated according to the instructions in paragraph (h)(1) of this AD or by a factor of 13.6, whichever is higher. An external lift cycle is defined as a flight cycle in which an external load is picked up, the helicopter is repositioned (through flight or hover), and the helicopter hovers and releases the load and departs or lands and departs.

(iv) At the end of each day's operations, record the number of lift cycles performed and the hours TIS.

(2) Within 250 hours TIS after November 24, 2015 (the effective date of AD 2015–20–12), determine whether the MRS is a repetitive external lift (REL) or Non-REL MRS.

(i) Calculate the first moving average of lift cycles by following the instructions in paragraph (h)(1) of this AD.

(A) If the calculation results in 6 or more lift cycles per hour TIS, the MRS is an REL MRS.

(B) If the calculation results in less than 6 lift cycles per hour TIS, the MRS is a Non-REL MRS.

(ii) If the MRS is a Non-REL MRS based on the calculation performed in accordance with paragraph (g)(2)(i) of this AD, thereafter at intervals of 50 hours TIS, recalculate the

average lift cycles per hour TIS by following the instructions in paragraph (h)(2) of this AD.

(iii) Once an MRS is determined to be an REL MRS, you no longer need to perform the 250-hour TIS moving average calculation, but you must continue to count and record the lift cycles and number of hours TIS.

(iv) If an MRS is determined to be an REL MRS, it remains an REL MRS for the rest of its service life and is subject to the retirement times for an REL MRS.

(3) Within 1,100 hours TIS after November 24, 2015 (the effective date of AD 2015–20–12):

(i) Conduct a Non-Destructive Inspection for a crack on each MRS. If there is a crack in an MRS, before further flight, replace it with an airworthy MRS.

(ii) If an MRS is determined to be an REL MRS, identify it as an REL MRS by etching “REL” on the outside diameter of the MRS near the part S/N by following the Accomplishment Instructions, paragraph 3.C., of Sikorsky Alert Service Bulletin No. 61B–35–69, Revision A, dated October 10, 2023.

(4) Replace each MRS with an airworthy MRS on or before reaching the revised retirement life as follows:

(i) For an REL MRS that is not modified by following Sikorsky Customer Service Notice (CSN) No. 6135–10, dated March 18, 1987, and Sikorsky Service Bulletin (SB) No. 61B35–53, dated December 2, 1981 (unmodified REL MRS), the retirement life is 30,000 lift cycles or 1,500 hours TIS, whichever occurs first.

(ii) For an REL MRS that is modified by following Sikorsky CSN No. 6135–10, dated March 18, 1987, and Sikorsky SB No. 61B35–53 dated December 2, 1981; or Sikorsky CSN No. 6135–10A and Sikorsky SB No. 61B35–53A, both Revision A, and both dated April 19, 2004 (modified REL MRS), the retirement life is 30,000 lift cycles or 5,000 hours TIS, whichever occurs first.

(iii) For a Non-REL MRS, within 5 days after the effective date of this AD, revise the 13,000-hour TIS retirement life to 7,300 hours TIS by recording the new or revised retirement life on the MRS component history card or equivalent record.

(A) If the hours TIS on the MRS are 7,300 hours TIS or greater as of the effective date of this AD, and the MRS is installed, at the next main gearbox overhaul, remove it from service.

(B) If the hours TIS on the MRS are 7,300 hours TIS or greater as of the effective date of this AD, and the MRS is uninstalled or in overhaul, before further flight, remove it from service.

(C) If the hours TIS on the MRS are less than 7,300 hours TIS as of the effective date of the AD, remove the MRS from service before exceeding 7,300 hours TIS.

(5) Within 5 days after the effective date of this AD, establish or revise the retirement lives of the MRS as indicated in paragraphs (g)(4)(i) through (g)(4)(ii) of this AD by recording the new or revised retirement life on the MRS component history card or equivalent record.

(6) Within 50 hours TIS after November 24, 2015 (the effective date of AD 2015–20–12),

remove from service any MRS with oversized (0.8860” or greater diameter) dowel pin bores.

(h) Calculating Average Lift Cycles per Hour TIS

(1) Calculating the first moving average of lift cycles per hour TIS. The first moving average calculation is performed on the MRS assembly when the external lift component history card record reflects that the MRS assembly has reached its first 250 hours TIS. To perform the calculation, divide the total number of lift cycles performed during the first 250 hours TIS by 250. The result will be the first moving average calculation of lift cycles per hour TIS.

(2) Calculating subsequent moving average of lift cycles per hour TIS. Subsequent moving average calculations are performed on the MRS assembly at intervals of 50 hours TIS after the first moving average calculation. Subtract the total number of lift cycles performed during the first 50-hour TIS interval used in the previous moving average calculation from the total number of lift cycles performed on the MRS assembly during the previous 300 hours TIS. Divide this result by 250. The result will be the next or subsequent moving average calculation of lift cycles per hour TIS. (See Note 1 to paragraph (h)(2) of this AD for a sample calculation of subsequent 50-hour TIS intervals).

Note 1 to paragraph (h)(2): Sample calculation for subsequent 50-hour TIS intervals. Assume the total number of lift cycles for the first 50-hour TIS interval used in the previous moving average calculation = 450 lift cycles and the total number of lift cycles for the previous 300 hours TIS = 2,700 lift cycles. The subsequent moving average of lift cycles per hour TIS = $(2,700 - 450) \div 250 = 9$ lift cycles per hour TIS.

(i) Credit for Previous Actions

This paragraph provides credit for the actions identified in paragraph (g)(3)(ii) of this AD if they were completed before the effective date of this AD using Sikorsky Alert Service Bulletin No. 61B35–69, dated April 19, 2004.

(j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, East Certification Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the East Certification Branch, send it to the attention of the person identified in paragraph (k)(1) of this AD and email to: AMOC@faa.gov.

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

(k) Additional Information

(1) For more information about this AD, contact Isabel Saltzman, Aviation Safety Engineer, FAA, 1701 Columbia Avenue,

College Park, GA 30337; phone: (781) 238–7649; email: ecb-cos@faa.gov.

(2) Material identified in this AD that is not incorporated by reference contains additional information about the subject of this AD and is available at the address specified in paragraph (l)(3) of this AD.

(l) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Sikorsky Alert Service Bulletin No. 61B–35–69, Revision A, dated October 10, 2023.

(ii) [Reserved]

(3) For Sikorsky material identified in this AD, contact a Sikorsky Field Representative or Sikorsky’s Service Engineering Group at Sikorsky Aircraft Corporation, Mailstop K100, 124 Quarry Road, Trumbull, CT 06611; phone: (800) 946–4337 (1–800–Winged–S); email: wcs_cust_service_eng.gr-sik@lmco.com; website: sikorsky360.com.

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

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

Issued on July 28, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–15978 Filed 8–5–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2025–3985; Project Identifier AD–2025–00493–T; Amendment 39–23423; AD 2026–15–11]

RIN 2120–AA64

Airworthiness Directives; The Boeing Company Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain The Boeing Company Model 737–8, 737–9, and 737–8200 airplanes. This AD was prompted by reports of cracks in the bear strap at the forward upper

corner of the forward galley door cutout. This AD requires an inspection of the fuselage skin for existing repairs and applicable on-condition actions. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective September 10, 2026.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of September 10, 2026.

ADDRESSES:

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–3985; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

- For Boeing material identified in this AD, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110–SK57, Seal Beach, CA 90740–5600; telephone 562–797–1717; website myboeingfleet.com.

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–3985.

FOR FURTHER INFORMATION CONTACT: Luis Cortez-Muniz, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3958; email: luis.a.cortez-muniz@faa.gov.

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to certain The Boeing Company Model 737–8, 737–9, and 737–8200 airplanes. The NPRM was published in the **Federal Register** on November 25, 2025 (90 FR 53245). The NPRM was prompted by reports of cracks in the bear strap at the forward upper corner of the forward galley door cutout. In the NPRM, the FAA proposed to require an inspection of the fuselage skin for existing repairs and applicable on-condition actions. The FAA is issuing this AD to address cracks in the fuselage skin and bear strap, which may lead to

the inability of the principal structural element to sustain limit loads and adversely affect the structural integrity of the airplane.

Discussion of Final Airworthiness Directive

Comments

The FAA received comments from The Boeing Company who supported the NPRM without change.

The FAA received additional comments from two commenters, including The Foundation for Aviation Safety and United Airlines (United). The following presents the comments received on the NPRM and the FAA's response to each comment.

Request To Explain How the Root Cause Is Addressed

The Foundation for Aviation Safety asked what the FAA and Boeing are doing to address the root cause of the defect. The commenter also asked if a structural defect is important enough to immediately ground an airplane after it is detected, why is the inspection for defects not accomplished long before the proposed compliance time.

The FAA is issuing this AD to address the unsafe condition on in-service airplanes. The required compliance times for the initial inspection and on-condition repetitive inspections and repair were established to ensure any crack is detected and repaired before the crack reaches critical length with multiple opportunities for detection. The rulemaking timeline was based on Boeing 737 fleet findings, supporting analysis, and the severity of the effect on the airplane (*i.e.*, safety consequences) if cracking propagates beyond a critical length. The FAA determined that the required actions and compliance times provide an acceptable level of safety. In addition, Boeing is introducing changes to the manufacturing process that address the root cause of the unsafe condition on in-production airplanes.

Request To Clarify Whether Certain Repairs Apply to Condition 1

United stated that Table 1, Condition 1 of the Accomplishment Instructions of Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024, specifies to contact Boeing for alternative inspection instructions for any repair found during the general visual inspection of the fuselage skin. The commenter noted that Boeing Alert Service Bulletin 737–53A1408, dated December 20, 2024, does not provide guidance for repairs accomplished per the structural repair manual (SRM) limits in 737–8 and 737–9 SRM 53–00–

01, for fuselage skin blend out and bear strap blend out repair. United requested clarification on whether repairs performed within allowable damage limits should be considered “repairs found” for the purposes of Table 1, or if such repairs may be treated as unrepaired areas, “no repair found.”

The FAA notes that Condition 1 applies to any repair, which includes blend out repairs accomplished per the SRM within the allowable damage limits. Such blend out repairs need to be evaluated to determine whether the repetitive inspection interval specified in the service information provides an acceptable level of safety for those repairs. Depending on findings, it may be necessary to reduce the inspection interval. The FAA has not changed this AD in response to this comment.

Conclusion

The FAA reviewed the relevant data, considered any comments received, and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. Except for minor editorial changes, and any other changes described previously, this AD is adopted as proposed in the NPRM. None of the changes will increase the economic burden on any operator.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024. This material specifies procedures for an external general visual inspection of the fuselage skin for any repair and applicable on-condition actions. On-condition actions include repetitive detailed inspection for cracking of the fuselage skin; repetitive external surface high frequency eddy current (HFEC) inspections of the fuselage skin at certain fastener locations and the fuselage skin and bear strap along the edge of door corner radius for cracking; repetitive external subsurface low frequency eddy current (LFEC) inspection of the bear strap at certain fastener locations for cracking; and obtaining instructions from Boeing for alternative inspections or for crack repair.

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

Costs of Compliance

The FAA estimates that this AD affects 471 airplanes of U.S. registry.

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

ESTIMATED COSTS				
Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
External general visual inspection for repairs.	1 work-hour × \$85 per hour = \$85	\$0	\$85	\$40,035.
External detailed and eddy current inspections for cracks.	Up to 4 work-hours × \$85 per hour = \$340 per inspection cycle.	0	Up to \$340 ...	Up to \$160,140 per inspection cycle.

The FAA has received no definitive data on which to base the cost estimates for the on-condition repairs or for the alternative inspections specified in this AD.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency’s authority.

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

Regulatory Findings

This AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that this AD:

- (1) Is not a “significant regulatory action” under Executive Order 12866,
- (2) Will not affect intrastate aviation in Alaska, and
- (3) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

- 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

- 2. The FAA amends § 39.13 by adding the following new airworthiness directive:

2026–15–11 The Boeing Company: Amendment 39–23423; Docket No. FAA–2025–3985; Project Identifier AD–2025–00493–T.

(a) Effective Date

This airworthiness directive (AD) is effective September 10, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to The Boeing Company Model 737–8, 737–9, and 737–8200 airplanes, certificated in any category, as identified in Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024.

(d) Subject

Air Transport Association (ATA) of America Code 53, Fuselage.

(e) Unsafe Condition

This AD was prompted by reports of cracks in the bear strap at the forward upper corner of the forward galley door cutout. The FAA is issuing this AD to address cracks in the fuselage skin and bear strap, which may lead to the inability of the principal structural element to sustain limit loads and adversely affect the structural integrity of the airplane.

(f) Compliance

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

(g) Required Actions

Except as specified by paragraph (h) of this AD: At the applicable times specified in the “Compliance” paragraph of Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024, do all applicable actions identified in, and in accordance with, the Accomplishment Instructions of Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024.

Note 1 to paragraph (g): Guidance for accomplishing the actions required by this AD can be found in Boeing Alert Service Bulletin 737–53A1408, dated December 20, 2024, which is referred to in Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024.

(h) Exceptions to Requirements Bulletin Specifications

(1) Where Compliance Time columns of the tables in the “Compliance” paragraph of Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024, refer to the original issue date of Requirements Bulletin 737–53A1408 RB, this AD requires using the effective date of this AD.

(2) Where Boeing Alert Requirements Bulletin 737–53A1408 RB, dated December 20, 2024, specifies contacting Boeing for repair instructions or for alternative inspections, this AD requires doing the repair, or doing the alternative inspections and applicable on-condition actions, using a method approved in accordance with the procedures specified in paragraph (i) of this AD.

(i) Alternative Methods of Compliance (AMOCs)

(1) The Manager, AIR–520, Continued Operational Safety Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the Continued Operational Safety Branch, send it to the attention of the person identified in paragraph (j)(1) of this AD. Information may be emailed to: AMOC@faa.gov. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) An AMOC that provides an acceptable level of safety may be used for any repair, modification, or alteration required by this AD if it is approved by The Boeing Company Organization Designation Authorization (ODA) that has been authorized by the Manager, AIR-520, Continued Operational Safety Branch, FAA, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

(j) Additional Information

(1) For more information about this AD, contact Luis Cortez-Muniz, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206-231-3958; email: luis.a.cortez-muniz@faa.gov.

(2) Material identified in this AD that is not incorporated by reference is available at the address specified in paragraph (k)(3) of this AD.

(k) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Boeing Alert Requirements Bulletin 737-53A1408 RB, dated December 20, 2024.

(ii) [Reserved]

(3) For Boeing material identified in this AD, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110-SK57, Seal Beach, CA 90740-5600; telephone 562-797-1717; website myboeingfleet.com.

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

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

Issued on August 3, 2026.

Brian Knaup,

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

[FR Doc. 2026-15936 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR 700

[Docket No. 260804-0143]

0694-AK51

DPAS Directive Allocation Order and Additional Requirements for Recoverable Critical Minerals and Materials

AGENCY: Bureau of Industry and Security, Department of Commerce.

ACTION: Temporary final rule; Request for comments.

SUMMARY: The Bureau of Industry and Security (“BIS”) is publishing this temporary final rule to restrict the exportation of black mass and tungsten waste and scrap without a license. Specifically, as of August 27, 2026, U.S. persons engaged in the sale of black mass and tungsten waste and scrap must allocate 100 percent of monthly sales to U.S. persons, unless an adjustment or exception is obtained in advance from BIS. This action is taken pursuant to section 101 of the Defense Production Act of 1950, as amended (“DPA” or the “Act”), the Defense Priorities and Allocations System (15 CFR part 700) and Presidential Determination Pursuant to Section 101 of the Defense Production Act of 1950, as Amended, on Recoverable Critical Minerals and Materials, dated July 30, 2026 (“DPA Determination on Recoverable CMMs”), in which the President authorized the Department of Commerce (“Commerce”) to address the scarcity of recoverable critical minerals and materials (“CMMs”). BIS invites the public to submit comments on whether any additional sales requirements are necessary or appropriate to promote the national defense.

DATES: *Directive Allocation Order Effective date:* August 27, 2026 through August 27, 2027.

Request for Adjustment and Exceptions date: Requests may be submitted on a rolling basis beginning August 6, 2026 through August 27, 2027.

Comments: Comments must be received by November 4, 2026.

ADDRESSES: Requests for an adjustment or exception may be submitted to the Department of Commerce, Bureau of Industry and Security, Office of Strategic Industries and Economic Security via DPASAllocations@bis.doc.gov.

Comments regarding this temporary final rule may be submitted to the

Federal rulemaking portal at: <https://www.regulations.gov>. The [regulations.gov](https://www.regulations.gov) ID for this notice is BIS-2026-0364. Please refer to RIN 0694-AK51 in all comments. All filers using the portal should use the name of the person or entity submitting the comments as the name of their files, in accordance with the instructions below. Anyone submitting business confidential information should clearly identify the business confidential portion at the time of submission, file a statement justifying nondisclosure and referring to the specific legal authority claimed, and provide a non-confidential version of the submission.

For comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters “BC.” Any page containing business confidential information must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page. The corresponding non-confidential version of those comments must be clearly marked “PUBLIC.” The file name of the non-confidential version should begin with the character “P.” Any submissions with file names that do not begin with either a “BC” or a “P” will be assumed to be public and will be made publicly available at: <https://www.regulations.gov>. Commenters submitting business confidential information are encouraged to scan a hard copy of the non-confidential version to create an image of the file, rather than submitting a digital copy with redactions applied, to avoid inadvertent redaction errors which could enable the public to read business confidential information.

FOR FURTHER INFORMATION CONTACT: Emily Noel, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, Department of Commerce, Telephone: 202-482-3634; email: DPASAllocations@bis.doc.gov.

SUPPLEMENTARY INFORMATION: The preamble to this temporary final rule consists of four sections:

- I. Legal Authorities
- II. Provisions of the Temporary Final Rule
- III. Request for Comment
- IV. Rulemaking Requirements

I. Legal Authorities

BIS administers the DPAS regulation which implements the priorities and allocations authority under Title I of the DPA (50 U.S.C. 4501, *et seq.*), with respect to all materials, services, and facilities, including construction materials, not delegated to other

Secretaries under Executive Order (“E.O.”) 13603. These materials, services, and facilities are referred to as “industrial resources.”

On July 30, 2026, the President issued DPA Determination on Recoverable CMMs. Under DPA Determination on Recoverable CMMs, the President found that certain recoverable CMMs are scarce and critical materials essential to the national defense. The President stated that the inadequate supply of CMMs poses an increasing risk to our national defense and security, and it is imperative that the United States take immediate action to secure the supply of recoverable CMMs. Accordingly, pursuant to section 101 of the DPA, the President found that recoverable CMMs meet the criteria specified in section 101(b) of the DPA (50 U.S.C. 4511(b)). With these findings, the President authorized the Secretary of Commerce (“Secretary”) to use the Secretary’s delegated authority under E.O. 13603 of March 12, 2012 (National Defense Resources Preparedness) to implement this determination by taking all appropriate action under section 101 of the DPA.

II. Provisions of the Temporary Final Rule

BIS has determined that sales by U.S. persons of certain scarce materials identified in DPA Determination on Recoverable CMMs shall be allocated to U.S. persons through an Allocation Order, which are described in pursuant to Subpart F of Part 700 (DPAS). Consistent with section 709(b)(2) of the DPA (50 U.S.C. 4559(b)(2)), this Allocation Order and associated necessary conforming revisions to the DPAS regulations are published as a temporary final rule because BIS has determined that urgent and compelling circumstances make compliance with prior notice and opportunity for public comment impracticable. This temporary rule is necessary to immediately secure the supply of certain recoverable CMMs to ensure an adequate supply of these materials deemed essential to the national defense, as required by the President under DPA Determination on Recoverable CMMs.

Specifically, BIS is publishing this temporary final rule to implement a Directive Allocation Order, as described in § 700.33 (Types of allocation orders) in the DPAS. The industrial resources specified in the Directive Allocation Order may not be exported from the United States without explicit authorization by BIS. This Directive Allocation Order and the associated regulatory revisions in this temporary final rule expire one year from its

effective date, unless adjusted or extended by BIS prior to the expiration date in a **Federal Register** publication.

A. Regulatory Revisions

BIS is revising § 700.34 of the DPAS to add new paragraph (d), to include a provision to issue allocation orders through a temporary final rule in the **Federal Register**. In addition, BIS is adding new supplement no. 1 to part 700 to issue a Directive Allocation Order pursuant to new paragraph § 700.34(d). The new supplement includes:

- Information regarding scope and definition of terms that apply solely to the Directive Allocation Order issued by publication of this temporary final rule (and not to other provisions within the DPAS);
- Adjustment and exceptions requirements for this Directive Allocation Order issued by a temporary final rule;
- Additional compliance guidance; and
- A table that identifies the scarce and critical materials deemed essential to national defense under DPA Determination on Recoverable CMMs, identified by 10-digit Schedule B codes and accompanying description. The table includes the monthly domestic sales requirement percentage, as well as effective date and expiration date of this Directive Allocation Order.

The provisions in the supplement apply solely to the Directive Allocation Order and do not apply to other official actions taken pursuant to the DPAS. Additionally, BIS is making conforming changes to §§ 700.8 (Definitions) and 700.80 (Adjustments or exceptions) to include reference to supplement no. 1 to part 700 and the specific provisions that are exclusively required for allocation orders issued through a temporary final rule in the **Federal Register** in new supplement no. 1 to part 700.

B. Directive Allocation Order Requirements for Black Mass and Tungsten Waste and Scrap

U.S. persons engaged in the sale of materials described and identified by Schedule B codes listed in Table 1 of this supplement are required to comply with this order, in accordance with the provisions of the Defense Priorities and Allocations System regulation (15 CFR part 700).

As of August 27, 2026, U.S. persons engaged in the sale of ‘black mass’ and tungsten waste and scrap, must allocate 100 percent of monthly sales to U.S. persons, as specified in new supplement no. 1 to part 700 of the DPAS. For purposes of this Directive Allocation

Order, “black mass” means any shredded lithium-ion battery scrap that contains cathode material (which may include lithium, cobalt, nickel and manganese), anode material (graphite, silicon) or other residual battery cell materials.

Accordingly, starting August 27, 2026, U.S. persons engaged in the sale of black mass (Schedule B codes 8549.13.00.00, 8549.14.00.00, and 8549.19.00.00) and tungsten waste and scrap (Schedule B code 8101.97.00.00) must allocate 100 percent of monthly sales to U.S. persons (referred to as a “domestic sales requirement”), unless an exception or adjustment is granted by BIS, as described in Section II.C of this temporary final rule. The domestic sales requirement for electrical and electronic waste and scrap: waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators: sorted by chemical type and not containing lead, cadmium or mercury (Schedule B code 8549.13.00.00); electrical and electronic waste and scrap: waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators: unsorted and not containing lead, cadmium or mercury (Schedule B code 8549.14.00.00); and electrical and electronic waste and scrap: waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators: other (Schedule B code 8549.19.00.00) are limited to materials that meet the definition of “black mass”, as defined in supplement no. 1 to part 700. Materials under these Schedule B codes that do not meet this definition of “black mass” are not subject to this Directive Allocation Order.

Therefore, starting August 27, 2026, “black mass” (Schedule B codes 8549.13.00.00, 8549.14.00.00, and 8549.19.00.00) and tungsten waste and scrap (Schedule B code 8101.97.00.00) must remain physically located within the United States, unless otherwise authorized by BIS. U.S. persons must continue to fill DPAS rated orders for covered black mass and tungsten waste and scrap from U.S. persons in accordance with the DPAS regulations. In accordance with new Supplement no. 1 to part 700(c), implemented through this temporary final rule, BIS may grant exceptions or adjustments on a case-by-case basis to allow sales to non-U.S. persons, notwithstanding the domestic sales requirement.

C. Authorizations for Adjustments and Exceptions

While Subpart K of the DPAS describes the Adjustments, Exceptions and Appeals process, U.S. persons who are subject to the domestic sales requirement for “black mass” and tungsten waste and scrap must submit a request for an adjustment or exception, following the process described in new supplement no. 1 to part 700(c). BIS may authorize both company-specific and generally applicable adjustments or exceptions from the sale requirement at its discretion, consistent with the determination that the restrictions covered by this rule are necessary or appropriate to promote the national defense. In addition, BIS may authorize interim relief—*i.e.*, a DPAS temporary license—while a request is pending. A DPAS temporary license or other type of approval which provides authorization from BIS for an adjustment or exception to this Directive Allocation Order is neither equivalent to nor replaces licenses or other authorizations to export, reexport, or transfer (in-country) commodities, technology, or software pursuant to the Export Administration Regulations (15 CFR parts 730–774). Persons granted a DPAS license or DPAS temporary license under the Directive Allocation Order must otherwise adhere to U.S. export control regulations.

BIS will consider granting adjustments, exceptions, or interim relief for this Directive Allocation Order for the following scenarios, among others:

- The domestic sales requirement results in an undue or exceptional hardship on that person not suffered generally by others in similar situations and circumstances.
- The consequence of complying with the domestic sales requirement is contrary to the intent of the DPA or this part—for example, because it would reduce the domestic supply of CMMs.
- A U.S. person plans to sell black mass and tungsten waste and scrap to a person located outside the United States for processing or refining, and then the processed/refined material will be returned to the United States.
- Compliance with the domestic sales requirement will result in irreparable harm to a U.S. person who is subject to the order.
- Additional time is needed to comply with the domestic sales requirements.

Requests for adjustments and exceptions must be made in writing and provided to BIS via *DPASAllocations@bis.doc.gov*. Each request for adjustment

or exception must contain a complete statement of all the facts and circumstances related to the domestic sales requirement from which relief is sought, and a full and precise statement of the reasons why relief should be provided; and relevant supporting documents or data to support the request.

The submission of a request for adjustment or exception shall not relieve any person from the obligation of complying with the domestic sales requirement while the request is being considered, unless such interim relief is granted in writing. BIS intends to respond to requests for adjustment of or exceptions to compliance with the domestic sales requirement within 14 days of the date of receipt. An appeal for a decision under this section may be made in accordance with 15 CFR 700.81. For more information regarding adjustments and exception requests, please refer to 15 CFR 700.80.

D. Compliance and Procedures

Compliance provisions in Subpart J of the DPAS continue to apply. U.S. persons are required to comply with allocation orders and the terms of any adjustment or exception authorizations granted, in accordance with 15 CFR 700.35. Further, in accordance with 15 CFR 700.90, section 707 of the DPA (50 U.S.C. 4557), and to the fullest extent consistent with applicable law, a person shall not be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from compliance with the DPAS regulation, or this Directive Allocation Order, notwithstanding that such provision or action shall subsequently be declared invalid by judicial or other competent authority.

If a U.S. person is unable to comply fully with the required action(s) specified in an allocation order, the U.S. person must notify BIS immediately in writing, explain the extent to which compliance is possible, and give the reasons why full compliance is not possible. Written notification must be provided to BIS via *DPASAllocations@bis.doc.gov*. If notification is given verbally to BIS via 202–482–3634, written or electronic confirmation must be provided to BIS within one working day via *DPASAllocations@bis.doc.gov*. Such notification does not release the U.S. person from complying with the order to the fullest extent possible, until the U.S. person is notified by BIS that the order has been changed or cancelled.

BIS will implement this temporary final rule with the cooperation and assistance of other U.S. Government

agencies, including U.S. Customs and Border Protection (CBP). Any covered materials intended for export may be detained by CBP while BIS conducts its review of the shipment. BIS will review the shipment and provide notification as soon as possible regarding the disposition of the covered materials under this Directive Allocation Order, provided that any goods that have been detained by CBP and are subsequently made subject to a DPAS rated order will be consigned to BIS pending further distribution or agency direction. BIS may provide additional guidance regarding the application of any exemptions to this temporary final rule, as appropriate.

BIS may conduct investigations and issue requests for information as may be necessary for the enforcement of the Act, the DPAS regulations, and this Directive Allocation Order. *See* 15 CFR 700.71; *see also* section 705 of the Act, 50 U.S.C. 4555. BIS may also seek an injunction or other order in accordance with 15 CFR 700.74(b). *See also* section 706 of the Act, 50 U.S.C. 4556. In addition to an injunction, failure to comply fully with this temporary final rule is punishable in accordance with 15 CFR 700.74(a). *See also* sections 103 and 705 of the Act, 50 U.S.C. 4513 and 4555.

At any point in time, and to the extent consistent with United States policy, BIS may determine that additional materials identified in DPA Determination on Recoverable CMMs be subject to an allocation order. BIS may add additional materials to this Directive Allocation Order and will provide notification of this decision through publication in the **Federal Register**.

III. Request for Comments

While this temporary final rule is effective on publication, BIS requests comments on whether any additional sales requirements are necessary or appropriate to promote the national defense. In addition, BIS also welcomes comments on the framework of the temporary regulatory provisions added to the DPAS.

IV. Rulemaking Requirements

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

quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This temporary final rule has been determined to be a “significant regulatory action,” although not economically significant, under section 3(f) of Executive Order 12866. This temporary final rule is exempt from Executive Order 14192 because it is being issued with respect to a national security function of the United States.

2. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

3. This rule is exempt from the Administrative Procedures Act (APA) (*See* 5 U.S.C. 553) and is published as a temporary rule with immediate effective date. Agency rulemaking is generally governed by the agency rulemaking provisions of the APA and such provisions generally require that, unless the rule falls within one of a number of enumerated exceptions, or unless another statute exempts the rulemaking from the requirements of the APA, BIS must publish a notice of proposed rulemaking in the **Federal Register** that provides interested persons an opportunity to submit written data, views, or arguments, prior to finalization of regulatory requirements.

Pursuant to section 709(a) of the Act, 50 U.S.C. 4559(a), this rule is exempt from the rulemaking provisions of the APA, sections 5 U.S.C. 551–559. While section 709(b)(1) of the Act, 50 U.S.C. 4559(b)(1) requires agencies to promulgate regulations under that section by providing notice and opportunity for public comment “consistent with section 553(b)”, section 709(b)(2) directs agencies to waive the requirements of 5 U.S.C. 553(b) if (A) the officer authorized to issue the regulation finds that urgent and compelling circumstances make compliance with such requirements impracticable; (B) the regulation is issued on a temporary basis; and (C) the publication of such temporary regulation is accompanied by the finding made under subparagraph (A) (and a brief statement of the reasons for such finding) and an opportunity for public comment is provided for not less than 30 days before any regulation becomes final. Based on the findings in DPA Determination on Recoverable CMMs, which already have been summarized in this document, the Under Secretary for Industry and Security has determined “that urgent and compelling circumstances make compliance” with the notice and comment requirements of section

709(b)(1) of the Act, 50 U.S.C. 4559(b)(1), “impracticable.” An opportunity for public comment is being provided now for a period of 90 days, which shall ensure that a minimum 30-day public comment period is provided before any provisions of this temporary final rule “become final,” *i.e.* without an expiration date, pursuant to section 709(b)(2)(C) of the Act, 50 U.S.C. 4559(b)(2)(C).

America’s inadequate supply of CMMs poses an increasing risk to our national defense and security. The United States relies heavily on imports of certain CMMs commodities from foreign sources, and this reliance threatens serious, sustained supply chain disruptions. It is imperative that the United States take immediate action to secure the supply of recoverable CMMs by allocating a percentage of sales of specific recoverable CMMs to U.S. persons.

The measures described in this rule are being issued on a temporary basis. This temporary rule will cease to be in effect on August 27, 2027.

4. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule under the APA (5 U.S.C. 553) or by any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. Accordingly, no regulatory flexibility analysis is required, and none has been prepared.

5. The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) provides that an agency generally cannot conduct or sponsor a collection of information, and no person is required to respond to nor be subject to a penalty for failure to comply with a collection of information, unless that collection has obtained Office of Management and Budget (OMB) approval and displays a currently valid OMB Control Number.

On July 30, 2026, the President issued a Presidential Determination titled “Presidential Determination Pursuant to Section 101 of the Defense Production Act of 1950, as Amended, on Recoverable Critical Minerals and Materials” (“DPA Determination on Recoverable CMMs”). Under DPA Determination on Recoverable CMMs, the President found that recoverable critical minerals and materials (CMMs) are scarce and critical materials essential to the national defense, meeting the criteria specified in section 101(b) of the DPA (50 U.S.C. 4501, *et seq.*). Per DPA Determination on Recoverable CMMs, the President found that America’s inadequate supply of CMMs poses an increasing risk to our national defense and security and

directed the Secretary to take immediate action to secure the supply of recoverable CMMs.

BIS cannot reasonably comply with the normal PRA clearance process as a delay in BIS’s ability to begin immediate information collection from companies engaged in the sale of recoverable CMMs to ensure a continued and adequate supply of these items, which are scarce and critical materials essential to the national defense. The Department has determined the following conditions have been met:

a. The collection of information is needed prior to the expiration of time periods normally associated with a routine submission for review under the provisions of the Paperwork Reduction Act in view of DPA Determination on Recoverable CMMs, <https://www.whitehouse.gov/presidential-actions/2026/07/presidential-determination-pursuant-to-section-101-of-the-defense-production-act-of-1950-as-amended-on-recoverable-critical-minerals-and-materials/>.

b. The collection of information is essential to the mission of the Department, in particular to promote the national defense; and to allocate materials, services, and facilities in such a manner, upon such conditions, and to such extent as the President shall deem necessary or appropriate to promote the national defense, as defined in the DPA.

c. Public harm is reasonably likely to result if BIS were to follow the normal clearance procedures before issuing this information collection. A delay in BIS’s ability to begin immediate information collection from companies engaged in the sale of recoverable CMMs will lead to increased scarcity of these materials through additional exports, posing an imminent threat to U.S. military readiness and critical infrastructure sectors. BIS is required to issue official actions under the DPAS regulation and collect certain critical information from companies engaged in the sale of recoverable CMMs to effectuate DPA Determination on Recoverable CMMs and ensure compliance with the DPAS regulation and the official actions issued, as described in sections 700.80, 700.81, and 700.91 of the DPAS regulation. These collection requirements may include buyer information, the applicable material and Schedule B code, quantity of material, and value of the sale. BIS may issue additional allocation orders as required to meet the objectives of DPA Determination on Recoverable CMMs.

For the reasons stated above, BIS has requested, and OMB has granted, a new information collection for this rule under OMB control number 0694–0148

with the title *Directive Allocation Orders under the Defense Priorities and Allocations System in Response to Presidential Determination on Recoverable Critical Minerals and Materials*. All materials for the currently approved collection can be accessed at www.reginfo.gov. Separately, BIS will be publishing a 60 day notice to take comment on the emergency collection.

List of Subjects in 15 CFR Part 700

Administrative practice and procedure, Business and industry, Government contracts, National defense, Reporting and recordkeeping requirements, Strategic and critical materials.

For the reasons set forth in the preamble, part 700 of subchapter A of 15 CFR chapter VII is amended as follows:

PART 700—DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM

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

Authority: 50 U.S.C. 4501 *et seq.*; 42 U.S.C. 5195, *et seq.*; 50 U.S.C. 3816; 10 U.S.C. 2538; 50 U.S.C. 82; E.O. 12656, 53 FR 226, 3 CFR, 1988 Comp., p. 585; E.O. 12742, 56 FR 1079, 3 CFR, 1991 Comp., p. 309; E.O. 13603, 77 FR 16651, 3 CFR, 2012 Comp., p. 225.

■ 2. Section 700.8 is amended by revising the definition of “person” to read as follows:

§ 700.8 Definitions.

* * * * *

Person. Any individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative thereof; or any authorized State or local government or agency thereof; and for purposes of administration of this part, includes the United States Government and any authorized foreign government or international organization or agency thereof, delegated authority as provided in this part (for Directive Allocation Orders issued by a temporary final rule, see supplement no. 1 to part 700, paragraph (b)).

* * * * *

■ 3. Revise § 700.34 to read as follows:

§ 700.34 Elements of an allocation order.

Allocation orders may be issued directly to the affected persons, by constructive notice to the parties through publication in the **Federal Register**, or by the publication of a temporary final rule in the **Federal Register**. This section describes the elements that each order must include.

(a) *Elements to be included in all allocation orders.* (1) A detailed description of the required allocation action(s), including its relationship to previously or subsequently received DX rated orders, DO rated orders, and unrated orders.

(2) Specific start and end calendar dates for each required allocation action.

(b) *Elements to be included in orders issued directly to affected persons.* (1) A statement that reads in substance: “This is an allocation order certified for national defense use. [Insert the name of the person receiving the order] is required to comply with this order, in accordance with the provisions of the Defense Priorities and Allocations System regulation (15 CFR part 700).”

(2) The written signature on a manually placed order, or the digital signature or name on an electronically placed order, of an authorized official or employee of the Department of Commerce.

(c) *Elements to be included in an allocation order issued by constructive notice through publication in the Federal Register.* (1) A statement that reads in substance: “This is an allocation order certified for national defense use. [Insert the name(s) of the person(s) to whom the order applies or a description of the class of persons to whom the order applies] is (are) required to comply with this order, in accordance with the provisions of the Defense Priorities and Allocations System regulation (15 CFR part 700).”

(2) The order must be signed by an authorized official or employee of the Department of Commerce.

(d) *Elements to include in an allocation order issued by publication of a temporary final rule in the Federal Register in supplement no. 1 to part 700.* (1) A statement/temporary final rule that reads in substance: “This is an allocation order certified for national defense use. [Insert the name(s) of the person(s) to whom the order applies or a description of the class of persons to whom the order applies] is (are) required to comply with this order, in accordance with the provisions of the Defense Priorities and Allocations System regulation (15 CFR part 700).”

(2) The order must be signed by an authorized official or employee of the Department of Commerce.

(3) The temporary final rule will include:

- (i) A statement of the specific objective(s) of the allocation order;
- (ii) A list of the materials, services, and/or facilities to be allocated;
- (iii) A list or description of the sources of the materials, services, or

facilities subject to the allocation order; and

(iv) A detailed description of the provisions that will be included in the allocation order, including the type of allocation order, the percentages or quantity to be allocated, the relationship with previously or subsequently received priority rated and unrated contracts and orders, and the duration of the allocation order (e.g., anticipated start and end dates).

■ 4. Amend § 700.80 by adding introductory text to read as follows:

§ 700.80 Adjustments or exceptions.

The adjustments or exceptions described in this section apply to this part and official actions issued under this part, except for Directive Allocation Orders issued by a temporary final rule. The adjustment or exception process for Directive Allocation Orders issued by a temporary final rule are contained in each Directive Allocation Order, see supplement no. 1 to part 700, paragraph (c).

* * * * *

■ 5. Supplement no. 1 to part 700 is added to read as follows:

Supplement No. 1 to Part 700—Directive Allocation Order and Additional Requirements for Recoverable Critical Minerals and Materials

(a) *Scope.* This is a Directive Allocation Order certified for national defense use. U.S. persons engaged in the sale of materials described and identified by Schedule B codes listed in Table 1 of this supplement are required to comply with this order, in accordance with the provisions of the Defense Priorities and Allocations System regulation (15 CFR Part 700). U.S. persons engaged in the sale of such materials must allocate the listed monthly sales requirement percent to U.S. persons, as specified in Table 1. The effective dates of the Directive Allocation Order are listed in Table 1 to this supplement. U.S. persons subject to this Directive Allocation Order are required to comply with this order, in accordance with the provisions of this part (15 CFR Part 700). This Directive Allocation Order applies to rated orders and unrated orders. U.S. persons must continue to fill rated orders for black mass (Schedule B codes 8549.13.00.00, 8549.14.00.00, and 8549.19.00.00) and tungsten waste and scrap (Schedule B code 8101.97.00.00) from U.S. persons in accordance with this part.

(b) *Definitions.* The definitions in this paragraph apply to this supplement only. In the case where a term is defined in both § 700.8 and (b) of this supplement, the definition in (b) of this supplement supersedes the definition in § 700.8.

“Black mass” means any shredded lithium-ion battery scrap that contains cathode material (which may include aluminum, copper, iron, lithium, cobalt, nickel, and

manganese), anode material (graphite, silicon) or other residual battery cell materials.

“Person” means any individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative thereof.

“Sale” means transactions in any state, territory, or possession of the United States, in accordance with 15 CFR 700.92(a), and deliveries to other persons, including deliveries to affiliates and subsidiaries of a person and deliveries from one branch, division, or section of a single entity to another branch, division, or section under common ownership or control, as described in 15 CFR 700.92(b).

“United States” means any state, territory, possession of the United States, and the District of Columbia.

“U.S. person” means any individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative thereof located in the United States.

(c) *Authorizations for Adjustments and Exceptions.* For purposes of the Directive Allocation Order, U.S. persons who are subject to the Directive Allocation Order may submit a request for an adjustment or exception. BIS may authorize both company-specific and generally applicable adjustments or exceptions—*i.e.*, a DPAS license—from the domestic sale requirement at its discretion, consistent with the determination that the restrictions covered by this rule are necessary or appropriate to promote the national defense. In addition, BIS may authorize interim relief—*i.e.*, a DPAS temporary license—while a request is pending. For

purposes of this Directive Allocation Order, U.S. persons who are subject to the domestic sales requirement may submit a request to BIS, for an adjustment or exception on the grounds that, among others:

(1) The domestic sales requirement results in an undue or exceptional hardship on that person not suffered generally by others in similar situations and circumstances.

(2) The consequence of complying with the domestic sales requirement is contrary to the intent of the DPA or this part—for example, because it would reduce the domestic supply of CMMs.

(3) A U.S. person plans to sell black mass and tungsten waste and scrap to a person located outside the United States for processing or refining, and then the processed/refined material will be returned to the United States.

(4) Compliance with the domestic sales requirement will result in irreparable harm to a U.S. person who is subject to the order.

(5) Additional time is needed to comply with the domestic sales requirements.

Requests for adjustments and exceptions must be made in writing and provided to BIS via email at DPASAllocations@bis.doc.gov. Each request for adjustment or exception must contain a complete statement of all the facts and circumstances related to the domestic sales requirement from which relief is sought, a full and precise statement of the reasons why relief should be provided; and relevant supporting documents or data to support the request.

The submission of a request for adjustment or exception shall not relieve any U.S. person from the obligation of complying with the provisions the Directive Allocation Order in

while the request is being considered unless such interim relief is granted in writing by BIS. BIS intends to respond to requests for adjustment of or exceptions to compliance within fourteen (14) days, but in any event, responses to requests will be consistent with section 700.80.

If an adjustment or exception is authorized by BIS, BIS will provide to the requestor a DPAS authorization, in writing, which will specify the Schedule B codes the adjustment or exception applies to, the adjustment or exception terms (which may include the quantity or volume authorized), and the period of validity of the adjustment or exception. The requester must comply with the terms specified in the authorization.

A DPAS authorization granted for a Directive Allocation Order adjustment or exception is neither equivalent to, nor replaces, licenses or other authorizations to export, re-export, or transfer (in-country) commodities, technology, or software pursuant to the Export Administration Regulations (15 CFR parts 730–774). U.S. persons granted a DPAS authorization must otherwise adhere to U.S. export control regulations.

A decision may be appealed to the Assistant Secretary for Export Administration. (For information on the appeal procedure, see § 700.81.)

(d) *Compliance.* U.S. persons are required to comply with the Directive Allocation Order and the terms of any adjustment or exception granted, in accordance with 15 CFR 700.35. Subparts J and L continue to apply.

TABLE 1—DIRECTIVE ALLOCATION ORDER DOMESTIC SALES REQUIREMENTS

Schedule B code	Description	Monthly sales requirement (%)	Effective date	Expiration date
8101.97.00.00	Tungsten Waste and Scrap	100	August 27, 2026	August 27, 2027.
8549.13.00.00	Electrical and electronic waste and scrap: waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators: sorted by chemical type and not containing lead, cadmium or mercury. Sales requirement only applies if the waste and scrap meet the definition of black mass, as described in Section II.B.	100	August 27, 2026	August 27, 2027.
8549.14.00.00	Electrical and electronic waste and scrap: waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators: unsorted and not containing lead, cadmium or mercury. Sales requirement only applies if the waste and scrap meet the definition of black mass, as described in Section II.B.	100	August 27, 2026	August 27, 2027.
8549.19.00.00	Electrical and electronic waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, primary batteries and electric accumulators: other. Sales requirement only applies if the waste and scrap meet the definition of black mass, as described in Section II.B.	100	August 27, 2026	August 27, 2027.

Jessica Curyto,

Deputy Assistant Secretary for Technology Security.

[FR Doc. 2026–16078 Filed 8–4–26; 4:15 pm]

BILLING CODE 3510–33–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 270

[Release No. IC–36282]

Investment Company Governance Technical Amendments

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; technical amendments.

SUMMARY: The Securities and Exchange Commission (the “Commission”) is adopting technical amendments to a rule under the Investment Company Act of 1940 (the “Investment Company Act”) related to registered investment company and business development company (collectively “regulated funds”) governance standards to reflect a Federal court’s vacatur of certain amendments to those standards that the Commission adopted on July 27, 2004. The court’s vacatur of the amendments was effective as of July 6, 2006, and had the legal effect of reverting the fund governance standards to those standards in effect before adoption of the vacated requirements. These technical amendments revise the Code of Federal Regulations (the “CFR”) to reflect the court’s vacatur.

DATES: This release was published in the *Federal Register* on August 6, 2026. Effective August 6, 2026. The Federal court issued its vacatur of the rule amendments on April 7, 2006.

FOR FURTHER INFORMATION CONTACT: Claudia Rios, Senior Counsel; Bradley Gude, Branch Chief; Brian McLaughlin Johnson, Assistant Director, at (202) 551-6792, Investment Company Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-8549.

SUPPLEMENTARY INFORMATION: The Commission is adopting technical amendments to rule 0–1(a)(7) [17 CFR 270.0–1(a)(7)] under the Investment Company Act.

I. Background

Rule 0–1(a)(7) sets forth governance standards that regulated funds must meet in order to rely on various exemptive rules under the Investment Company Act.¹ The Commission adopted fund governance standards in 2001 to enhance the independence and effectiveness of disinterested directors of regulated funds that choose to rely on

these exemptive rules.² These standards required that, among other things, boards have a majority of disinterested directors and were silent as to whether the chairman of the board needed to be disinterested. In 2004, the Commission amended these standards to encapsulate seven requirements, including, among other things, that at least seventy-five percent of the directors of the regulated fund be disinterested (the “75% requirement”) and a disinterested director serve as chairman of the board of the regulated fund (the “chairman requirement”). Those amendments became effective on September 7, 2004.³ In 2006, a Federal court of appeals vacated the 75% requirement and the chairman requirement.⁴ The Court’s action did not address the other requirements of rule 0–1(a)(7) that were amended in 2004, such as a requirement that disinterested directors of the fund select and nominate any other disinterested director of the fund. The court’s vacatur of the 75% and chairman requirements went into effect July 6, 2006,⁵ thereby reverting the fund governance standards to those standards as previously in effect before September 7, 2004. These technical amendments reflect the court’s vacatur in the CFR by removing the 75% requirement and the chairman requirement, and reverting to the requirement of a simple majority of directors of the regulated fund be disinterested directors. The other provisions of rule 0–1(a)(7), which were not subject to the court’s vacatur, remain unchanged.

II. Procedural and Other Matters

The Administrative Procedure Act (the “APA”) generally requires an agency to publish notice of a rulemaking

in the *Federal Register* and provide an opportunity for public comment. This requirement does not apply, however, if the agency “for good cause finds . . . that notice and public procedure thereupon are impracticable, unnecessary, or contrary to the public interest.”⁶

The technical amendments do not impose any new substantive regulatory requirements on any person and merely reflect the court’s vacatur of the 75% requirement and chairman requirement. For these reasons, for good cause, the Commission finds that notice and public comment are unnecessary.⁷

For similar reasons, although the APA generally requires publication of a rule at least 30 days before its effective date, the Commission finds there is good cause for the amendments to take effect on August 6, 2026.⁸

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),⁹ the Office of Management and Budget (OMB) has determined the final rule is not a “major rule.” OMB also determined that this action is not a significant regulatory action under Executive Order 12866, and therefore it was not subject to Executive Order 12866 review.

Statutory Authority

We are amending rule 0–1(a) pursuant to the authority set forth in sections 6(c), 10(f), 12(b), 17(d), 17(g), 23(c), and 38(a) of the Investment Company Act [15 U.S.C. 80a–6(c), 80a–10(f), 80a–12(b), 80a–17(d), 80a–17(g), 80a–23(c), and 80a–37(a)].

List of Subjects in 17 CFR Part 270

Investment companies, Reporting and recordkeeping requirements, Securities.

Text of Rule and Form Amendments

For the reasons set out in the preamble, the Commission amends title 17, chapter II of the Code of Federal Regulations as follows:

⁶ 5 U.S.C. 553(b)(B).

⁷ This finding also satisfies the requirements of 5 U.S.C. 808(2), allowing the amendments to become effective notwithstanding the requirement of 5 U.S.C. 801 (if a Federal agency finds that notice and public comment are impractical, unnecessary or contrary to the public interest, a rule shall take effect at such time as the Federal agency promulgating the rule determines). The amendments also do not require analysis under the Regulatory Flexibility Act. See 5 U.S.C. 604(a) (requiring a final regulatory flexibility analysis only for rules required by the APA or other law to undergo notice and comment).

⁸ See 5 U.S.C. 553(d)(3).

⁹ See 5 U.S.C. chapter 8.

¹ See, e.g., 17 CFR 270.23c–3(b)(8).

² Role of Independent Directors of Investment Companies, Investment Company Act Release No. 24816 (Jan. 2, 2001) [66 FR 3733 (Jan. 16, 2001)]. Disinterested directors are directors that are not “interested persons” of the fund as defined in the Investment Company Act. See 17 CFR 270.0–1(a)(7)(i); see also 15 U.S.C. 80a–2(a)(19) (defining “interested person”).

³ Investment Company Governance, Investment Company Act Release No. 26520 (July 27, 2004) [69 FR 46378 (Aug. 2, 2004)].

⁴ See *Chamber of Commerce of the United States v. SEC*, 443 F.3d 890 (D.C. Cir. 2006) (“Chamber”). Specifically, the court determined that the adoption of the 75% requirement and the chairman requirement violated the Administrative Procedure Act by relying on materials that had not been provided to the public for notice and comment. In response, the Commission requested further public comment on the amendments but did not take action to appeal or modify the court mandate. See, e.g., Investment Company Governance, Investment Company Act Release No. 27395 (Jun. 13, 2006) [71 FR 35366 (Jun. 19, 2006)]; Investment Company Act Release No. 27600 (Dec. 15, 2006) [71 FR 76618 (Dec. 21, 2006)].

⁵ See *Chamber*, 443 F.3d 890, 909 (withholding the issuance of the order to vacate for ninety days).

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

■ 1. The authority for part 270 continues to read, in part, as follows:

Authority: 15 U.S.C. 80a–1 *et seq.*, 80a–34(d), 80a–37, 80a–39, 1681w(a)(1), 6801–6809, 6825, and Pub. L. 111–203, sec. 939A, 124 Stat. 1376 (2010), unless otherwise noted.

Section 270.0–1 also issued under sec. 38(a) (15 U.S.C. 80a–37(a));

Section 270.0–1(a)(7) is also issued under 15 U.S.C. 80a–10(e);

* * * * *

■ 2. Amend § 270.0–1 by revising paragraph (a)(7) to read as follows:

§ 270.0–1 Definition of terms used in this part.

(a) * * *

(7) *Fund governance standards.* The board of directors of an investment company (“fund”) satisfies the *fund governance standards* if:

(i) A majority of the directors of the fund are not interested persons of the fund (“disinterested directors”);

(ii) The disinterested directors of the fund select and nominate any other disinterested director of the fund;

(iii) Any person who acts as legal counsel for the disinterested directors of the fund is an independent legal counsel as defined in paragraph (a)(6) of this section;

(iv) The board of directors evaluates at least once annually the performance of the board of directors and the committees of the board of directors, which evaluation must include a consideration of the effectiveness of the committee structure of the fund board and the number of funds on whose boards each director serves;

(v) The disinterested directors meet at least once quarterly in a session at which no directors who are interested persons of the fund are present; and

(vi) The disinterested directors have been authorized to hire employees and to retain advisers and experts necessary to carry out their duties.

* * * * *

By the Commission.

Dated: August 4, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–16066 Filed 8–5–26; 8:45 am]

BILLING CODE 8011–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 892

[Docket No. FDA–2026–N–7954]

Medical Devices; Radiology Devices; Classification of the Fludeoxyglucose F18-Guided Radiation Therapy System

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the fludeoxyglucose F18-guided radiation therapy system into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the fludeoxyglucose F18-guided radiation therapy system. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients’ access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective August 6, 2026. The classification was applicable on February 1, 2023.

FOR FURTHER INFORMATION CONTACT: Lora Weidner, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 3652, Silver Spring, MD 20993–0002, 240–402–6424, Lora.Weidner@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the fludeoxyglucose F18-guided radiation therapy system into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients’ access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires

premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as “postamendments devices” because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

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

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

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

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

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

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

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

II. De Novo Classification

On February 23, 2022, FDA received RefleXion Medical Inc's request for De Novo classification of the RefleXion Medical Radiotherapy System (RMRS).

FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

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

Therefore, on February 1, 2023, FDA issued an order to the requester

classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 892.5060.¹ We have named the generic type of device "fludeoxyglucose F18-guided radiation therapy system," and it is identified as a device that combines the functionality of an emission computed tomography detection system and a linear accelerator. The device is intended for use with approved fludeoxyglucose F18. The emission computed tomography detection system acquires images of positron-emitting fludeoxyglucose F18 for the purpose of guiding the delivery of megavoltage X-rays for oncologic treatment with radiation therapy using an FDA-cleared, -authorized, or -approved linear accelerator.

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

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR FLUDEOXYGLUCOSE F18-GUIDED RADIATION THERAPY SYSTEMS

Identified risks to health	Mitigation measures
Device-specific modifications of fludeoxyglucose F18 use compared to the current approved drug label that affect safety and effectiveness of fludeoxyglucose F18.	Clinical performance testing; Labeling; and Analysis of drug and device label differences.
Postmarket modifications to fludeoxyglucose F18 labeling that affect safety and effectiveness when used with the device.	Design verification and validation activities.
Inaccurate therapeutic radiation dose delivery due to intra- or inter-fractional changes of fludeoxyglucose F18 biodistribution.	Non-clinical performance testing; Clinical performance testing; and Labeling.
Incompatibility of the linear accelerator and the positron emission tomography (PET) scanner leading to machine failures during treatment and treatment delay.	Non-clinical performance testing; Electromagnetic compatibility testing; Electrical safety testing; and Software verification, validation, and hazard analysis.
Inadequate reader and device interpretation of fludeoxyglucose F18 biodistribution for determining treatment eligibility.	Labeling; Clinical performance testing; Non-clinical performance testing; Training; and Software verification, validation, and hazard analysis.
PET evaluation failure leading to treatment delay and/or excess radiation exposure from fludeoxyglucose F18.	Non-clinical performance testing; Clinical performance testing; Labeling; and Software verification, validation, and hazard analysis.
Inaccurate therapeutic radiation dose delivery due to machine failure ...	Non-clinical performance testing; Labeling; and Software verification, validation, and hazard analysis.
Uncertainty regarding external radiation dose delivered to healthy tissue.	Non-clinical performance testing; and Software verification, validation, and hazard analysis.

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

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for fludeoxyglucose F18-guided radiation therapy systems. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

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

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously

¹ FDA notes that the "ACTION" caption for this final order is styled as "Final amendment; final order," rather than "Final order." Beginning in December 2019, this editorial change was made to

indicate that the document "amends" the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44

U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; the collections of information in 21 CFR part 314 have been approved under OMB control number 0910–0001; the collections of information in 21 CFR part 201 have been approved under OMB control number 0910–0572; the collections of information in 21 CFR parts 210 and 211 have been approved under OMB control number 0910–0139; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 892

Medical devices, Radiation protection, X-rays.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 892 is amended as follows:

PART 892—RADIOLOGY DEVICES

■ 1. The authority citation for part 892 continues to read as follows:

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

■ 2. Add § 892.5060 to subpart F to read as follows:

§ 892.5060 Fludeoxyglucose F18-guided radiation therapy system.

(a) *Identification.* A fludeoxyglucose F18-guided radiation therapy system is a device that combines the functionality of an emission computed tomography detection system and a linear accelerator. The device is intended for use with approved fludeoxyglucose F18. The emission computed tomography detection system acquires images of positron-emitting fludeoxyglucose F18 for the purpose of guiding the delivery

of megavoltage X-rays for oncologic treatment with radiation therapy using an FDA-cleared, -authorized, or -approved linear accelerator.

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

(1) An analysis must be provided of any effects on safety or effectiveness based on differences that exist in the use (*i.e.*, concentration, rate of administration, route of administration; region, organ, or system of the body; or patient population) of fludeoxyglucose F18 with the device compared to the current approved drug labeling; and adequate justification, including support from clinical performance testing and labeling, must be provided that the differences do not adversely affect the safety and effectiveness of fludeoxyglucose F18 when used with the device.

(2) Design verification and validation activities must include monitoring of changes to the labeling and formulation of fludeoxyglucose F18, and addressing such changes so that they do not adversely affect the safety and effectiveness of the device and fludeoxyglucose F18 when used with the device.

(3) Clinical performance testing must demonstrate that the system performs as intended under anticipated conditions of use, including demonstrating: adequate reader performance for distinguishing patients with eligible versus ineligible radiopharmaceutical biodistribution on imaging; reproducibility across fractions; and sufficient signal strength to meet system sensitivity requirements. Clinical performance testing under anticipated conditions of use must evaluate: dose ranging for identification of lowest safe and adequate dose; and all adverse events.

(4) Non-clinical performance testing under anticipated conditions of use must demonstrate:

(i) Compatibility of the linear accelerator and the tomography scanner;

(ii) Adequate positron emission tomography (PET) imaging performance for patient selection in comparison with a legally marketed diagnostic scanner's output;

(iii) Adequacy of the chosen imaging metrics for inter- and intra-fractional treatment delivery; and

(iv) Dosimetric concurrence between delivered dose distributions and treatment plan, including comparison of delivery isolating difference between guidance on and off conditions.

(5) Performance testing must demonstrate the electrical safety and

electromagnetic compatibility of any electrical components.

(6) Software verification, validation, and hazard analysis must be performed for any software components of the device. Software documentation must include a detailed description of the dose delivery tracking algorithms, including the dose calculation methods, treatment boundaries, treatment delivery fluence calculation methods, system latency for moving targets, interface for post-treatment review, limitations of the algorithm, and accompanying verification and validation testing to ensure device and algorithm functionality as informed by the software requirements and hazard analysis.

(7) A training program must be included to ensure users can correctly interpret images to determine patient eligibility.

(8) The labeling must include the following:

(i) A detailed description of the patient population included in clinical testing specifying age, primary cancer type, cancer stage, and target volume locations and sizes;

(ii) A dedicated imaging agent section which includes a description of the use of fludeoxyglucose F18 with the device and a statement in the indications for use informing users where full prescribing information is available for fludeoxyglucose F18 in the current approved drug labeling and in the device labeling;

(iii) Detailed instructions for use of fludeoxyglucose F18 with the device to guide radiation therapy, including: uptake time needed, time window to deliver treatment, physician review of pre-delivery safety checks, image interpretation, tissue targeted for fludeoxyglucose F18 uptake, pre-treatment image criteria to determine patient eligibility, and other differences compared to the current approved fludeoxyglucose F18 drug labeling;

(iv) A detailed summary of the performance testing required under paragraphs (b)(3) and (b)(4) of this section, including test methods, dataset characteristics, and results;

(v) A detailed description of the user workflow; and

(vi) An instruction for users to plan for an alternative treatment if pre-treatment evaluation fails.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–15963 Filed 8–5–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HOMELAND SECURITY**Coast Guard****33 CFR Part 100****[Docket Number USCG–2025–1046]****RIN 1625–AA08****Special Local Regulations; Marine Events Within the USCG East District****AGENCY:** Coast Guard, DHS.**ACTION:** Final rule.

SUMMARY: The Coast Guard is amending a table of special local regulations (SLR's) located in the Sector Delaware Bay Captain of the Port Zone by adding regulations for four annual marine events, revising regulations for three SLR's already in the table, and revising the order of entries within the table. These rules serve to protect participants, spectators, and vessels from the hazards associated with a variety of marine events. This rulemaking prohibits people and vessels from being present in the regulated areas during an enforcement period unless authorized by the Captain of the Port or a designated representative.

DATES: This rule is effective September 8, 2026.

ADDRESSES: To view documents referred to as being available in the docket, go to <https://www.regulations.gov> and search for USCG–2025–1046.

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

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

CFR Code of Federal Regulations
COTP Captain of the Port, Delaware Bay
COTP Zone
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
SLR Special Local Regulation
U.S.C. United States Code

II. Background Information and Regulatory History

On June 9, 2026, the Coast Guard published a notice of proposed rulemaking (NPRM) titled “Special Local Regulation; Marine Events Within the USCG East District.” There, we stated why we issued the NPRM, and we invited comments on our proposed

regulatory action to amend 33 CFR 100.501, Table I to paragraph (i)(1) by adding permanent special local regulations (SLRs) for four recurring marine events and revising regulations for three recurring events already in the table. During the comment period that ended July 9, 2026, we received no comments.

III. Legal Authority and Need for Rule

The Coast Guard is issuing this rule under authority in 46 U.S.C. 70041. Within the Coast Guard, that authority has been delegated to the Captain of the Port, Delaware Bay COTP Zone (COTP), as provided in 33 CFR 1.05–1(i).

The COTP has determined that participants in the events listed in this rule and other waterway users could be at risk of injury or death resulting from actual or near contact with non-participants traversing areas regulated by these rules during the events. To protect the safety of all waterway users, including event participants and spectators, this rulemaking establishes SLRs subject to enforcement at the times and locations provided, or to be provided, for each marine event. This rule prohibits vessels from entering, transiting, mooring or anchoring within areas specifically designated as regulated areas during periods of enforcement unless authorized by the COTP, or designated Event Patrol Commander.

IV. Discussion of Comments, Changes, and the Rule

As noted above, we received no comments on the NPRM we published June 9, 2026. There are no changes in the regulatory text of this rule from the proposed rule in the NPRM.

The Coast Guard is adding entries for four recurring SLRs to Table 1 to Paragraph (i)(1) of 33 CFR 100.501 for annual marine events in the Delaware Bay Captain of the Port Zone. We are also modifying entries for three existing marine events in the Table. The Coast Guard will publish annual “Notifications of Enforcement” in the **Federal Register** and provide other notice of the exact dates and times the regulations will be subject to enforcement. For each event, these notices will provide the geographical description of each regulated area and other pertinent details concerning the nature of the event.

This rulemaking will serve to protect participants spectators, and vessels from the hazards associated with a variety of marine events. While subject to enforcement, these SLRs prohibit non-participant persons or vessels from entering into, remaining within,

transiting through, or anchoring in a regulated area unless authorized by the COTP or a designated representative of the COTP. The regulatory text appears at the end of this document.

Below is a description of the four recurring marine events that we are adding to Table 1 to Paragraph (i)(1) in 100.501.

1. Wildwood Airshow

This marine event takes place one Saturday or Sunday in September, at the location described as follows: The event is in Wildwood, NJ, within the following area: All navigable waters of Atlantic Ocean near Wildwood, NJ, within a polygon bounded by the following: originating on the shore line at approximate position latitude 38°59'26" N, longitude 074°47'37" W; thence southeast to approximate position latitude 38°59'07" N, longitude 074°46'40" W; thence southwest to approximate position to latitude 38°57'42" N, longitude 074°48'43" W; thence northwest to the shoreline at approximate position latitude 38°58'11" N, longitude 074°49'43" W; thence northeast along the shoreline to the point of origin. The sponsor is Greater Wildwoods Tourism Improvement and Development Authority.

2. Philadelphia Cup Regatta

This marine event takes place one Saturday or Sunday in September or October. The event is in Philadelphia, PA, at the following location: All navigable waters of the Delaware River in Philadelphia, PA, shoreline to shoreline at approximate position 39°58'33" N, longitude 075°4'51" W., southerly to approximate position 39°56'04" N, longitude 075°8'23" W. The sponsor is Liberty Sailing Club.

3. Treasure Island Sprint Triathlon

This marine event takes place one Saturday or Sunday in September or October. The event is in Point Pleasant, NJ, at the following location: All navigable waters of the Manasquan River in Point Pleasant, NJ, within a polygon bounded by the following: originating at 40°5'39" N, longitude 074°4'26" W., thence to 40°5'19" N, longitude 074°4'26" W., thence to 40°5'19" N, longitude 074°4'7" W., thence to 40°5'39" N, longitude 074°4'6" W., and along the shoreline back to the point of origin. The sponsor is Point Pleasant Foundation for Excellence in Education.

4. Ocean City Chase Race

This marine event takes place on Saturday or Sunday in October. The event is in Ocean City, NJ, at the

following location: All navigable waters of the New Jersey Intracoastal Waterway near Ocean City, NJ, shoreline to shoreline, between approximate position 39°13'41" N, longitude 074°39'00" W. and approximate position 39°15'20" N, longitude 074°37'34" W. The sponsor is Ocean City, NJ.

Below is a description of the three SLRs in Table 1 to Paragraph (i)(1) in 100.501 that we are changing.

1. *Battle at Brigantine (Formerly "Stockton Boat Race")*

The name for this marine event has been updated to Battle at Brigantine and has changed locations from Atlantic City, NJ to Brigantine, NJ at the following location: All navigable waters of Bonita Tideway in Brigantine, NJ, within a polygon originating at position latitude 39°24'33" N, longitude 074°22'28" W; thence southwest across the Bonita Tideway to the shoreline to latitude 39°24'22" N, longitude 074°22'49" W; thence southwest along the shoreline to latitude 39°23'49" N, longitude 074°23'33" W; thence across the Bonita Tideway to the shoreline at latitude 39°23'43" N, longitude 074°23'33" W; thence north along the shoreline to the point of origin. The event will take place one Saturday or Sunday in March or April. The event sponsor is still Stockton University.

2. *Atlantic City Airshow (Formerly "Thunder Over the Boardwalk Air Show")*

The name for this marine event has been updated to Atlantic City Airshow and the dates have been changed to "four consecutive days in May, June, July, or August." The event location is in Atlantic City, NJ in the following location: The waters of the Atlantic Ocean, adjacent to Atlantic City, NJ, bounded by a polygon, originating at the shoreline at position latitude 39°21'51" N, longitude 074°24'27" W; thence southeast to approximate position latitude 39°21'13" N, longitude 074°23'48" W; thence southwest to approximate position latitude 39°20'17" N, longitude 074°26'24" W; thence northwest to the shoreline at approximate position latitude 39°20'57" N, longitude 074°26'52" W; thence northeast along the shoreline to the point of origin. The sponsor has been changed to Visit Atlantic City.

3. *Ocean City Airshow*

The coordinates have been updated to create a larger regulated area for the event. The event location in Ocean City, NJ is more specifically described as: All navigable waters of the Atlantic Ocean near Ocean City, NJ, bounded by a

polygon originating on the shoreline at latitude 39°17'01" N, longitude 074°33'20" W, thence southeast to latitude 39°16'28" N, longitude 074°32'27" W, thence southwest to latitude 39°15'08" N, longitude 074°34'46" W, thence northwest to latitude 39°15'44" N, longitude 074°35'30" W, thence northeast to point of origin.

V. Regulatory Analyses

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

A. *Impact on Small Entities*

The Regulatory Flexibility 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. The Coast Guard certifies under 5 U.S.C. 605(b) that these proposed rules would not have a significant economic impact on a substantial number of small entities. These regulatory action determinations are based on size, location, duration and time-of-day of the regulated areas. The regulated areas would be for short durations and are necessary for safety of life to participants in the event. Moreover, the Coast Guard would make a post in the Local Notice to Mariners with details on the regulated area.

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

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. *Collection of Information*

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

C. *Federalism and Indian Tribal Governments*

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that Order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

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

D. *Unfunded Mandates Reform Act*

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

E. *Environment*

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves special local regulations at various locations and at various times to maintain the safety of event participants, spectators, and transiting vessel traffic. It is categorically excluded from further review under paragraph L61 of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A memorandum for record (MFR) supporting this determination is available in the docket. For instructions

on locating the docket, see the ADDRESSES section of this preamble.

List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water), Reporting and recordkeeping requirements, waterways.

For the reasons discussed in the preamble, the Coast Guard is proposing to amend 33 CFR part 100 as follows:

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

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

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

■ 2. In § 100.501, revise and republish paragraph (i)(1) to read as follows:

§ 100.501 Special Local Regulations; Marine Events Within the USCG East District.

* * * * *

(i) * * *

(1) *Coast Guard Sector Delaware Bay—COTP Zone.*

TABLE 1 TO PARAGRAPH (i)(1)

Event	Regulated area	Enforcement period(s) ¹	Sponsor
Around the Island Paddle.	All waters within 50 yards in front of the lead safety vessel preceding the first event participants, to 50 yards behind the safety vessel trailing the last event participants, and 100 yards on either side of participant and safety vessels during the event. The regulated area will move with the safety vessels and participants as they transit the waters east through Cape May Harbor, south through Cape May Inlet, west through the Atlantic Ocean, north through the Delaware Bay, then east through Cape May Canal, and terminate at the Lost Fishermen's Memorial in Cape May Harbor. The regulated area will move at the pace of event patrol vessels and participants.	One Saturday or Sunday in June, July or August.	Desatnick Foundation.
Atlantic City Airshow	The waters of the Atlantic Ocean, adjacent to Atlantic City, NJ, bounded by a polygon, originating at the shoreline at position latitude 39°21'51" N, longitude 074°24'27" W; thence southeast to approximate position latitude 39°21'13" N, longitude 074°23'48" W; thence southwest to approximate position to latitude 39°20'17" N, longitude 074°26'24" W; thence northwest to the shoreline at approximate position latitude 39°20'57" N, longitude 074°26'52" W; thence northeast along the shoreline to the point of origin.	Four consecutive days in May, June, July or August.	Visit Atlantic City.
Battle at Brigantine	All navigable waters of Bonita Tideway in Brigantine, NJ, within a polygon originating at position latitude 39°24'33" N, longitude 074°22'28" W; thence southwest across the Bonita Tideway to the shoreline to latitude 39°24'22" N, longitude 074°22'49" W; thence southwest along the shoreline to latitude 39°23'49" N, longitude 074°23'33" W; thence across the Bonita Tideway to the shoreline at latitude 39°23'43" N, longitude 074°23'33" W; thence north along the shoreline to the point of origin.	One Saturday or Sunday in March or April.	Stockton University.
Escape the Cape Swim.	All navigable waters of the Delaware Bay in Lower Township, NJ bounded by a line drawn from: Latitude 39°0'57" N, longitude 074°56'56" W. in Villas, NJ, thence west to latitude 39°00'59" N, longitude 074°57'15" W., thence south to latitude 38°58'08" N, longitude 074°58'11" W., thence east to latitude 38°58'04" N, longitude 074°57'52" W. in North Cape May, NJ, thence north along the shoreline to the point of origin.	One Saturday or Sunday in June.	DelMoSports.
Manasquan Inlet Intracoastal Tug.	All waters of Manasquan Inlet extending 400 feet from either side of the rope located between approximate locations latitude 40°06'09" N, longitude 74°02'08" W. and latitude 40°06'14" N, longitude 74°02'08" W.	One Saturday or Sunday in September or October.	Borough of Manasquan.
Ocean City Air Show	All navigable waters of the Atlantic Ocean near Ocean City, NJ, bounded by a polygon originating on the shoreline at latitude 39°17'01" N, longitude 074°33'20" W., thence southeast to latitude 39°16'28" N, longitude 074°32'27" W., thence southwest to latitude 39°15'08" N, longitude 074°34'46" W., thence northwest to latitude 39°15'44" N, longitude 074°35'30" W., thence northeast to point of origin.	One Sunday in September.	Ocean City, NJ.
Ocean City Chase Race.	All navigable waters of the New Jersey Intracoastal Waterway near Ocean City, NJ, shoreline to shoreline, between approximate position 39°13'41" N, longitude 074°39'00" W. and approximate position 39°15'20" N, longitude 074°37'34" W.	One Saturday or Sunday in October.	Ocean City Crew Boosters.
Philadelphia Cup Regatta.	All navigable waters of the Delaware River in Philadelphia, PA, shoreline to shoreline at approximate position 39°58'33" N, longitude 075°4'51" W., southerly to approximate position 39°56'04" N, longitude 075°8'23" W.	One Saturday or Sunday in September or October.	Liberty Sailing Club.
Point Pleasant OPA/ NJ Offshore Grand Prix.	All navigable waters of the Atlantic Ocean in the vicinity of Point Pleasant Beach, NJ bounded by a line connecting the following points: Latitude 40°06'00" N, longitude 074°01'51" W., thence east to latitude 40°05'56" N, longitude 074°01'16" W., thence southwest to latitude 40°03'34" N, longitude 074°01'53" W., thence west to latitude 40°03'39" N, longitude 74°02'37" W., thence north parallel to the shoreline to the point of origin.	1. One Saturday and Sunday in May; 2. or One Saturday or Sunday in June.	Point Pleasant OPA/NJ Offshore Grand Prix.
Treasure Island Sprint Triathlon.	All navigable waters of the Manasquan River in Point Pleasant, NJ, within a polygon bounded by the following: originating at 40°5'39" N, longitude 074°4'26" W., thence to 40°5'19" N, longitude 074°4'26" W., thence to 40°5'19" N, longitude 074°4'7" W., thence to 40°5'39" N, longitude 074°4'6" W., and along the shoreline back to the point of origin.	One Saturday or Sunday in September or October.	Point Pleasant Foundation for Excellence in Education.

TABLE 1 TO PARAGRAPH (i)(1)—Continued

Event	Regulated area	Enforcement period(s) ¹	Sponsor
Triathlons in Atlantic City.	All navigable waters of the New Jersey Intracoastal Waterway (ICW) bounded by a line connecting the following points: Latitude 39°21'27" N, longitude 074°27'10" W., thence northeast to latitude 39°21'33" N, longitude 074°26'57" W., thence northwest to latitude 39°21'37" N, longitude 074°27'03" W., thence southwest to latitude 39°21'29" N, longitude 074°27'14" W., thence south to latitude 39°21'19" N, longitude 074°27'22" W., thence east to latitude 39°21'18" N, longitude 074°27'19" W., thence north to point of origin, near Atlantic City, NJ.	1. One Saturday in August; and.	Triathlons in Atlantic City.
Wildwood Air Show	All navigable waters of Atlantic Ocean near Wildwood, NJ, within a polygon bounded by the following: originating on the shore line at approximate position latitude 38°59'26" N, longitude 074°47'37" W; thence southeast to approximate position latitude 38°59'07" N, longitude 074°46'40" W; thence southwest to approximate position to latitude 38°57'42" N, longitude 074°48'43" W; thence northwest to the shoreline at approximate position latitude 38°58'11" N, longitude 074°49'43" W; thence northeast along the shoreline to the point of origin.	One Saturday or Sunday in September.	Greater Wildwoods.

¹ As noted, the enforcement dates and times for each of the listed events in this table are subject to change. In the event of a change, or for enforcement periods listed that do not allow a specific date or dates to be determined, the Captain of the Port will provide notice to the public by publishing a Notice of Enforcement in the **Federal Register**, as well as, issuing a Broadcaster Notice to Mariner.

* * * * *

Roberto Rivera,

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

[FR Doc. 2026–16013 Filed 8–5–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–0935]

RIN 1625–AA00

Safety Zone; St. Johns River, Jacksonville, FL

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary interim rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for navigable waters on the St. Johns River, Jacksonville, FL. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards associated with raising power lines across the river. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port, Sector Jacksonville, or their designated representative. We invite your comments on this interim rule.

DATES: This rule is effective without actual notice from August 6, 2026 through March 5, 2027. For purposes of enforcement, actual notice will be used from July 27, 2026, until August 6, 2026. Comments and related material must be

received by the Coast Guard on or before September 8, 2026.

ADDRESSES: Although this regulation is published as an interim rule without prior notice, public comment is nevertheless desirable to ensure that the regulation is both workable and reasonable while the rule remains in effect. If the Coast Guard determines on the basis of comments submitted that changes to the temporary interim rule are necessary, we will publish a temporary final rule, or other document, as appropriate. You may submit comments identified by docket number USCG–2026–0935 using the Federal Decision-Making Portal at <https://www.regulations.gov>. See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments. To view documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov>, type USCG–2026–0935 in the search box and click “Search.” Next, in the Document Type column, select “Supporting & Related Material.”

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact MSTC Harold Rissman, Sector Jacksonville Waterways Management Division, U.S. Coast Guard; telephone (904) 714–7557, or email Harold.E.Rissman@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

The Coast Guard received notification that Jacksonville Electric Authority (JEA) would be installing new power line towers to raise the height of the power lines across the St. Johns River, Jacksonville, Florida. The project includes the use of a helicopter to stretch the lines across the navigable channel over the St. Johns River. The Captain of the Port (COTP) Sector Jacksonville has determined that potential hazards associated with installation and deconstruction of power lines are a safety concern for anyone within the work area. Therefore, the COTP is issuing this rule under the authority in 46 U.S.C. 70034, which is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone.

Because of these potential hazards, the Coast Guard is issuing this rule without prior notice and comment. As is authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable and contrary to the public interest since the hazardous conditions will be presented starting on July 27, 2026. The project creates an urgent need for a safety zone to protect the safety of both the workers and the waterway users operating in the vicinity of the project. An interruption of the project to accommodate a full notice and comment period would also delay necessary operations, result in increased costs, and postponement to

the completion date of the raising power lines across the river.

Additionally, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the **Federal Register** because it is contrary to the public interest. It is contrary to public interest because immediate action is needed to respond to the potential hazardous conditions created by raising power lines across the river.

Although this regulation is published as an interim rule without prior notice, public comment is nevertheless desirable to ensure that the regulation is both workable and reasonable. Accordingly, persons wishing to comment may do so by submitting written comments as set out under **ADDRESSES** in this preamble. Commenters should include their names and addresses, identify the docket number for the regulation, and give reasons for their comments. If the Coast Guard determines that changes to the temporary interim rule are necessary, we will publish a temporary final rule or other appropriate document.

III. Discussion of the Rule

This rule establishes a safety zone from July 27, 2026, through March 5, 2027. However, the safety zone will only be in effect when the helicopters are actively engaged in operations across the navigable channel. The anticipated time for the window of helicopter operations in the channel will be from 8:00 a.m. through 5:00 p.m. every day of the week unless there is a reason that the operations cannot take place. The window of time and dates are tentative and subject to weather, supply chain delays, or other unforeseen circumstances. The Coast Guard will rely on the methods described in 33 CFR 165.7 to notify the public prior to activation. Specifically, the Coast Guard will make notice of the safety zone via the Local Notice to Mariners and issue a Broadcast Notice to Mariners via marine channel 16 (VHF-FM) as soon as practicable in advance of these scheduled closures.

The safety zone will cover all navigable waters in the St. Johns River Ship Channel within the following points: Point 1 at 30°23'23.3" N, 81°32'11.2" W, thence to Point 2 at 30°23'3" N, 81°32'6.3" W, thence to Point 3 at 30°23'34" N, 81°31'6.2" W thence to Point 4 at 30°23'21.4" N, 81°31'1.6" W; thence returning to Point 1. Vessels and persons will not be allowed to enter the zone during this time, unless authorized by the Captain of the Port.

IV. Regulatory Analyses

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

A. Impact on Small Entities

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

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

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

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

C. Federalism and Indian Tribal Governments

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

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

D. Unfunded Mandates Reform Act

As required by The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), the Coast Guard certifies

that this rule will not result in an annual expenditure of \$100,000,000 or more (adjusted for inflation) by a State, local, or tribal government, in the aggregate, or by the private sector.

E. Environment

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

This rule involves 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. For instructions on locating the docket, see the **ADDRESSES** section of this preamble. We seek any comments or information that may lead to the discovery of a significant environmental impact from this rule.

V. Public Participation and Request for Comments

Although we are promulgating this as a temporary interim rule for lack of time to take comments prior to issuing the rule, we view public participation as essential to effective rulemaking and will consider all comments and material received during the comment period. 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–2026–0935 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 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 information 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 amends 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

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

- 2. Add § 165.T07–0935 to read as follows:

§ 165.T07–0935 Safety Zone; St. Johns River, Jacksonville, FL.

(a) **Location.** The following area is a safety zone: All waters of the St. Johns River Ship Channel from surface to bottom, encompassed by a line connecting the following points beginning at Point 1 at 30°23′23.3″ N, 81°32′11.2″ W, thence to Point 2 at 30°23′.3″ N, 81°32′6.3″ W, thence to Point 3 at 30°23′34″ N, 81°31′6.2″ W thence to Point 4 at 30°23′21.4″ N, 81°31′1.6″ W; thence returning to Point 1. These coordinates are based on the World Geodetic System WGS 84.

(b) **Definitions.** As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Sector Jacksonville (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 (904) 714–7557. 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) **Effective and Enforcement periods.** This section will be effective from July 27, 2026, through March 5, 2027, but will only be enforced while the helicopter is engaged in the construction and deconstruction of the lines and towers across the navigable channel of the St. John’s River. The COTP will make notice of the safety zone via the Local Notice to Mariners and issue a Broadcast Notice to Mariners via marine channel 16 (VHF–FM) as soon as practicable in advance of these scheduled closures.

J.C. Aleksak,

Captain, U.S. Coast Guard, Captain of the Port, Sector Jacksonville.

[FR Doc. 2026–15967 Filed 8–5–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–1011]

RIN 1625–AA00

Safety Zone; Lake Erie, Madison Township, OH

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for navigable waters on Lake Erie. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards associated with an over-water fireworks display on August 8, 2026. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port, Sector Eastern Great Lakes, or their designated representative.

DATES: This rule is effective from 9:30 p.m. through 11:30 p.m. on August 8, 2026.

ADDRESSES: To view available documents, go to <https://www.regulations.gov> and search for USCG–2026–1011.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule,

MST1 Andrew Nevenner, Waterways Management Division, MSU Cleveland, U.S. Coast Guard; telephone 216–701–5989, email Andrew.J.Nevenner@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background and Authority

The Coast Guard received notification that fireworks will be launched from Madison Township Beach Park, Madison Township, OH. The Captain of the Port, Sector Eastern Great Lakes (COTP) has determined that potential hazards associated with fireworks are a safety concern for anyone within 400 feet of the fireworks display.

Therefore, the COTP is issuing this rule under the authority in 46 U.S.C. 70034, which is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone.

Because of these potential hazards, the Coast Guard is issuing this rule without prior notice and comment. As is authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable. We must establish this safety zone by August 8, 2026 to protect personnel, vessels, and the marine environment. Therefore, we do not have enough time to solicit and respond to comments.

For the same reason, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

III. Discussion of the Rule

This rule establishes a safety zone on August 8, 2026, from 9:30 p.m. to 11:30 p.m. The safety zone will cover all navigable waters of Lake Erie within a 400-foot radius of the following position: 41°50′18.35″ N, 081°2′52.95″ W. Vessels and persons will not be allowed to enter the zone during this time, unless authorized by the Captain of the Port.

IV. Regulatory Analyses

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

A. Impact on Small Entities

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

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

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

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

C. Federalism and Indian Tribal Governments

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

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

D. Unfunded Mandates Reform Act

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

E. Environment

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

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

List of Subjects in 33 CFR Part 165

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

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

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

- 2. Add § 165.T09–1011 to read as follows:

§ 165.T09–1011 Safety Zone; Lake Erie, Madison Township, OH.

(a) *Location.* The following area is a safety zone: all navigable waters of Lake Erie within a 400-foot radius of the following position: 41°50′18.35″ N, 081°2′52.95″ W. These coordinates are based on the World Geodetic System (WGS 84).

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Eastern Great Lakes (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 COTP or the COTP's representative on VHF–FM channel 16 or by telephone at (216) 701–5989. 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 9:30 p.m. to 11:30 p.m. on August 8, 2026.

Adam T. Mosley,

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

[FR Doc. 2026–15970 Filed 8–5–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–0737]

RIN 1625–AA00

Safety Zone; Rockport Illuminations Fireworks, Rockport Harbor, Rockport, MA

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for the navigable waters of Rockport Harbor, Rockport, MA within a 350-yard radius of the land-based Rockport Illuminations Fireworks launch site. The safety zone is needed to protect spectators, personnel, vessels, and the marine environment from potential hazards associated with the firework displays. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port, Sector Boston, or their designated representative.

DATES: This rule is effective from 8 p.m. on August 8, 2026, through 10 p.m. on August 9, 2026. It will only be enforced, however, from 8 p.m. until 10 p.m. on August 8, 2026, unless the event is delayed because of weather conditions, in which case it will be subject to enforcement during those same hours on August 9, 2026.

ADDRESSES: To view available documents, go to <https://www.regulations.gov> and search for USCG 2026–0737.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, call

or email Mr. Timothy W. Chase, Sector Boston Waterways Management, phone (617) 447-1620, email Timothy.w.chase@uscg.mil or SECBOSSWaterways@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port, Boston
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
TFR Temporary Final Rule
MA Massachusetts
§ Section
U.S.C. United States Code

II. Background and Authority

On June 12, 2026, the Coast Guard received notification that fireworks will be launched from a near shore land site in the vicinity of Rockport Harbor, Rockport, MA. The Captain of the Port (COTP) Boston has determined that potential hazards associated with the fireworks, such as being hit by unexploded pyrotechnics and other falling debris, are a safety concern for anyone within 350 yards of the fireworks display. The COTP is issuing this rule under the authority of 46 U.S.C. 70034 to protect spectators, personnel, vessels, and the marine environment in the navigable waters within the safety zone.

The Coast Guard is issuing this rule without prior notice and comment. As authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable to publish an NPRM, respond to comments, and publish a final rule within the time since notification of the fireworks and August 8, when the safety zone must be in place to protect spectators, personnel, vessels, and the marine environment.

For the same reason, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

III. Discussion of the Rule

This rule establishes a safety zone from 8 p.m. on August 8, 2026, through 10 p.m. on August 9, 2026. It will only be enforced, however, from 8 p.m. until 10 p.m. August 8, 2026, unless the event is delayed because of weather conditions, in which case it will be subject to enforcement during those same hours on August 9, 2026. The safety zone will cover all navigable waters in Rockport Harbor, Rockport, MA within a 350-yard radius of the land-based launch site near shore at

position 42°39.99' N, 070°37.25' W. Vessels and persons will not be allowed to enter the zone during this time, unless authorized by the COTP Boston.

IV. Regulatory Analyses

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

A. Regulatory Planning and Review

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

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

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

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

C. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under Executive Order 13132 and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in that Order.

Also, this rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments,

because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

D. Unfunded Mandates Reform Act

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

E. Environment

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

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

List of Subjects in 33 CFR Part 165

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

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

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

■ 2. Add § 165.T01–0737 to read as follows:

§ 165.T01–0737 Safety Zone; Rockport Illuminations Fireworks, Rockport Harbor, Rockport, MA.

(a) *Location.* The following area is a safety zone: All waters of a portion of Rockport Harbor, Rockport, MA, from

surface to bottom, encompassed by a 350-yard radius of the land-based launch site near shore at position 42°39.99' N, 070°37.25' W. These coordinates are based on the World Geodetic System (WGS 84)/North American Datum 83 (NAD 83).

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Boston (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 contacting the Coast Guard Sector Boston Command Center by telephone at (857) 416-3015. Those in the safety zone must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement period.* This rule is effective from 8 p.m. on August 8, 2026, through 10 p.m. on August 9, 2026. It will be enforced from 8 p.m. until 10 p.m. on August 8, 2026, unless the event is delayed because of weather conditions, in which case it will be subject to enforcement during those same hours on August 9, 2026.

Date: July 24, 2026.

J.C. Frederick,

Captain, U.S. Coast Guard, Captain of the Port, Sector Boston.

[FR Doc. 2026-15991 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-04-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R01-OAR-2025-0656; FRL-13272-02-R1]

Air Plan Approval; Connecticut; Plan for Inclusion of a Consent Order No. 8383-Algonquin Gas Transmission, LLC and Negative Declaration for Rubber Tire Manufacturing Sources

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving a State

Implementation Plan (SIP) revision submitted by the State of Connecticut to address certain Federal requirements for the 2008 and 2015 8-hour ozone National Ambient Air Quality Standards (NAAQS) under the Clean Air Act (CAA). This revision approves a source-specific SIP revision for Algonquin Gas Transmission, LLC's Cromwell compressor station facility in Cromwell, CT, to address reasonably available control technology (RACT) determinations for major stationary sources of volatile organic compounds (VOC). The CAA requires states to submit SIP revisions addressing RACT requirements for ozone nonattainment areas classified as Moderate or higher and for any portion of the state located in an ozone transport region (OTR). RACT determinations are required for this source because it is located in the New York-Northern New Jersey-Long Island, NY-NJ-CT 2008 ozone Severe nonattainment area and 2015 ozone Serious nonattainment area and because Connecticut is in the OTR. The EPA is also approving a negative declaration for existing rubber tire manufacturing sources statewide. This action is being taken in accordance with the Clean Air Act.

DATES: This rule is effective on September 8, 2026.

ADDRESSES: EPA has established a docket for this action under Docket Identification No. EPA-R01-OAR-2025-0656. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, *i.e.*, CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form. Publicly available docket materials are available at <https://www.regulations.gov> or at the U.S. Environmental Protection Agency, EPA Region 1 Regional Office, Air and Radiation Division, 5 Post Office Square, Suite 100, Boston, MA. EPA requests that if at all possible, you contact the contact listed in the **FOR FURTHER INFORMATION CONTACT** section to schedule your inspection.

FOR FURTHER INFORMATION CONTACT: Michele Kosin, Physical Scientist, Air Quality Branch, Air & Radiation Division U.S. Environmental Protection Agency, EPA Region 1, 5 Post Office Square, Suite 100, (Mail code 5-MI), Boston, MA 02109-3912, telephone: (617) 918-1175, email address: kosin.michele@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document whenever “we,” “us,” or “our” is used, we mean EPA.

Table of Contents

- I. Background and Purpose
- II. Final Action
- III. Incorporation by Reference
- IV. Statutory and Executive Order Reviews

I. Background and Purpose

On March 13, 2026, the Environmental Protection Agency (EPA) published a Notice of Proposed Rulemaking (NPRM) for the State of Connecticut.¹ In the NPRM, EPA proposed to approve Connecticut's submittal adding Consent Order 8383 to the Connecticut SIP and to approve its declaration that no rubber tire manufacturing sources exist in the state (also referred to as a “negative declaration”). Consent Order No. 8383 establishes emission standards that the State of Connecticut Department of Energy and Environmental Protection (CT DEEP) determined satisfy RACT for VOCs pursuant to Section 22a-174-32(e)(1)(D) of the Regulations of Connecticut State Agencies (RCSA) for the Algonquin Gas Transmission, LLC's Cromwell compressor station facility located at 252 Shunpike Road, Cromwell, Middlesex County, CT. The formal SIP revision was submitted to the EPA by CT DEEP on December 10, 2024.

The specifics of Consent Order No. 8383 and the rationale for the EPA's proposed action are explained in the NPRM and will not be restated here. The EPA received three comments during the public comment period. Two fully support EPA approval of Connecticut's SIP submittal. The EPA appreciates and agrees with the supportive commenters. The third comment states only that the anonymous commenter is “confused” but does not elaborate and does not expressly oppose EPA approval. None of the comments warrant any further response.

II. Final Action

The EPA is approving the revisions to the Connecticut SIP to include Consent Order 8383 and is approving the negative declaration for existing rubber tire manufacturing sources statewide.

III. Incorporation by Reference

In this rule, the EPA is finalizing regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is finalizing the

¹ 91 FR 12333, Mar. 13, 2026.

incorporation by reference of revisions to the Connecticut SIP to include Consent Order No. 8383, dated December 9, 2024, issued to Algonquin Gas Transmission, LLC for the Cromwell compressor station as discussed in section I. of this preamble and set forth below in the amendments to 40 CFR part 52. The EPA has made, and will continue to make, these documents generally available through <https://www.regulations.gov> and at the EPA Region 1 Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information). Therefore, these materials have been approved by EPA for inclusion in the State implementation plan, have been incorporated by reference by EPA into that plan, are fully federally enforceable under CAA sections 110 and 113 as of the effective date of the final rulemaking of EPA's approval, and will be incorporated by reference in the next update to the SIP compilation.²

IV. Statutory and Executive Order Reviews

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of the Clean Air Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, provided that they meet the criteria of the Clean Air Act. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993);
- Is not subject to an Executive Order 14192 (90 FR 9065, February 6, 2025) regulatory action because this action is not significant under Executive Order 12866;
- Does not impose an information collection burden under the provisions

of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);

- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104–4);
- Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it approves a state program;
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and
- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act.

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

This rule is exempt from the Congressional Review Act because it is a rule of particular applicability.

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by October 5, 2026. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

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

Dated: July 23, 2026.

Mark Sanborn,

Regional Administrator, EPA Region 1.

For the reasons stated in the preamble the Environmental Protection Agency amends part 52 of chapter I, title 40 of the Code of Federal Regulations to read as follows:

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

- 1. The authority citation for part 52 continues to read as follows:

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

Subpart H—Connecticut

- 2. In § 52.370:

■ a. In paragraph (d), amend the table by adding the entry for “Algonquin Gas Transmission, LLC” to the end of the table; and

■ b. In paragraph (e), amend the table by adding:

■ i. The entry for “Negative declaration for the 2016 Control Techniques Guidelines for the Oil and Natural Gas Industry” between existing entries for “Letter from CT DEEP dated October 26, 2020, submitting a revision to the SIP” and “Letters from CT DEEP dated December 15, 2020 and February 14, 2023, submitting a revision to the SIP”; and

■ ii. The entry for “Negative Declaration for the Control Techniques Guidelines for Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires” to the end of the table.

The additions read as follows:

§ 52.370 Identification of plan.

* * * * *

(d) * * *

² 62 FR 27968, May 22, 1997.

EPA-APPROVED CONNECTICUT SOURCE-SPECIFIC REQUIREMENTS

Name of source	Permit number	State effective date	EPA approval date	Explanations
* Algonquin Gas Transmission, LLC.	* Consent Order 8383 ..	* December 9, 2024	* 8/6/26, [91 FR [IN-SERT FEDERAL REGISTER PAGE WHERE THE DOCUMENT BEGINS]].	* VOC RACT For Algonquin Gas Transmission, LLC, Order 8383 (Cromwell compressor station).

(e) * * *

CONNECTICUT NON REGULATORY

Name of non regulatory SIP provision	Applicable geographic or nonattainment area	State submittal date/ effective date	EPA approved date	Explanations
* Negative Declaration for the 2016 Control Techniques Guidelines for the Oil and Natural Gas Industry.	* Statewide	* 12/29/2020	* 3/30/22, 87 FR 18274	* Negative Declaration. There are no sources operating in Connecticut covered by the USEPA Control Technique Guideline, EPA EPA-453/B-16-001.
* Negative Declaration for the Control Techniques Guidelines for Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires.	* Statewide	* 5/16/2025	* 8/6/26, [91 FR [IN-SERT FEDERAL REGISTER PAGE WHERE THE DOCUMENT BEGINS]].	* Negative Declaration. There are no sources operating in Connecticut covered by the US EPA Control Technique Guideline, EPA-450/2-78-030. Regulations of Connecticut State Agencies section 22a-174-20(u) remains in place should a source of rubber tire manufacturing begin operating in the future.

[FR Doc. 2026-15986 Filed 8-5-26; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 271

[EPA-R10-RCRA-2026-2146; FRL-13305-02-R10]

Alaska: Final Authorization of State Hazardous Waste Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final authorization.

SUMMARY: The State of Alaska (Alaska or the State) has applied to the United States Environmental Protection Agency (the EPA or the Agency) for final authorization of its hazardous waste program under the Resource Conservation and Recovery Act, as amended (RCRA). The EPA has reviewed Alaska's application and has made a final determination that Alaska's

hazardous waste program satisfies all requirements for final authorization. Thus, the EPA is granting final authorization for the State to operate its program subject to the limitations on its authority retained by the EPA in accordance with RCRA, including the Hazardous and Solid Waste Amendments of 1984 (HSWA). Alaska's program will operate in lieu of the Federal hazardous waste program in Alaska; however, the EPA will retain jurisdiction and authority to implement the Federal RCRA program in Indian country and areas of exclusive Federal jurisdiction in Alaska.

DATES: This action is effective on August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Eileen Naples, Land, Chemicals, and Redevelopment Division (15-H04), Environmental Protection Agency, Region 10, 1200 Sixth Ave., Suite 155, Seattle, WA 98101; telephone number: 206-553-6911; email address: naples.eileen@epa.gov.

SUPPLEMENTARY INFORMATION:

I. General Information

On February 24, 2026, Alaska submitted an application to administer the RCRA hazardous waste program, which included a letter from the Governor, a State hazardous waste program description, an Attorney General's statement and copies of applicable State statutes and regulation (amended on March 24, 2026), a Memorandum of Agreement (MOA, amended July 28, 2026), and a showing of the State's public participation activities prior to program submission to the EPA. These documents taken together are hereafter referred to as the application and provide the basis for the EPA determining that the State's program is equivalent to the Federal program, as further described in the following paragraph.

A. Why are State programs authorized?

Section 3006 of RCRA allows the EPA to authorize state hazardous waste programs to operate in the State in lieu of the Federal hazardous waste program,

subject to the authority retained by the EPA in accordance with RCRA, including HSWA. The EPA grants authorization if the EPA finds that the State program is: (1) “equivalent” to the Federal program; (2) is consistent with the Federal program and other State programs; and (3) provides for adequate enforcement of compliance with the requirements of the hazardous waste program (RCRA section 3006(b), 42 U.S.C. 6926(b)). States are required to impose requirements which are at least as stringent as the Federal program. States may impose requirements which are more stringent or broader in scope than the Federal program. 40 Code of Federal Regulations (CFR) part 271.1(i). The EPA’s regulations for final state authorization appear at 40 CFR part 271.

B. What were the comments and responses to the EPA’s proposal?

On May 14, 2026, the EPA published a tentative determination announcing its intent to grant Alaska final authorization for its state hazardous waste program. Further background on the tentative decision to grant authorization appears in 91 FR 27229–27234, May 14, 2026.

Along with the tentative determination, the EPA announced the availability of the application for public comment. The EPA received four written comments during the May 14 through July 2, 2026, public comment period. Significant issues raised by the commenters and the EPA’s responses are summarized in the following paragraphs of this document.

The Agency considered all the points raised and has concluded that the comments do not provide reason for the EPA to deny or delay the final authorization of Alaska’s hazardous waste program or to modify the approval. As explained in the tentative decision and further explained in this final authorization, the EPA finds that Alaska’s hazardous waste program is: (1) equivalent to the Federal program; (2) consistent with the Federal program and other State programs; and (3) provides for adequate enforcement of compliance with the requirements of the hazardous waste program (RCRA Section 3006(b), 42 U.S.C. 6926(b)) and the EPA has determined that it meets all statutory and regulatory requirements for authorization as established by RCRA. The EPA’s regulations for state authorization appear at 40 CFR part 271.

1. Comment

Three commenters requested the EPA delay final authorization of Alaska’s hazardous waste program until their

comments and requests for clarification are addressed.

○ *Comment:* Alaska Oil & Gas Association recommends that ADEC address several areas (see 2. and 3. Comments) that AO&GA characterizes as needing more clarity, or revision in Alaska’s regulations before the EPA grants hazardous waste authorization to Alaska.

○ *Comment:* The Chugach Regional Resources Commission (CRRC) asks that the EPA and Alaska Department of Environmental Conservation evaluate cumulative risks and the potential for increased burdens on rural and Tribal communities and identify safeguards before authorizing Alaska’s hazardous waste program (see 4. Comment).

○ *Comment:* Anonymous recommends that the EPA not enact or approve the final authorization until all hydrocarbons are prevented from leaks, spills, or any type of emissions (see Comment 5.).

Response to Comment 1

○ The EPA considered all the points raised and has concluded that these issues are outside the scope of the Agency’s decision to authorize Alaska’s hazardous waste program. Commenters may elect to raise hazardous waste program implementation and coordination issues with Alaska. The EPA is making a final authorization determination based on the State program that was submitted by Alaska to the EPA for authorization, consistent with applicable statutory and regulatory requirements as enumerated above. The comments do not provide reasons for the EPA to deny or delay the authorization of Alaska’s hazardous waste program or to modify the approval under the authorization review framework.

2. Comment

Several comments express concern regarding Alaska’s universal waste regulations at 18 AAC 62.205, 1110, 1135, and 1390 which add electronic waste as a universal waste stream. These commenters suggest that ADEC adopt alternative approaches to the regulation of electronic waste than those that were included in Alaska’s authorization submission to the EPA.

○ *Comment:* Alaska Oil & Gas Association states that:

■ Only five U.S. States manage electronic waste as universal waste. The commenter asks why Alaska is managing electronic waste as universal waste when most states do not.

■ Alaska’s management of electronic waste as universal waste could lead to

shipments being rejected in Washington State.

■ Analytical testing to show discarded electronic devices are not RCRA hazardous waste is not a practical solution to electronic waste management.

■ Alaska should clarify that electronic devices sent for resale or legitimate recycling are not discarded and are therefore not solid waste.

■ Alaska should define electronic waste consistent with the EPA’s guidance and interpretation.

■ Alaska should make several changes to Alaska Administrative Code to clarify applicability, management standards, reporting requirements, and definition of electronic waste.

○ *Comment:* Aditi Vig asserts that:

■ Electronic waste should be considered in the hazardous waste category instead of solid waste because the potential negative health impacts are detrimental to exposed populations.

■ Polybrominated diphenyl ethers (PBDEs) exposure is a major concern for electronic waste disposal. Expanding the oversight of hazardous waste to rural populations in Alaska will go a long way to keep Alaskans healthy by keeping the negative health effects associated with toxic exposure from PBDEs at a minimal level.

Response to Comment 2

○ These comments include policy recommendations and suggest future actions and are outside the scope of the EPA’s final authorization determination. The EPA appreciates the commenters’ concerns about possible PBDE health effects; however, agency review of individual chemical toxicity and potential health effects is not part of the EPA’s state hazardous waste program authorization process under RCRA. See also response to Comment 1. for explanation of the basis for the EPA’s final authorization determination.

3. Comment

One Comment related to the applicability of RCRA requirements to spent leather products that meet a hazardous waste threshold for chromium.

○ *Comment:* Alaska Oil & Gas Association states that:

■ After Alaska’s hazardous waste program is authorized, ADEC should interpret that used leather and waste leather products meet the criteria under 40 CFR 261.4(b)(6) hazardous waste exclusion, even if these spent leather products fail the Toxicity Characteristic Leaching Procedure (TCLP).

■ Used leather may meet the hazardous waste threshold for

chromium because it contains trivalent chromium and hexavalent chromium resulting from the leather tanning process.

- ADEC should issue guidance that used leather products should not be classified as hazardous waste due to trivalent chromium content unless the leather is visibly contaminated with another hazardous substance.

Response to Comment 3

- The Alaska Oil & Gas Association (AO&GA) comments relate to regulatory interpretations that it wishes ADEC to adopt regarding the applicability of the 40 CFR 261.4(b)(6) hazardous waste exclusion to discarded leather. These comments do not provide a basis for the EPA to deny or delay Alaska's requested program authorization. See also response to Comment 1. for explanation of the EPA's final authorization determination.

4. Comment

One commenter provided a list of eight recommendations and several related comments on behalf of an inter-Tribal organization.

- *Comment:* The Chugach Regional Resources Commission (CRRC) makes the following recommendations:

- Establish a Tribal Co-stewardship Working Group with representation from CRRC and CRRC member Tribes.

- Maintain clear EPA and ADEC points of contact for rural and Tribal hazardous waste concerns during and after the hazardous waste program transition.

- Provide plain-language guidance explaining applicable rules, reporting requirements, inspection procedures, and timelines.

- Commit to regular rural and Tribal outreach, including community visits, training, and technical assistance.

- Ensure public access to permits, enforcement actions, compliance information, and opportunities to raise concerns.

- Support capacity-building for Tribal governments to participate in environmental review, data collection, monitoring, and enforcement-related processes.

- Evaluate cumulative impacts and risks to subsistence resources, food security, public lands, cultural continuity, and Tribal governance. CRRC further recommends that the EPA and ADEC evaluate these risks and identify safeguards prior to final authorization (see also Comment 1.).

- Ensure that State authorization does not reduce the EPA's involvement, Federal accountability, or support for broader rural Alaska solid waste issues.

In addition, CRRC's comment identified concerns about possible State budget constraints that would result in less outreach, technical assistance, and State enforcement. CRRC further described concerns related to transparency and the possibility of new State requirements beyond those in the Federal program. CRRC also commented that a State-administered program may provide opportunity for program design and budgeting that reflects rural Alaska hazardous waste issues that may not be fully addressed under a Federal program.

Response to Comment 4

- The EPA appreciates the Chugach Regional Resources Commission's engagement on this authorization and recognizes the Federal Government's trust relationship with federally-recognized Tribes. The agency considered all the points raised in the CRRC letter and concluded that, while the comments do not provide reason for the EPA to deny or delay the authorization of Alaska's hazardous waste program or to modify the approval, certain comments are relevant to hazardous waste program implementation. Please see response to Comment 1 for explanation of the EPA's final authorization determination.

The commenter identified the need for clarity regarding Federal and State primacy and program implementation roles. The EPA notes that the State of Alaska currently implements the RCRA solid waste management program. This authorization does not alter the present approach to solid waste management issues in Alaska or the EPA's prior approvals of Alaska's solid waste management program pursuant to RCRA Subtitle D. Alaska will continue to have primary responsibility for the solid waste program after the EPA authorizes the State to implement the RCRA hazardous waste program.

The EPA notes that Alaska does not assert State hazardous waste program authority over Indian country, as defined in Federal statute (18 U.S.C. 1151); Alaska does not seek State hazardous waste program authority over Indian lands under 40 CFR 271.1(h) and 271.7(b). Once final authorization is effective, the EPA will continue to implement the Federal hazardous waste program in Indian country in the State of Alaska.

Elements of Alaska's hazardous waste program submission address CRRC's concerns; identify the State's resources and funding sources; and describe the EPA's ongoing oversight role. ADEC included a Program Description in its State hazardous waste program

submission to the EPA. This Program Description estimates program costs and State funding sources. The EPA maintains oversight authority over authorized State hazardous waste programs and will monitor State activities on a regular basis. The Memorandum of Agreement (MOA) between the EPA and Alaska provides the EPA will assess State administration and enforcement of the hazardous waste program on a continuing basis for equivalence and consistency with RCRA, this MOA, all applicable Federal requirements and policies, and for adequacy of enforcement. The EPA may consider, as part of its regular assessment, written comments about the State's program administration and enforcement that are received from regulated persons, the public, Alaska Native Tribal governments and Alaska Native Claims Settlement Act corporations, and Federal, State and local agencies. The MOA also includes provisions governing oversight, information sharing, data management, confidentiality, and public requests for information, among others. The EPA will continue to work with State and Tribal partners in Alaska to help support successful State hazardous waste program implementation and ensure compliance with laws and regulations.

Following the effective date of authorization, State hazardous waste program implementation and coordination is the authorized State's responsibility. Tribes may continue to request government-to-government consultation with the EPA. The EPA will continue to offer consultation with federally-recognized Indian Tribes and Alaska Native corporations, consistent with applicable Federal laws and regulations, and policies.

5. Comment

- *Comment:* Anonymous recommends that the EPA not enact or approve the final authorization until all hydrocarbons are prevented from leaks, spills, or any type of emission(s).

- The commenter additionally states that we need to transition to clean renewables because of the impact from global warming producing and consuming fossil fuels.

Response to Comment 5

The EPA interprets these comments as identifying environmental concerns that are outside of the scope of this authorization. Please see the response to Comment 1. for an explanation of the basis for the EPA to deny or delay the authorization of Alaska's hazardous waste program.

C. What decisions has the EPA made in this authorization?

The EPA has made the final determination that Alaska’s application meets all the statutory and regulatory requirements established by RCRA as of May 14, 2026. Therefore, the EPA is granting Alaska final authorization to operate its hazardous waste program described in the authorization application, subject to the authority retained by the EPA under RCRA. Alaska will have responsibility for permitting Treatment, Storage, and Disposal Facilities (TSDFs) within its borders and for carrying out the aspects of the RCRA State hazardous waste program described in its program application, subject to the requirements of RCRA, including HSWA. New Federal requirements and prohibitions imposed by Federal regulations that the EPA promulgates under the authority of HSWA take effect in authorized states before such states are authorized for the requirements. Thus, the EPA will implement those requirements and prohibitions in Alaska, including issuing permits, until the State is granted authorization to do so. Section I. G. of this document discusses the provisions for which Alaska did not seek authorization as part of this program submission.

D. What is the effect of this authorization?

The effect of this authorization is that persons in Alaska subject to RCRA must

comply with the authorized State hazardous waste program requirements in lieu of the corresponding Federal requirements in order to comply with RCRA. These include Alaska’s adopted Federal RCRA regulations with modifications (effective June 1, 2025). Additionally, such persons must comply with applicable Federal requirements, such as HSWA regulations issued by the EPA for which the State has not yet received authorization, and RCRA requirements that are not supplanted by authorized State-issued requirements.

As an authorized State, Alaska is responsible for enforcement of its hazardous waste program. However, the EPA continues to have independent authority under RCRA. Sections 3007, 3008, 3013, and 7003, which include, among others, the authority to: conduct inspections; require monitoring, tests, analyses or reports; and enforce authorized program requirements. Regulations for which Alaska is authorized are already effective under State law and are not changed by this authorization.

E. What rules are the EPA authorizing with this action?

Alaska has adopted almost verbatim the Federal hazardous waste regulations found in 40 CFR parts 124, 260 through 268, 270, 273, and 279, promulgated through July 26, 2024, except for the technical corrections promulgated August 9, 2023 (88 FR 54086) affecting

40 CFR part 261 subparts M, AA, and CC, and with a few additional modifications as described in this document. The EPA does not authorize states for certain Federal regulations relating to import/export requirements (40 CFR part 262 subpart H), Land Disposal Restrictions (40 CFR part 268), and manifest registry and electronic manifest functions administered solely by the EPA (40 CFR part 262 subpart B, 40 CFR part 263 subpart B, 40 CFR part 265 subpart FF, and 40 CFR part 267 subpart E). Alaska has adopted these provisions by leaving the authority with the EPA for implementation and enforcement.

State hazardous waste requirements that are either equivalent to or more stringent than the corresponding Federal requirements will become part of the authorized State program and are federally enforceable. Upon authorization, the State’s hazardous waste program requirements that are either equivalent to or more stringent than the corresponding Federal rules will apply in lieu of the Federal rules. State hazardous waste program requirements that are broader in scope than the Federal program will not be part of the authorized program and are not federally enforceable. The application authorized rules are identified in the chart below.

Federal hazardous waste requirements	Analogous State authority
40 CFR parts 124, 260 through 268, 270, 273, and 279 as of July 26, 2024.	18 Alaska Administrative Code (AAC) 62.1020–18 AAC 62.1320, 18 AAC 62.050–18 AAC 62.1000, 18 AAC 62.1030–18 AAC 62.1090, 18 AAC 62.1100–18 AAC 62.1160, 18 AAC 62.1210–18 AAC 62.1280 effective June 1, 2025.

In the discussion below, the EPA also identifies State hazardous waste requirements that are more stringent or broader in scope.

Alaska Program Provisions That Are More Stringent or Broader in Scope Than the Federal Program

1. More Stringent Provisions

The EPA considers the following Alaska program requirements to be more stringent than the corresponding Federal requirements.

a. Reporting/Notification Requirements

Alaska’s hazardous waste regulations include additional State reporting and notification requirements, which are not part of the Federal program. Specifically, Alaska requires annual notification for the following handler

categories: (1) Small Quantity Generators (SQGs); (2) Large Quantity Generators (LQGs); and (3) Transporters. These reporting requirements are described in 18 AAC 62.301(a)(2), 18 AAC 62.430, and 18 AAC 62.840(b).

b. Statistical Analysis of Groundwater Monitoring

Alaska adopted by reference the EPA’s 2009 Statistical Analysis of Groundwater Monitoring Data at RCRA Facilities—Unified Guidance (EPA 530–F–09–007) in 18 AAC 62.525(b). In some circumstances this Unified Guidance is more specific regarding the statistical analysis that must be applied to a particular data set, which makes the State’s adoption of the Unified Guidance as a regulatory requirement more stringent than the Federal regulations in these situations.

c. Standards for Corrective Action

18 AAC 62.527 requires that corrective action for a release from a solid waste management unit must satisfy requirements for the corrective action program under 18 AAC 62.525 and the State requirements under the Contaminated Sites Program in 18 AAC 75.300–18 AAC 75.396. These additional State regulations include specific procedural requirements for cleanup that are not required by the Federal program, and, in some cases, the State program includes more stringent cleanup standards for contaminants in soil and groundwater (18 AAC 75.340–75.345). Where soil or groundwater cleanup standards differ between State cleanup standards and RCRA-state hazardous waste program requirements, the more stringent of the standards

applies (18 AAC 62.527 and 18 AAC 62.630). Alaska's regulations at 18 AAC 62.850(b) also require that if closure and post-closure requirements in 40 CFR part 267, subpart F includes corrective action requirements, the facility owner/operator must also comply with 18 AAC 62.527.

2. Broader in Scope Provisions

The EPA considers the following Alaska program requirements to be broader in scope than the Federal requirements.

a. Alaska-Specific Siting Requirements

18 AAC 63—Siting of Hazardous Waste Management Facilities creates specific location requirements and a public participation process that facilities must adhere to prior to receiving a permit for a new TSDF, in addition to other requirements. Some of the requirements within 18 AAC 63 are not addressed in the Federal regulations in 40 CFR 264.18 and are thus considered broader in scope. 18 AAC 62.1010 (Siting of hazardous waste management facilities) says for new facilities, not fewer than 365 days before the construction of a facility requiring a permit, the owner or operator must initiate the requirements of 18 AAC 63; 18 AAC 63.020 identifies pre-application requirements for siting approval; and 18 AAC 63.030 identifies application requirements for siting approval. 18 AAC 63.040 (Location Requirements) establishes minimum setback requirements for hazardous waste management facilities with regard to nearby land use and 18 AAC 63.050 identifies State financial assurance and compliance history siting approval requirements.

F. Universal Waste: Electronic Items Added

Alaska's regulations at 18 AAC 62.205, 1110, 1135, and 1390 add electronic waste as a universal waste stream, which Alaska maintains will result in streamlined handling requirements if the electronic waste is properly recycled. The State has defined "electronic waste" as "a device that contains one or more circuit boards or other complex circuitry, including computer components, laptops, central processing units, mice, keyboards, monitors, cellular telephones, audio or video devices, and copy machines; electronic waste includes components, subassemblies, or other parts derived from the disassembly of electronic items. It does not include refrigerators, freezers, stoves, dishwashers, washers, or dryers." 18 AAC 62.1390(c)(2). Thus, electronic waste managed under the

universal waste regulations is exempt from the State's standard hazardous waste requirements. Electronic waste that is not a characteristic hazardous waste as determined by a toxicity characteristic leaching procedure (TCLP) performed on that specific item or model by the generator or manufacturer, or other documentation provided by the manufacturer and approved by the EPA or Alaska, may be managed as solid waste as set out under the State Solid Waste Management regulations (18 AAC 60).

The EPA notes that Alaska will manage electronic waste as universal waste without adopting 40 CFR part 273 subpart G (Petitions to Include Other Wastes Under 40 CFR part 273). The EPA acknowledges that the State may adopt electronic waste as State-only universal waste without adopting 40 CFR part 273 subpart G as the State regulations as of June 1, 2025, provide Alaska with the authority to evaluate proposed State-only universal waste streams under factors that are analogous to the factors in 40 CFR 273.81.

G. Federal Regulations Alaska Is Not Adopting in This Final Authorization

Alaska did not adopt and is not seeking authorization of the following Federal regulations. Implementation and enforcement of these regulations will remain with the EPA:

- a. 40 CFR part 260 subpart C—Rulemaking Petitions.
- b. 40 CFR part 273 subpart G—Petitions to Include Other Wastes Under 40 CFR part 273.

Alaska has not adopted the Federal regulation for the Management of Certain Hydrofluorocarbons and Substitutes at 40 CFR part 266 subpart Q (89 FR 82682, October 11, 2024). Currently authorized states are not required to seek authorization for this provision until July 1, 2027.

H. How will the State enforce compliance with the rules?

RCRA section 3006(b) requires that the State provide adequate enforcement of compliance with the hazardous waste requirements to receive authorization. The EPA has determined that Alaska can adequately enforce compliance with its hazardous waste regulations. Alaska's enforcement authorities include the power to issue, modify, suspend, or revoke permits; collect information and enter and inspect the premises of persons who handle hazardous waste; assess administrative penalties or initiate action in court for penalties or injunctive relief; issue abatement and corrective action orders; and pursue criminal violations. Alaska's

enforcement provisions are located at Alaska Statutes (AS) 46.03.020 *et seq.* (2024).

Who handles permits after this authorization takes effect?

Alaska will issue permits for all the provisions for which it is authorized and will administer and enforce the permits it issues. The EPA will continue to administer any RCRA hazardous waste permits or portions of permits which the EPA issued prior to the effective date of this authorization until such permits expire or are terminated. When Alaska either incorporates the terms and conditions of the Federal permits into State RCRA permits or issues State RCRA permits to those facilities, the EPA will terminate those previously issued EPA permits and rely on the State RCRA permits. The EPA will not issue any new permits or new portions of permits for the authorized provisions after the effective date of this authorization. The EPA will implement State oversight of permits through review and comment on State permits as appropriate, such comments may be incorporated into the permit by the State. The EPA will continue to oversee and issue permits for HSWA requirements for which Alaska is not yet authorized.

II. Analysis

A. The EPA Review of State Hazardous Waste Program Submission

On February 24, 2026, the State submitted an application consisting of a letter from the Governor, a State hazardous waste program description, an Attorney General's statement and copies of applicable State statutes and regulations (amended on March 24, 2026), a Memorandum of Agreement (MOA, amended July 28, 2026), and a showing of the State's public participation activities prior to program submission to the EPA. Per 40 CFR 271.5(b), the EPA must notify the State whether its submission is complete within 30 days of receipt of a state program submission. On March 25, 2026, the EPA determined Alaska submitted required elements of a program submission consistent with 40 CFR 271.5 and the submission was complete.

In accordance with the process described in RCRA section 3006 and 40 CFR part 271, the EPA has reviewed Alaska's final program submission for equivalency with the Federal program; consistency with the Federal program and state programs applicable in other states; and, for adequate enforcement of compliance with RCRA requirements.

The EPA determines that the State program is equivalent to the Federal program; consistent with the Federal program and state programs applicable in other states; and, adequate for enforcement. The EPA also evaluated where the State is more stringent or broader in scope compared to the Federal program. The State has identified some areas in its statutes and regulations where it is broader in scope or more stringent than the EPA. While the State identified a few differences in approach, the EPA's final determination is the State program is at least equivalent to the Federal program and includes State regulations which are more stringent than the Federal regulations and certain State requirements which are broader in scope than the Federal program.

The EPA received four written comments during the May 14 through July 2, 2026, public comment period. The EPA considered all the points raised in the comments and concluded that the comments do not provide reason for the EPA to deny or delay the final authorization of Alaska's hazardous waste program or to modify the approval. The EPA summarizes significant comments and the EPA's responses in section I.B. of this document.

B. How would authorization affect Indian country and areas of exclusive Federal jurisdiction?

The EPA acknowledges that Alaska does not assert State hazardous waste program authority over Indian country, as defined in Federal statute (18 U.S.C. 1151); Alaska does not seek State hazardous waste program authority over Indian lands under 40 CFR 271.1(h) and 271.7(b). Once final authorization is effective, the EPA Region 10 will continue to implement the Federal RCRA Subtitle C program in Indian country in the State of Alaska. Alaska has no authority to implement a State hazardous waste program in lieu of the Federal program in Indian country.

The EPA retains jurisdiction, authority, and responsibility for the implementation of the Federal Program in Indian country as defined by 18 U.S.C. 1151 and areas of exclusive Federal jurisdiction within the State of Alaska. Once final authorization is effective, the State will be authorized to carry out its hazardous waste program in lieu of the Federal program consistent with RCRA except in Indian country (as defined by 18 U.S.C. 1151) or in areas of exclusive Federal jurisdiction. Within the State of Alaska, the EPA maintains full authority and responsibility for the implementation of RCRA in Indian

country and in areas of exclusive Federal jurisdiction. In these areas, the EPA will continue to implement the Federal hazardous waste program. For example, the Alaska Statehood Act section 11 acknowledges the United States retains exclusive jurisdiction over Denali National Park.

C. What is codification and will the EPA codify Alaska's hazardous waste program if authorized in a final action?

Codification is the process of placing citations and references to the State's statutes and regulations that comprise the State's authorized hazardous waste program into the Code of Federal Regulations. The EPA does this by adding those citations and references to the authorized State rules in 40 CFR part 272. The EPA is not codifying Alaska's hazardous waste program at this time. However, the EPA reserves the ability to amend 40 CFR part 272 subpart C for the authorization of Alaska's program changes at a later date. Alaska's hazardous waste regulations are found at 18 AAC 62.

III. Statutory and Executive Order Reviews

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

A. Paperwork Reduction Act (PRA)

This final authorization does not impose an information collection burden under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*)

B. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action will not impose any requirements on small entities beyond those already imposed by State law. The final program authorization does not create any new requirements and does not directly regulate any entities.

C. Unfunded Mandates Reform Act (UMRA)

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

D. National Technology Transfer and Advancement Act (NTTAA)

This final action does not involve technical standards.

List of Subjects in 40 CFR Part 271

Environmental protection, Administrative practice and procedure, Confidential business information, Hazardous materials transportation, Hazardous waste, Indian lands, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements.

Authority

Sections 2002(a), 3006 and 7004(b) of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6912(a), 6926, 6974(b).

Dated: July 31, 2026.

Emma Pokon,

Regional Administrator, Region 10.

[FR Doc. 2026–15984 Filed 8–5–26; 8:45 am]

BILLING CODE 6560–50–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 300

[RTID 0648–XF926; Docket No. 260611–0141]

Pacific Halibut Fisheries of the West Coast; Inseason Action for the 2026 Area 2A Pacific Halibut Directed Commercial Fishery

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

ACTION: Temporary rule; inseason adjustment.

SUMMARY: NMFS announces an inseason action for the 2026 Pacific halibut non-Tribal directed commercial fishery in the International Pacific Halibut Commission's (IPHC) regulatory Area 2A. This action adds a fishing period, August 18 through August 20, 2026, with a fishing period catch limit of 5,000 pounds (lb) (2.27 metric tons (mt)) per vessel, dressed weight. This action is intended to provide additional opportunity for the fleet to achieve the 2026 non-Tribal directed commercial fishery allocation.

DATES: This rule is effective August 18, 2026, through August 20, 2026.

FOR FURTHER INFORMATION CONTACT: Louis Forristall, West Coast Region, NMFS, (503) 230–5410, louis.forristall@noaa.gov.

SUPPLEMENTARY INFORMATION:

Background

On June 16, 2026, NMFS published a final rule implementing fishing periods (*i.e.*, season dates) and fishing period limits (*i.e.*, vessel catch limits) for the IPHC Area 2A Pacific halibut non-Tribal directed commercial fishery that operates south of Point Chehalis, WA, lat. 46°53.30' N (91 FR 36094). The Area 2A non-Tribal directed commercial fishery allocation for 2026 is 261,211 lb (118 mt), net weight (*i.e.*, the weight of Pacific halibut that is without gills and entrails, head off, washed, and without ice and slime) (91 FR 14464, March 25, 2026).

The initial fishing periods for the 2026 fishery occurred June 23–25 and July 7–9, 2026, with fishing period limits ranging from 2,000 to 5,000 lb (0.907 to 2.268 mt), varying by vessel size class. A third fishing period was added through an inseason action on July 20, 2026 (91 FR 45224), and occurred between July 21 and 23, 2026. Landings information to date indicates that sufficient allocation remains to warrant another additional fishing period. Approximately 157,617 lb (71 mt), net weight, have been harvested of the 261,211 lb (118 mt) allocation (60 percent), through August 3, 2026, leaving 103,594 lb (47 mt) remaining (40 percent).

NMFS is implementing an additional fishing period not previously implemented in the final rule on June 16, 2026 (91 FR 36094), in accordance with 50 CFR 300.63(e)(1)(iii). Pursuant to the final rule for the 2026 fishery, fishing period limits for any additional fishing period(s) implemented through inseason action will be equal across vessel size classes and developed based on the estimated remaining allocation to date, projected participation, and catch rates for the additional fishing period.

NMFS has determined that the following inseason action is necessary to meet the management objective of attaining the non-Tribal directed commercial fishery's 2026 allocation, not anticipated to risk exceeding the allocation, and consistent with the inseason management provisions at 50 CFR 300.63(e)(1)(iii).

Inseason Action

This inseason action implements an additional fishing period, beginning August 18, 2026, at 8 a.m. Pacific Daylight Time (PDT) and ending on August 20, at 6 p.m. PDT. This inseason action also implements a fishing period catch limit of 5,000 lb (2.27 mt) per vessel, dressed weight (head on, with ice and slime), for all vessel size classes, during this fishing period.

On July 31, 2026, notice of this inseason action was sent via email notification directly to the affected public.

Classification

NMFS issues this action pursuant to the Northern Pacific Halibut Act of 1982. This action is taken under the regulatory authority at 50 CFR 300.63(e)(1)(iii) and is exempt from review under Executive Order 12866.

Pursuant to 5 U.S.C. 553(b)(3)(B), there is good cause to waive prior notice and an opportunity for public comment on this action, as notice and comment would be impracticable and contrary to the public interest. There is good cause to waive prior notice and an opportunity for public comment on this inseason action because the public had an opportunity to comment on the final rule implementing the 2026 non-Tribal directed commercial Pacific halibut fishery in Area 2A. The final rule specifically provided that additional fishing periods and fishing period limits may be set through inseason action during the 2026 fishing season, in accordance with 50 CFR 300.63(e)(1)(iii), if another fishing period(s) is deemed necessary to attain the 2026 allocation. The final rule further specified that NMFS would open a fourth 58-hour fishing period on August 18, 2026, at 8 a.m. PDT that would close on August 20, 2026, at 6 p.m. PDT, through inseason action, if a fourth fishing period is necessary to reach the allocation. The final rule for the 2026 non-Tribal directed commercial fishery was subject to notice and comment rulemaking. Therefore, the public had specific notice and an opportunity to comment on NMFS' intent to implement inseason action to open this fourth fishing period for the non-Tribal directed commercial fishery during that rulemaking process.

Second, the California, Oregon, and Washington Departments of Fish and Wildlife provide estimated harvest data to NMFS in season, tracking the estimated catch of Pacific halibut within the fishery to date. As of August 3, 2026, the Area 2A non-Tribal directed commercial fishery caught an estimated 60 percent of the fishery's 2026 allocation. NMFS uses current fishery harvest and participation estimates, and fishing period catches from prior years, to determine whether additional fishing periods are necessary to reach the fishery's annual allocation, and to set fishing period limits for any additional fishing periods set through inseason action. Given that harvest in the first three fishing periods for the 2026 fishery is estimated to be below the

allocation, a fourth fishing period is considered necessary to maximize the opportunity and likelihood that the fishery will attain its 2026 allocation.

The final rule implementing the 2026 fishing season sets the regulated public's expectations for both the initial and additional fishing periods for the fishery by setting a prescribed schedule in the final rule (91 FR 36094, June 16, 2026). The regulated public needs sufficient time to plan for additional fishing periods and makes business planning decisions for the 2026 season, accordingly. The annual directed commercial fishing season for Pacific halibut in Area 2A is relatively short and occurs primarily during the summer months. As such, implementing this action through proposed and final rulemaking would limit the benefit this action would provide to fishery participants and there is good cause to waive notice and comment rulemaking under 5 U.S.C. 553(b)(3)(B). Specifically, delaying this inseason action for notice and comment rulemaking would be impracticable and contrary to the public interest because it would limit the rule's ability to create meaningful opportunity for the fishery to achieve its 2026 allocation. Without implementation of an additional fishing period, the fishery allocation would not be reached. This would eliminate economic benefits for fishery participants and be inconsistent with the goals of the Catch Sharing Plan. Finally, no aspect of this action is controversial, and changes of this nature were anticipated in the process described in regulations at 50 CFR 300.63(e)(1)(iii) and in the final rule (91 FR 36094, June 16, 2026).

NMFS has also determined that the 30-day delay in the date of effectiveness required by 5 U.S.C. 553(d) does not apply to this inseason action because this action relieves a restriction on the fishery and there is good cause to waive the requirement pursuant to 5 U.S.C. 553(d)(1) and (d)(3), respectively.

The 30-day delay in effective date requirement pursuant to 5 U.S.C. 553(d)(1) does not apply to this inseason action because this inseason action relieves a restriction by allowing participants to fish on the additional fishing dates outlined in the final rule. Waiving the 30-day delay in effectiveness thus provides additional opportunity for commercial Pacific halibut fishermen to harvest Pacific halibut and increases the likelihood of full utilization of the 2026 allocations in Area 2A.

Additionally, there is good cause pursuant to 5 U.S.C. 553(d)(3) to establish an effective date less than 30

days after the date of publication, as a delay in effectiveness of this action would: (1) constrain fishing opportunity; (2) be inconsistent with the goals of the Catch Sharing Plan; and (3) potentially limit the economic opportunity intended by this rule to the associated fishing communities. NMFS regulations allow for implementing additional fishing periods and setting period limits for the directed commercial fishery inseason in order to provide opportunity for the fishery to achieve its annual allocation, so long as this additional fishing will not result in exceeding the catch limit for the fishery. NMFS recently received landings data for the non-Tribal directed commercial fishery, that indicates that an additional fishing period is necessary to ensure optimal harvest of the allocation. The non-Tribal directed commercial fishery's season is limited. Thus, timely action to implement additional fishing periods is necessary to achieve the allocation. It is therefore in the public interest that this action is not delayed, because a delay in the effectiveness of this additional fishing period could prevent the allocation objectives of the Area 2A Pacific halibut non-Tribal directed commercial fishery from being met.

Authority: 16 U.S.C. 773–773k.

Dated: August 4, 2026.

Shannon Bettridge,

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

[FR Doc. 2026–16077 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 660

[Docket No. 260717–0173]

RIN 0648–BO02

Magnuson-Stevens Act Provisions; Fisheries Off West Coast States; Pacific Coast Groundfish Fishery; Pacific Coast Groundfish Fishery Management Plan; Amendment 36; Limited Entry Fixed Gear Follow-On Actions; Correction

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

ACTION: Final rule; correction.

SUMMARY: NMFS corrects the final rule published on July 22, 2026 to implement Amendment 36 to the Pacific

Coast Groundfish Fishery Management Plan (91 FR 46000). The final rule inadvertently omitted portions of three amendatory instructions. This correction fixes the omissions.

DATES: Effective on August 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Megan Mackey, 206–526–6140,

megan.mackey@noaa.gov.

SUPPLEMENTARY INFORMATION: In the final rule to implement Amendment 36 to the Pacific Coast Groundfish Fishery Management Plan (Groundfish FMP) (91 FR 46000, July 22, 2026), NMFS mistakenly omitted portions of three amendatory instructions: 2.b., 11., and 24.e. These omissions include one set of asterisks, italics, and one subparagraph numeral in the regulatory text, among others. This action corrects these omissions to the amendatory instructions and ensures the regulations are consistent with the intent of the final rule to implement Amendment 36 to the Groundfish FMP.

Corrections

In the FR Doc. 2026–14790, published July 22, 2026, at 91 FR 46000, the following corrections are made.

1. On page 46004, in the second column, the amendatory instruction of 2.b. is corrected to read as follows: “Revising the paragraph heading in paragraph (1)(iv)(B) of the definition of “Conservation area(s)”.

2. The regulatory text that is being revised by amendatory instruction 2.b. is also corrected to add three asterisks after the paragraph heading so that it reads as follows: “(B) *Non-Trawl (Limited Entry Non-Trawl and Open Access Non-Trawl Gears) RCAs. * * **”.

3. On page 46006, in the second column, the amendatory instruction of 11. is corrected to read as follows: “Amend § 660.55 by removing the words “fixed gear” and “*fixed gear*” wherever they appear, and adding in their place “non-trawl” and “*non-trawl*”, respectively.”

4. On page 46008, in the first column, the amendatory instruction of 24.e. is corrected to read as follows: “Revising newly redesignated paragraph (b)(2) and newly redesignated paragraph (b)(5) introductory text;”.

5. On page 46011, in the first column, the regulatory text is corrected to add the following: “(ii) [Reserved]” directly following the end of paragraph § 660.231(c)(7)(i)(C)(3).

Dated: August 4, 2026.

Shannon Bettridge,

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

[FR Doc. 2026–16049 Filed 8–4–26; 4:15 pm]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No. 260615–0143; RTID 0648–XF878]

Fisheries of the Exclusive Economic Zone Off Alaska; Commercial Salmon Fishing in the Cook Inlet EEZ Area

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

ACTION: Temporary rule; closure.

SUMMARY: NMFS is prohibiting commercial fishing for salmon in the Cook Inlet exclusive economic zone (EEZ) Area. This action is necessary to prevent exceeding the 2026 total allowable catch (TAC) of the aggregate coho salmon stock complex in the Cook Inlet EEZ Area.

DATES: Effective 0700 hours, Alaska local time (A.l.t.), August 5, 2026, through 1900 hours, A.l.t., August 15, 2026.

FOR FURTHER INFORMATION CONTACT:

Adam Zaleski, 907–586–7228.

SUPPLEMENTARY INFORMATION: NMFS manages the Cook Inlet EEZ Area according to the Fishery Management Plan for the Salmon Fisheries in the EEZ off Alaska (Salmon FMP). The intended effect of this action is to conserve and manage the salmon resources in the Cook Inlet EEZ Area in accordance with the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). Regulations governing fishing by U.S. vessels in accordance with the Salmon FMP appear at subpart H of 50 CFR part 600 and 50 CFR part 679.

The 2026 aggregate coho salmon stock complex TAC for the salmon fishery in the Cook Inlet EEZ Area is 16,619 fish as established by the final 2026 harvest specifications for salmon in the Cook Inlet EEZ Area (91 FR 36761, June 18, 2026).

In accordance with § 679.118(c)(1)(i), the Regional Administrator, Alaska Region, NMFS (Regional Administrator) has determined that the 2026 aggregate coho salmon stock complex TAC may be or has been reached. Consequently, NMFS is prohibiting commercial fishing for all salmon species in the Cook Inlet EEZ Area to prevent exceeding the aggregate coho salmon stock complex TAC. It is necessary to close commercial fishing for all salmon species because the commercial fishery harvests mixed

stocks of salmon but cannot target specific stocks and the harvest of the aggregate coho salmon stock complex is therefore unavoidable. If commercial salmon fishing in the Cook Inlet EEZ Area continued, the aggregate coho salmon stock complex would be harvested in conjunction with other salmon species in the Cook Inlet EEZ Area and the aggregate coho salmon stock complex TAC would be exceeded.

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is required by 50 CFR 679.118(c)(1)(i), which was issued pursuant to section 304(c) of the Magnuson-Stevens Act, and is exempt

from review under Executive Order 12866.

Pursuant to 5 U.S.C. 553(b)(B), there is good cause to waive prior notice and an opportunity for public comment on this action, as notice and comment would be impracticable and contrary to the public interest, as it would prevent NMFS from responding to the most recent fisheries data on salmon catch in a timely fashion, and would delay the closure of the commercial fishery for salmon in the Cook Inlet EEZ Area. Any delay in the closure of the commercial fishery for salmon could result in the fishery exceeding the 2026 aggregate coho salmon stock complex TAC. NMFS was unable to publish a notice providing time for public comment

because the most recent, relevant data on the commercial harvest of salmon in the Cook Inlet EEZ Area only became available as of July 31, 2026.

There is good cause under 5 U.S.C. 553(d)(3) to establish an effective date less than 30 days after date of publication. This finding is based upon the reasons provided above for waiver of prior notice and opportunity for public comment.

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

Dated: August 3, 2026.

Shannon Bettridge,
Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026-15989 Filed 8-4-26; 4:15 pm]

BILLING CODE 3510-22-P

Proposed Rules

Federal Register

Vol. 91, No. 150

Thursday, August 6, 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.

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 337

RIN 3064–AG26

Extensions of Credit to Insiders

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is proposing to increase quantitative thresholds for certain extensions of credit to insiders of FDIC-supervised institutions, as restricted by the Federal Reserve Act and regulations promulgated thereunder. Specifically, the proposal would increase the thresholds for certain extensions of credit to executive officers not otherwise specifically authorized by statute from \$100,000 to \$400,000; and extensions of credit to insiders requiring prior approval by the board of directors from \$500,000 to \$2,000,000. The proposal would also establish an indexing methodology to periodically update such thresholds over time.

DATES: Comments must be received on or before October 5, 2026.

ADDRESSES: Comments should be directed to the FDIC as follows:

You may submit comments to the FDIC, identified by RIN 3064–AG26, by any of the following methods:

- **FDIC website:** <https://www.fdic.gov/federal-register-publications>. Follow instructions for submitting comments on the agency website.

- **Email:** Comments@fdic.gov. Include RIN 3064–AG26 in the subject line of the message.

- **Mail:** Jennifer M. Jones, Deputy Executive Secretary, Attention: Comments—RIN 3064–AG26, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

- **Hand Delivery to FDIC:** Comments may be hand-delivered to the guard station at the rear of the 550 17th Street NW building (located on F Street) on business days between 7 a.m. and 5 p.m.

- **Public Inspection:** Comments received, including any personal information provided, may be posted without change to <https://www.fdic.gov/federal-register-publications>. Commenters should submit only information that the commenter wishes to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC 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. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of the proposed rule will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

Follow the search instructions on <https://www.regulations.gov> to view public comments.

This proposal, all comments received, and a summary of not more than 100 words of the proposed rule pursuant to the Providing Accountability Through Transparency Act of 2023 are available at <https://www.fdic.gov/resources/regulations/federal-register-publications/>.

FOR FURTHER INFORMATION CONTACT:

Division of Risk Management Supervision: Peter A. Martino, Senior Examination Specialist, 813–390–8508, PMartino@fdic.gov; Ryan C. Senegal, Chief, Examination Support Section, 980–249–3863, RSenegal@fdic.gov. Legal Division: Gregory S. Feder, Counsel, 202–898–8724, GFeder@fdic.gov; Shane M. Bogusz, Senior Attorney, 571–366–0212, SBogusz@fdic.gov.

SUPPLEMENTARY INFORMATION:

I. Background

A. Overview of Sections 22(g) and (h) of the Federal Reserve Act

Sections 22(g) and (h) of the Federal Reserve Act (FRA), which are codified at 12 U.S.C. 375a and 375b respectively, restrict extensions of credit by banks that are members of the Federal Reserve

System (member banks) to executive officers, directors, principal shareholders, and related interests of such persons (collectively, insiders).¹ Section 18(j)(2) of the Federal Deposit Insurance Act (FDI Act) provides that sections 22(g) and (h) shall apply to every insured bank that is not a member of the Federal Reserve System (nonmember insured bank)² in the same manner and to the same extent as if the nonmember insured bank were a member bank.³ Sections 22(g) and (h) provide the Board of Governors of the Federal Reserve System (Federal Reserve Board) general rulemaking authority. The Federal Reserve Board has implemented sections 22(g) and (h) through Regulation O, 12 CFR part 215.⁴ Sections 22(g) and (h) also provide the FDIC limited rulemaking authority, as described below.

In general, under section 22(g)(1) of the FRA, no member bank may extend credit in any manner to any of its own executive officers, and no executive officer of any member bank may become

¹ “Insider” is defined in the proposal to include executive officers, directors, principal shareholders, and any of their related interests. “Executive officer” currently is defined to include employees with certain enumerated titles as well as persons who participate or have the authority to participate (other than in the capacity of a director) in the major policymaking functions of a company or IDI, regardless of title. The Federal Reserve Board’s proposal (discussed in section II of this **SUPPLEMENTARY INFORMATION**) would remove “every vice president”, “the cashier”, and “the secretary” to modernize a list that has not changed since 1935 although the nature of those positions has changed. The chief executive officer, chief financial officer, chief lending officer, and chief investment officer would be added to the list, and it is likely that people with these titles already are being treated as executive officers.

² In reviewing relevant legislative and regulatory history, this **SUPPLEMENTARY INFORMATION** utilizes terms—e.g., nonmember insured bank, State nonmember bank—as they are employed in the subject legislation or regulation. However, the institutions directly affected by this proposal are those for which the FDIC is the appropriate Federal banking agency, namely (1) any State nonmember insured bank, (2) any foreign bank having an insured branch, and (3) any State savings association. See 12 CFR 337.3(d) (providing that the FDIC’s restrictions on extensions of credit to insiders apply to all institutions for which the FDIC is the appropriate Federal banking agency under the FDI Act); 12 U.S.C. 1813(q)(2) (defining “appropriate Federal banking agency”).

³ 12 U.S.C. 1828(j)(2). Under section 11(b) of the Home Owners’ Loan Act, 12 U.S.C. 1468(b), sections 22(g) and (h) of the Federal Reserve Act, 12 U.S.C. 375a, 375b, apply to savings associations in the same manner and to the same extent as to member banks.

⁴ 12 U.S.C. 375a and 375b; 12 CFR part 215.

indebted to that member bank, except by means of an extension of credit which the bank⁵ is authorized to make under that section.⁶ Notwithstanding this general prohibition, the statute authorizes member banks to make certain extensions of credit to executive officers, including certain mortgage loans and educational loans.⁷ In addition, section 22(g)(4) provides for a general limitation on the amount of credit under which a member bank may make extensions of credit not otherwise specifically authorized under the statute to any executive officer of the bank “in an amount prescribed in a regulation of the member bank’s appropriate Federal banking agency.”⁸

Furthermore, in general, under section 22(h)(1) of the FRA, no member bank may extend credit to any of the bank’s insiders except to the extent permitted by subsequent provisions of the statute. One such exception allows a bank to extend credit to an insider above a certain aggregate dollar threshold upon the approval of the bank’s board of directors of the extension of credit.⁹ In particular, section 22(h)(3) provides that a member bank may extend credit to an insider in an amount that, when aggregated with the amount of all other outstanding extensions of credit by the bank to the person and that person’s related interests, would “exceed an amount prescribed by regulation of the appropriate Federal banking agency” only if: (1) the extension of credit has been approved in advance by a majority vote of that bank’s entire board of directors; and (2) the interested party has abstained from participating, directly or indirectly, in the deliberations or voting on the extension of credit.¹⁰

Under 12 U.S.C. 375b(3), “appropriate Federal banking agency” is defined to have the same meaning as that term has in 12 U.S.C. 1813. Under 12 U.S.C. 1813, “appropriate federal banking agency” is defined to mean the FDIC in the case of (1) any State nonmember insured bank; (2) any foreign bank having an insured branch; and (3) any State savings association.¹¹

⁵ This SUPPLEMENTARY INFORMATION uses the term “bank” to refer generally to insured depository institutions that are subject to sections 22(g) and (h) of the FRA.

⁶ 12 U.S.C. 375a(1).

⁷ 12 U.S.C. 375a(2), (3), (5).

⁸ 12 U.S.C. 375a(4).

⁹ 12 U.S.C. 375b(3).

¹⁰ *Id.*

¹¹ While 12 U.S.C. 375a does not include a definition for “appropriate Federal banking agency” by cross-reference to 12 U.S.C. 1813, it is appropriate to apply the same definition to 12 U.S.C. 375a *in pari materia*.

B. Overview of 12 CFR Part 337.3

In 1975, the FDIC added, pursuant to notice and comment rulemaking, a new § 337.3 to its regulations to require that State nonmember banks establish procedures and maintain records to ensure that bank boards of directors supervise transactions with insiders effectively, and from which FDIC examiners would be able to analyze insider transactions during examinations.¹² Boards of directors were required to review and approve insider transactions involving assets or services that had a fair market value greater than a specified amount that varied based on the size of the bank.¹³ Certain transactions were expressly excluded from the scope of § 337.3: deposit account activities (other than the payment of interest on time deposits in amounts of \$100,000 or more); safekeeping transactions; credit card transactions; and activities undertaken in the capacity of securities transfer agent or municipal securities dealer. Shortly thereafter, in response to questions that arose after finalizing the rule, the FDIC adopted amendments intended to clarify the FDIC’s policy on insider transactions.¹⁴

With the enactment of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRIRCA),¹⁵ Congress added section 22(h) to the FRA.¹⁶ As a result, the FDIC rescinded § 337.3 because (1) FIRIRCA made the regulation unnecessary insofar as the statute related to loans and other extensions of credit and (2) the FDIC intended to deal with insider transactions other than loans on a supervisory basis.¹⁷

In 1982, Congress enacted the Garn-St. Germain Depository Institutions Act of 1982 (Garn-St. Germain Act).¹⁸ Specifically, the Garn-St. Germain Act amended section 22(g) of the FRA by striking the \$10,000 limitation on loans by a member bank to its executive

¹² See 41 FR 8946 (Mar. 2, 1976).

¹³ Insider transactions required review and approval if they had a fair market value of more than \$20,000 if the bank had not more than \$100 million in total assets; \$50,000, if the bank had more than \$100 million and not more than \$500 million in total assets; or \$100,000 if the bank had more than \$500 million in total assets. See *id.* at 8948–49.

¹⁴ See, e.g., 41 FR 18405 (May 4, 1976).

¹⁵ Public Law 95–630, 92 Stat. 3641 (Nov. 10, 1978).

¹⁶ FIRIRCA, section 104, 92 Stat. 3644. Section 108 of FIRIRCA made the provisions of section 22(h) applicable “to every nonmember insured bank in the same manner and to the same extent as if such nonmember insured bank were a State member bank.”

¹⁷ 44 FR 18000 (Mar. 26, 1979).

¹⁸ See Public Law 97–320, 96 Stat. 1469 (1982); see also 47 FR 49347 (Nov. 1, 1982).

officer for purposes other than a residential mortgage or education of the officer’s children and amended section 22(h) of the FRA by striking the aggregate limit of \$25,000 beyond which a loan to an executive officer, director, or principal shareholder of a bank must be approved in advance by a disinterested majority of the bank’s entire board of directors. Instead, the Garn-St. Germain Act authorized the appropriate Federal banking agencies to prescribe new limits by regulation.¹⁹

In 1982, in response to the Garn-St. Germain Act, the FDIC adopted a new regulation promulgated at § 337.3, which provided that insured nonmember banks could make extensions of credit to insiders or their related interests exceeding \$25,000 only with the prior approval of a majority of disinterested members of the board of directors.²⁰ At the same time, the FDIC clarified that, aside from certain provisions that applied only to member banks, Regulation O would apply to insured nonmember banks to the same extent and in the same manner as if they were member banks.²¹

In 1983, the \$25,000 threshold was revised to a threshold that depended, in part, on the institution’s capital and unimpaired surplus.²² The FDIC reasoned that a sliding scale would more closely align the prior approval requirement to the capital levels of a given institution. The adjusted threshold provided that prior approval was required for aggregate extensions of credit that exceeded the greater of \$25,000 or 5 percent of the bank’s capital and unimpaired surplus. Prior approval was required, in any event, if the aggregate extension of credit exceeded \$500,000. Accordingly, even banks with very low levels of capital and unimpaired surplus could extend credit up to \$25,000 without prior board approval. In contrast, even banks with very high levels of capital and unimpaired surplus could not extend credit beyond \$500,000 without prior board approval. Despite technical changes to other aspects of § 337.3(b), these thresholds have remained the same since their adoption in 1983.²³

Section 306 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA),²⁴ made section 22(g)

¹⁹ See 12 U.S.C. 375a(4); 375b(2).

²⁰ 47 FR 47002 (Oct. 22, 1982).

²¹ *Id.* at 47003.

²² 48 FR 42969 (Sept. 21, 1983).

²³ See 12 CFR 337.3(b); see also 85 FR 3232 (Jan. 21, 2020) (*inter alia*, including State savings associations within the scope of § 337.3).

²⁴ Public Law 102–42, 306(k), 105 Stat. 2236 (Dec. 19, 1991).

of the FRA applicable to nonmember insured banks in the same manner and to the same extent as if the nonmember insured bank were a member bank. Section 306 also required the FDIC to set maximum limits on the amount a nonmember insured bank could lend to executive officers.²⁵ In 1992, the FDIC amended § 337.3 to extend to insured nonmember banks certain sections of Regulation O that previously had not applied to insured nonmember banks.²⁶

A short time later, the FDIC adopted a new subsection (c) which restricted extensions of credit to executive officers of insured nonmember banks, in a manner consistent with the general prohibition on loans to executive officers set forth in section 22(g) of the FRA. As the appropriate Federal banking agency for insured State nonmember banks, the FDIC established the limits for extensions of credit to an executive officer of the bank for any purpose other than certain education and mortgage loans at an amount that did not, in the aggregate, exceed the higher of 2.5 percent of the bank's capital and unimpaired surplus or \$25,000, but in no event more than \$100,000.²⁷ These limits were the same as those set for member banks in Regulation O. As with § 337.3(b), this methodology scaled the relevant threshold to a bank's levels of capital and unimpaired surplus, while also setting a floor and ceiling for institutions with relatively low and relatively high levels of capital and unimpaired surplus, respectively. Despite subsequent technical changes to other aspects of § 337.3, the thresholds in § 337.3(c)(2) have remained the same since their adoption in 1992.

II. Overview of Proposed Rule

Under sections 22(g) and (h) of the FRA, the FDIC and Federal Reserve Board have issued quantitative thresholds under which the agencies determine compliance with the FRA and Regulation O.

However, many of these thresholds are outdated, and in some cases, have not been revised in over 40 years. As

relevant here, the Federal Reserve Board last revised the thresholds for loans to executive officers not otherwise specifically authorized under section 22(g) and for extensions of credit to insiders requiring prior approval by the board of directors under section 22(h) in 1983.²⁹ These outdated thresholds not only fail to reflect current market realities but also impose unnecessary regulatory burden on community banks and other institutions supervised by the agencies. Board approval requirements for relatively small extensions of credit may divert the board's attention away from strategic goals and the management of material financial risk. Further, certain limitations on extensions of credit to insiders may unduly impact community banks, because community banks, relative to larger banks, may be more likely to be located in areas where there are few or no other banks in the locality.

In recognition that these regulatory thresholds are misaligned with contemporary markets, on August 4, 2026, the Federal Reserve Board published in the **Federal Register** a notice of proposed rulemaking (FRB NPR) that would update these and other thresholds,³⁰ while also making additional revisions to Regulation O.³¹ In particular, the FRB NPR would increase and streamline the threshold at § 215.4 (b) of Regulation O,³² governing extensions of credit to insiders requiring prior approval by the board of directors, to the lower of 5 percent of the member bank's unimpaired capital and unimpaired surplus or \$2,000,000, up from \$500,000. The FRB NPR would make similar revisions to the threshold at 12 CFR 215.5(c)(4), governing extensions of credit to executive officers not otherwise specifically authorized, to the lower of 2.5 percent of the member bank's unimpaired capital and unimpaired surplus or \$400,000, up from \$100,000.

The FDIC believes it is appropriate to propose new thresholds concerning certain (1) extensions of credit to executive officers not otherwise specifically authorized under section 22(g); and (2) extensions of credit to

insiders requiring prior approval by the board of directors to align its thresholds with those proposed by the FRB.³³

A. One-Time Adjustment to Dollar-Based Thresholds in § 337.3

Consistent with the FRB NPR, the proposed rule would increase the dollar-based limits of the two thresholds in § 337.3 to adjust for economic growth and inflation. Specifically, the proposed rule would increase the threshold for loans to executive officers not otherwise specifically authorized and the threshold for loans to insiders requiring prior approval by the board of directors. The FDIC is proposing to update these thresholds for economic growth and inflation utilizing seasonally adjusted U.S. nominal gross domestic product (nominal GDP),³⁴ comparing the change in nominal GDP between the fourth quarter of 2025 and the fourth quarter of 1994, which is when the FDIC last considered updating one of the relevant thresholds for economic growth and inflation.³⁵ To simplify compliance, the FDIC is proposing to round the resulting figures to simple whole numbers that are multiples of the current thresholds.³⁶ Utilizing this approach for updating these thresholds for changes in inflation and economic growth—which aligns with that proposed in the FRB NPR³⁷—would ensure consistent standards for national, State member, and State nonmember banks.³⁸ This one-time adjustment would increase the threshold for loans to executive officers not otherwise specifically authorized from \$100,000 to \$400,000 and the threshold for loans to insiders requiring

³³ 12 U.S.C. 375a(4); 12 U.S.C. 375b(3). For corresponding thresholds in Regulation O, see 12 CFR 215.5(c)(4) and 215.4(b).

³⁴ Nominal GDP is calculated quarterly by the U.S. Bureau of Economic Analysis. See U.S. Bureau of Economic Analysis, account code: A191RC, Gross Domestic Product [GDP], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>, June 25, 2026.

³⁵ See 59 FR 66666, 66667 (Dec. 28, 1994) (declining to adjust threshold for inflation to ensure that insured State nonmember banks remain "on an equal footing" with State member banks).

³⁶ For example, adjusting for growth in nominal GDP from Q4 1994 to Q4 2025 would entail increasing the thresholds to 421 percent of their current levels (\$31,422.53/7455.29 × 100 = 421). Instead of 421 percent, the FDIC would use a multiplier of 400 percent to ensure that the thresholds are set at round numbers, simplifying compliance.

³⁷ 91 FR 49526.

³⁸ Because the Office of the Comptroller of the Currency's regulations for nationally-chartered banks incorporate Regulation O by reference, see 12 CFR 31.2(a), the thresholds applicable to national banks will be automatically updated if the Federal Reserve Board adopts its proposed changes to Regulation O.

²⁵ *Id.* § 306(m)(2).

²⁶ 57 FR 7647 (Mar. 4, 1992).

²⁷ 57 FR 17847 (Apr. 28, 1992).

²⁸ For executive officers, this restriction operates alongside the restrictions on extensions of credit for insiders without prior board approval. Accordingly, even for extensions of credit to an executive officer authorized by Regulation O, the extension of credit, when aggregated with the institution's other extensions of credit to that insider, must not exceed (1) the greater of \$25,000 or 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus, or (2) \$500,000, unless the extension of credit receives prior approval by a majority of the board of directors with the interested director(s) not participating.

²⁹ See 48 FR 42804 (Sept. 20, 1983).

³⁰ In addition to the thresholds that are the subject of this proposal, the FRB NPR would adjust the thresholds at 12 CFR 215.3(b)(5) and (6); 12 CFR 215.4(b)(1), (b)(2), (d)(2) and (e)(2); 12 CFR 215.5(d)(4); 12 CFR 215.9(b)(1).

³¹ 91 FR 49526 (Aug. 4, 2026).

³² The FRB NPR also would reorganize the provisions of the current Regulation O so the requirements are easier for the practitioner to locate and apply. Citations to the sections of Regulation O in this proposal are to the sections as they currently are published in the Code of Federal Regulations.

prior approval by the board of directors from \$500,000 to \$2,000,000.

Following this adjustment, § 337.3(b) would provide that FDIC-supervised institutions must comply with the prior approval requirements when aggregated extensions of credit to any insider exceed the lower of 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus or \$2,000,000. Section 337.3(c)(2) would provide that loans to executive officers not otherwise specifically authorized shall not exceed, in the aggregate, the lower of 2.5 percent of an FDIC-supervised institution's unimpaired capital and unimpaired surplus or \$400,000.³⁹ The FDIC is proposing to update these thresholds in an effort to reduce regulatory burden and to reflect changing economic conditions since the current thresholds were adopted.

B. Periodic Indexing of Dollar-Based Thresholds by Nominal GDP

The FRB NPR also proposes to automatically update the relevant dollar-based thresholds for real economic growth and inflation on a going-forward basis. To ensure that the dollar-based thresholds applicable to FDIC-supervised institutions continue to align with those applicable to other banks, the FDIC proposes to make the same automatic adjustments to the thresholds in its own regulations.

As noted, considerable time has passed without an adjustment to the dollar-based thresholds for extensions of credit to executive officers not otherwise specifically authorized under section 22(g) and extensions of credit to insiders requiring prior approval by the board of directors under section 22(h). As a result, fixed thresholds have become steadily more restrictive, reducing the effective amount that banks could lend to their insiders, whether as a general matter or without triggering the board approval requirement. While a one-time adjustment to these dollar-based thresholds will reduce burden for banks and restore these thresholds to the effective level intended by Congress, it will not account for future imbalances caused by inflation or real economic growth. To limit the need for future rulemaking, and to provide FDIC-supervised institutions with a more predictable regulatory environment, the

proposal would adopt an indexing methodology to ensure the thresholds keep pace with changing economic conditions.

Consistent with the FRB NPR, the FDIC would update the dollar-based thresholds addressed by this proposal every five years, utilizing nominal GDP.⁴⁰ Every five years following the effective date of the proposed rule, the FDIC would publish in the **Federal Register** (1) the ratio of nominal GDP at the time of the last adjustment to nominal GDP five years later and (2) the resulting updated thresholds. To simplify compliance, the FDIC would round each threshold in the thousands to the nearest number with one significant digit; and would round each threshold in the millions to the nearest number with two significant digits. To address concerns about procyclicality during a prolonged period of economic contraction, the proposal does not call for an adjustment if nominal GDP declines during the intervening five years between scheduled updates. Providing updates every five years will avoid the burden associated with frequent changes to regulatory requirements while still ensuring that the thresholds do not become significantly misaligned with economic conditions over time. By striking this balance on the frequency of adjustments and by providing transparency and predictability on the nature of those adjustments, the FDIC expects that the proposal will produce a more durable regulatory framework that appropriately adapts to changing economic conditions.

Because this approach for future indexing of these thresholds is consistent with that recently proposed in the FRB NPR,⁴¹ the FDIC's proposal would ensure that restrictions on extensions of credit to bank insiders do not vary based on a bank's primary federal regulator.

C. Streamlining the Calculation of Applicable Thresholds

Under Regulation O and the FDIC's associated regulations, the federal banking agencies currently utilize a three-pronged approach for the calculation of the applicable threshold above which (1) a bank cannot, in the aggregate, extend further credit to an executive officer, and (2) a bank must obtain approval from a majority of disinterested board members for an

extension of credit to an insider. Those three prongs are a dollar-based minimum threshold, a sliding scale based on the size of the bank, and a dollar-based maximum threshold. The three prongs establish a bounded requirement: the applicable amount is the greater of (1) the fixed minimum or (2) the amount determined based on the bank's capital, subject to (3) an overall maximum. In this case, the relevant sliding scale threshold is 2.5 percent or 5 percent, respectively, of a bank's unimpaired capital and unimpaired surplus. The dollar-based minimum threshold means that any bank, no matter how small its unimpaired capital and unimpaired surplus, may extend credit up to \$25,000 without triggering either restriction. Additionally, the dollar-based maximum threshold means that no bank, no matter how large its unimpaired capital and unimpaired surplus, may extend credit for a purpose not otherwise authorized to an executive officer beyond \$100,000, or for any purpose to any insider above \$500,000 without obtaining prior board approval.

This three-pronged approach for calculating the relevant thresholds for a given bank can present unnecessary administrative challenges. The FDIC proposes to eliminate the minimum dollar-based threshold to streamline compliance for FDIC-supervised institutions and to maintain consistency with the FRB NPR. Accordingly, the relevant threshold for restricting extensions of credit to executive officers not otherwise authorized by statute or regulation would be the lower of 2.5 percent of a bank's unimpaired capital and unimpaired surplus or \$400,000. The relevant threshold for restricting extensions of credit to insiders without prior board approval would be the lower of 5 percent of a bank's unimpaired capital and unimpaired surplus or \$2,000,000.⁴²

Question 1: Do commenters agree with the FDIC's approach to align the thresholds in § 337.3 and indexing methodology with the FRB, consistent with the FRB NPR? What are the advantages and disadvantages? Are there other alternative thresholds or indexing methodologies the FDIC should consider?

Question 2: Should the FDIC consider not using absolute dollar-based thresholds and instead rely solely on thresholds set by a percent of

³⁹ Section 22(g) of the FRA did not apply to insured nonmember banks until the enactment of FDICIA in 1991. When the FDIC promulgated a limit on loans to executive officers for purposes not authorized in section 22(g), it adopted the same limits that were in use by the OCC and Federal Reserve Board. See 57 FR 17847.

⁴⁰ The FDIC would look to the most current estimate of nominal U.S. GDP for a given year, published by the Bureau of Economic Analysis on or before September 30th of the year in which the thresholds are to be adjusted.

⁴¹ 91 FR 49526.

⁴² The restrictions for extensions of credit without prior board approval would continue to apply in conjunction with the restrictions on extensions of credit to executive officers, including those specifically authorized.

unimpaired capital and unimpaired surplus?

Question 3: Are there any compliance or related costs associated with the proposed rule? If so, please describe.

Question 4: What alternatives to the elimination of the minimum dollar-based aspect of the relevant thresholds would simplify administrative compliance for banks?

*Question 5: What other simplifying or clarifying measure should the FDIC consider adopting?*⁴³

III. Expected Effects

The proposed rule would increase the dollar-based thresholds associated with limitations on extensions of credit to insiders, as defined at § 337.3(b) and (c)(2) of the FDIC's regulations. Currently, an FDIC-supervised institution may not extend credit to an insider without board approval if the total amount of credit extended exceeds the greater of \$25,000 or 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus or exceeds \$500,000. If adopted, the proposed rule would eliminate the \$25,000 threshold, retain the 5 percent threshold, and increase the \$500,000 threshold to \$2,000,000, so that board approval would be required if the total amount of credit extended exceeds the lower of 5 percent of the institution's unimpaired capital and unimpaired surplus or \$2,000,000.

In addition, an FDIC-supervised institution may not extend to any executive officer credit for any purpose not otherwise authorized if the total amount of credit extended exceeds the greater of 2.5 percent of unimpaired capital and unimpaired surplus or \$25,000, or exceeds \$100,000.⁴⁴ If adopted, the proposal would eliminate the \$25,000 threshold, retain the 2.5 percent threshold, and increase the \$100,000 threshold to \$400,000, so that an institution may not extend credit for any purpose not authorized to any executive officer if the total amount of credit exceeds the lower of 2.5 percent of unimpaired capital and unimpaired surplus or \$400,000.

To estimate the expected scope, benefits, and costs of the proposed changes, the FDIC compared expected outcomes under the proposed rule to a baseline scenario in which the dollar-based thresholds in the FDIC's regulations remain at March 31, 2026 levels. Under both scenarios, this analysis uses all relevant regulations

and financial conditions data for all FDIC-supervised institutions as of the quarter ending March 31, 2026, to estimate the economic outcomes.

As of March 31, 2026, the FDIC supervised 2,700 IDIs.⁴⁵ In contrast to the baseline, the proposed rule would change outcomes for FDIC-supervised institutions whose extensions of credit to insiders would exceed the current thresholds in § 337.3 but not exceed the proposed thresholds (affected IDIs). To estimate this population, the FDIC used data on the extension of credit to insiders, as reported on Schedule RC–M of the Call Reports. As of March 31, 2026, 2,348 FDIC-supervised institutions reported insider extensions of credit and 1,530 FDIC-supervised institutions reported extending credit to at least one insider in an amount greater than the lower of 5 percent of unimpaired capital and unimpaired surplus or \$500,000. For 1,457 of these IDIs, \$500,000 is less than 5 percent of unimpaired capital and unimpaired surplus. As such, the FDIC estimates that up to 1,457 FDIC-supervised institutions could be directly affected by the proposed dollar-based threshold increase from \$500,000 to \$2,000,000 in § 337.3(b). The number of affected IDIs could be greater, as the estimated population does not include the population of IDIs that would be separately affected by the proposed increase in thresholds relating to extensions of credit to executive officers—a type of insider—in § 337.3(c)(2). The FDIC does not have data to estimate this separate population. However, because insider loans to executive officers would be subject to the proposed changes to both thresholds, the FDIC believes the estimated population of 1,457 likely includes most IDIs affected by one or the other.

Notably, the \$500,000 threshold is lower than 5 percent of unimpaired capital and unimpaired surplus for 92 percent of the 2,348 FDIC-supervised IDIs that report insider extensions of credit. This ranking has reversed over the previous 40 years because bank capital has increased: on December 31, 1984—shortly after the threshold was adopted—90 percent of FDIC-supervised IDIs were bound by the 5 percent of unimpaired capital and unimpaired surplus capital threshold and only 10 percent by the \$500,000 threshold.⁴⁶

⁴⁵ FFIEC Reports of Condition and Income (Call Reports), March 31, 2026.

⁴⁶ December 31, 1984 Call Report data. The 90 percent figure includes three percent of IDIs eligible to extend up to \$25,000 in insider credit without board approval because five percent of their capital was less than \$25,000. See 12 CFR 337.3(b).

Under the proposed rule, 50 percent of FDIC-supervised IDIs would be bound by the capital threshold and 50 percent by the \$2,000,000 threshold.⁴⁷

Therefore, as compared to the baseline, the proposed dollar-based thresholds resemble more closely the balance established by the original thresholds.

The FDIC expects that the proposed rule would have benefits for affected IDIs, relative to the baseline. By raising the thresholds in § 337.3, the proposed rule would directly benefit these institutions by lowering the number of insider loans that must be approved by the board of directors and reducing the administrative burden therein. The proposed rule also could improve the ability of these IDIs to retain qualified executive officers and directors by reducing the opportunity cost of becoming an insider of these IDIs, particularly for IDIs located in areas with limited banking options. The FDIC does not have data to quantify these impacts.

Insiders at affected IDIs would also benefit from the proposed higher thresholds. In particular, the requirements of § 337.3 increase the costs of obtaining credit for insiders at affected IDIs. For example, insiders may find it costly to establish relationships with other lenders, particularly in areas where fewer options for outside credit are available (e.g., rural areas). By increasing the dollar-based thresholds mentioned above, the proposed rule would make it easier for insiders to obtain credit in these circumstances. The FDIC does not have the information necessary to quantify the effects described above, and while the effects may be material to insiders at certain FDIC-supervised institutions, the FDIC expects the effects are likely to be modest in the aggregate.

The proposed rule would not impose any new or additional reporting requirements on institutions or impose any direct costs. Indirect costs may include increased risk to institutions, for example, if lending standards for insider loans—especially those made without board approval—are effectively lower than for other loans. The FDIC expects that these loans or extensions of credit pose little or no risk to institutions, as extensions of credit to insiders typically make up only a small percentage of an FDIC-supervised institution's total loans. Based on Call Report data as of March 31, 2026, the median FDIC-supervised institution reported that extensions of credit to insiders made up only 0.6 percent of its total loans and leases. In addition, the

⁴⁷ March 31, 2026 Call Report data.

⁴³ In addition, the FDIC will continue to review and consider any comments received pursuant to the current EGRPRA review that relate to this proposal as part of any final rulemaking.

⁴⁴ 12 CFR 337.3(c)(2).

proposed \$2,000,000 threshold represents only 5 percent of unimpaired capital and unimpaired surplus at the median FDIC-supervised institution—a marginal increase from the 1.3 percent that \$500,000 represents. The FDIC expects this marginal increase in risk would be mitigated by supervisory and board oversight. For comparison, in December 1984, \$500,000 represented 18.5 percent of unimpaired capital and unimpaired surplus at the median FDIC-supervised institution. Thus, the thresholds in the proposed rule represent much less risk to capital than when they were adopted.

Given the analysis above, the FDIC concludes that the benefits of the proposed rule are expected to exceed its costs. The FDIC invites comment on this analysis; in particular, what are other economic effects of the proposed rule that the FDIC should consider?

IV. Alternatives Considered

The FDIC considered several alternatives to the proposed rule that could meet the objectives of this rulemaking. For the reasons described above, the FDIC views the proposed rule as the most appropriate and effective means of achieving its objectives with respect to determining compliance with the Federal Reserve Act and Regulation O.

For example, the FDIC considered several alternative approaches to update the applicable thresholds. The FDIC considered utilizing measures such as the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), particularly because the FDIC already uses that metric for adjusting several other regulatory thresholds.⁴⁸ However, if the FDIC were to adjust its thresholds using a measure other than nominal GDP, there would likely be a steady divergence over time between the thresholds applicable to FDIC-supervised institutions and institutions supervised by the other federal banking agencies. Such inconsistency would introduce inconsistent treatment for similarly situated institutions. Accordingly, this proposal contemplates one-time and prospective adjustments using nominal GDP. The FDIC invites comments on alternatives to the proposed rule.

V. Regulatory Analyses

A. Paperwork Reduction Act

The Paperwork Reduction Act of 1995⁴⁹ (PRA) states that no agency may conduct or sponsor, nor is the

respondent required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The FDIC has reviewed this proposed rule and determined that it does not create any information collection or revise any existing collection of information. Accordingly, no PRA submissions to OMB will be made with respect to this proposed rule.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act⁵⁰ (RFA) generally requires an agency, in connection with a proposed rule, to prepare and make available for public comment an initial regulatory flexibility analysis that describes the impact of the proposed rule on small entities.⁵¹ However, an initial regulatory flexibility analysis is not required if the agency certifies that the proposed rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. The Small Business Administration (SBA) has defined “small entities” to include banking organizations with total assets of less than or equal to \$850 million.⁵² Generally, the FDIC considers a significant economic impact to be a quantified effect in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses. The FDIC believes that effects in excess of one or more of these thresholds typically represent significant economic impacts for FDIC-supervised institutions. For the reasons discussed below, the FDIC certifies that the proposed rule will not have a significant impact on a substantial number of small entities.

As discussed in section II of this **SUPPLEMENTARY INFORMATION**, the proposed rule would update certain thresholds relating to extensions of credit to insiders to account for inflation and economic growth since the thresholds were originally adopted. Currently, an FDIC-supervised institution may not extend credit to an

insider without board approval if the total amount of credit extended exceeds the greater of \$25,000 or five percent of the FDIC-supervised institution’s unimpaired capital and unimpaired surplus, or exceeds \$500,000. If adopted, the proposed rule would eliminate the \$25,000 threshold, retain the 5 percent threshold, and increase the \$500,000 threshold to \$2,000,000, such that an FDIC-supervised institution may not extend credit to an insider without board approval if the aggregate amount of credit extended exceeds the lower of 5 percent of the IDI’s unimpaired capital and unimpaired surplus or \$2,000,000. In addition, an FDIC-supervised institution may not extend credit to any executive officer for a purpose other than expressly authorized if the total amount of such credit extended exceeds the greater of \$25,000 or 2.5 percent of the IDI’s unimpaired capital and unimpaired surplus or exceeds \$100,000. If adopted, the proposal would eliminate the \$25,000 threshold, retain the 2.5 percent threshold, and increase the \$100,000 threshold to \$400,000, such that an FDIC-supervised institution may not extend credit to any executive officer for a purpose other than expressly authorized if the total amount of such credit extended exceeds the lower of 2.5 percent of the IDI’s unimpaired capital and unimpaired surplus or \$400,000. To estimate the effects of the proposed rule on small IDIs, the FDIC compared expected outcomes under the proposed rule to a baseline scenario in which the dollar-based thresholds in the FDIC’s regulations remain at March 31, 2026 levels. Under both scenarios, this analysis uses all relevant regulations and financial conditions data for all small FDIC-supervised IDIs as of the quarter ending March 31, 2026, to estimate the economic outcomes.

As of March 31, 2026, the FDIC supervised 2,700 IDIs, of which 1,978 are “small entities” for purposes of RFA.⁵³ In contrast to the baseline, the proposed rule would change outcomes for small FDIC-supervised institutions whose extensions of credit to insiders would exceed the current thresholds in § 337.3 but not exceed the proposed thresholds (affected small IDIs). To estimate this population, the FDIC uses data on the extension of credit to insiders, as reported on Schedule RC–M of the Call Reports. As of March 31, 2026, 1,726 small FDIC-supervised institutions reported insider extensions of credit and 1,029 reported extending credit to insiders in amounts exceeding

⁵⁰ *Id.*

⁵¹ 5 U.S.C. 601 *et seq.*

⁵² The SBA defines a small banking organization as having \$850 million or less in assets, where an organization’s “assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” See 13 CFR 121.201 (as amended by 87 FR 69118, effective December 19, 2022). In its determination, the “SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.” See 13 CFR 121.103. Following these regulations, the FDIC uses an insured depository institution’s affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the insured depository institution is “small” for the purposes of RFA.

⁵³ FFIEC Reports of Condition and Income (Call Reports), March 31, 2026.

⁴⁸ See 90 FR 55789 (Dec. 4, 2025).

⁴⁹ 44 U.S.C. 3501–3521.

the lower of \$500,000 or 5 percent of the institution's unimpaired capital and unimpaired surplus.⁵⁴ For 956 of these small FDIC-supervised IDIs, \$500,000 is less than 5 percent of unimpaired capital and unimpaired surplus.⁵⁵ Thus, the FDIC estimates that 956 affected small IDIs could be directly affected by the proposed dollar-based threshold increase from \$500,000 to \$2,000,000 in § 337.3(b). The number of affected small IDIs could be greater, as the estimated population does not include the population of small IDIs that would be separately affected by the proposed increase in thresholds relating to extensions of credit to executive officers—a type of insider—in § 337.3(c)(2). The FDIC does not have data to estimate this separate population. However, because insider loans to executive officers would be subject to the proposed changes to both thresholds, the FDIC believes the estimated population of 956 likely includes most small IDIs affected by one or the other.

The FDIC expects that the proposed rule would have modest benefits on affected small IDIs, relative to the baseline. By raising the thresholds in § 337.3, the proposed rule would directly benefit these institutions by lowering the number of insider loans that must be approved by the board of directors and reducing the administrative burden therein. The proposed rule could also improve the ability of affected small IDIs to retain qualified executive officers and directors by reducing the opportunity cost of becoming an insider of an affected small IDI, particularly for those located in areas with limited banking options. The FDIC does not have data to quantify these impacts but believes they would be modest.

The proposed rule would not impose any new or additional reporting requirements on institutions or impose any direct costs. Indirect costs may include increased risk to affected small IDIs, for example, if lending standards for insider loans—especially those made without board approval—are effectively lower than for other loans. The FDIC expects that these loans or extensions of credit pose little or no risk to institutions, as extensions of credit to insiders typically make up only a small percentage of an affected small IDI's total loans. Based on Call Report data as of March 31, 2026, the median small FDIC-supervised IDI reported that extensions of credit to insiders made up only 0.7 percent of its total loans and

leases. In addition, the proposed \$2,000,000 threshold represents only 6.9 percent of unimpaired capital and unimpaired surplus at the median affected small IDI—a marginal increase from the 1.7 percent that \$500,000 represents. The FDIC expects this marginal increase in risk would be mitigated by supervisory and board oversight. For comparison, in March 2000, \$500,000 represented 9.9 percent of unimpaired capital and unimpaired surplus at the median FDIC-supervised small IDI. Thus, the thresholds in the proposed rule represent less risk to capital than historically.

As mentioned previously, the FDIC does not have the data necessary to quantify the impact of the proposed rule on affected small IDIs. However, based on the preceding analysis the FDIC believes the proposed rule will be modestly beneficial to affected small IDIs. While the proposed rule's benefits may be material to certain affected small IDIs, the FDIC does not believe the number of such small FDIC-supervised IDIs is substantial.

Thus, based on the foregoing, the FDIC certifies that the proposed rule will not have a significant impact on a substantial number of small FDIC-supervised institutions. The FDIC invites comments on all aspects of this analysis. The FDIC is particularly interested in comments on any significant effects on small entities that the agency has not identified.

C. 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 FDIC 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 FDIC 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 FDIC should consider in determining the effective date and administrative compliance requirements for a final rule.

D. Plain Language

Section 722 of the Gramm-Leach-Bliley Act⁵⁶ requires the Federal banking agencies to use plain language in all proposed and final rulemakings published in the **Federal Register** after January 1, 2000. The FDIC invites your comments on how to make this proposed rule easier to understand. For example:

- Has the FDIC organized the material to suit your needs? If not, how could the proposed rule be more clearly stated?
- Are the requirements in the proposed rule clearly stated? If not, how could the proposed rule be more clearly stated?
- Does the proposed rule contain language or jargon that is not clear? If so, which language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the proposed rule easier to understand? If so, what changes to the format would make the proposed rule easier to understand?
- What else could the FDIC do to make the proposed rule easier to understand?

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 FDIC propose to revise thresholds applicable to FDIC-supervised institutions regarding compliance with 12 U.S.C. 375a(4) and 375b(3), which concern certain extensions of credit to insiders.

The proposal and the required summary can be found at <https://www.fdic.gov/federal-register-publications>. The summary states that the FDIC proposes to revise quantitative thresholds for certain extensions of credit to insiders applicable to FDIC-supervised institutions regarding compliance with 12 U.S.C. 375a(4) and 375b(3).

F. Executive Order 12866 (as Amended)

Executive Order 12866, titled “Regulatory Planning and Review,” as amended, requires the Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget to determine whether a

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ Public Law 106–102, section 722, 113 Stat. 1338, 1471 (1999), 12 U.S.C. 4809.

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 an agency to conduct a cost-benefit analysis of the proposed rule. 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 not a significant regulatory action under section 3(f)(1) of Executive Order 12866 and, therefore, is not subject to review under Executive Order 12866.

The FDIC’s analysis conducted in connection with Executive Order 12866 is also included above under the “Expected Effects” section of this document.

G. Executive Order 14192

Executive Order 14192, titled “Unleashing Prosperity Through Deregulation,” requires that an agency, unless prohibited by law, identify at least 10 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. Executive Order 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 10 prior regulations. The FDIC expects the proposed rule, if finalized, will be neither a regulatory action nor a deregulatory action under Executive Order 14192 because it simply implements an economic growth and inflation adjustment to the existing regulatory framework.

List of Subjects in 12 CFR Part 337

Banks, banking, Reporting and recordkeeping requirements, Savings associations, Securities.

Federal Deposit Insurance Corporation 12 CFR Chapter III

Authority and Issuance

For the reasons set forth in the preamble, the FDIC proposes to amend part 337 of chapter III of title 12 of the *Code of Federal Regulations* as follows:

PART 337—UNSAFE AND UNSOUND BANKING PRACTICES

- 1. The authority citation for part 337 continues to read as follows:

Authority: 12 U.S.C. 375a(4), 375b, 1463, 1464, 1468, 1816, 1818(a), 1818(b), 1819, 1820(d), 1821(f), 1828(j)(2), 1831, 1831f, 1831g, 5412.

- 2. Revise and republish § 337.3 to read as follows:

§ 337.3 Limits on extensions of credit to executive officers, directors, and principal shareholders of FDIC-supervised institutions.

(a) With the exception of 12 CFR 215.20 (c), (d)(3), and (d)(4), FDIC-supervised institutions are subject to the restrictions contained in Federal Reserve Board Regulation O (12 CFR part 215) to the same extent and to the same manner as though they were member banks.

(b) For purposes of complying with § 215.12 of Federal Reserve Board Regulation O (12 CFR 215.12), no FDIC-supervised institution may extend credit or grant a line of credit to any of its executive officers, directors, or principal shareholder or any related interest of any such person in an amount that, when aggregated with the amount of all other extensions of credit to that person and to all related interests of that person, exceeds the lower of 5 percent of the FDIC-supervised institution’s unimpaired capital and unimpaired surplus, or \$2,000,000, multiplied by the GDP growth adjustment, unless:

- (1) The extension of credit has been approved in advance by a majority of the entire board of directors of that bank; and
- (2) The interested party has abstained from participating directly or indirectly in the voting.

* * * * *

- (2) An FDIC-supervised institution is authorized to extend credit to any executive officer of the institution for any other purpose not specified in § 215.20(d) of Federal Reserve Board Regulation O (12 CFR 215.20(d)) if the aggregate amount of extensions of credit to that executive officer under this paragraph (c)(2) does not exceed at any one time the lower of 2.5 per cent of the FDIC-supervised institution’s

unimpaired capital and unimpaired surplus or \$400,000, multiplied by the GDP growth adjustment, provided, however, that no such extension of credit shall be subject to this limit if the extension of credit is secured by:

(i) a perfected security interest in bonds, notes, certificates of indebtedness, or Treasury bills of the United States or in other such obligations fully guaranteed as to principal and interest by the United States;

(ii) unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission or establishment of the United States or any corporation wholly owned directly or indirectly by the United States; or

(iii) Extensions of credit secured by a perfected security interest in a segregated deposit account in the lending bank.

* * * * *

(4) (i) *In general.* The FDIC will publish a GDP growth adjustment every five years starting with [the effective date of a final rule] for the dollar-based thresholds set forth in paragraphs (b) and (c)(2) of this section.

(ii) *Rounding.* When adjusting thresholds under paragraph (a) of this section, each threshold shall be rounded based on the size of the threshold (e.g., thousands, millions) to the nearest number with two significant digits, such that:

(A) Each threshold in the thousands shall be rounded to the nearest number with one significant digit; and

(B) Each threshold in the millions shall be rounded to the nearest number with two significant digits.

(iii) *Exception.* Notwithstanding paragraph (i) of this subsection, the FDIC will not publish an updated GDP growth adjustment if the five-year cumulative growth of nominal U.S. GDP is negative.

* * * * *

- 3. In § 337.3(d), replace the word “Definition” with “Definitions” and add a definition for “GDP growth adjustment” in alphabetical order, to read as follows:

* * * * *

GDP growth adjustment means the most recent multiplier published by the FDIC equal to the ratio of:

- (1) The nominal United States gross domestic product in the 4th quarter of the calendar year prior to publication of the multiplier, as reflected by the most current estimates published by the Bureau of Economic Analysis on or before September 30th of the year of the publication of the multiplier, or a comparable value; to

(2) The nominal United States gross domestic product in the 4th quarter of the calendar year prior to [the effective date of a final rule], as reflected by the most current estimates published by the Bureau of Economic Analysis.

* * * * *

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on August 4, 2026.

Jennifer M. Jones,

Deputy Executive Secretary.

[FR Doc. 2026–15995 Filed 8–5–26; 8:45 am]

BILLING CODE 6714–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 25

[Docket No.: FAA–2026–0430; Notice No. 26–09]

RIN 2120–AL42

Transport Airplane and Propulsion Certification Modernization; Extension of Comment Period

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM); Extension of comment period.

SUMMARY: This action extends the comment period for a NPRM titled “Transport Airplane and Propulsion Certification Modernization” that was published on June 26, 2026. In that document, FAA proposed to amend various airworthiness regulations to modernize certain certification standards for transport category airplanes and propulsion systems. This rule would be both deregulatory and relieving by reducing the number of exemptions, special conditions, and equivalent level of safety findings required during the certification process. FAA expects that this proposal would reduce certification costs and time to certify new and changed products for both industry and FAA while maintaining or increasing the level of safety provided by the current regulations. FAA proposes to remove Special Federal Aviation Regulation No. 109 from part 25 and relocate certain of its requirements. Finally, this action would address industry and National Transportation Safety Board recommendations while also harmonizing FAA’s regulations with international standards. FAA is extending the comment period closing

date, on request, to allow commenters additional time to analyze the proposed rule and prepare a response.

DATES: The comment period for the NPRM published on June 26, 2026, at 91 FR 38878, is extended. Comments should be received on or before September 24, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–0430 using any of the following methods:

- *Federal eRulemaking Portal:* Go to www.regulations.gov and follow the online instructions for sending your comments electronically.

- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.

- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Docket: Background documents or comments received may be read at www.regulations.gov at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: James Wilborn, AIR–62A, Product Policy Management: Transport Airplanes & Engines Section, Policy and Standards Division, Aircraft Certification Service, Federal Aviation Administration, 2200 South 216th Street, Des Moines, WA 98198; (206) 231–3237; James.Wilborn@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should send only one copy of written comments, or if comments are

filed electronically, commenters should submit only one time.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to www.regulations.gov, as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at www.dot.gov/privacy.

Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Availability of Rulemaking Documents

A copy of this NPRM, all comments received, any final rule, and all background material may be viewed online at www.regulations.gov using the docket number listed above. 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 the Office of the Federal Register’s website at www.federalregister.gov and the

Government Publishing Office's website at www.govinfo.gov. A copy may also be found at FAA's Regulations and Policies website at www.faa.gov/regulations_policies.

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM-1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267-9677. Requests must identify the docket or notice number of this rulemaking.

All documents FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

Background

On June 26, 2026, FAA published a NPRM titled "Transport Airplane and Propulsion Certification Modernization" in the **Federal Register** (91 FR 38878; Notice No. 26-09). In that document, FAA proposed to amend various airworthiness regulations to modernize certain certification standards for transport category airplanes and propulsion systems. This rule would be both deregulatory and relieving by reducing the number of exemptions, special conditions, and equivalent level of safety findings required during the certification process. FAA expects that this proposal would reduce certification costs and time to certify new and changed products for both industry and FAA while maintaining or increasing the level of safety provided by the current regulations. FAA proposes to remove Special Federal Aviation Regulation No. 109 from part 25 and relocate certain of its requirements. Finally, this action would address industry and National Transportation Safety Board recommendations while also harmonizing FAA's regulations with international standards. Commenters were instructed in the NPRM to provide comments on or before August 25, 2026 (*i.e.*, 60 days after the date of the publication of the NPRM).

Since publication of the NPRM, FAA has received a request from the Aerospace, Security and Defence Industries Association of Europe (ASD) to extend the comment period by an additional sixty (60) days. This organization requested more time to review the proposed rule, develop comments and recommendations, and coordinate those comments among their stakeholders.¹

Extension of Comment Period

FAA has reviewed, and partially grants, the request for an extension of the comment period. FAA recognizes the importance of the proposed rule, and that an extension would help commenters craft complete and thoughtful responses. However, FAA finds that an additional thirty (30) days will provide sufficient opportunity to review the NPRM and provide comments.

■ Accordingly, the comment period for Notice No. 26-09 is extended by thirty (30) days and will now close on September 24, 2026.

This will provide the public with a total of ninety (90) days to conduct its review and submit comments to the docket. FAA does not intend to approve additional requests to further extend the comment period for this rulemaking.

Issued under authority provided by 5 U.S.C. 553(c), and 49 U.S.C. 106(f) and 44701, in Washington, DC.

Brandon Roberts,

Executive Director, Office of Rulemaking.

[FR Doc. 2026-16025 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA-2024-2559; Airspace Docket No. 24-AEA-11]

RIN 2120-AA66

Amendment of Class D and Class E Airspace; Morgantown, WV

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This action proposes to amend the Class D and Class E airspace at Morgantown Municipal Airport-Walter L. Bill Hart Field, Morgantown, WV. The FAA is proposing this action as the result of a biennial airspace review. This action would bring the airspace into compliance with FAA orders and support instrument flight rule (IFR) procedures operations.

DATES: Comments must be received on or before September 21, 2026.

ADDRESSES: Send comments identified by FAA Docket No. FAA-2024-2559 and Airspace Docket No. 24-AEA-11 using any of the following methods:

* *Federal eRulemaking Portal:* Go to www.regulations.gov and follow the online instructions for sending your comments electronically.

* *Mail:* Send comments to Docket Operations, M-30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W58-213, West Building, 5th Floor, Washington, DC 20590-0001.

* *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58-213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

* *Fax:* Fax comments to Docket Operations at (202) 493-2251.

Docket: Background documents or comments received may be read at www.regulations.gov at any time. Follow the online instructions for accessing the docket or go to Docket Operations in Room W58-213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FAA Order JO 7400.11K, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at www.faa.gov/air_traffic/publications/. You may also contact the Rules and Regulations Group, Office of Policy, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20597; telephone: (202) 267-8783.

FOR FURTHER INFORMATION CONTACT:

Rebecca Shelby, Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222-5857.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it would amend the Class D airspace, the Class E surface area airspace, the Class E airspace area designated as an extension to the Class D and Class E surface airspace, and Class E airspace extending upward from 700 feet above the surface at Morgantown Municipal Airport-

¹ The request is in the docket.

Walter L. Bill Hart Field, Morgantown, WV, to support IFR operations.

Comments Invited

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

The FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, the FAA will consider all comments it received on or before the closing date for comments. The FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. The FAA may change this proposal in light of the comments it receives.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to www.regulations.gov as described in the system of records notice (DOT/ALL-14FDMS), which can be reviewed at www.dot.gov/privacy.

Availability of Rulemaking Documents

An electronic copy of this document may be downloaded through the internet at www.regulations.gov. Recently published rulemaking documents can also be accessed through the FAA's web page at www.faa.gov/air_traffic/publications/airspace_amendments/.

You may review the public docket containing the proposal, any comments received, and any final disposition in person in the Dockets Office (see the **ADDRESSES** section for the address, phone number, and hours of operations). An informal docket may also be examined during normal business hours at the Federal Aviation Administration, Air Traffic Organization, Central Service Center, Operations Support Group, 10101

Hillwood Parkway, Fort Worth, TX 76177.

Incorporation by Reference

Class D and E airspace areas are published in paragraphs 5000, 6002, 6004, and 6005 of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This document proposes to amend the current version of that order, FAA Order JO 7400.11K, dated August 4, 2025, and effective September 15, 2025. These updates would be published in the next update to FAA Order JO 7400.11. FAA Order JO 7400.11K, which lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points, is publicly available as listed in the **ADDRESSES** section of this document.

The Proposal

The FAA is proposing an amendment to 14 CFR part 71 that would make the following modifications.

First, the FAA proposes modifying the Class D airspace by: (1) expanding the lateral boundaries to within a 4.4-mile (increased from a 4-mile) radius of the Morgantown Municipal Airport-Walter L. Bill Hart Field, WV.

Second, the FAA proposes modifying the Class E surface airspace at Morgantown Municipal Airport-Walter L. Bill Hart Field by: (1) expanding the lateral boundaries to within a 4.4-mile (increased from a 4-mile) radius of Morgantown Municipal Airport-Walter L. Bill Hart Field WV.

Third, the FAA proposes amending the Class E airspace area designated as an extension to the Class D and Class E surface airspace by: (1) removing the Morgantown Very High Frequency Omnidirectional Range (VORTAC) and associated extension from the airspace legal description as they are no longer needed; (2) adding an extension beginning at the point lat. 39°34'57" N, long. 79°51'53" W, to lat. 39°31'55" N, long. 79°51'16" W, then clockwise along the 7.3-mile radius from the airport to lat. 39°33'53" N, long. 80°02'15" W, to lat. 39°36'21" N, long. 79°59'57" W, then counter clockwise following the 4.4-mile radius from the airport to the point origination; and within 1.8 miles each side of the 351° bearing from the airport extending from the 4.4-mile radius of the airport to 7.3 miles north of the airport.

Additionally, the FAA proposes amending the Class E5 airspace extending upward from 700 feet above the surface by expanding its lateral boundaries to within a 14.8-mile radius (increased from a 6.6-mile) radius of

Morgantown Municipal Airport-Walter L. Bill Hart Field; removing the Morgantown Very High Frequency Omnidirectional Range (VORTAC) and associated extension from the airspace legal description as they are no longer needed; .

This action is the result of an airspace review conducted as part of the decommissioning of the Morgantown VORTAC and to support IFR operations at this airport by more appropriately containing instrument procedures within the controlled airspace.

Regulatory Notices and Analyses

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

Environmental Review

This proposal will be subject to an environmental analysis in accordance with FAA Order 1050.1G, "FAA National Environmental Policy Act Implementing Procedures, prior to any FAA final regulatory action.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

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

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

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

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

§ 71.1 [Amended]

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

Paragraph 5000 Class D Airspace.

* * * * *

AEA WV D Morgantown, WV [Amended]

Morgantown Municipal Airport-Walter L. Bill Hart Field, WV
(Lat. 39°38'37" N, long. 79°55'03" W)

That airspace extending upward from the surface up to and including 3,700 feet MSL within a 4.4-mile radius of Morgantown Municipal Airport-Walter L. Bill Hart Field. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective dates and times will thereafter be continuously published in the Chart Supplement.

* * * * *

6002 Class E Airspace Areas Designated as Surface Areas.

* * * * *

AEA WV E2 Morgantown, WV [Amended]

Morgantown Municipal Airport-Walter L. Bill Hart Field, WV
(Lat. 39°38'37" N, long. 79°55'03" W)

Within a 4.4-mile radius of Morgantown Municipal Airport-Walter L. Bill Hart Field. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective dates and times will thereafter be continuously published in the Chart Supplement.

* * * * *

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

* * * * *

AEA WV E4 Morgantown, WV [Amended]

Morgantown Municipal Airport-Walter L. Bill Hart Field, WV
(Lat. 39°38'37" N, long. 79°55'03" W)

That airspace extending upward from the surface beginning at the point lat 39°34'57" N, long 79°51'53" W to lat 39°31'55" N, long 79°51'16" W then clockwise along the 7.3-mile radius from the airport to lat 39°33'53" N, long 80°02'15" W to lat 39°36'21" N, long 79°59'57" W then counter clockwise following the 4.4-mile radius from the airport to the point of origination; and within 1.8 miles each side of the 351° bearing from the airport extending from the 4.4-mile radius of the airport to 7.3 miles north of the airport.

* * * * *

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

* * * * *

AEA WV E5 Morgantown, WV [Amended]

Morgantown Municipal Airport-Walter L. Bill Hart Field, WV
(Lat. 39°38'37" N, long. 79°55'03" W)

That airspace extending upward from 700 feet above the surface within a 14.8-mile radius of the Morgantown Municipal Airport-Walter L. Bill Hart Field.

* * * * *

Issued in Fort Worth, Texas, on August 3, 2026.

Jerry J. Creecy,

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

[FR Doc. 2026–16084 Filed 8–5–26; 8:45 am]

BILLING CODE 4910–13–P

POSTAL SERVICE**39 CFR Parts 111 and 211****New Mailing Standards for Live Animals**

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The Postal Service proposes revising Publication 52, *Hazardous, Restricted, and Perishable Mail* (Pub 52), for various package requirements for live animals. This proposal will improve package integrity and container identification for all live animal shipments during processing and handling by prohibiting the reuse of fiberboard containers and requiring individual addressing and sequential numbering for multiple container shipments when bound together in a single shipment. Also, this proposal requires mailers to write the recipient's name and address directly on the packaging of Adult Bird shipments in the event the shipping label becomes detached from the packaging.

DATES: Comments must be received on or before September 8, 2026.

ADDRESSES: Mail or deliver written comments to Director, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260–5015. Email comments, containing the name and address of the commenter, may be sent to: PCFederalRegister@usps.gov, with a subject line of “Live Animals.” Faxed comments will not be accepted.

You may inspect and photocopy all written comments, by appointment only, at USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC 20260. These records are available for review Monday through Friday, between 8 a.m. and 4 p.m. by calling 202–268–2906.

FOR FURTHER INFORMATION CONTACT:

Drew Mitchum, (202) 268–7351, or Jennifer Cox, (202) 268–2108.

SUPPLEMENTARY INFORMATION: All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

Background

The Postal Service hereby proposes to amend Publication 52, *Hazardous, Restricted, and Perishable Mail*, with the provisions set forth herein. While not codified in title 39 of the Code of Federal Regulations (CFR), Publication 52 is a regulation of the Postal Service, and changes to it may be published in the **Federal Register**. 39 CFR 211.2(a)(2). Moreover, Publication 52 is incorporated by reference into *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM) section 601.8.1, which is incorporated by reference, in turn, into the Code of Federal Regulations. 39 CFR 111.1, 111.3. Publication 52 is publicly available, in a read-only format, via the Postal Explorer website at <https://pe.usps.com>. In addition, links to Postal Explorer are provided on the landing page of *USPS.com*, the Postal Service's primary customer-facing website, and on *Postal Pro*, an online informational source available to postal customers.

Accordingly, for the reasons stated in the preamble, the Postal Service amends Publication 52 as follows:

Publication 52—Hazardous, Restricted and Perishable Mail

* * * * *

5 Perishable Matter

* * * * *

52 Animals**521 General Requirements**

[Add note at the bottom of section under item c. to read as follows:]

Note: Due to the high likelihood of degradation during transportation, fiberboard containers must not be reused for live animal shipments.

* * * * *

522 Packaging and Markings

* * * * *

522.1 Container Construction

[Revise section to read as follows:]

Containers used to mail perishable matter must be constructed to protect and securely contain the contents.

Shipping containers for mailable live animals must, at a minimum, be made

of 275-pound test, double-wall, corrugated, weather-resistant fiberboard (W5c) or equivalent. When multiple containers are strapped together, a single shipping label should be applied but each container must have its own address label. Additionally, the containers must be numbered sequentially (e.g., “1 of 5”, “2 of 5,” etc.) to help ensure proper handling if they become separated during transit. USPS-produced packaging, including Flat Rate containers, is not eligible for use. Additional container requirements apply to mailable adult birds (refer to 526.4).

* * * *

526 Mailable Live Animals

* * * *

526.4 Adult Birds

* * * *

526.42 Mailability Requirements

[Add new bullet g. to read as follows:]

g. The name and address of the recipient must also be written directly on the packaging in addition to the shipping label.

* * * *

USPS Packaging Instruction 10D

* * * *

Adult Bird Boxes

* * * *

Marking

[Revise Marking section to read as follows:]

Labels and markings must be placed on the address side of the mailpiece unless specified differently in 221.1 and 325.1.

Each container must be marked with the following information:

- “Live Birds—USPS Approved Container # (once issued).”
- Complete sender’s and recipient’s addresses (including phone numbers) on the outer packaging for the necessary notification by Postal Service personnel.
- Directional arrows indicating “up” position (on at least two sides of the container).
- Write the name and address of the recipient directly on the package in case shipping label becomes detached during shipment.

* * * *

Kevin Rayburn,

Attorney, Ethics & Legal Compliance.

[FR Doc. 2026–16016 Filed 8–5–26; 8:45 am]

BILLING CODE 7710–12–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R09–OAR–2026–3797; FRL–13389–01–R9]

Partial Approval and Partial Disapproval of Air Quality State Implementation Plans; Arizona; Prevention of Significant Deterioration Infrastructure Requirements for the 2012 Fine Particulate Matter National Ambient Air Quality Standard

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; withdrawal.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to partially approve and partially disapprove a revision to the Arizona State implementation plan (SIP) as meeting the requirements of the Clean Air Act (CAA) for the implementation, maintenance, and enforcement of the 2012 fine particulate matter (PM_{2.5}) national ambient air quality standard (NAAQS or “standards”). The EPA is proposing to approve the portions of Arizona’s submission addressing prevention of significant deterioration (PSD) requirements in the permitting jurisdictions of the Arizona Department of Environmental Quality (ADEQ), Maricopa County Air Quality Department (MCAQD), and Pinal County Air Quality Control District (PCAQCD). The EPA is proposing to disapprove the portions of the Arizona submission addressing PSD requirements in the Pima County Department of Environmental Quality (PDEQ) permitting jurisdiction.

DATES: Comments must be received by September 8, 2026. As of July 21, 2026, the proposed rule published on June 13, 2024, at 89 FR 50245, is withdrawn insofar as it related to the PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J).

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA–R09–OAR–2026–3797. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form. Publicly available docket materials are available through [https://](https://www.regulations.gov)

www.regulations.gov, or please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section for additional availability information. If you need assistance in a language other than English or if you are a person with a disability who needs a reasonable accommodation at no cost to you, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT: Michael Dorantes, Geographic Strategies and Modeling Section (AIR–2–2), EPA Region IX, 75 Hawthorne Street, San Francisco, CA; telephone number: (415) 972–3934; email address: dorantes.michael@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, “we,” “us,” and “our” refer to the EPA.

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I. Statutory Requirements and the EPA’s Considerations for Evaluating Infrastructure SIPs

The EPA has historically referred to SIP submittals made for the purpose of satisfying the requirements of CAA sections 110(a)(1) and 110(a)(2) as “infrastructure SIP” (I–SIP) submittals. Although the term “infrastructure SIP” does not appear in the CAA, the EPA uses the term to distinguish this particular type of SIP submittal from submittals that are primarily intended to satisfy other SIP requirements under the CAA, such as “nonattainment SIP” or “attainment SIP” submittals intended to address the nonattainment planning requirements of CAA title I part D, “regional haze SIP” submittals required by the EPA rule to address the visibility protection requirements of CAA section 169A, and nonattainment new source review (NSR) permit program submittals to address the permit requirements of CAA title I part D.

CAA section 110(a)(1) addresses the timing and general requirements for infrastructure SIP submittals, and CAA section 110(a)(2) provides details concerning the required content of these submittals. Notably, section 110(a)(1) of the Act clearly requires that each State adopt and submit an infrastructure SIP

for the implementation, maintenance, and enforcement of each NAAQS promulgated by the EPA, and that the EPA act on such SIP submittals, while CAA section 110(a)(2) provides an extensive list of required elements, some with provisions pertaining directly to legal authority, some with provisions pertaining to substantive program requirements, and some others which pertain to requirements for both authority and substantive program provisions. The EPA has historically asserted that this list of required provisions leads to ambiguities concerning what is required for inclusion in any SIP submittal subject to CAA section 110(a)(2). For example, CAA section 110(a)(2) requires that “each” SIP submittal must meet the list of requirements therein. However, the EPA has long noted that this literal reading of the statute is internally inconsistent and would create a conflict with the nonattainment provisions in CAA title I part D, which specifically address nonattainment SIP requirements.¹ Section 110(a)(2)(I) of the CAA pertains to nonattainment SIP requirements, and part D addresses when attainment plan SIP submittals to address nonattainment area requirements are due. Moreover, CAA section 172(b) requires the EPA to establish a schedule for submittal of such plans for certain pollutants when the Administrator promulgates the designation of an area as nonattainment, and CAA section 107(d)(1)(B) allows up to two years, or in some cases three years, for such designations to be promulgated.² As another example, CAA section 172(c)(7) requires that attainment plan SIP submittals required by part D have to meet only the “applicable requirements” of CAA section 110(a)(2). Thus, the EPA has interpreted this provision such that attainment plan SIP submittals must meet the requirements of CAA section 110(a)(2)(A) regarding enforceable emissions limits and control measures and CAA section 110(a)(2)(E)(i) regarding air agency resources and authority. As this example illustrates,

each type of SIP submittal may implicate some elements of CAA section 110(a)(2) but not others, and rather than apply all the stated requirements of CAA section 110(a)(2) in a strict literal sense, as is the case for CAA section 110(a)(1), the EPA must determine how provisions of CAA section 110(a)(2) are applicable for a particular SIP submittal, including infrastructure SIPs.

In the context of a specific NAAQS, the EPA has also historically recognized that CAA section 110(a)(2) should also be read and interpreted in a logical context with respect to how infrastructure SIP submittal requirements should be structured. For example, the monitoring requirements that a State might need to meet in its infrastructure SIP submittal for purposes of CAA section 110(a)(2)(B) could be very different for different pollutants, because the content and scope of a State’s infrastructure SIP submittal to meet this element might vary by NAAQS promulgation.³ Thus, the EPA notes that the best reading of CAA section 110(a)(2) can vary for each new or revised NAAQS, and therefore, requirements for the States’ attendant infrastructure SIP submittals for each NAAQS may be different.

Given this, the EPA believes that it is appropriate to interpret the requirements of CAA section 110(a)(2) in the context of acting on individual SIP submittals. In other words, the EPA assumes that Congress could not have intended that each and every SIP submittal, regardless of the NAAQS in question or the history of SIP development for the relevant pollutant, would meet each of the requirements, or meet each of them in the same way. Therefore, the EPA reviews infrastructure SIP submittals against the list of elements in CAA section 110(a)(2), but only applies the required elements for the new or revised NAAQS. To this end, the EPA has issued guidance documents to make recommendations to States as to how their infrastructure SIP submittals can be structured to meet the requirements of CAA section 110(a)(2). The EPA most recently issued guidance for infrastructure SIPs on September 13, 2013 (“2013 Infrastructure SIP Guidance”).⁴ One notable example from

the 2013 Infrastructure SIP Guidance is how it gives simpler recommendations with respect to carbon monoxide than other NAAQS pollutants to meet the visibility requirements of CAA section 110(a)(2)(D)(i)(II) because carbon monoxide does not affect visibility. As a result, an infrastructure SIP submittal for any future new or revised NAAQS for carbon monoxide need only state this fact in order to address the visibility prong of CAA section 110(a)(2)(D)(i)(II).

Historically, the EPA has elected to use guidance in order to explain our current best interpretation of the relevant statute in lieu of promulgating regulations to govern CAA section 110(a)(2) infrastructure SIP requirements. However, the CAA ultimately governs what is required in infrastructure SIP submittals, regardless of whether EPA has provided advance guidance speaking to such requirements.

Section 110(a)(1) of the CAA requires States to submit to the EPA, within three years after the promulgation of a new or revised NAAQS, a SIP submission that meets the applicable requirements of CAA section 110(a)(2) to provide for the implementation, maintenance, and enforcement of the new or revised NAAQS.

CAA section 110(a)(2) includes several provisions that reference PSD-related requirements for the regulation of new and modified major stationary sources. Specifically:

- CAA section 110(a)(2)(C) requires States to include a program for the regulation of new and modified major stationary sources, including a permit program as required by title I part C of the CAA;
- CAA section 110(a)(2)(D)(i)(II) requires States to include “adequate provisions” to prohibit interference with any other State’s PSD program;
- CAA section 110(a)(2)(D)(ii) requires States to include “adequate provisions” to ensure compliance with CAA section 126, which requires States to notify neighboring air agencies of potential impacts from new and modified major stationary sources of air pollution; and
- CAA section 110(a)(2)(J) requires States to meet the applicable requirements of part C (relating to PSD).

II. Background and Withdrawal of the EPA’s Prior Proposed Partial Approval and Partial Disapproval of PSD Requirements Under CAA Sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J)

On January 15, 2013 the EPA promulgated a revision to the PM_{2.5} NAAQS (2012 PM_{2.5} NAAQS), lowering

¹ See e.g. 70 FR 25162 at 70 FR 25163 through 25165 (May 12, 2005), explaining the relationship between the timing requirements of CAA section 110(a)(2)(D) versus CAA section 110(a)(2)(I).

² The EPA notes that this ambiguity within CAA section 110(a)(2) is heightened by the fact that various subparts of part D set specific dates for submittal of certain types of SIP submittals in designated nonattainment areas for various pollutants. Note, for example, that CAA section 182(a)(1) provides specific dates for submittal of emissions inventories for the ozone NAAQS. Some of these specific dates are necessarily later than three years after promulgation of the new or revised NAAQS.

³ For example, implementation of the 1997 PM_{2.5} NAAQS required the deployment of a system of new monitors to measure ambient levels of new indicator species for the new NAAQS.

⁴ Memorandum dated September 13, 2013, from Stephen D. Page, Director, Office of Air Quality and Planning Standards, U.S. EPA, Subject: “Guidance on Infrastructure State Implementation Plan (SIP) Elements under Clean Air Act Sections 110(a)(1) and 110(a)(2).”

the level of the primary standard to 12.0 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), while maintaining the secondary standard.⁵ The ADEQ submitted two SIP revisions to address the infrastructure SIP requirements in CAA sections 110(a)(1) and 110(a)(2) for the 2012 $\text{PM}_{2.5}$ NAAQS. This action pertains only to ADEQ's December 11, 2015 submittal, which addresses the PSD-related requirements of CAA section 110, titled "Arizona State Implementation Plan Revision for the 2012 Fine Particulate Matter ($\text{PM}_{2.5}$) National Ambient Air Quality Standard" ("2012 $\text{PM}_{2.5}$ I-SIP submittal").⁶

On June 13, 2024,⁷ the EPA proposed to partially approve and partially disapprove Arizona's 2012 $\text{PM}_{2.5}$ I-SIP submittal with respect to the PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J). Our proposed partial disapproval of these elements was based, at the time, on deficiencies we identified with respect to PSD permitting of greenhouse gases (GHGs) in all permitting jurisdictions in Arizona, as well as deficiencies with respect to PSD permitting of all NSR-regulated pollutants in Pima County. Our proposed partial approval for the PSD-related requirements of Arizona's submittal applied to those Arizona permitting jurisdictions with a SIP-approved PSD permitting program covering all other NSR-regulated pollutants. Our proposed action provided a 30-day public comment period during which we received four comments. One of the comments failed to raise issues germane to the proposed action, which we determined did not necessitate a response. There were three additional comments concerning the ADEQ's PSD permitting program.⁸

On December 18, 2025,⁹ we took final action on most of what we proposed in our June 13, 2024 rulemaking. However, we deferred action on the PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J). Consequently, we did not respond to the comments concerning ADEQ's PSD permitting program.

In this proposed action, we are withdrawing our June 13, 2024 proposed action insofar as it pertained

to the PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J) for the 2012 $\text{PM}_{2.5}$ NAAQS. We are now re-proposing partial approval and partial disapproval of these elements based on a change in policy, as discussed in Section III of this document.

Commenters who would like the EPA to consider any comments submitted on the June 13, 2024 proposed rule that may be relevant to this re-proposal must resubmit such comments during the comment period for this proposed action.

III. The EPA's Updated Policy Rationale and Summary of the EPA's Proposed Partial Approval and Partial Disapproval

In our June 13, 2024 action, we proposed to partially disapprove the PSD-related requirements of the Arizona I-SIP submittal for the 2012 $\text{PM}_{2.5}$ NAAQS based on our interpretation at that time of CAA section 110(a)(2)(C). Historically, we have read CAA section 110(a)(2)(C) to require that each infrastructure SIP submission demonstrate that the State and its relevant permitting authorities have SIP-approved PSD permitting programs that meet certain "structural" elements for all NSR pollutants regulated under CAA title I part C, and not just for those relevant to the new or revised NAAQS that prompted the infrastructure SIP submittal.¹⁰ As we stated in our 2013 I-SIP guidance: "There is no specific language in the last clause of [CAA section 110(a)(2)(C)] that restricts its application to only those provisions of CAA title I part C that pertain to the particular new or revised NAAQS addressed by the particular infrastructure SIP action. Because the scope of CAA title I part C is comprehensive (covering all pollutants subject to regulation under the CAA, including GHG), the EPA likewise reads the unrestricted reference to CAA title I part C . . . to mean that this provision has the same scope as CAA title I part C itself."

At the same time, we have noted in rulemakings and the 2013 I-SIP guidance that the broad scope of 110(a)(2)(C) with respect to PSD permitting can make it difficult for air agencies and the EPA to address

substantive issues in an I-SIP submission in a reasonable and timely fashion.¹¹ We have thus found that it is reasonable to evaluate the PSD permitting subelement of 110(a)(2)(C) on the basis that each air agency's PSD program contains certain "structural" permitting provisions necessary for administration of the program. The basic structural elements of a PSD program that the EPA looks for in each I-SIP submission include:

1. Provisions identifying oxides of nitrogen (NO_x) as an ozone precursor;
2. Provisions to regulate $\text{PM}_{2.5}$, including condensable PM, and its precursor emissions (sulfur dioxide (SO_2) in all areas, and NO_x , and/or volatile organic compounds as appropriate);
3. Provisions to regulate PSD increments consistent with the requirements of the EPA's PSD implementation rule for $\text{PM}_{2.5}$; and
4. Provisions to regulate GHGs.

Historically, the EPA has interpreted a submittal's adequate satisfaction of the PSD-related requirements under CAA section 110(a)(2)(C) as extending to the PSD-related requirements of CAA sections 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J), and conversely, disapproval of certain PSD-related requirements under CAA section 110(a)(2)(C) extends to the related requirements found under CAA sections 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J). As such, our June 13, 2024 proposed partial disapproval was based on deficiencies with respect to the requirements for PSD permitting of greenhouse gases (GHGs) in all Arizona permitting jurisdictions and deficiencies with respect to PSD permitting of all NSR-regulated pollutants in Pima County.¹²

In this proposed action, the EPA is announcing a new interpretation of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J), such that, for the PSD-related requirements, infrastructure SIPs need only demonstrate that State and county PSD permitting programs adequately regulate the pollutant(s) for which the I-SIP is being submitted. This new position reflects a change in policy as to the basic structural elements of a PSD permitting program required to adequately satisfy the relevant requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(J). However, the EPA believes that this new interpretation better aligns with the overall purpose of the statute. In particular, this interpretation better aligns with the language in CAA section

⁵ 78 FR 3086 (January 15, 2013).

⁶ Letter dated December 11, 2015, from Eric Massey, Director, Air Quality Division, ADEQ, to Jared Blumenfeld, Regional Administrator, EPA Region IX, Subject: "Arizona Infrastructure State Implementation Plan for the 2012 $\text{PM}_{2.5}$ National Ambient Air Quality Standards."

⁷ 89 FR 50245 (June 13, 2024).

⁸ *Id.*

⁹ 90 FR 59051 (December 18, 2025).

¹⁰ See, e.g., 77 FR 66398 (November 5, 2012), 83 FR 42214 (August 21, 2018), and 89 FR 71830 (September 4, 2024); see also Memorandum dated September 13, 2013, from Stephen D. Page, Director, Office of Air Quality and Planning Standards, U.S. EPA, Subject: "Guidance on Infrastructure State Implementation Plan (SIP) Elements under Clean Air Act Sections 110(a)(1) and 110(a)(2)," pages 25 through 29.

¹¹ 2013 I-SIP guidance at pages 26 through 27.

¹² 89 FR 50245, June 13, 2024.

110(a)(1), which states that within three years of promulgation of a new NAAQS, States are required to submit a plan that provides for “implementation, maintenance, and enforcement of such. . . standard” (emphasis added). The fact that CAA section 110(a)(1) specifically states that the obligation is for “such. . . standard,” referencing the NAAQS that triggered the submittal, suggests that Congress intended to limit the scope of the obligation to just the newly promulgated NAAQS.¹³ In addition, the fact that CAA section 110(a)(1) specifically ties the obligation to submit a new plan to a period of time immediately following the promulgation of a new NAAQS also supports EPA’s new interpretation that the obligation for the I-SIP relates just to the new standard. The EPA has the discretion and authority to change policy. In *FCC v. Fox Television Stations, Inc.*, the U.S. Supreme Court plainly stated that an agency is free to change a prior policy and “need not demonstrate. . . that the reasons for the new policy are better than the reasons for the old one; it suffices that the new policy is permissible under the statute, that there are good reasons for it, and that the agency believes it to be better.”¹⁴

The EPA’s new policy is that for the PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(F), infrastructure SIP submittals need only demonstrate that State and county PSD permitting programs adequately regulate the pollutant(s) for which the I-SIP is being submitted. The EPA believes that this new interpretation better aligns with the requirements of the statute, in particular, that infrastructure SIP submissions demonstrate adequate provisions against the relevant portions of CAA section 110(a)(2), but only to the extent they are necessary to assure the implementation, maintenance, and enforcement of the specific NAAQS for which an infrastructure SIP is required under CAA section 110(a)(1), and not all air pollutants considered in CAA title I part C. To this end, the EPA now finds the following basic structural element(s) appropriate, depending on the NAAQS the submittal is intended to address:

1. Provisions identifying NO_x as an ozone precursor;
2. Provisions to regulate PM_{2.5}, including condensable PM, and its precursor emissions

(sulfur dioxide (SO₂) in all areas, and NO_x, and/or volatile organic compounds as appropriate); and

3. Provisions to regulate PSD increments consistent with the requirements of the EPA’s PSD implementation rule for PM_{2.5}.

As such, the EPA believes that as long as an infrastructure SIP submittal for the 2012 PM_{2.5} NAAQS demonstrates SIP-approved provisions, for all relevant permitting authorities, in accordance with structural elements 2 (provisions to regulate PM_{2.5}, including condensable PM_{2.5}, and its precursors) and 3 (provisions to regulate PSD increments for PM_{2.5}) listed above, it would satisfy the PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(F). If a permitting authority instead implements one or more of these basic structural elements by means of a Federal PSD implementation plan, the EPA maintains that this does not adequately satisfy the PSD-related requirements under CAA section 110(a)(2). Because Arizona’s submittal was inconsistent with our previous interpretation of the Act and past rulemakings on the PSD-related provisions of CAA section 110(a)(2), the new interpretation we are proposing here does not involve a cognizable reliance issue for Arizona.¹⁵

Under this new interpretation of the relevant CAA provisions, we evaluated Arizona’s 2012 PM_{2.5} I-SIP submittal and the relevant existing provisions of the Arizona SIP for compliance with the infrastructure SIP PSD-related requirements of CAA sections 110(a)(2)(C), 110(a)(2)(D)(i)(II), 110(a)(2)(D)(ii), and 110(a)(2)(F). In our evaluation, we found that the State has SIP-approved provisions that adequately satisfy the relevant structural elements 2 and 3 for the ADEQ, MCAQD, and PCAQCD permitting authorities with respect to the 2012 PM_{2.5} NAAQS. We also found that PDEQ does not have a SIP-approved PSD program and instead implements a comprehensive PSD Federal implementation plan (FIP) for PM_{2.5} and its precursors.

Therefore, the EPA now proposes to approve Arizona’s 2012 PM_{2.5} I-SIP submittal with respect to the 2012 PM_{2.5} NAAQS for the following CAA requirements to the extent they apply to the PSD permitting jurisdictions of ADEQ, MCAQD, and PCAQCD:

- CAA section 110(a)(2)(C)—Program for regulation of new and modified major source stationary sources;
- CAA section 110(a)(2)(D)(i)(II)—Interference with PSD (prong 3);

- CAA section 110(a)(2)(D)(ii)—Interstate pollution abatement, CAA section 126; and

- CAA section 110(a)(2)(F)—PSD.

The EPA also proposes to disapprove Arizona’s 2012 PM_{2.5} I-SIP submittal with respect to the 2012 PM_{2.5} NAAQS for the same CAA requirements to the extent they apply to the PSD permitting jurisdiction of PDEQ.

Although the Arizona SIP remains deficient with respect to PSD permitting of PM_{2.5} and its precursors in the PDEQ permitting jurisdiction, as described, these deficiencies are adequately addressed by an existing FIP. If finalized, this disapproval of Arizona’s SIP would not create any new consequences for Arizona, the county agency, or the EPA, as the county agency already implements the EPA’s Federal PSD program at 40 CFR 52.21, pursuant to delegation agreements, for PM_{2.5} and its precursors. This disapproval, if finalized, would also not result in any offset or highway sanctions, which are not triggered by disapprovals of infrastructure SIPs under CAA section 110(a)(2).

IV. Request for Public Comments

The EPA is soliciting public comments on this proposed rulemaking. We will accept comments from the public for the next 30 days. We will consider any comments received before taking final action.

V. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA’s role is to review State choices, and approve those choices if they meet the minimum criteria of the Act. Accordingly, this proposed rulemaking proposes to partially approve and partially disapprove State law as meeting Federal requirements and does not impose additional requirements beyond those imposed by State law. Additional information about these statutes and Executive Orders can be found at <https://www.epa.gov/laws-regulations/laws-and-executive-orders>.

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review (58 FR 51735, October 4, 1993)

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

¹³ Relatedly, we note that there is no NAAQS for GHGs that triggers a submittal under CAA section 110(a)(1).

¹⁴ 566 U.S. 502, 515 (2009) (referencing *Motor Vehicle Mfrs. Ass’n of United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29 (1983)). See also *Perez v. Mortgage Bankers Ass’n*, 135 S. Ct. 1199 (2015).

¹⁵ Compare, *Kentucky v. EPA*, 123 F.4 447, 467–71 (4th Cir. 2025).

B. Executive Order 14192: Unleashing Prosperity Through Deregulation (90 FR 9065, February 6, 2025)

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

C. Paperwork Reduction Act (PRA) (44 U.S.C. 3501et seq.)

This action does not impose an information collection burden under the PRA because this action does not impose additional requirements beyond those imposed by State law.

D. Regulatory Flexibility Act (RFA) (5 U.S.C. 601et seq.)

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

E. Unfunded Mandates Reform Act (UMRA) (Pub. L. 104–4)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. This action does not impose additional requirements beyond those imposed by State law. Accordingly, no additional costs to State, local, or Tribal governments, or to the private sector, will result from this action.

F. Executive Order 13132: Federalism (64 FR 43255, August 10, 1999)

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

G. Executive Order 13175: Coordination With Indian Tribal Governments (65 FR 67249, November 9, 2000)

This action does not have Tribal implications, as specified in Executive Order 13175, because the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction, and will not impose substantial direct costs on Tribal governments or preempt Tribal law. Thus, Executive Order 13175 does not apply to this action.

H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks (62 FR 19885, April 23, 1997)

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2–202 of the Executive Order. Therefore, this action is not subject to Executive Order 13045 because it merely proposes to partially approve and partially disapprove State law as meeting Federal requirements. Furthermore, the EPA’s Policy on Children’s Health does not apply to this action.

I. Executive Order 13211: Actions That Significantly Affect Energy Supply, Distribution, or Use (66 FR 28355, May 22, 2001)

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

J. National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 272 Note)

Section 12(d) of the NTTAA directs the EPA to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. The EPA believes that this action is not subject to the requirements of section 12(d) of the NTTAA because application of those requirements would be inconsistent with the CAA.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen Dioxide, Particulate matter, Reporting and recordkeeping requirements, Volatile organic compounds.

(Authority: 42 U.S.C. 7401 et seq.)

Dated: July 21, 2026.

Michael Martucci,
Acting Regional Administrator, Region IX.
[FR Doc. 2026–16083 Filed 8–5–26; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R05–OAR–2024–0617; EPA–R05–OAR–2024–0618; EPA–R05–OAR–2025–0259; FRL–13135–01–R5]

Air Plan Approval; Illinois; 2015 Ozone Moderate and Serious Reasonably Available Control Technology Update

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is proposing to approve revisions to 35 Illinois Administrative Code (IAC) parts 217, 218, and 219 into the Illinois State Implementation Plan (SIP). The Illinois Environmental Protection Agency (Illinois or Illinois EPA) submitted these revisions on December 18, 2024, and May 12, 2025, supplemented their submittal on August 13, 2025, for Moderate Reasonably Available Control Technology (RACT). The EPA is proposing to approve 35 IAC parts 217, 218, and 219 as satisfying the Moderate Volatile Organic Compound (VOC) RACT and NO_x RACT requirements as well as Serious NO_x RACT requirements for the Chicago, IL (Cook County, DuPage County, Grundy County, Kane County, Kendall County, Lake County, McHenry County, and Will County) and Metro-East St. Louis (Madison County, Monroe County, and St. Clair County) nonattainment areas under the 2015 ozone National Ambient Air Quality Standard (NAAQS or standard).

DATES: Comments must be received on or before September 8, 2026.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R05–OAR–2024–0617, EPA–R05–OAR–2024–0618, and EPA–R05–OAR–2025–0259 at <https://www.regulations.gov>, or via email to arra.sarah@epa.gov. For comments submitted at [Regulations.gov](https://www.regulations.gov), follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from the docket. The EPA may publish any comment received to its public docket. Do not submit to the EPA’s docket at <https://www.regulations.gov> any information you consider to be Confidential Business Information (CBI), Proprietary Business Information (PBI), or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the

official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section. For the full EPA public comment policy, information about CBI, PBI, or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT: Nicole Naber, Air and Radiation Division (AR18J), Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, telephone number: (312) 886-6609, email address: naber.nicole@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document whenever “we,” “us,” or “our” is used, we mean the EPA.

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I. What is the EPA proposing?

The EPA is proposing to approve 35 IAC parts 218 and 217 as satisfying the Moderate ozone nonattainment area VOC RACT requirements of Clean Air Act (CAA) section 182(b)(2), and the corresponding NO_x RACT requirements stemming from sections 182(b) and 182(f), respectively, for the Chicago, IL nonattainment area under the 2015 ozone standard. The EPA is also proposing to approve 35 IAC parts 219 and 217 as satisfying the Moderate area VOC and NO_x RACT requirements for the Metro-East nonattainment area under the 2015 ozone standard. For both nonattainment areas, the EPA is also proposing to approve 35 IAC part 217 as satisfying the Serious area NO_x RACT requirements from CAA sections 182(c) and 182(f). The Serious area VOC RACT requirements will be addressed in a separate action. On December 18, 2024,

Illinois submitted attainment plans for both ozone nonattainment areas containing certifications that 35 IAC parts 218 and 219 satisfy the Moderate VOC RACT requirements and supplemented the submittal on August 13, 2025. On May 12, 2025, Illinois also submitted SIP revisions to 35 IAC part 217 to satisfy the Moderate and Serious NO_x RACT requirements.¹

II. What is the background for this action?

Emissions of VOCs and NO_x contribute to the production of ground-level ozone, or smog, which harms human health and the environment. The EPA defines RACT as the lowest emission limit that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility. *See* Memorandum from Roger Strelow, Assistant Administrator for Air and Waste Management, EPA, to Regional Administrators, EPA, “Guidance for Determining Acceptability of SIP Regulations in Non-Attainment Areas” (December 9, 1976); *see also* 44 FR 53761, 53762 (September 17, 1979). Control Techniques Guidelines (CTGs) provide recommendations to inform State, local, and Tribal air agencies as to what constitutes RACT for categories of VOC sources. CAA sections 182(b)(2) and 182(f), in combination, require States to implement RACT in ozone nonattainment areas classified as Moderate (and higher). Specifically, these areas are required to implement RACT for all major sources of VOC and NO_x (based on potential to emit at least 100 tons per year (tpy)) and for all VOC sources covered by a CTG. Air agencies can use the recommendations in the CTG and consider all recent relevant information to inform their own determination as to what constitutes RACT. If there are no sources covered by a certain CTG within a nonattainment area, a State may submit a negative declaration, in place of regulatory requirements, to apply RACT for that category of sources.

The EPA’s SIP Requirements Rule for the 2008 ozone NAAQS indicates that States may meet RACT through the establishment of new or more stringent requirements that meet RACT control levels, through a certification that previously adopted RACT controls for a prior ozone NAAQS continue to represent adequate RACT control levels for the 2008 ozone NAAQS, or with a combination of these two approaches. *See* 80 FR 12264, 12278–79 (March 6,

2015). As previously stated, a State may submit a negative declaration in instances where there are no sources covered by a particular CTG. The EPA’s SIP Requirements Rule for the 2015 ozone NAAQS retains the existing general 2008 RACT requirements for purposes of the 2015 ozone NAAQS. *See* 83 FR 62998, 63001–02, and 63007 (December 6, 2018).

Effective August 3, 2018 (83 FR 25776), the EPA designated the Illinois portions of the Chicago and Metro-East St. Louis areas as Marginal nonattainment areas for the 2015 ozone NAAQS. The Illinois portion of the Chicago nonattainment area includes Cook, DuPage, Kane, Lake, McHenry, and Will counties, as well as Aux Sable and Goose Lake Townships in Grundy County, and Oswego Township in Kendall County. The Illinois portion of Metro-East nonattainment area includes Madison, St. Clair, Monroe counties in Illinois, and St. Louis, St. Louis City, St. Charles, and Jefferson counties, as well as Boles Township in Franklin County in Missouri. On October 7, 2022 (87 FR 60897), the EPA determined that the Chicago and Metro-East areas failed to attain the 2015 ozone NAAQS by the August 3, 2021, attainment date, resulting in the reclassification of the areas from Marginal to Moderate ozone nonattainment. In that action, the EPA established January 1, 2023, as the due date for the State to submit all Moderate area nonattainment plan SIP requirements applicable to newly reclassified areas. More recently, on December 17, 2024 (89 FR 101901), the EPA determined that both areas did not attain the standards by the Moderate attainment date; therefore, the areas were reclassified to Serious ozone nonattainment. This action addresses the Moderate area VOC and both Moderate and Serious NO_x RACT SIP submissions for the Chicago and Metro-East nonattainment areas under the 2015 ozone standard. Serious VOC RACT for both nonattainment areas will be addressed in a separate action.

III. What is the EPA’s evaluation of Illinois’ VOC and NO_x RACT determinations?

The EPA previously determined that 35 IAC parts 218 and 219 VOC regulations met Moderate RACT for requirements associated with the 2008 ozone NAAQS and incorporated them into the Illinois SIP. *See* action dated May 20, 2022 (87 FR 30828) for Chicago, and March 23, 2012 (77 FR 16940) for Metro-East. For certain categories of sources, Illinois is certifying that the previously adopted RACT regulations and controls contained in 35 IAC parts

¹ See clarification letter in the docket.

218 and 219 for VOCs continue to satisfy RACT requirements under the 2015 ozone NAAQS. Illinois has also adopted new RACT regulations in 35 IAC 217 for NO_x. The new NO_x regulations apply to both the Chicago and Metro-East, Illinois 2015 ozone nonattainment areas.

A. Certifying Existing Sections of 35 IAC Part 219 as VOC RACT for Chicago and Metro-East

The EPA approved 35 IAC parts 218 and 219 into the Illinois SIP under previous ozone standards. For this action, the EPA and Illinois performed RACT due diligence² analyses to determine what level of controls can be established as RACT. These analyses are provided in both the Chicago and Metro-East submittals and are described in detail in section III, subsection E of this preamble. The EPA has not identified any new control technologies that are reasonably available considering technological and economic feasibility for these sources since our last approval, and, therefore, the EPA is proposing to determine that the controls for the CTG categories covered in 35 IAC parts 218 and 219 still represent RACT for implementing the 2015 ozone standard in both Illinois nonattainment areas.

B. Permits for One Source Covered by the Oil and Natural Gas Industry CTG

Illinois identified one source located in the Metro-East nonattainment area that is covered by the EPA's 2016 CTG for the Oil and Natural Gas Industry. Instead of adopting categorical RACT rules for the source, Illinois requested that the EPA approve the source specific federally enforceable permit for the Flint Hills Resources Pine Bend facility (Pine Bend) for incorporation into the Illinois SIP. The EPA is proposing to approve this permit into the SIP to fulfill the RACT requirements for the Metro-East nonattainment area for the category of sources covered by the Oil and Gas CTG.

Pine Bend contains four crude oil storage tanks. The 2016 CTG recommends a 95% reduction of VOC emissions from these tanks. In 2024, the EPA issued updated New Source Performance Standards (NSPS) at 40 CFR part 60, subpart Kb. The 2024 NSPS Standards of Performance for Storage Vessels for Petroleum Liquids requires an external floating roof, a fixed roof, or a vapor recovery system to reduce VOC emissions by at least 95%

for these tanks. Since the Pine Bend State permit requires the source to utilize an external floating roof, which is equivalent to or better than a vapor recovery system and reduces VOC emissions by at least 95%, the permit is equivalent to, or better than, the CTG recommendation as well as the newer NSPS, and we are not aware of any other relevant information to inform this determination. Therefore, the EPA is proposing to approve the Illinois EPA Federally Enforceable State Operating Permit No. 83100026 into the SIP as satisfying RACT for Pine Bend in the Metro-East nonattainment area under the 2015 ozone standard.

C. Negative Declarations

For the Chicago nonattainment area, Illinois submitted Negative Declarations for the following CTG categories: Ship Building and Ship Repair Industry; Natural Gas/Gasoline Processing Plants; Aerospace Manufacturing and Rework Facilities; High-Density Polyethylene, Polypropylene, and Polystyrene Resins; Vegetable Oil Processing; Industrial Wastewater; and Oil and Natural Gas Industry. Illinois performed searches for facilities meeting each of these CTG categories in the Chicago nonattainment area for the 2015 ozone standard and determined that there are no sources subject to any of these CTGs in this nonattainment area.

For the Metro-East nonattainment area, Illinois submitted Negative Declarations for the following CTG categories: Ship Building and Ship Repair Industry; Natural Gas/Gasoline Processing Plants; Aerospace Manufacturing and Rework Facilities; High-Density Polyethylene, Polypropylene, and Polystyrene Resins; Vegetable Oil Processing; and Industrial Wastewater. Illinois conducted searches for facilities meeting each of these CTG categories in the Metro-East nonattainment area for the 2015 ozone standard and determined that there are no sources subject to any of these CTGs in this nonattainment area.

The EPA reviewed the information submitted by Illinois related to these negative declarations and agrees with the State's determinations that no covered sources for these CTGs exist in the relevant nonattainment areas. As such, the EPA is proposing to approve these negative declarations as meeting RACT.

D. 35 IAC 217

To satisfy the requirements under CAA sections 172 and 182 to adopt NO_x RACT regulations with respect to the 2015 ozone standard, Illinois amended 35 IAC 217. CAA section 182(f) defines

a major stationary source in a Moderate ozone or a Serious ozone nonattainment area as one that directly emits, or has the potential to emit, 100 tpy or more of NO_x or 50 tpy or more of NO_x, respectively.

These NO_x RACT rules establish non-CTG RACT general provisions, including updated measurement methods for NO_x, added predictive emission monitoring system (PEMS) to the abbreviations used in this part, removed or updated outdated materials, and added a Federal regulation governing combustion tuning requirements. Illinois EPA's amendments also include federally enforceable NO_x emissions limitations and testing and monitoring requirements for the following NO_x source categories: any industrial boiler, process heater, glass melting furnace, cement kiln, lime kiln, iron and steel reheat, annealing, or galvanizing furnace, aluminum reverberatory or crucible furnace, or fossil fuel-fired stationary boiler that emits NO_x in an amount equal to or greater than 15 tpy and that is located at a source in the Chicago or Metro-East ozone nonattainment area that has the potential to emit NO_x in an amount equal to or greater than 50 tpy.

Illinois' submittal also included provisions for an emissions averaging plan, which is a type of Economic Incentive Program (EIP), as an alternative method to satisfying NO_x RACT requirements. CAA section 182(g)(4) required the EPA to promulgate rules for EIPs, which the EPA did on April 7, 1994.³ In 2001 EPA issued further guidance on discretionary EIPs.⁴ The EPA's 1994 rule allows sources subject to RACT requirements to attain RACT-level emissions reductions in the aggregate, but directs States, to the extent practicable, to require increased emissions reductions beyond those that would be achieved through a traditional RACT program. The EPA's 2001 EIP guidance provides for a presumptive approach for complying with RACT requirements through an EIP. For areas needing and lacking an approved attainment demonstration, the 2001 EIP guidance specifies that this requirement can be met through an additional 10% reduction in emissions. Illinois' rules utilize this presumptive approach, specifying that, for sources opting to comply through averaging, an additional 10 percent emissions reduction is required. Source participation in Illinois' EIP is voluntary

² See <https://www.epa.gov/ground-level-ozone-pollution/resource-document-air-agencies-developing-ract-sip-revisions-ozone>

³ April 7, 1994, 59 FR 16690.

⁴ "Improving Air Quality With Economic Incentive Programs," January 2001.

as a source can meet the RACT requirements of Illinois' proposed rules by instead complying with the NO_x limits applicable to each unit.

The EPA is proposing that the emissions limits for NO_x sources satisfy Moderate and Serious RACT requirements as they are equal to or more stringent than NO_x requirements for similar sources in other States' rules as discussed in section III, subsection E of this preamble.

E. RACT Due Diligence

As part of its December 18, 2024, and May 12, 2025, submittals, Illinois certified that the RACT requirements for Moderate CTG and non-CTG VOC and NO_x sources and Serious CTG and non-CTG NO_x sources in the Chicago and Metro-East 2015 ozone nonattainment areas have been fulfilled. Illinois conducted its RACT analysis for VOC and NO_x by: (1) Identifying all categories of CTG and major non-CTG sources of VOC and NO_x emissions within both nonattainment areas; (2) Listing the Illinois State regulation that implements or exceeds RACT requirements for that CTG or non-CTG category; and (3) Submitting negative declarations when there are no CTG applicable sources within the Chicago and Metro-East areas.

The EPA performed a supplemental due diligence analysis for the Illinois VOC and NO_x RACT submittals for the Chicago and Metro-East nonattainment areas under the 2015 ozone standard. In the EPA's December 2025 Technical Support Document (available in the docket), the EPA details the basis for concluding that Illinois' current VOC and new NO_x regulations fulfill RACT through comparison with RACT rules developed by other States, CTG guidance documents and applicable ACT documents. The EPA evaluated the relevant RACT rules in various States including some other EPA Region 5 States (Ohio, Michigan, Indiana, Wisconsin) and other States located in EPA Regions 1, 2, 6, 8, and 9 (Maine, Vermont, California, Colorado, Texas, Arizona, New Jersey, Connecticut, and New York). The EPA found Illinois' rules to be generally consistent with or more stringent than control measures in other States' regulations, CTGs, and non-CTGs. The EPA has not identified any new control technologies that are reasonably available considering technological and economic feasibility

for these sources. Based upon our findings, the EPA proposes to determine that Illinois' rules represent Moderate level VOC and NO_x RACT as well as Serious NO_x RACT.

IV. What action is the EPA taking?

The EPA is proposing to approve 35 IAC parts 218 and 219 as satisfying the Moderate area VOC RACT requirements of CAA section 182(b)(2) for both the Chicago and Metro-East nonattainment areas under the 2015 ozone standard. The EPA is also proposing to approve revisions to 35 IAC part 217 as satisfying the Moderate and Serious NO_x RACT requirements of 182(b)(2), 182(c), and 182(f) of the CAA for the Chicago and Metro-East nonattainment areas under the 2015 ozone standard.

V. Incorporation by Reference

In this rulemaking, The EPA is proposing to include in a final EPA rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference Illinois rules 35 IAC parts 218 and 219, effective December 9, 2024, and 35 IAC 217, effective April 23, 2025, discussed in section III of this preamble. The EPA is also proposing to incorporate by reference Illinois Operating Permit 83100026 for the Flint Hills Pine Bend facility, issued June 20, 2024. The EPA has made, and will continue to make, these documents generally available through www.regulations.gov and at the EPA Region 5 Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

VI. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve State choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves State law as meeting Federal requirements and does not impose additional requirements beyond those imposed by State law. For that reason, this action:

- Is not a significant regulatory action subject to review by the Office of

Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);

- Is not an Executive Order 14192 (90 FR 9065, February 6, 2025) regulatory action because this action is not significant under Executive Order 12866;

- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);

- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);

- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4);

- Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);

- Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it approves a State program;

- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and

- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA.

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction. In those areas of Indian country, the rulemaking does not have Tribal implications and will not impose substantial direct costs on Tribal governments or preempt Tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen oxides, Ozone, Volatile organic compounds.

Dated: July 27, 2026.

Anne Vogel,

Regional Administrator, Region 5.

[FR Doc. 2026–16001 Filed 8–5–26; 8:45 am]

BILLING CODE 6560–50–P

Notices

Federal Register

Vol. 91, No. 150

Thursday, August 6, 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 September 8, 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: Food Distribution Programs.
OMB Control Number: 0584–0293.

Summary of Collection: The Food Distribution Programs of the United States Department of Agriculture (USDA) assist American farmers and needy people by purchasing and delivering food to State agencies and ITOs that, in turn, distribute them to organizations that assist those in need. Effective administration of Food Distribution Programs is dependent on the collection and submission of information from State and local agencies, ITOs, and private-for-profit companies to FNA. This information includes, for example, the number of households served in the programs; the quantities of foods ordered and where the food is to be delivered; verification of the receipt of a food order; and the amounts of USDA Foods in inventory. This is a revision of the information collection under the burden number 0584–0293. This ICR will renew the previous collections associated with 0584–0293 and implement the two revised and seven new collections associated with the Food Distribution Programs: Improving Access and Parity final rule (89 FR 87228).

Need and Use of the Information: FNA collects information from state and local agencies, for-profit and non-profit businesses, and individuals and households. This collection is mandatory for the states, local agencies, and businesses, but it is required to obtain or maintain benefits for the individuals and households. The information collected from the state and local agencies is used for a variety of program activities such as ordering USDA foods; arranging for their delivery to storage facilities; sharing information concerning inaccurate or incomplete orders; providing inventory data; applying to participate in the programs and preparing plans to initiate or continue program operations; recovering unused funds; responding to audits; conducting on-site reviews; reporting on financial status and administrative costs; and other program monitoring activities. The information collected from individuals and households permits them to apply for benefits (including assistance during disasters or situations of distress) or to recertify their eligibility. FNS uses this information to manage the Food

Distribution Programs and monitor the use of Federal funds.

Description of Respondents: State, Local, or Tribal Government; Business or other for-profit; Not-for-profit institutions; and Individuals or households.

Number of Respondents: 815,362.

Frequency of Responses: Recordkeeping; Reporting; On occasion; Quarterly; Semi-annually; Monthly; and Annually.

Total Burden Hours: 890,743.

Rachelle Ragland-Greene,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–16082 Filed 8–5–26; 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 approval under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments regarding this information collection received by September 8, 2026 will be considered. Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Food Safety and Inspection Service

Title: New Poultry Inspection System.
OMB Control Number: 0583–0156.

Summary of Collection: The Food Safety and Inspection Service (FSIS) has been delegated the authority to exercise the functions of the Secretary (7 CFR 2.18 and 2.53), as specified in the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451, *et seq.*). This statute mandates that FSIS protect the public by verifying that poultry products are safe, wholesome, and properly labeled.

Need and Use of the Information: FSIS requires that all poultry slaughter establishments develop, implement, and maintain, as part of their HACCP plans, or Sanitation SOPs, or other prerequisite programs, written procedures to prevent contamination of carcasses and parts by enteric pathogens, *e.g.*, *Salmonella* and *Campylobacter*, and fecal material throughout the entire slaughter and dressing operation. FSIS requires that these procedures include sampling for microbial organisms at the pre-chill and post-chill points in the process to monitor establishments' process control for enteric pathogens, except for low volume establishments that are required to test only at post-chill. If the information was not collected or collected less frequently it would reduce the effectiveness of the poultry products inspection program.

Description of Respondents: Business or other for-profit.

Number of Respondents: 289.

Frequency of Responses:

Recordkeeping; Reporting: On occasion.

Total Burden Hours: 191,204.

Food Safety and Inspection Service

Title: State Meat and Poultry Inspection Programs.

OMB Control Number: 0583–0170.

Summary of Collection: The Food Safety and Inspection Service (FSIS) has been delegated the authority to exercise the functions of the Secretary as provided in the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et seq.*) and the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451, *et seq.*) These statutes mandate that FSIS protect the public by ensuring that meat and

poultry products are safe, wholesome, and properly labeled.

Need and Use of the Information: FSIS collects information from State MPI programs to ensure that their programs operate in a manner that is at least equal to FSIS' Federal inspection program in the protection of the public interest; comply with requirements of Federal civil rights laws and regulations; meet necessary laboratory quality assurance standards and testing frequencies; and have the capability to perform microbiology and food chemistry methods that are "at least equal to" methods performed in the FSIS laboratories.

Under a cooperative agreement with FSIS, states may operate their own MPI programs provided they meet and enforce requirements "at least equal to" those imposed under the FMIA and PPIA. Thirty (30) states have MPI programs that operate under a cooperative agreement with FSIS and are subject to the comprehensive state review process. There are nine review components that make up the comprehensive state review process.

Description of Respondents: State, Local or Tribal Government.

Number of Respondents: 30.

Frequency of Responses: Reporting: Annually.

Total Burden Hours: 7,235.

Food Safety and Inspection Service

Title: Laboratory Assessment Requests.

OMB Control Number: 0583–0183.

Summary of Collection: FSIS has been delegated the authority to exercise the functions of the Secretary as provided in the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601, *et seq.*), the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451, *et seq.*) and the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031, *et seq.*). These statutes mandate that FSIS protect the public by ensuring that meat, poultry, and egg products are safe, wholesome, and properly labeled. As a public health regulatory agency, FSIS investigates reports of foodborne illness, contamination, and adulteration potentially associated with FSIS-regulated products. During these investigations, non-FSIS laboratories may test FSIS regulated product and share the results with FSIS. FSIS Office of Public Health Science (OPHS) Microbiological and Chemical Hazards Staff (MCHS) will review the results and associated documentation shared by the non-FSIS laboratory to determine whether FSIS will accept the results.

Need and Use of the Information: As part of the process to determine if the

non-FSIS laboratory result is acceptable, the MCHS lead investigator collects information from the non-FSIS laboratory and verifies that the non-FSIS laboratory can provide the appropriate certifications and documentation of accreditation, such as ISO17025, or another third-party accreditation entity covering the methods performed. The MCHS lead investigator also verifies that the laboratory has submitted all the necessary information, including evidence of chain of custody, the appropriate laboratory reports with sample identification, results, and authorization by the responsible official for affirming results. The laboratory may use FSIS Form 8000–17, *Evidence Receipt and Chain of Custody*, to submit information to FSIS.

Description of Respondents: Business or other for-profit.

Number of Respondents: 3.

Frequency of Responses: Reporting: On occasion.

Total Burden Hours: 23.

Levi S. Harrell,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–16050 Filed 8–5–26; 8:45 am]

BILLING CODE 3410-DM-P

CIVIL RIGHTS COLD CASE RECORDS REVIEW BOARD

[Agency Docket Number: CRCCRRB–2026–0016–N]

Notice of Formal Determination on Records Release

AGENCY: Civil Rights Cold Case Records Review Board.

ACTION: Notice.

SUMMARY: The Civil Rights Cold Case Records Review Board previously reviewed and made formal disclosure determinations on records related to civil rights cold case incident 2023–002–007 in which the Department of Justice (DOJ) proposed postponements. DOJ later proposed 2 additional postponements. On August 4, 2026, the Review Board decided on these postponements and revised its decision on one previously proposed postponement. It determined that 24 pages in full and 10 pages in part should be publicly disclosed in the Civil Rights Cold Case Records Collection. By issuing this notice, the Review Board complies with the Civil Rights Cold Case Records Collection Act of 2018 that requires the Review Board to publish in the **Federal Register** its determinations on the disclosure or postponement of

records in the Collection no more than 14 days after the date of its decision.

FOR FURTHER INFORMATION CONTACT:
Stephannie Oriabure, Chief of Staff,
Civil Rights Cold Case Records Review
Board, 1800 F Street NW, Washington,

DC 20405, (771) 221-0014, info@coldcaserecords.gov.

SUPPLEMENTARY INFORMATION:

Incident identifier	Postponement identifier	Review board decision
2023-002-007	2024-DOJ-02-0018a	Approve.
2023-002-007	2024-DOJ-02-0042	Approve with changes.
2023-002-007	2024-DOJ-02-0067a	Approve.

Authority: Pub. L. 115-426, 132 Stat. 5489 (44 U.S.C. 2107).

Dated: August 4, 2026.

Stephannie Oriabure,
Chief of Staff.

[FR Doc. 2026-16055 Filed 8-5-26; 8:45 am]

BILLING CODE 6820-SY-P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-96-2026]

Foreign-Trade Zone (FTZ) 18, Notification of Proposed Production Activity; Western Digital Technologies, Inc.; (Semiconductor Die); San Jose and Fremont California

Western Digital Technologies, Inc. submitted a notification of proposed production activity to the FTZ Board (the Board) for its facilities in San Jose and Fremont, California within Subzone 18V. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on July 29, 2026.

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

The proposed finished product is Die for Hard Disk Drive Head (duty-free).

The proposed foreign-status materials/components include: Single or multiple metal alloy sputtering targets containing at least one of the following metals: Ru, Al, Cr, Co, Ir, B, Fe, Ni, Hf, Ti, Pt, Ag, Mg, Ta, Ge, Mn, Mo, Zr, W, Y, Pd, Nb, Au, Rh, Sm; Undercoated .55–1.55um Alumina Substrates; EMD Performance Materials Corp AZ 10XT (100CP) Photoresist; EMD Performance Materials Corp AZ 10XT (50cP) Photoresist; EMD Performance Materials

Corp AZ 10XT Photoresist (520cP) Photoresist; EMD Performance Materials Corp AZ 1529 Photoresist; EMD Performance Materials Corp AZ 50XT Photoresist; EMD Performance Materials Corp AZ 9220 Photoresist (50CPS) Photoresist; EMD Performance Materials Corp AZ 9260 PHOTOESIST (520 CPS) Photoresist; EMD Performance Materials Corp AZ 7905 MIF Photoresist; EMD Performance Materials Corp AZ nLOF 2035 Photoresist; EMD Performance Materials Corp AZ P4110 Photoresist; EMD Performance Materials Corp AZ P4330-RS Photoresist; Dupont AR 602-510 Photoresist; JSR Micro, Inc. JSR ARF AR1891JN-30 Photoresist; JSR Micro, Inc. JSR ARF ARX3001JN-15 Photoresist; JSR Micro Inc. JSR ARF ARX3001JN-9Photoresist; JSR Micro, Inc. JSR NFC900 Photoresist; Fujifilm Electronic Materials LLCGKR-4602PP Photoresist; Rohm and Haas Electronic Materials LLC Microposit LOL 1000 Lift Off Layer Adhesion Promoting (PR1); Rohm and Haas Electronic Materials LLC Microposit LOL 1100 Lift Off Layer Adhesion Promoting (PR1); Rohm and Haas Electronic Materials LLC Microposit LOL 2000 Lift Off Layer Adhesion Promoting (PR1); Dow Megaposit SPR 955CM-1.4Photoresist; Kayaku Advanced Materials PMGI XS2Adhesion Promoting (PR1); Shin-Etsu Chemical Co., Ltd. SAIL X311 Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I032-3.5 Photoresist; Shin-Etsu Chemical Co., Inc.SEPR-I036-4.0 Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I036N-0.8Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I036N-4.0 Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I036NE-4.0 Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I051-1.5 Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I051N-1.5 Photoresist; Shin-Etsu MicroSi, Inc. SEPR-I032N-1.5 Photoresist; Shin-Etsu Chemical Co., Ltd.SIHM-A940-38 Photoresist; Shin-Etsu Chemical Co., Ltd.SEPR-I302N-1.5 Photoresist; Shin-Etsu Chemical Co., Ltd.SIHM-A943-0.1 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR 9272M-6.0 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR 9272N-6.0 (N-Version) Photoresist; Shin-Etsu Chemical Co., Inc. SIPR 9361L2M-2.0 Photoresist;

Shin-Etsu Chemical Co., Ltd. SIPR 9361M-2.5 Photoresist; Shin-Etsu Chemical Co., Inc. SIPR 9684HM-2.5 Photoresist; Shin-Etsu Chemical Co., Inc. SIPR 9740M-1.0 Photoresist; Shin-Etsu Chemical Co., Inc. SIPR 9770M-3.0 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR-9361L2N-2.0 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR-9361N-2.5 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR-9684HN-2.5 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR-9740N-1.0 Photoresist; Shin-Etsu Chemical Co., Ltd. SIPR-9770N-3.0 Photoresist; Shin-Etsu Chemical Co., Inc. SIPR-PR-1Adhesion Promoting (PR1); Sumitomo Chemical Co., Ltd. SUMIRESIST® PFI-38 series Photoresist; Tokyo Ohka Kogyo Co., Ltd.TARF-P7052 EM Photoresist; Tokyo Ohka Kogyo Co., Ltd. pr Photoresist; Tokyo Ohka Kogyo Co., Ltd.TDUR-P5107 (5.6cP) Photoresist; Fujifilm Electronic Materials USA, Inc.TIS193IL-A01 Photoresist; Rohm and Haas Electronic Materials LLCUV210GS-0.3 Positive DUV Photoresist; Rohm and Haas Electronic Materials LLCUV210GS-0.4 Positive DUV Photoresist; Dupont AR 3 GSF-600 DUV Photoresist; Fujifilm Electronic Materials USA, Inc. Durimide 20-400APhotoresist; Fujifilm Electronic Materials USA, Inc. Durimide 20-500APhotoresist; Fujifilm Electronic Materials USA, Inc. Durimide 20-1200A Photoresist; and Shin-Etsu Chemical Co., Ltd MPHP (Microprime HP Primer) Organo-silicon Hexamethyldisilazane (duty rate ranges from duty-free to 5.3%).

The request indicates that certain materials/components are subject to duties under section 301 of the Trade Act of 1974 (section 301), depending on the country of origin. The applicable section 301 decision requires subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is September 15, 2026.

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

For further information, contact John Frye at John.Frye@trade.gov.

Dated: July 31, 2026.

Elizabeth Whiteman,
Executive Secretary.

[FR Doc. 2026-15937 Filed 8-5-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-97-2026]

Foreign-Trade Zone (FTZ) 39, Notification of Proposed Production Activity; Abbott Laboratories; (Diagnostic Medical Devices); Irving, Texas

Abbott Laboratories submitted a notification of proposed production activity to the FTZ Board (the Board) for its facility in Irving, Texas within FTZ 39. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on August 3, 2026.

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

The proposed finished products include: plastic fitting kits for waste pump quick connects; plastic fitting kits for buffer dilution systems; plastic waste containers; stainless steel screws and washers; indicator assemblies, including LEDs, optical sensors, plastic housing, wire harness and connectors; aluminum alignment tools; aluminum chute loaders; cooler assemblies with pumps, including a heat exchanger, sensors, electric pump, housing, and tubing; barcode scanner kits, including scanner with cable and connectors; sample wash stations; linear guides; tensioner assemblies, including tensioning arm, pulleys, springs, and screws; liner actuator motor assemblies, including motor, driver, housing, brackets, wire harness and connectors; hoppers; sensor assemblies, including sensors, molded hosing brackets, cable harness, and connectors; home sensors; photo-

electric sensors and cables; cable assemblies with connectors; fluid flow level sensor with cable assemblies; fluid pressure sensor with cable assemblies; conductivity sensors; fluid variable sensors with cable assemblies; diagnostic instrument analyzers; aspirate probe support boom arms; barcode scanner kits, including scanner with cable and connectors; bracket assemblies including brackets with pin and retaining rings; carrier assemblies, including carrier arm, frame, brackets and screws; degasser installation kits, including plastic tubing and connectors; diagnostic instrument alignment tool; diagnostic instrument cable assemblies; diagnostic instrument chute loaders; diagnostic instrument timing pulleys; dilution assemblies for buffer mixing and dilution system, including pump, tubing and connectors; disk carousel movement and plastic process path for reaction vessel transport assemblies; diverter assemblies, including plastic dividers for sample load platforms; drawer assembly kits, including slides, support brackets, mounting clips, and screws; electronic motor module assemblies, including motor, driver board, cables and connectors; encoder boards; fluid regulators; guide assemblies, including carriage, bushing, and rollers; holder assemblies, including mounting plate, screws, and washers; immobilizers; key cap assemblies, molded plastic key cap and stem-fit posts; latch support kits, including latches and catches for door panels; lift mechanisms; might control mechanisms; lock kits, including lock, brackets, and screws; manifold assemblies, including manifold body, valves, and tubing; mechanical load transport assemblies, including carriage motor, base plate, guide rails, brackets, load sensors and screws; metal hopper assemblies for reaction vessels; monitor arm kits, including arm assembly with base, brackets, and clamps; mount assemblies, including mounting plate, screws, and washers; mount kits, including brackets and screws; optical sensor assemblies, including optical sensor, optical receiver, sensor housing, cables with connectors; picker arm assemblies, including arm structure, claw, linkage, motor, brackets, and screws; pinch arm assemblies, including arm structure, claw, linkage, motor, brackets, and screws; pinch nut kits, including slotted nuts, washers and screws; pipettor assemblies, including pipettor tips, tubing, pump mechanism, brackets, linkage and screws; plug kits, including a silicone cap cover; printed circuit board assemblies, including printed circuit board, processor, and

connectors; protective cover assemblies, including cover and fasteners; rail assemblies, including guide rails and screws; reagent loader nanocarrier; reservoir assemblies, including a basin, tubing and connectors; rotating assemblies, including plastic disk, gears and supports; sensor assemblies, including sensors, molded housing, brackets, cable harness, and connectors; sensor probes; spring mechanism assemblies, including springs, housing, carriages, and brackets; stat diverters; storage container assemblies, including container and brackets; structure assemblies, including metal support structures, slide rails and brackets; suspension travelers; tubing assemblies, including tubes and brackets; vacuum accumulator assemblies, including bottle with tubing and sensors; vacuum upgrade kits, including vacuum pump and tubing with connectors; vent assemblies, including metal vents, screws and brackets; vertical stops; wash station assemblies, including wash basin, spray nozzles, drain ports, and tubing; waste separators; and, fixture assemblies, including brackets and rods for casters (duty rate ranges from duty-free to 5.80%).

The proposed foreign-status materials/components include: accessory kits, for field service including screws, tubing, wire cables with connectors, wire clamps; actuators; adaptors; adhesive backing for baffle mounting; adhesive bottle labels; adhesive label rolls; adhesive label sheets; air cylinder assemblies, including metal diverter plates and screws; alignment bearing assemblies, including plastic support disk, and brackets; alignment fixtures; aluminum adapter bodies; aluminum adapters; aluminum adapters brackets; aluminum alert arms; aluminum alert brackets; aluminum alignment tools; aluminum antenna brackets; aluminum arm loaders; aluminum axis brackets; aluminum base plate assemblies, including support structure and screws; aluminum bases; aluminum blocks; aluminum board covers; aluminum bolts; aluminum bracket mounts; aluminum calibration tools; aluminum caps; aluminum card cage; aluminum chain guides; aluminum clamp bodies; aluminum clamps; aluminum collars; aluminum connectors; aluminum dowels; aluminum frames; aluminum grabbers; aluminum inserts; aluminum latches; aluminum leadscrews; aluminum loader adapters; aluminum lock bodies; aluminum locks; aluminum mounting plates; aluminum mounts; aluminum pins; aluminum sleeves; aluminum strips; aluminum structures;

aluminum transport assembly, including carrier load plate and mounting hardware; aluminum washers; antenna assemblies, including antenna, PCB boards with wire harness and connectors; arm dispensers; arm loader detectors; arm picker assemblies, including arm structure, claw, linkage, motor, brackets, and screws; arm probes; arm wash cups; arm, desk mounts; arm, transport apparatus; aspirate heads; auto loader assemblies, including metal frame with pump, wire harness and tubing with fittings; axis hardstop loaders; ball bearing assemblies; ball bearings; barcode kit, including barcode scanner and cord; barcode readers; beam assemblies, including x axis support beams and mounting brackets; bearing carriage; bearing housing; bearing plates; bearing retainers; bearings; belt tensioners; bezel assemblies, including brackets; bottle holders; bowl loaders; brackets; brush assemblies, including a static brush and mounts; buffer pumps; bulk waste assemblies, including positioning arms, motor, sensors, mounting frames and wire harness with connectors; bulkhead connectors; cable adapters; cable guides; cable optics; cable switches; cables; calibration alignment tools; calibration cups; calibration target assembly, including a machined probe for location calibration; cam holders; cam slides; cameras; carousel assemblies, including a plastic disk and supports; carriage assemblies, including a plastic disk and supports; carrier sensor assembly, including carrier sensor and mounting brackets; caster kits, including caster frames, wheels and insert rods; catches; cellular insulation kits (foam gaskets); cellular plastic packaging insulation; ceramic valves; check valve bracket assemblies, including check valve, brackets and plastic tubing; check valves; chute assemblies, including brackets for reaction vessels; chute drawer covers; chute loader mechanical assemblies, including brackets for reaction vessel transfer; clips; close out pumps; coaxial cable assemblies; coiled steel springs; command modules; compressors; computer processing assemblies, including computer with mother board, metal frames and connectors; conductivity sensor assemblies; connector cable assemblies; connector cable harnesses; connector control module; connectorized cable sensors; container assemblies, including storage container and mounting brackets; control center assemblies, including PCB, frame, mounting hardware, and wire harness with connectors; control cover panels; controller assemblies, including controller panel, frame, and

mounting hardware; controller board modules; controller boards; conveyor assemblies, including belt, motor, and metal frame; coolants; couplers; cover fan mounts; cradle assemblies, includes a metal drawer frame; customs pack removal tools; cylinder lens; dampener assemblies, includes buckets with alignment rod; decontamination kits, a field service kit including disinfectant solutions, wipes, and tubing; disk reader; dispenser; dispenser sleeves; dispersion drive pinion gears; distance alert printed circuit board systems; distance sensors; diverters; dividers; door catches; door hinge assemblies, including hinges and screws; drawer slides; drawer transport assemblies, including drawer, rails, brackets, rail stops, and screws; drive assemblies, including gears and mounts; drive pulleys; dual spring assemblies, including a spring-loaded carriage; DVD/CD rom kits, disk reader; electrical alert devices; electrical connector socket switch component; electrical connectors; electrical sensor modules; electrical switches; electrical switching component; electronic cable sensor monitors; electronic display plates; electronic keys; electronic relays; electronic tube assemblies; enclosures; end caps; engines; epoxy adhesives; epoxy resin adhesives; epoxy tools; ethernet hub modules; ethernet interface ports; ethernet switches; fan motor assemblies, including fans and mounting frames; fan mounting assemblies, including fans and mounting frames; fan panel; ferrite electrical components; ferrite inductor cores; ferrite insulating sleeves; ferrite magnet components; ferrites; filler; filter assemblies, including membrane filter and housing support structure; filter maintenance kits, including various filters; filter upgrade kit, including membrane filter and housing support structure; firewalls; fitting kits, including coupling body and inserts; fitting kits, including tubing and connectors; flag alert indicators; flange rollers; flex carrier chains; flex chain assemblies, including flex chains with wire and tubing harness with connectors; flex chain cables; flex chain tubing; flexible plastic tubes; flexible plastic tubing with fittings; flexible plastic tubing without fittings; flexible reservoir tubing; flow cell assemblies, including a silica bracket and base plate; fluid cleaners; fluid intake interface; fluid vacuum pump assemblies, including vacuum pump, tubing and fittings; fluidic dispenser assemblies, including stepper motor, gears and frames with bearings; fluidic diverters; fluidic regulator; fluidic selection

apparatus; foam protectors; foam sheets; foam support inserts; foam supports; foot supports; fuse kits, including various fuses; gear assemblies, including gears and shafts; gear pinches; gear pump; grounding cables; guide rails; guide rods; guides; hamlin sensors; harnesses; HDMI cables; heating assemblies, including a heating element with adhesive wrapping; heating elements; hinges; holder assemblies, including holding bracket for plastic bottle and mounting hardware; home display sensors; hoppers; housing assemblies, including housing and brackets; immunoassay readers; in vitro test assemblies, including stepper motors, metal cup and shaft; indicator assemblies, including brackets and mounting hardware for indicator sensors; indicator robot notification mechanism; ink cartridges; inserts; instrument handle brackets; instrument reflectors; instrument support frames; instrument supports; instrument vortexers; instrument weights; instrument weldment; insulated cable assemblies; insulated cable harnesses; insulation kits (foam gaskets); instrument spacers; integrated computer assemblies, including computer with mother board, metal frames and connectors; ITV assemblies, including stepper motor, metal cup and shaft; key cap; key gears; keyboards; keys; label kits for regulatory labeling of finished machines; labels; laser; laser kits, including laser module, lens and housings; laser tools; latch blocks; latch carriers; latch transports; leadscrew assemblies, including custom thread metal lead screw with nut; leadscrews with motors; lens; leveling pads; lifting mechanisms; light control mechanism assemblies, including metal shutter mechanism and screws; linear actuator nema motors; linear bearing assemblies, including a spring-loaded bearing; linear bearing rail assemblies, including metal linear high precision rail and carriage assembly; linear guide assemblies, including metal linear high precision rail and carriage assembly; linear support queues, including support arms and brackets; liquid dye; liquid level sensors; liquid level sensors assemblies, including wire harness and connectors; load assemblies, including plastic carrier platform, brackets and screws; loader guides; lock kits; locks; louver fans; lubricating protective touchup paints; machine identification label; magnet; magnet holder; magnetic catches; magnetic switches; maintenance kits for field service

including screw drivers, wrenches, fuses and tweezers; maintenance logs; manifold assemblies, including plastic fluid manifold with fittings; manuals; measurement shim plates; mechanical cable assemblies; metal cage; metal cases; metal drawer slides; metal latches; metal picker finger; metal shields; metal timing pullies; metering pumps; mineral-oil grease lubricants; mixer; mixing assemblies, including motor, arm probes, manifold for liquid rotating, tubing and sensors; mixing chamber; molded plastic bushings; molded plastic clamp; molded plastic connectors; molded plastic holder component; molded plastic manifold body; molded plastic plugs; monitor arms; monitors; motion prevention apparatus; motor assemblies, including motor and mounting brackets; motor assemblies, including motor, brake, transport arms and mounting hardware; motor assemblies, including motor, transport arms, pipettor, and mounting hardware; motor controller; motor covers; motor driver boards; motor gear components; motor lift mechanism; motor mounting brackets; motor pulleys; motor sensors; motor wire assemblies; motorized cable sensors; motorized leadscrew assemblies; mounting brackets; mounting tensioners; mounts; mouse; muffler assemblies, including foam, housing, air outlet fitting and mounting brackets; nozzles; optical assemblies, including optical switch, wire harness with connectors and sensors; optical sensors; optical switch assemblies, including optical sensor, wire harness and connectors; optics bench; optics light controller; O-rings; packaging foams; paddles; pans; peristal pumps; photoelectric cable sensor; photoelectric cable sensors; photoelectric home sensors; photoelectric sensors; pick arm assemblies, including pulley, guide rails, sensors and wire harness with connectors; pick head alert systems; picker sensors; piercing assemblies, including piercing needles, guides and mounting brackets; piercing needles; pin connectors; pinion gears; pinion shafts; pipe assemblies, including lengths of threaded piping; pipettor assemblies, including stepper motors, pulley, guide rails and wire harness with connectors; pipettor tubing kits, including tubing and connectors; plastic adapters; plastic alert mechanisms; plastic antenna mounts; plastic antistatic covers; plastic axis brackets; plastic bags; plastic bar blocks; plastic base plate assemblies, including tray and mounting brackets; plastic bottles; plastic bracket; plastic cable tie; plastic cable ties; plastic caps; plastic cases;

plastic clamps; plastic closure fittings; plastic closure plugs; plastic connectors; plastic fittings; plastic fluid reservoirs; plastic holders; plastic label films; plastic manifold fitting assemblies, including a plastic fluid manifold and fittings; plastic manifold fitting assemblies, including plastic fluid manifold with fittings; plastic nuts; plastic packaging; plastic packaging case; plastic packaging insulations; plastic packaging wraps; plastic pads; plastic plugs; plastic probe tubing; plastic reagent bottles; plastic reservoirs; plastic retaining nuts; plastic seals; plastic strapping; plastic tags; plastic tape strips; plastic tube bushing fittings; plastic tube clamp fittings; plastic tube connectors; plastic tube fittings; plastic tube manifolds; plastic tubing; plastic tubing assemblies, including plastic tubing; and connectors; plastic valve components; plastic valve fittings; plastic valve manifold assemblies; plastic valve manifold assemblies, including a plastic fluid manifold and fittings; plastic valve manifold assemblies, including plastic fluid manifold with fittings; plastic water-filter bags; plug connector assemblies; plug transport mechanisms; plugs; plunger; polycarbonate packaging films; polyethylene bubble wrap pouches; polyethylene bubble wrap sheets; polyethylene plastic bags; polyethylene sheet-style plastic holders; polymer-based touchup paints; polypropylene packaging films; populated controller boards; post assemblies, including machined posts for probe calibration; power supplies; pre trigger pumps; present switch sensors with wire harness and connectors; pressure monitor boards; pressure regulators; pressure switches; primer activators for adhesives; printed circuit board assemblies; printers; probes; process assemblies, including cover, printed circuit board and mounts; protective covers; protective sleeve; protective switch covers; puller tools; pulley bearings; pulley tensioner assemblies; pump assemblies, including a vacuum pump with tubing and fittings; pump assemblies, including metal tray with vacuum pump, tubing and fittings; pump drawers; pump frames; pump heads; pump tools; push button assemblies, including button and molded push rod; PVC plastic tubing; racks; rail assemblies, including guide rails and backets; ramps; reagent cooler assemblies, including fans and metal frames; reagent cooler metal air filters; rebuild kits; reticle assemblies, including half liter reservoir and mounting brackets; reducer fittings; refrigerated reagent cooler assemblies,

including fans and metal frames; regulator assemblies, including liquid pressure sensor and wire harness with connectors; release mechanisms; release tools; removal apparatus; remover assemblies, including ejector mechanism and mounting brackets; resistive sensor tubing; retainer sleeves; retainer tubing; rigid plastic tubing; rigid PVC plastic holders; roller guides; rollers; rotary buffer pumps; rotating assemblies, including plastic disk for reaction vessels; routing clip assemblies, including clips and mountings for cable routing; rubber bumper; rubber bushings; rubber dampener pads; rubber silencers; sample cups; sample handler carrier assemblies (the carrier assembly is the mechanical part to move samples); screw drivers; seals; self-adhesive plastic bags; self-adhesive plastic pads; self-adhesive plastic seals; self-adhesive tape rolls; sensor arms; shafts; shafts with flanges; shelf assemblies, including metal shelves and braces; shock absorbers; shut off valves; silicone foam insulation pads; silicone lubricants; sliding mounts; small electric motors; solenoid assemblies, including solenoid valve and wire harness with connectors; solenoid pusher assemblies, including pusher solenoid and wire harness with connectors; solenoid valves; spacers; spline balls; spring assemblies, metal brackets with pulley wheel and compression springs; spring pins; spring plates; spur gears; stainless flat washers; stainless spring washers; stainless steel coils; stainless steel washers; steel adapters; steel alert arms; steel alert mechanisms; steel alignment tools; steel antenna brackets; steel arm loaders; steel axis brackets; steel base plate; steel base plate assemblies, including tray and mounting brackets; steel bases; steel bearing rings; steel blocks; steel board covers; steel bolt fasteners; steel bracket mounts; steel cables brackets; steel calibration arms; steel calibration tools; steel caps; steel card cages; steel clamps; steel connectors; steel dowels; steel flat washers; steel indicators; steel insert kits, including steel threaded inserts, brackets and mounting hardware; steel instrument frames; steel leadscrew shaft; steel load pushers; steel locating pins; steel locks; steel mount plates; steel nut fasteners; steel O-rings; steel pins; steel push loaders; steel retainer assemblies, including metal retainer plate and mounting brackets; steel retainer rings; steel retaining rings; steel screws; steel screws and washers; steel shim plates; steel spacers; steel spaces; steel spring washers; steel springs; steel standoff; steel strapping; steel structures; steel studs; steel supports;

steel tensioners; steel threaded nuts; steel transport assemblies, including machined part with processing pathways for reaction vessel; steel tray; steel wiring duct; stepper motor assemblies, including cable harness and connectors; stoppers; storage containers; stranded steel cables; support brackets; suspension mechanism; switch sensor components; synthetic grease lubricants; syringe assemblies, including motor, lead screw, pistons, syringe function, printed circuit boards and wire harness; system control modules; tapes; targets; teflon lubricants; temperature probes; thermistors; transfer pumps; transport rollers; transport wheels; tray loaders; trays; trigger assemblies, including stepper motors, driving pistons and mounting brackets; tube director assemblies, mounting brackets for tube management; tweezers; unloader transport assemblies, including steel component of reaction vessel unloading mechanism; USB couplers; USB flash drives; vacuum pump assemblies, including vacuum pump, tubing and fittings; vacuum upgrade kit, including vacuum pump, tubing and fittings; valve assemblies, including manifold with diaphragm valve and wire harness with connectors; variable resistor sensors; wash chamber; wash cup assemblies, including dispense verification module with printed circuit boards, metal frames and wire harness; washer inserts; waste bins; waste line connection; water regulators; wheel assemblies, including caster frames, insert rods and wheels; wired loader assemblies, including metal frame with pump, wire harness and tubing with fittings; and, wrenches (duty rate ranges from duty-free to 12.50%).

The request indicates that certain materials/components are subject to duties under section 232 of the Trade Expansion Act of 1962 (section 232), or section 301 of the Trade Act of 1974 (section 301), depending on the country of origin. The applicable section 232, and section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is September 15, 2026.

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

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

Dated: August 3, 2026.

Elizabeth Whiteman,
Executive Secretary.

[FR Doc. 2026-15999 Filed 8-5-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-98-2026]

Foreign-Trade Zone (FTZ) 45, Notification of Proposed Production Activity; Ascentec Engineering, LLC; (Semiconductor Equipment Precision Parts, Assemblies, and Production Kits); Tualatin and Dallas, Oregon

Ascentec Engineering, LLC submitted a notification of proposed production activity to the FTZ Board (the Board) for its facilities in Tualatin and Dallas, Oregon within FTZ 45. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on July 28, 2026.

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

The proposed finished products include specialized parts and accessories used in semiconductor manufacturing machines (duty free).

The proposed foreign-status materials/components include: synthetic sapphire pin guides for semiconductor lift mechanisms; aluminum alloy round bars; aluminum alloy plates; aluminum base plate pin caps; aluminum housings; stainless steel height-adjust plugs; aluminum low-profile chuck lock plugs; aluminum structural arms; aluminum structural feet; plastic pins; plastic stops; stainless steel pins; titanium pins; aluminum bushings; aluminum brackets; aluminum spacers; aluminum clamp plates; aluminum cooling plates; aluminum calibration fixtures; stainless steel studs; aluminum sealing collars; aluminum guides; nickel alloy screws; aluminum flanges; laser target pads; aluminum inserts; stainless steel dowel pins; stainless steel screws; aluminum plugs; and, aluminum rods (duty rate ranges from 2.5% to 10%).

The request indicates that certain materials/components are subject to

duties under section 232 of the Trade Expansion Act of 1962 (section 232) or section 301 of the Trade Act of 1974 (section 301), depending on the country of origin. The applicable section 232 and section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is September 15, 2026.

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

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

Dated: August 4, 2026.

Elizabeth Whiteman,
Executive Secretary.

[FR Doc. 2026-16000 Filed 8-5-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Docket No. 260803-0182]

XRIN 0694-XC166

Request for Public Comments on the Proposed Implementation of Duties on Additional Aluminum, Steel, and Copper Derivative Articles Under Section 232

AGENCY: Bureau of Industry and Security, Office of Strategic Industries and Economic Security, U.S. Department of Commerce.

ACTION: Notice.

SUMMARY: This notice requests public comments on a proposal to include 14 additional derivative articles within the scope of the Section 232 duties on steel, aluminum, and copper: aluminum powder; brass-wind musical instruments and their parts and accessories; parts of welding machines and apparatus; floor safes; certain electric conductor cables; fire extinguishers; parts of heat exchange units; parts of certain hydraulic engines and motors; certain self-propelled cranes, mobile lifting frames, and straddle carriers; tanker trailers and semi-trailers; self-loading or self-unloading trailers and semi-trailers for agricultural purposes; certain other trailers and semi-trailers; and certain filled steel containers.

DATES: Comments may be submitted at any time but must be received by August 27, 2026.

ADDRESSES: Comments on this notice may be submitted to the Federal rulemaking portal at: www.regulations.gov. The www.regulations.gov ID for this notice is BIS–2026–0331. Please refer to XRIN 0694–XC166 in all comments.

All filers using the portal should use the name of the person or entity submitting the comments as the name of their files, in accordance with the instructions below. Anyone submitting business confidential information should clearly identify the business confidential portion at the time of submission, file a statement justifying nondisclosure and referring to the specific legal authority claimed, and provide a non-confidential version of the submission.

For comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters “BC.” Any page containing business confidential information must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page. The required corresponding non-confidential version of those comments must be clearly marked “PUBLIC.” The file name of the non-confidential version should begin with the character “P.” Any submissions with file names that do not begin with either a “BC” or a “P” will be assumed to be public and will be made publicly available at: <https://www.regulations.gov>. Commenters submitting business confidential information are encouraged to scan a hard copy of the non-confidential version to create an image of the file, rather than submitting a digital copy with redactions applied, to avoid inadvertent redaction errors which could enable the public to read business confidential information. Material submitted by members of the public that is business confidential information will be exempted from public disclosure as provided for by 15 CFR 705.6 of the regulations.

FOR FURTHER INFORMATION CONTACT: Stephen Astle, Director, Defense Industrial Base Division, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, (202) 482–4506, metals232inclusions@bis.doc.gov. For more information about the Section 232 program, see www.bis.doc.gov/232.

SUPPLEMENTARY INFORMATION:

Background

On April 2, 2026, the President issued the Presidential Proclamation Strengthening Actions Taken to Adjust Imports of Aluminum, Steel, and Copper into the United States (Proclamation 11021 of April 2, 2026) (91 FR 18201).

Proclamation 11021 (the Proclamation) authorized the Secretary of Commerce (the Secretary) and the United States Trade Representative (Trade Representative) to include additional derivative articles within the scope of the tariffs imposed pursuant to Proclamation 9704, as amended; Proclamation 9705, as amended; or Proclamation 10962 whenever they jointly determine that imports of a derivative aluminum, steel, or copper article have increased in a manner that threatens to impair the national security; contribute to the national security threats found in Proclamation 9704, Proclamation 9705, or Proclamation 10962; or otherwise undermine the objectives of the actions taken to address the national security threats found in Proclamation 9704, Proclamation 9705, or Proclamation 10962. In determining whether to include additional derivative articles within the scope of the tariffs, the Secretary and the Trade Representative may solicit information, feedback, recommendations, or other relevant materials from domestic producers, industry associations, or other interested parties.

This notice proposes additional derivative articles to be added to the scope of the Section 232 Aluminum, Steel, and Copper Tariffs pursuant to Proclamation 11021. Information available to Commerce indicates that imports of the following derivative articles tend to be composed predominately of aluminum, steel, and/or copper by weight, and that imports threaten to undermine the objectives of the actions taken to address the national security threats the President announced he had found in Proclamation 9704, Proclamation 9705, and Proclamation 10962. They include:

- Aluminum powder of a non-lamellar structure (HTSUS 7603.10.0000)
- Brass-wind musical instruments and parts and accessories thereof (HTSUS 9205.10.0000 and 9209.99.4080)
- Parts of welding machines and apparatus (HTSUS 8515.90.2000)
- Free-standing floor safes classifiable in HTSUS 8303.00.0000
- Electric conductor cables (HTSUS 8544.49.2000, 8544.49.3040, 8544.49.3080, and 8544.60.4000)

- Fire extinguishers (HTSUS 8424.10.0000)
- Parts of heat exchange units (HTSUS 8419.90.3000)
- Parts of linear acting hydraulic power engines and motors (HTSUS 8412.90.9005)
- Mobile lifting frames on tires and straddle carriers (HTSUS 8426.12.0000)
- Other self-propelled cranes and mobile lifting frames (HTSUS 8426.41.0090)
- Tanker trailers and tanker semi-trailers (HTSUS 8716.31.00)
- Self-loading or self-unloading trailers and semi-trailers for agricultural purposes (HTSUS 8716.20.00)
- Other trailers and semi-trailers (HTSUS 8716.40.00)
- Filled steel containers of the following chemicals and related items:
 - Propane, liquefied, other than minimum purity of 90 liquid volume percent (HTSUS 2711.12.0020)
 - Oxygen (HTSUS 2804.40.0000)
 - Propene (propylene) (HTSUS 2901.22.0000)

Commerce proposes that, if included within the scope of tariffs, all of these products would generally be subject to the 25 percent tariff outlined in clause (3) of Proclamation 11021, except for mobile lifting frames on tires and straddle carriers, other self-propelled cranes and mobile lifting frames, self-loading or self-unloading trailers and semi-trailers for agricultural purposes, and filled steel containers and related items for the above-listed chemicals. Commerce proposes that the specified self-propelled cranes, mobile lifting frames, and straddle carriers would generally be subject to the rates of duty prescribed in clauses (2) and (3) of Proclamation 11032 of June 1, 2026 (Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper Into the United States) because they are a type of mobile industrial equipment. Commerce proposes that self-loading or self-unloading trailers and semi-trailers for agricultural purposes would generally be subject to the 15 percent tariff outlined in clause (5) of Proclamation 11021 because it is a type of agricultural equipment. Commerce proposes that filled steel containers and related items for the above-specified chemicals would generally be subject to the 50 percent tariff outlined in clause (2) of Proclamation 11021, because those containers—when imported unfilled—are subject to the same tariff rate; this tariff would only apply to the value of

the metal container and would not apply to the value of a filled container's contents.

Written Comments

The Bureau of Industry and Security (BIS) is seeking public comments on this proposal to include the above derivative articles in the scope of section 232 duties imposed under Proclamations 11021 and 11032. Interested parties are invited to submit written comments, data, analyses, or other information pertinent to this notice to the Office of Strategic Industries and Economic Security, U.S. Department of Commerce. See the **ADDRESSES** section of this notice for requirements on submitting comments. The Department is particularly interested in comments and information on the following: (i) the aluminum, steel, and/or copper intensity of these products, (ii) whether imports of the products are of such volume as to undermine national security, (iii) the extent to which domestic production of the products can meet domestic demand, (iv) the effect on the economy, including domestic industry, if the products are included as derivative articles, and (v) any other relevant factors.

Although BIS is providing opportunity for public comment, the provisions of the Administrative Procedure Act (APA) (5 U.S.C. 553) requiring notice of proposed rulemaking and the opportunity for public comment, are inapplicable because this notice involves a military function of the United States (5 U.S.C. 553(a)(1)). Steel, aluminum, and copper, as well as certain steel, aluminum, and copper derivatives, are essential products for producing U.S. weapons that are vital for protecting U.S. national security. As explained in the reports submitted by the Secretary to the President and cited in Proclamations 9704, 9705, and 10962, steel, aluminum, and copper 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. Therefore the President ordered adjustments of imports to protect U.S. national security interests by identifying derivative products on which tariffs must be imposed in order to protect the U.S. defense industrial base. The U.S. defense industrial base is critical to protecting U.S. national security interests. However, because public input may help to better inform the decision-making process and final determinations, BIS is providing this opportunity for public comment.

Because neither the APA nor any other law requires an opportunity for public comment be given for this rule, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. Accordingly, no Final Regulatory Flexibility Analysis is required and none has been prepared.

Jessica Curyto,

Deputy Assistant Secretary for Technology Security.

[FR Doc. 2026–15961 Filed 8–4–26; 8:45 am]

BILLING CODE 3510–33–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–122, C–570–123]

Certain Corrosion Inhibitors From the People's Republic of China: Continuation of Antidumping Duty and Countervailing Duty Orders

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

SUMMARY: As a result of the determinations by the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) order and countervailing duty (CVD) order on certain corrosion inhibitors from the People's Republic of China would likely lead to the continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of these AD and CVD orders.

DATES: Applicable August 4, 2026.

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1785.

SUPPLEMENTARY INFORMATION:

Background

On March 19, 2021, Commerce published in the **Federal Register** the **Orders** on certain corrosion inhibitors from the People's Republic of China.¹ On February 2, 2026, the ITC

¹ See *Certain Corrosion Inhibitors from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders*, 86 FR 14869 (March 19, 2021) (*Orders*).

instituted,² and Commerce initiated,³ the first sunset review of the *Orders*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). As a result of its reviews, Commerce determined that revocation of the *Orders* would likely lead to the continuation or recurrence of dumping and countervailable subsidies, and therefore, notified the ITC of the magnitude of the margins of dumping and subsidy rates likely to prevail should the *Order* be revoked.⁴

On August 4, 2026, the ITC published its determination, pursuant to sections 751(c) and 752(a) of the Act, that revocation of the *Orders* would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁵

Scope of the Orders

The merchandise covered by these *Orders* is tolyltriazole and benzotriazole. This includes tolyltriazole and benzotriazole of all grades and forms, including their sodium salt forms. Tolyltriazole is technically known as Tolyltriazole IUPAC 4,5 methyl benzotriazole. It can also be identified as 4,5 methyl benzotriazole, tolutriazole, TTA, and TTZ.

Benzotriazole is technically known as IUPAC 1,2,3-Benzotriazole. It can also be identified as 1,2,3-Benzotriazole, 1,2-Aminozophenylene, IH-Benzotriazole, and BTA.

All forms of tolyltriazole and benzotriazole, including but not limited to flakes, granules, pellets, prills, needles, powder, or liquids, are included within the scope of these orders.

The scope includes tolyltriazole/sodium tolyltriazole and benzotriazole/sodium benzotriazole that are combined or mixed with other products. For such combined products, only the tolyltriazole/sodium tolyltriazole and benzotriazole/sodium benzotriazole component is covered by the scope of these *Orders*. Tolyltriazole and sodium tolyltriazole that have been combined

² See *Corrosion Inhibitors from China; Institution of Five-Year Reviews*, 91 FR 4617 (February 2, 2026).

³ See *Initiation of Five-Year (Sunset) Reviews*, 91 FR 4499 (February 2, 2026).

⁴ See *Certain Corrosion Inhibitors from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 91 FR 29114 (May 19, 2026); see also *Certain Corrosion Inhibitors from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 91 FR 29112 (May 19, 2026).

⁵ See *Corrosion Inhibitors from China*, 91 FR 49448 (August 4, 2026) (*ITC Final Determination*).

with other products is included within the scope, regardless of whether the combining occurs in third countries. Tolyltriazole, sodium tolyltriazole, benzotriazole and sodium benzotriazole that is otherwise subject to these *Orders* is not excluded when commingled with tolyltriazole, sodium tolyltriazole, benzotriazole, or sodium benzotriazole from sources not subject to these *Orders*. Only the subject merchandise component of such commingled products is covered by the scope of these *Orders*.

A combination or mixture is excluded from these *Orders* if the total tolyltriazole or benzotriazole component of the combination or mixture (regardless of the source or sources) comprises less than 5 percent of the combination or mixture, on a dry weight basis.

Notwithstanding the foregoing language, a tolyltriazole or benzotriazole combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the tolyltriazole or benzotriazole can no longer be separated from the other products through a distillation or other process is excluded from these orders. Tolyltriazole has the Chemical Abstracts Service (CAS) registry number 299385–43–1. Tolyltriazole is classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2933.99.8220. Sodium Tolyltriazole has the CAS registry number 64665–57–2 and is classified under HTSUS subheading 2933.99.8290. Benzotriazole has the CAS registry number 95–14–7 and is classified under HTSUS subheading 2933.99.8210. Sodium Benzotriazole has the CAS registry number 15217–42–2. Sodium Benzotriazole is classified under HTSUS subheading 2933.99.8290. Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.

Continuation of the Orders

As a result of the determinations by Commerce and the ITC that revocation of the *Orders* would likely lead to continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, Commerce hereby orders the continuation of the *Orders*. U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of the *Orders* will be August 4, 2026.⁶ Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2), Commerce intends to initiate the next five-year reviews of the *Orders* not later than 30 days prior to fifth anniversary of the date of the last determination by the ITC.

Administrative Protective Order (APO)

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

Notification to Interested Parties

These five-year (sunset) reviews and this notice are in accordance with sections 751(c) and 751(d)(2) of the Act and published in accordance with section 777(i) of the Act, and 19 CFR 351.218(f)(4).

Dated: August 4, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–16052 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Notice of Scope Ruling Applications Filed in Antidumping and Countervailing Duty Proceedings

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

SUMMARY: The U.S. Department of Commerce (Commerce) received scope ruling applications, requesting that scope inquiries be conducted to determine whether identified products are covered by the scope of antidumping duty (AD) and/or countervailing duty (CVD) orders and that Commerce issue scope rulings pursuant to those inquiries. In accordance with Commerce's regulations, we are notifying the public of the filing of the

scope ruling applications listed below in the month of June 2026.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Yasmin Bordas, AD/CVD Operations, Customs Liaison Unit, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, telephone: (202) 482–3813.

SUPPLEMENTARY INFORMATION:

Notice of Scope Ruling Applications

In accordance with 19 CFR 351.225(d)(3), we are notifying the public of the following scope ruling applications related to AD and CVD orders and findings filed in or around the month of June 2026. This notification includes, for each scope application: (1) identification of the AD and/or CVD orders at issue (19 CFR 351.225(c)(1)); (2) concise public descriptions of the products at issue, including the physical characteristics (including chemical, dimensional and technical characteristics) of the products (19 CFR 351.225(c)(2)(ii)); (3) the countries where the products are produced and the countries from where the products are exported (19 CFR 351.225(c)(2)(i)(B)); (4) the full names of the applicants; and (5) the dates that the scope applications were filed with Commerce and the name of the ACCESS scope segment where the scope applications can be found.¹ This notice does not include applications which have been rejected and not properly resubmitted. The scope ruling applications listed below are available on Commerce's online e-filing and document management system, Antidumping and Countervailing Duty Electronic Service System (ACCESS), at <https://access.trade.gov>.

Scope Ruling Applications

Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules from the People's Republic of China (China) (A–570–979/C–570–980); Semi-Flexible Monocrystalline

¹ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300, 52316 (September 20, 2021) (*Final Rule*) (“It is our expectation that the *Federal Register* list will include, where appropriate, for each scope application the following data: (1) identification of the AD and/or CVD orders at issue; (2) a concise public summary of the product's description, including the physical characteristics (including chemical, dimensional and technical characteristics) of the product; (3) the country(ies) where the product is produced and the country from where the product is exported; (4) the full name of the applicant; and (5) the date that the scope application was filed with Commerce”).

⁶ See *ITC Final Determination*.

Celled Solar Panels;² produced in and exported from Vietnam; submitted by RDK Products LLC; June 17, 2026; ACCESS scope segment “SCO—RDK Semi-Flex Panels”

Raw Flexible Magnets from China (A–570–922/C–570–923); Magnetic Name Plates;³ produced in and exported from China; submitted by Adams Magnetic Products Co.; June 22, 2026; ACCESS scope segment “SCO—Magnetic Name Plates”

Notification to Interested Parties

This list of scope ruling applications is not an identification of scope inquiries that have been initiated. In accordance with 19 CFR 351.225(d)(1), if Commerce has not rejected a scope ruling application nor initiated the scope inquiry within 30 days after the filing of the application, the application will be deemed accepted and a scope inquiry will be deemed initiated the following day—day 31.⁴ Commerce’s practice generally dictates that where a deadline falls on a weekend, Federal holiday, or other non-business day, the appropriate deadline is the next business day.⁵ Accordingly, if the 30th day after the filing of the application falls on a non-business day, the next business day will be considered the “updated” 30th day, and if the application is not rejected or a scope inquiry initiated by or on that particular business day, the application will be deemed accepted and a scope inquiry

will be deemed initiated on the next business day which follows the “updated” 30th day.⁶

In accordance with 19 CFR 351.225(m)(2), if there are companion AD and CVD orders covering the same merchandise from the same country of origin, the scope inquiry will be conducted on the record of the AD proceeding. Further, please note that pursuant to 19 CFR 351.225(m)(1), Commerce may either apply a scope ruling to all products from the same country with the same relevant physical characteristics, (including chemical, dimensional, and technical characteristics) as the product at issue, on a country-wide basis, regardless of the producer, exporter, or importer of those products, or on a company-specific basis.

For further information on procedures for filing information with Commerce through ACCESS and participating in scope inquiries, please refer to the Filing Instructions section of the Scope Ruling Application Guide, at https://access.trade.gov/help/Scope_Ruling_Guidance.pdf. Interested parties, apart from the scope ruling applicant, who wish to participate in a scope inquiry and be added to the public service list for that segment of the proceeding must file an entry of appearance in accordance with 19 CFR 351.103(d)(1) and 19 CFR 351.225(n)(4). Interested parties are advised to refer to the case segment in ACCESS as well as 19 CFR 351.225(f) for further information on the scope inquiry procedures, including the timelines for the submission of comments.

Please note that this notice of scope ruling applications filed in AD and CVD proceedings may be published before any potential initiation, or after the initiation, of a given scope inquiry based on a scope ruling application identified in this notice. Therefore, please refer to the case segment on ACCESS to determine whether a scope ruling application has been accepted or rejected and whether a scope inquiry has been initiated.

Interested parties who wish to be served scope ruling applications for a particular AD or CVD order may file a request to be included on the annual inquiry service list during the anniversary month of the publication of the AD or CVD order in accordance with

19 CFR 351.225(n) and Commerce’s procedures.⁷

Interested parties are invited to comment on the completeness of this monthly list of scope ruling applications received by Commerce. Any comments should be submitted to Scot Fullerton, Acting Deputy Assistant Secretary for AD/CVD Operations, Enforcement and Compliance, International Trade Administration, via email to CommerceCLU@trade.gov.

This notice of scope ruling applications filed in AD and CVD proceedings is published in accordance with 19 CFR 351.225(d)(3).

Dated: July 30, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–16039 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–428–844]

Certain Carbon and Alloy Steel Cut-to-Length Plate From the Federal Republic of Germany: Preliminary Results of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that AG der Dillinger Hüttenwerke (Dillinger) did not make sales of subject merchandise at less than normal value (NV) during the period of review (POR), May 1, 2024, through April 30, 2025. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Bushra Bani-Salman, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–9170.

SUPPLEMENTARY INFORMATION:

Background

On June 25, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an

² The product is a compact, off grid monocrystalline silicon photovoltaic modules with no grid tie applications and a surface area under 8,000 cm². The products are engineered for standalone DC output. The Semi-Flex Panels are weather, water, and corrosion resistant. The Semi-Flex Panels have varying power outputs, including 3-, 5-, 10-, 15-, and 60-WATT panels. The panels also have varying surface areas, ranging from 369 to 3,672 cm². The Semi-Flex Panels are encased in laminated material without stitching and have visible parallel grid collector metallic wire lines every 1 to 4mm across each solar cell. The Semi-Flex Panels do not have glass covers or built-in inverters.

³ The product is sold in a set, comprised of irregular rectangles printed with 4 different colorful decorative motifs, all backed by laminated magnetic sheets. Each name plate measures approximately 6”W × 2”W × 1/16”D and features a dry-erase writing space (where a name can be written) that measures about 5”W × 1 1/4”H.

⁴ In accordance with 19 CFR 351.225(d)(2), within 30 days after the filing of a scope ruling application, if Commerce determines that it intends to address the scope issue raised in the application in another segment of the proceeding (such as a circumvention inquiry under 19 CFR 351.226 or a covered merchandise inquiry under 19 CFR 351.227), it will notify the applicant that it will not initiate a scope inquiry, but will instead determine if the product is covered by the scope at issue in that alternative segment.

⁵ See *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

⁶ This structure maintains the intent of the applicable regulation, 19 CFR 351.225(d)(1), to allow day 30 and day 31 to be separate business days.

⁷ See *Scope Ruling Application; Annual Inquiry Service List; and Informational Sessions*, 86 FR 53205 (September 27, 2021).

administrative review of the antidumping duty order on certain carbon and alloy steel cut-to-length plate (CTL plate) from the Federal Republic of Germany (Germany).¹ This review covers one producer/exporter of the subject merchandise, Dillinger Germany S.A. (Dillinger).

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days,² and, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.³ On March 24, 2026, Commerce extended the preliminary results of this review.⁴ On July 6, 2026, Commerce further extended the preliminary results.⁵ Accordingly, the deadline for these preliminary results is now July 31, 2026.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁶ A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision

Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise subject to the *Order* is CTL plate from Germany. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period May 1, 2024, through April 30, 2025:

Producer/Exporter	Weighted-Average dumping margin (percent)
AG der Dillinger Hüttenwerke	0.00

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.⁷ Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.⁸ 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.⁹ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹⁰ 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).¹¹

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.¹²

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

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

⁹ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁰ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹¹ See *APQ and Service Procedures*.

¹² See 19 CFR 351.310(d).

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025); *see also Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders*, 82 FR 24096 (May 25, 2017) (*Order*).

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

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

⁴ See Memorandum, "Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Administrative Review," dated March 24, 2026.

⁵ See Memorandum, "Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Administrative Review," dated July 6, 2026.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Carbon and Alloy Steel Cut-to-Length Plate; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ See 19 CFR 351.309.

⁸ 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) (*APQ and Service Procedures*).

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.¹³ 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 Dillinger'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.¹⁴

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by Dillinger for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.¹⁵

If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Dillinger will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR

351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 20.99 percent, the all-others rate established in the *Second Amended Final Determination*.¹⁶ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification To Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

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

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Recommendation

[FR Doc. 2026–16034 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–945]

Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order

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

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) order on prestressed concrete steel wire strand (PC strand) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of dumping, at the levels indicated in the "Final Results of Sunset Review" section of this notice.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Peter Shaw, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: 202–482–0697.

SUPPLEMENTARY INFORMATION:

Background

On June 29, 2010, Commerce published the *Order* in the **Federal Register**.¹ On April 1, 2026, Commerce published the notice of initiation of this third sunset review of the *Order*, pursuant to section 751(c) of the Act.² On April 16, 2026, Commerce received a timely and complete notice of intent to participate in the sunset review from Insteel Wire Products, Sumiden

¹ See Notice of Antidumping Duty Order: Prestressed Concrete Steel Wire Strand from the People's Republic of China, 75 FR 37382 (June 29, 2010) (*Order*).

² See Initiation of Five-Year (Sunset) Reviews, 91 FR 16181 (April 1, 2026).

¹³ See 19 CFR 351.212(b)(1).

¹⁴ 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).

¹⁵ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁶ See *Certain Carbon and Alloy Steel Cut-to-Length Plate From the Federal Republic of Germany: Notice of Court Decision Not in Harmony With the Amended Final Determination of Antidumping Investigation; Notice of Second Amended Final Determination*, 89 FR 1882 (January 11, 2024) (*Second Amended Final Determination*).

Wire Products Corporation, and Wire Mesh Corp. (collectively, the domestic interested parties), within the deadline specified in the 19 CFR 351.218(d)(1)(i).³ The domestic interested parties claimed the interested party status within the meaning of section 771(9)(C) of the Act as producers in the United States of a domestic like product.⁴

On May 1, 2026, pursuant to 19 CFR 351.218(d)(3)(i), domestic interested parties filed a timely and adequate substantive response.⁵ Commerce did not receive a substantive response from any respondent interested party. On May 20, 2026, Commerce notified the ITC that it did not receive substantive response from any respondent interested parties.⁶ As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)(2), Commerce is conducting an expedited (120-day) sunset review of the *Order*.

Scope of the Order

The product covered by this *Order* is PC strand from China. For the full description of the scope of the *Order*, see the Issues and Decisions Memorandum.⁷

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of dumping in the event of revocation of the *Order* and the magnitude of the margins likely to prevail if the *Order* were to be revoked, is provided in the accompanying Issues and Decision Memorandum.⁸ A list of the topics discussed in the Issues and Decision Memorandum is attached in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision

Memorandum can be directly accessed at <https://access.trade.gov/frnotices>.

Final Results of Sunset Review

Pursuant to sections 751(c)(1), 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 193.55 percent.

Notification Regarding Administrative Protective Orders

This notice also serves as the only 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. Timely notification of the return or destruction of APO materials, or conversion to judicial protective, orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: July 30, 2026.

Scot Fullerton,

Acting Deputy, Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix—List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. History of the *Order*
- V. Legal Framework
- VI. Discussion of the Issues
 1. Likelihood of Continuation or Recurrence of Dumping
 2. Magnitude of the Margins of Dumping Likely To Prevail
- VII. Final Results of Sunset Review
- VIII. Recommendation

[FR Doc. 2026–16057 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–421–815]

Certain Preserved Mushrooms From the Netherlands: Preliminary Intent To Rescind Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Okechamp B.V. (Okechamp) did not make *bona fide* sales during the period of review (POR), May 1, 2024, through April 30, 2025. Interested parties are invited to comment on these preliminary results of review. Accordingly, Commerce preliminarily intends to rescind this review with respect to the sole respondent, Okechamp. We invite interested parties to comment on these preliminary results.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Alex Cipolla, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4956.

SUPPLEMENTARY INFORMATION:

Background

On June 25, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty order on certain preserved mushrooms (preserved mushrooms) from the Netherlands.¹ On July 9, 2025, Commerce selected Okechamp as the sole mandatory respondent.²

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

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025) (*Initiation Notice*).

² See Memorandum, “Release of U.S. Customs and Border Protection Data,” dated July 9, 2025 (“Because this review was initiated on a single firm, and the existence of reviewable POR shipments attributable to the firm are corroborated by the CBP data, Commerce will issue the initial questionnaire to Okechamp B.V. in the near future, and will not wait until the comment deadline period passes to issue the questionnaire, as no respondent selection process is applicable to this review.”).

³ See Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” dated November 14, 2025.

³ See Domestic Interested Parties’ Letter, “Domestic Industry’s Notice of Intent to Participate,” dated April 16, 2026.

⁴ *Id.* at 3.

⁵ See Domestic Interested Parties’ Letter, “Domestic Industry’s Substantive Response,” dated May 1, 2026.

⁶ See Commerce’s Letter, “Sunset Reviews Initiated on April 1, 2026,” dated May 20, 2026.

⁷ See Memorandum, “Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order on Prestressed Concrete Steel Wire Strand from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice.

⁸ *Id.*

due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁴ On March 24, 2026, Commerce extended the deadline for these preliminary results until no later than July 31, 2026.⁵

For events that occurred since the *Initiation Notice*, see the Preliminary Determination Memorandum.⁶ 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 product covered by the *Order* is preserved mushrooms from the Netherlands. For a full description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Intent To Rescind Administrative Review

As discussed in the Preliminary Decision Memorandum and as further explained in the *Bona Fides* Sales Memorandum, Commerce preliminarily finds that Okechamp did not make a *bona fide* sale of preserved mushrooms during the POR.⁷ Commerce reached this conclusion based on the totality of the record information surrounding Okechamp's reported sale, including, but not limited to, the sales quantity, the sales price, and atypical circumstances surrounding the sale.

Because we preliminarily find that Okechamp did not make a *bona fide* sale during the POR, we find that Okechamp had no reviewable transactions during the POR. Since Okechamp is the sole company subject to this administrative review, we preliminarily intend to rescind this administrative review.⁸ The

factual information used in our *bona fide* sales analysis of Okechamp involves business proprietary information. See the *Bona Fide* Sales Memorandum for a full discussion of the basis of our preliminary findings.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is included as an Appendix to this notice.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with preliminary results within five days after public announcement or, if there is no public announcement, within five days after the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b). However, because Commerce has found that the only company subject to this review, Okechamp, did not make a *bona fide* sale during the POR, there are no calculations to disclose.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.⁹ 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.¹⁰ 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.¹¹ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public

executive summary for each issue raised in their briefs.¹² 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).¹³

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.¹⁴

Assessment Rates

Upon completion of the administrative review, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review. Commerce intends to issue assessment instruction to CBP no earlier than 35 days after the date of publication of the final results in the **Federal Register**. For Okechamp, for which we are preliminarily rescinding the review, we will instruct CBP to assess antidumping duties on all appropriate entries at a rate equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue these rescission instructions to CBP no earlier than 35 days after the date of publication of the final results of this administrative review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International

⁴ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁵ See Memorandum, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated March 24, 2026.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Intent to Rescind the Administrative Review; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ See Preliminary Decision Memorandum; see also Memorandum, "Preliminary *Bona Fides* Sales Analysis for Okechamp B.V.," dated concurrently with this notice.

⁸ See 19 CFR 351.213(d)(3).

⁹ See 19 CFR 351.309.

¹⁰ 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*).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹³ See *APO and Service Procedures*.

¹⁴ See 19 CFR 351.310(d).

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

If Commerce proceeds to a final rescission of this administrative review, Okechamp's cash deposit rate will continue to be \$0.44/kg net drained weight, the rate calculated in the previous administrative review.¹⁵ If Commerce issues final results for this administrative review, Commerce will instruct CBP to collect cash deposits, effective upon the publication of the final results, at the rate established therein. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Notification to Interested Parties

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

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Recommendation

[FR Doc. 2026-15993 Filed 8-5-26; 8:45 am]

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¹⁵ See *Certain Preserved Mushrooms from the Netherlands: Final Results of Antidumping Duty Administrative Review*, 2022–2024, 91 FR 21794 (April 23, 2026).

DEPARTMENT OF COMMERCE

International Trade Administration

[C-331-806]

Frozen Warmwater Shrimp From Ecuador: Final Results of Countervailing Duty Expedited Review

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that certain producers/exporters of frozen warmwater shrimp from Ecuador received countervailable subsidies during the period of review (POR) January 1, 2022, through December 31, 2022.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Jonathan Hall-Eastman or Stephanie Trejo, 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) 482-6467, or (202) 482-4390, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 10, 2026, Commerce published in the *Federal Register* the *Preliminary Results* of this expedited administrative review.¹ On July 21, 2026, Commerce extended the deadline for the final results of the expedited administrative review on frozen warmwater shrimp from Ecuador.² Accordingly the deadline for these final results is now July 31, 2026.

For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document and is on file electronically Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete

¹ See *Frozen Warmwater Shrimp from Ecuador: Preliminary Results and Partial Rescission of Countervailing Duty Expedited Review*, 91 FR 11511 (March 10, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, "Extension of Deadline for Final Results of Expedited Review of the Countervailing Duty Order of Frozen Warmwater Shrimp from Ecuador," dated July 21, 2026.

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Expedited Review of the Countervailing Duty Order of Frozen Warmwater Shrimp from Ecuador," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise covered by the Order is shrimp from Ecuador. For a full description of the scope of the order, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum. The topics discussed and the issues raised by parties to which we responded in the Issues and Decision Memorandum are listed in the appendix to this notice.

Changes Since the Preliminary Results

Based on our analysis of comments received from interested parties, we made certain changes to the net countervailable subsidy rates calculated for Empacadora del Pacifico S.A. (Edpacif), Nirsa S.A. (Nirsa)/Procesadora Posorja S.A. (Proposorja), and Productos Perecibles y Mariscos S.A. (Propemar). For discussion of these changes, see the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with 19 CFR 351.214(l). For each of the subsidy programs found to be countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific. For a full description of the methodology underlying all of Commerce's conclusions, including our reliance, in part, on facts otherwise available, pursuant to sections 776(a) of the Act, see the Issues and Decision Memorandum.

Final Results of Review

Commerce determines that the following net countervailable subsidy rates exist for the following producers/exporters for which this expedited review is being conducted for the period January 1, 2022, through December 31, 2022:

Producer and/or exporter	Subsidy rate (percent <i>ad valorem</i>)
Empacadora del Pacifico S.A	15.17
Nirsa S.A./Procesadora Posorja S.A	2.21
Productos Perecibles y Mariscos S.A	2.25

Disclosure

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

Cash Deposit Requirements

Pursuant to section 19 CFR 351.214(l)(3)(ii), the final results of this expedited review will not be the basis for the assessment of countervailing duties. Upon the issuance of these final results, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits of estimated countervailing duties for the companies subject to this expedited review, at the rates shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this expedited review. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order (APO)

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

Notification to Interested Parties

The final results are issued and published in accordance with sections 777(i)(1), 777A(e), and 782 of the Act, section 103(a)(2) of the URAA, and 19 CFR 351.214(l).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Diversification of Ecuador's Economy
- V. Subsidies Valuation
- VI. Benchmarks
- VII. Analysis of Programs

VIII. Discussion of the Issues

- Comment 1: Whether To Terminate this Expedited Review
- Comment 2: Whether To Correct the Section 771B Calculation for Edpacif's Cross-owned Affiliate in Connection With the Land-Use Concessions in Beaches and Bay Areas for Less Than Adequate Remuneration (LTAR) Program
- Comment 3: Whether Commerce Inadvertently Erred When Applying Section 771B in Connection With Edpacif's Use of the Export Tax Incentive for Sustained/Increased Employment and Currency Outflow Tax (ISD) Exemption on Principal and Interest Payments on Foreign Loans Program
- Comment 4: Whether Commerce Inadvertently Miscalculated Edpacif's Electricity for LTAR Subsidy Rate
- Comment 5: Whether Commerce Inadvertently Did Not Include the Additional Deduction of 150 Percent of Remuneration and Social Benefits for Payments to Older Adults Program
- Comment 6: Whether To Update Nirsa/Proposorja's Raw Shrimp Purchase Total
- Comment 7: Whether To Revise the Benchmark for the Government Provision of Electricity for LTAR Program
- Comment 8: Whether Commerce Sufficiently Investigated the Government of Ecuador's (GOE) Alleged Failure To Enforce Environmental and Labor Laws
- Comment 9: Whether To Revise the Benchmark and Benefit Calculations Related to the Provision of Land Concessions Program
- Comment 10: Whether To Calculate the Land Benchmark Price Based on the Weighted Average of the Benchmark Sources
- Comment 11: Whether To Revise the Annualized Per-Hectare Land Rental Price Calculation Used in the *Preliminary Results*
- Comment 12: Whether To Correct the Application and Methodology for Attributing Benefits to Unaffiliated Shrimp Farmers Pursuant to Section 771B
- Comment 13: Whether To Exclude From the *Order* any Ecuadorean Respondent for Which It Calculates a Rate That Is Below *De Minimis* in the Final Results
- Comment 14: Whether To Not Attribute Electricity Benefits Reported for Edpacif's Shrimp Processing Plant to Edpacif's Unaffiliated Suppliers of Raw Shrimp in its Calculations Pursuant to Section 771B
- Comment 15: Whether To Attribute Benefits Reported by Propemar's Unaffiliated Raw Shrimp Suppliers as Subsidies to Frozen Shrimp Produced by Propemar
- Comment 16: Whether To Attribute Propemar's Own Benefits to Its Non-Cross-Owned Suppliers of Raw Shrimp
- Comment 17: Whether To Correct Errors in the Calculation of the Provision of Electricity for LTAR for Propemar
- Comment 18: Whether To Correct Errors in the Calculation of the Provision of Land Use Concessions for Propemar

Comment 19: Whether To Calculate the Rate Attributed Pursuant to Section 771B Based on the Weighted Average Benefits Received by Multiple Suppliers of Raw Shrimp for the Same Program

VIII. Recommendation

[FR Doc. 2026–15990 Filed 8–5–26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–830]

Certain Stainless Steel Plate in Coils From Taiwan: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily finds that Yuan Long Stainless Steel Corporation (Yuan Long) sold certain stainless steel plate in coils (SSPC) from Taiwan at less than normal value (NV) during the period of review (POR) May 1, 2024, through April 30, 2025. Commerce is rescinding this review, in part, with respect to 71 companies. We invite interested parties to comment on these preliminary results.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Carter Sherwin, 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) 482–4260.

SUPPLEMENTARY INFORMATION:

Background

On May 21, 1999, Commerce published in the **Federal Register** the antidumping duty (AD) order on SSPC from Taiwan.¹ On May 5, 2025, Commerce published in the **Federal Register** a notice of opportunity to request an administrative review of the *Order* for the POR.² On June 25, 2025, based on timely request for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an AD administrative review of the *Order*.³

¹ See *Antidumping Duty Orders; Certain Stainless Steel Plate in Coils from Belgium, Canada, Italy, the Republic of Korea, South Africa, and Taiwan*, 64 FR 27756 (May 21, 1999) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List*, 90 FR 18962 (May 5, 2025).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025) (*Initiation Notice*).

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁴ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁵

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁶ A list of topics discussed in the Preliminary Decision Memorandum is attached as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <http://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 product covered by the *Order* is SSPC from Taiwan. For a full description of the scope of the *Order*, see Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), Commerce will rescind an administrative review, in whole or in part, if a company covered by the review had no recorded entries of subject merchandise during the POR.⁷ Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate calculated for the review period.⁸ Therefore, for an administrative review of a company to

be conducted, there must be a suspended entry that Commerce can instruct CBP to liquidate at the AD assessment rate calculated for the review period.⁹

On July 21, 2025, we placed on the record U.S. Customs and Border Protection (CBP) data for entries of SSPC from Taiwan during the POR, showing no suspended entries during the POR for 71 companies (see Appendix II) and invited interested parties to comment.¹⁰ No interested party submitted comments regarding the CBP data. On February 10, 2026, Commerce notified all interested parties of its intent to rescind the administrative review, in part, with respect to these 71 companies because there were no suspended entries of subject merchandise during the POR and invited interested parties to comment.¹¹ No interested party submitted comments in response to this notice. Accordingly, in the absence of suspended entries of subject merchandise during the POR for these companies for which this review was initiated, we are hereby rescinding this administrative review, in part, with respect to these 71 companies, in accordance with 19 CFR 351.213(d)(3).¹²

Methodology

Commerce is conducting this review in accordance with sections 751(a)(1)(B) and (2) of the Tariff Act of 1930, as amended (the Act). Pursuant to sections 776(a), (b), and (c) of the Act, Commerce preliminarily assigned a weighted-average dumping margin to Yuan Long based on facts available with adverse inferences (AFA). For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Preliminary Results of Review

Commerce preliminarily determines that the following weighted-average dumping margin exists for the period May 1, 2024, through April 30, 2025:

Producer or exporter	Weighted-average dumping margin (percent)
Yuan Long Stainless Steel Corporation	25.01

⁹ See 19 CFR 351.213(d)(3).

¹⁰ See Memorandum, "Release of U.S. Customs and Border Protection Entry Data," dated July 21, 2025.

¹¹ See Memorandum, "Notice of Intent to Rescind Review, In Part," dated February 10, 2026.

¹² *Id.*

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of preliminary results in the **Federal Register**, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied total AFA to Yuan Long, in accordance with section 776 of the Act, the applied rate is based on a rate calculated using data placed on the record by Commerce.¹³

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.¹⁴ Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹⁵ 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.¹⁶ Interested parties who submit case or rebuttal briefs in this proceeding must submit: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁷ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time (ET) on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁸ 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

¹³ See Memorandum, "Placing Taiwanese Export Data on the Record and AFA Rate Calculation," dated concurrently with this notice.

¹⁴ See 19 CFR 351.309(c)(1)(ii); see also 19 CFR 351.303 (for general filing requirements).

¹⁵ See 19 CFR 351.309.

¹⁶ 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*).

¹⁷ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁸ We use the term "issue" here to describe an argument Commerce would normally address in a comment of the Issues and Decision Memorandum.

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

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

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Stainless Steel Plate in Coils from Taiwan: 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ See, e.g., *Diocetyl Terephthalate from the Republic of Korea: Rescission of Antidumping Administrative Review; 2021–2022*, 88 FR 24758 (April 24, 2023); see also *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Federal Republic of Germany: Rescission of Antidumping Administrative Review; 2020–2021*, 88 FR 4157 (January 24, 2023).

⁸ See 19 CFR 351.212(b)(1).

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).¹⁹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically via ACCESS by 5:00 p.m. ET within 30 days after the date of publication of this notice.²⁰ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. If a request for a hearing is made, parties will be notified of the date, time, and location of the hearing.²¹ Parties should confirm the date and time of the hearing two days before the scheduled date.

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act, upon completion of the final results of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review.²² If the weighted-average dumping margins for Yuan Long continues to be based upon total AFA for the final results of this review, Commerce will instruct CBP to assess antidumping duties on subject merchandise sold by Yuan Long and entered, or withdrawn from warehouse, for consumption during the POR at a rate equal to the weighted-average dumping margin in the final results. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties, where applicable.²³

Commerce's "automatic assessment" practice will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they 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.²⁴

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 publication of this notice in the **Federal Register**.

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

Cash Deposit Requirements

The following deposit requirements will be effective upon publication in the **Federal Register** of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Yuan Long will be equal to the weighted-average dumping margins established in the final results of this review, except if the rates are less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for merchandise exported by a company not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific cash deposit rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, or a previous segment, but the producer is, 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 7.39 percent, the all-others rate established in the less-than-fair-value investigation.²⁵ These deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless the deadline is otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of issues raised by interested parties in the written comments, within 120 days of publication of these preliminary results in the **Federal Register**.²⁶

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: July 31, 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. Application of Facts Available and Use of Adverse Inference
- V. Recommendation

Appendix II—Companies With No Reviewable Entries During the POR Rescinded From Review

1. Alpha Metal International Co., Ltd.
2. Aurora Metal International Co., Ltd.
3. Best Win International Co., Ltd.
4. Build Up Hardware Co., Ltd.
5. Chain Chon Industrial Co., Ltd.
6. Chang Mien Industries Co., Ltd.
7. Chia Far Industries Factory Co., Ltd.

²⁵ See *Order*, 64 FR at 27757.

²⁶ See section 751(a)(3)(A) of the Act; see also 19 CFR 351.213(h)(1).

¹⁹ See *APO and Service Procedures*, 88 FR at 67077.

²⁰ See 19 CFR 351.310(c).

²¹ See 19 CFR 351.310(d).

²² See 19 CFR 351.212(b)(1).

²³ See section 751(a)(2)(C) of the Act.

²⁴ For a full discussion of this practice, see *AD Assessment*.

8. Chien Shing Stainless Co., Ltd.
9. China Steel Corporation
10. China Steel Global Trading Corp.
11. China Tah Lee Special Steel Co., Ltd.
12. Chung Hung Steel Co., Ltd.
13. Da Song Enterprise Co., Ltd.
14. Da Tsai Stainless Steel Co., Ltd.
15. East Track Enterprise Co., Ltd.
16. Froch Enterprise Co., Ltd.
17. Fu Sheng Rubber & Plastic Industries Co.
18. Gifull Enterprise Co., Ltd.
19. Goang Jau Shing Enterprise Co., Ltd.
20. Goldioceans International Co., Ltd.
21. High Point Steel Mfg. Co., Ltd.
22. Hoka Elements Co., Ltd.
23. Huang-Yi Steel Coil Co., Ltd.
24. Hwa Yang Stainless Steel Ind Corp.
25. JJSE Co., Ltd.
26. JK Industrial Development Corp.
27. Jye Chi Corporation
28. Kunn Chuan Enterprise Co., Ltd.
29. Lien Chy Laminated Metal Co., Ltd.
30. Lien Kuo Metal Industries Co., Ltd.
31. Lung An Stainless Ind. Co., Ltd.
32. Meglobe Co., Ltd.
33. Omen Bright Co., Ltd.
34. PFP Taiwan Co., Ltd.
35. Po Chwen Metal Industrial Co., Ltd.
36. Pyramid Metal Technology Co., Ltd.
37. Shang Chen Steel Co., Ltd.
38. Shiner Steel International Ltd.
39. Shing Shong Ta Metal Co., Ltd.
40. Shye Yao Steel Co., Ltd.
41. Sinkang Industries Co., Ltd.
42. S-More Steel Materials Co., Ltd.
43. Stanch Stainless Steel Co., Ltd.
44. Sun Chun Stainless Co., Ltd.
45. Sunmax Industrial Inc.
46. Ta Chen International, Inc.
47. Ta Chen Stainless Pipe Co., Ltd.
48. Ta Fong Steel Co., Ltd.
49. Taiwan Nippon Steel Stainless
50. Tang Eng Iron Works
51. Ton Yi Industrial Corp.
52. Top Sunny Group Corp.
53. Tsung Yui Enterprise Co., Ltd.
54. Tung Mung Development Co., Ltd.
55. Tzong Ji Metals Co., Ltd.
56. Unity Special Steel Co., Ltd.
57. Vasteel Enterprises Co., Ltd.
58. Walsin Lihwa Corp.
59. Wu Fu Jin
60. Wu Jing Enterprise Co., Ltd.
61. Yc Inox Co., Ltd.
62. Yeou Ting Industries Co., Ltd.
63. Yeou Yih Steel Co., Ltd.
64. Yes Stainless International Co.
65. Yi Shuenn Enterprise Co., Ltd.
66. Yieh Corp.
67. Yieh Loong Enterprise Co., Ltd.
68. Yieh Mau Corporation
69. Yue Send Industrial Co., Ltd.
70. Yuen Chang Stainless Steel Co., Ltd.
71. Yuh Sheng Stainless Steel Co., Ltd.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-902]

Organic Soybean Meal From India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2024

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to certain producers/exporters of organic soybean meal from India. The period of review (POR) is January 1, 2024, through December 31, 2024. Interested parties are invited to comment on these preliminary results.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Jose Rivera or Alex DiCenso, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0842 or (202) 482-0689, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 25, 2025, Commerce published in the **Federal Register** the notice of initiation of an administrative review of the *Order* with respect to 89 companies.¹ On July 28, 2025, Commerce selected Bergwerff Organic India Pvt. Ltd. and Agrawal Oil & Biocheam as mandatory respondents.² By September 23, 2025, however, all requests for review from all parties were withdrawn with the sole exception of the petitioner's request for Ecopure, as well as Ecopure's request of itself.³

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative

proceedings by 47 days.⁴ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁵ Additionally, on March 31, 2026, Commerce extended the deadline for these preliminary results by 113 days, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act). Consequently, Commerce extended the deadline for the preliminary results until July 31, 2026.⁶

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁷ A list of topics discussed in the Preliminary Decision Memorandum is included in Appendix I. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The products covered by this *Order* is organic soybean meal from India. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. A list of the 88 companies Commerce received timely-filed withdrawal requests from is provided below in Appendix II. Because the withdrawal requests were timely filed and no other parties requested a

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025); see also *Organic Soybean Meal from India: Countervailing Duty Order*, 87 FR 29735 (May 16, 2022) (*Order*).

² See Memorandum, "Respondent Selection," dated July 28, 2025.

³ See Petitioners' Letter, "Partial Withdrawal of Petitioners' Request for a 3rd Administrative Review," dated September 23, 2025 (Petitioner's Withdrawal Request); see also Purdue's Letter, "Organic Soybean Meal from India (C-533-902)," dated September 23, 2025 (Purdue's Withdrawal Request).

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

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

⁶ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated March 31, 2025.

⁷ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Organic Soybean Meal from India; 2024," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect to these 88 companies.

Methodology

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

Preliminary Results of Review

As a result of this review, we preliminarily determine the following net countervailable subsidy rates exist for the POR, January 1, 2024, through December 31, 2024:

Company	Subsidy rate (percent <i>ad valorem</i>)
Ecopure Specialities Ltd. ⁹	3.57

Disclosure

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

Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon in making its final results.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this

review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁰ 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.¹¹ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹² Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹³

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.¹⁴

Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce

shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review.

For the companies listed in Appendix II for which the review is being rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of publication of this notice 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).

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

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.107(e), Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review, as follows: (1) the cash deposit rate for the company listed above will be equal to the company-specific estimated individual countervailable subsidy rates determined in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) if both the producer and exporter of the subject merchandise have company-specific estimated subsidy rates assigned, and their rates differ, then the applicable cash deposit rate will be the higher of these two rates; (3) if either the producer or the exporter, but not both, of the subject merchandise has a company-specific estimated subsidy rate assigned, the applicable cash deposit rate will be that company’s company-specific rate;

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.
⁹ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Ecopure: Nature Bio Foods Limited; and LT Foods Limited.

¹⁰ 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*).
¹¹ See 19 CFR 351.309(c)(2) and (d)(2).
¹² We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.
¹³ See *APO and Service Procedures*.
¹⁴ See 19 CFR 351.310(d).

and (4) the cash deposit rate for all other producers and exporters will be continue to be 9.57 percent, the all-others subsidy rate established in the investigation.¹⁵ These cash deposit instructions, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless the deadline is extended, Commerce intends to issue the final results of this administrative review, which will include the results of Commerce's analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Interested Parties

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

Dated: July 31, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the Non-exclusive Functions and Duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I—List of Topics Discussed in the Preliminary

Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Diversification of India's Economy
- V. Use of Facts Otherwise Available and Application of Adverse Inferences
- VI. Subsidies Valuation
- VII. Benchmarks and Discount Rates
- VIII. Analysis of Programs
- IX. Recommendation

Appendix II—List of Companies Rescinded From Review

1. Aashiyana Foodstuffs
2. Agrawal Oil & Biocheam
3. Aia Engineering Ltd.
4. Ajanta Pharma Ltd.
5. Al Quresh Exp.
6. Allana Consumer Products Pvt. Ltd.
7. Artevet India LLP
8. Asa Agrotech Pvt., Ltd.
9. Avi Agri Business Ltd.
10. Avt Natural Products Ltd.
11. Basillia Organics Pvt. Ltd.
12. Bawa Fishmeal and Oil Co.
13. Bergwerff Organic (India) Pvt., Ltd.; Suminter India Organics Private Limited
14. Bharat Cereals Pvt., Ltd.
15. BNS Agro Industries Sarl
16. Cardolite Specialty Chemicals India LLP
17. Craft Home
18. Dahnay Logistics Pvt., Ltd.
19. Divi's Laboratories Ltd.
20. Dr. Reddys Laboratories Ltd.
21. Epsilon Carbon Pvt., Ltd.

22. Euroasias Organics Pvt., Ltd.
23. Exp. Freight Pvt., Ltd.
24. Expeditors International (India) Pvt., Ltd.
25. Fair Exp. India Pvt., Ltd.
26. Flex Foods Ltd.
27. Frigorifico Allana Pvt. Ltd.
28. Gate Foods Pvt. Ltd.
29. Gharda Chemicals Ltd.
30. Indauto Filters
31. Indo Gulf Co.
32. Indrani Automotive & Engineering
33. Infinite Bioscience
34. Interport Global Logistics Pvt., Ltd.
35. J.R. Roadlines Pvt., Ltd.
36. Janatha Fish Meal and Oil Products
37. Januz Universal
38. Jay Keshav Exp. Pvt., Ltd.
39. JSM Foods
40. Kemin Industries South Asia Pvt., Ltd.
41. Khanal Foods Pvt., Ltd.
42. King Exp.
43. Krishna Corncob Industries
44. Larsen & Toubro
45. LG Balakrishnan Bros.
46. Lupin Ltd.
47. Luxmi Tea
48. Magnichem Industries
49. Medikonda Nutrients
50. MRL Tyres Ltd.
51. Mukka Proteins Ltd.
52. N M Coating
53. Natural Herbs & Formulations
54. Natural Remedies Pvt., Ltd.
55. Noble Shipping
56. Novel Nutrients Pvt. Ltd.
57. Nutrivin Agro Pvt., Ltd.
58. Pachranga Foods
59. Patel Retail Pvt., Ltd.
60. Prima Chemicals
61. Quality Spices and Food Exp. Pvt., Ltd.
62. R.M. Trading Co.
63. Rayban Organics Pvt., Ltd.
64. Rohlig India Pvt., Ltd.
65. Rupen Marketing Pvt., Ltd.
66. Safewater Lines (India) Pvt., Ltd.
67. Samruddhi Organic Farm (India) Pvt., Ltd.
68. Satyendra Fibc Pvt., Ltd.
69. Sethi International
70. SGR (777) Foods Pvt., Ltd.
71. Shah Precicast Pvt., Ltd.
72. Shikhar Logistics Pvt., Ltd.
73. Shree Uday Oil and Foods Industries
74. Shri Sumati Oil Industries Pvt., Ltd.
75. Soliflex Packaging Pvt., Ltd.
76. Sona Sunehri Exp.
77. Speciality Indian Food Parks & Exp. Pvt., Ltd.
78. Sunrise Seafoods India Pvt. Ltd.
79. Suprajit Engineering Ltd.
80. Suryamitra Exim Pvt., Ltd.
81. TCG Lifesciences Pvt. Ltd.
82. Tejawat Organic Foods
83. The Vantage Tradelink
84. Unichem Laboratories Ltd.
85. Unique Fragrances
86. Unovel Industries Pvt., Ltd.
87. Vippy Industries Ltd.
88. Vishnu Barium Pvt., Ltd.

[FR Doc. 2026–16018 Filed 8–5–26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–823]

Silicomanganese From India: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that producers/exporters subject to this review did not make sales of subject merchandise at less than normal value (NV) during the period of review (POR), May 1, 2024, through April 30, 2025. In addition, we are rescinding the review with respect to two companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Gordon Struck, 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) 482–8151.

SUPPLEMENTARY INFORMATION:

Background

On May 5, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty order on silicomanganese from India.¹ On August 27, 2025, Commerce selected Maithan Alloys Limited (MAL) as a mandatory respondent in this review.² On September 22, 2025, Eramet timely withdrew its request for review.³

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁴ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025); see also *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Orders: Silicomanganese from India, Kazakhstan, and Venezuela*, 67 FR 36149 (May 23, 2002) (Order).

² See Memorandum, "Respondent Selection", dated August 27, 2025.

³ See Eramet's Letter, "Withdrawal of Request for Administrative Review," dated September 22, 2025.

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

¹⁵ See Order.

Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁵ On March 27, 2026, we extended the preliminary results of this review to no later than July 31, 2026.⁶

For a complete description of the events that occurred since the initiation of this review, *see* the Preliminary Decision Memorandum.⁷ A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise subject to the *Order* is silicomanganese from India. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, In Part

Pursuant to 19 CFR 351.213(d)(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 the notice of initiation. As noted above, Commerce received timely filed withdrawal requests with respect to the following companies, and no other parties requested an administrative review of these companies: (1) Alloys and Metals India and (2) Shyam Sel and Power Ltd. Commerce is rescinding this administrative review with respect to these companies, pursuant to 19 CFR 351.213(d)(1).

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. NV is

calculated in accordance with section 773 of the Act. For a full description of the methodology, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following estimated weighted-average dumping margin exists for the period May 1, 2024, through April 30, 2025:

Producer/exporter	Weighted-average dumping margin (percent)
Maithan Alloys Limited; Impex Metal & Ferro Alloys Ltd.; Maithan Ferrous Private Limited ⁸	0.00

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.⁹ 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.¹⁰ 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

⁸ Commerce preliminarily determines that these entities are affiliated within the meaning of section 771(33) of the Act and comprise a single entity pursuant to 19 CFR 351.401(f). Commerce has previously determined that Maithan Alloys Limited and Impex Metal & Ferro Alloys Ltd. are affiliated within the meaning of section 771(33) of the Act and comprise a single entity pursuant to 19 CFR 351.401(f). *See Silicomanganese from India: Preliminary Results of Antidumping Duty Administrative Review*; 2023–2024, 90 FR 44045 (September 11, 2025), and accompanying Preliminary Decision Memorandum at 3, unchanged in *Silicomanganese from India: Final Results of Antidumping Duty Administrative Review*; 2023–2024, 91 FR 28562.

⁹ See 19 CFR 351.309.

¹⁰ See 19 CFR 351.309(d)(1); *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*).

authorities.¹¹ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹² 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).¹³

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.¹⁴

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

If MAL's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹³ See *APO and Service Procedures*.

¹⁴ See 19 CFR 351.310(d).

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

⁶ See Memorandum, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated March 27, 2026.

⁷ See Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Silicomanganese from India; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

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.¹⁵ 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 MAL'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.¹⁶

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by MAL for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.¹⁷

With regard to Alloys and Metals India and Shyam Sel, 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 publication of this notice 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).

¹⁵ See 19 CFR 351.212(b)(1).

¹⁶ 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).

¹⁷ For a full discussion of this practice, *see* *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 17.74 percent, the all-others rate established in the LTFV investigation.¹⁸ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

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

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Preliminary Decision Memorandum

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

[FR Doc. 2026–16012 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–423–812]

Certain Carbon and Alloy Steel Cut-To-Length Plate From Belgium: Preliminary Results, Preliminary Determination of No Shipments, and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that sales of certain carbon and alloy steel cut-to-length plate (CTL plate) were made at less than normal value (NV) during the period of review (POR), May 1, 2024, through April 30, 2025. In addition, we are making a preliminary determination of no shipments by NLMK Clabecq S.A., NLMK Plate Sales S.A., NLMK Sales Europe S.A., NLMK Manage Steel Center S.A., and NLMK La Louviere S.A. (collectively, NLMK Belgium), and rescinding the review for one company. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable August 6, 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 June 25, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the

¹⁸ See Order.

antidumping duty order on CTL plate from Belgium.¹ This review covers eight companies.²

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.³ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁴ In March 2026, we extended the preliminary results of this review.⁵ Accordingly, the deadline for the preliminary results is now July 31, 2026.⁶

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁷ A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's ACCESS system. ACCESS is available to

registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise subject to the *Order* is CTL plate from Belgium. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

NLMK Belgium filed a statement reporting it made no sales or exports of subject merchandise to the United States during the POR.⁸ We received no information from U.S. Customs and Border Protection (CBP) that contradicts this no-shipment claim. Consequently, we preliminarily determine NLMK Belgium had no shipments of the subject merchandise during the POR. Consistent with Commerce's practice, we find that it is not appropriate to rescind the review with respect to NLMK Belgium, but rather to complete the review and issue appropriate instructions to CBP based on the final results of this review.⁹

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR subject to the AD order for which liquidation is suspended, Commerce may rescind an administrative review, in whole or only with respect to a particular exporter or producer.¹⁰ At the end of the administrative review, any suspended entries are liquidated at the assessment rate computed for the review period.¹¹ Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate.

Based on our analysis of CBP information, we preliminarily determine that one company, NLMK Dansteel A.S. (Dansteel), had no entries of subject merchandise during the POR. On July 17, 2026, we notified parties of our

intent to rescind this administrative review with respect to the Dansteel.¹² No interested party submitted comments in response to this notice. Accordingly, pursuant to 19 CFR 351.213(d)(3), we are rescinding the administrative review for Dansteel.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Rate for Non-Examined Company

The Act and Commerce's regulations do not address the establishment of a 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 a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero or de minimis margins, and any margins determined entirely {on the basis of facts available}." In this administrative review, the sole calculated rate—which is not zero, *de minimis* or based entirely on AFA—is the rate calculated for Industeel. Therefore, we are preliminarily assigning Industeel's rate of 7.55 percent to Nialco S.A., which was not selected for individual examination in this review, in accordance with section 735(c)(5)(B) of the Act.

Preliminary Results of Review

We preliminarily determine the following estimated weighted-average dumping margins exist for the period May 1, 2024, through April 30, 2025:

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025); *see also Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea, and Taiwan, and Antidumping Duty Orders*, 82 FR 24096 (May 25, 2017) (*Order*).

² See *Initiation Notice*, 90 FR at 26969. We note that, while the *Initiation Notice* listed the NLMK Belgium companies separately, they were collapsed previously in the LTFV investigation. *See Certain Carbon and Alloy Steel Cut-To-Length Plate from Belgium: Final Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances, in Part*, 82 FR 16378 (April 4, 2017).

³ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁴ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁵ See Memorandum, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated March 20, 2026.

⁶ December 26, 2025, is a federal holiday. Commerce's practice is that when a deadline falls on a weekend or federal holiday, the appropriate deadline is the next business day. *See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

⁷ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Carbon and Alloy Steel Cut-To-Length Plate from Belgium; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁸ See NLMK Belgium's Letter, "No Shipment Certification," dated August 11, 2025.

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

¹⁰ See, e.g., *Forged Steel Fittings from Taiwan: Rescission of Antidumping Duty Administrative Review; 2018–2019*, 85 FR 71317, 71318 (November 9, 2020); *see also Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Rescission of Antidumping Duty Administrative Review; 2016–2017*, 83 FR 54084 (October 26, 2018).

¹¹ See 19 CFR 351.212(b)(1).

¹² See Memorandum, "Notice of Intent to Rescind Review, In Part," dated July 17, 2026.

Producer/exporter	Weighted-average dumping margin (percent)
Industeel Belgium S.A.	7.55
Nialco SA	7.55

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹³ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁴ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹⁵ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹⁶ Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public

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

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participants are foreign nationals; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.¹⁸

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties, where applicable.¹⁹ If Industeel's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.²⁰ 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 Industeel'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.²¹

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by Industeel for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation (i.e., 5.40 percent)²² if there is no rate for the intermediate company involved in the transaction.²³

For Nialco, which was not selected for individual review, we will instruct CBP to assess antidumping duties on all appropriate entries based on the review-specific rate, calculated as noted in the "Preliminary Results of Review" section, above.

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

With regard to Dansteel, 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 publication of this notice in the **Federal Register**.

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by

¹³ See 19 CFR 351.309.

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

¹⁵ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁶ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁷ See *APO and Service Procedures*.

¹⁸ See 19 CFR 351.310(d).

¹⁹ See section 751(a)(2)(C) of the Act.

²⁰ See 19 CFR 351.212(b)(1).

²¹ 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).

²² See *Order*, 82 FR at 24098.

²³ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for merchandise exported by a company not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific cash deposit rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, a previous segment, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most-recently completed segment of this proceeding 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.²⁴ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless the deadline is otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of issues raised by interested parties in the written briefs, within 120 days of publication of these preliminary results in the **Federal Register**.²⁵

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 351.221(b)(4).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Determination of No Shipments
- V. Discussion of the Methodology
- VI. Currency Conversion
- VII. Recommendation

[FR Doc. 2026-16007 Filed 8-5-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-954]

Certain Magnesia Carbon Bricks From the People's Republic of China: Rescission of Antidumping Duty Administrative Review; 2024-2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) is rescinding the administrative review of the antidumping duty (AD) order on certain magnesia carbon bricks (bricks) from the People's Republic of China (China) covering the period of review (POR) September 1, 2024, through August 31, 2025, because, as explained below, there are no reviewable suspended entries for the companies subject to this review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Connor Field, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3997.

SUPPLEMENTARY INFORMATION:

Background

On December 8, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the AD order on bricks from China.¹ On December 15,

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 56725, 56729 (December 8, 2025); and *Certain Magnesia Carbon Bricks from Mexico and the People's Republic of China: Antidumping Duty Orders*, 75 FR 57257 (September 20, 2010).

2025, Commerce placed on the record U.S. Customs and Border Protection (CBP) entry data for the companies subject to the review, showing no reviewable POR entries, and invited interested parties to comment.² No party filed comments with respect to the CBP data. On July 14, 2026, Commerce issued a notice of intent to rescind the administrative review and invited interested parties to comment.³ No party filed comments with respect to the Notice of Intent to Rescind.

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 when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁴ Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate for the review period.⁵ 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.⁶ As noted above, there were no entries of subject merchandise from the companies subject to this review during the POR. Accordingly, in the absence of suspended entries of subject merchandise during the POR, we are hereby rescinding this administrative review, in its entirety, in accordance with 19 CFR 351.213(d)(3).

Assessment Rates

Commerce will instruct CBP to assess antidumping duties on all appropriate entries. Antidumping duties 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 the United States, 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**.

² See Memorandum, "Release of Customs and Border Protection Data," dated December 15, 2025.

³ See Memorandum, "Notice of Intent to Rescind Review," dated July 14, 2026.

⁴ See, e.g., *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Federal Republic of Germany: Rescission of Antidumping Administrative Review; 2020-2021*, 88 FR 4154 (January 24, 2023).

⁵ See 19 CFR 351.212(b)(1).

⁶ See 19 CFR 351.213(d)(3).

²⁴ See *Order*, 82 FR at 24098.

²⁵ See section 751(a)(3)(A) of the Act; see also 19 CFR 351.213(h)(1).

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.

Administrative Protective Order

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

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(d)(4).

Dated: August 4, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–16051 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–863]

Forged Steel Fittings From Taiwan: Final Results of Antidumping Duty Administrative Review; 2023–2024

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that Both-Well Steel Fittings Co., Ltd. (Both-Well), made sales of subject merchandise at less than normal value (NV) during the period of review (POR), September 1, 2023, through August 31, 2024.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Dennis McClure, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–5973.

SUPPLEMENTARY INFORMATION:

Background

On February 10, 2026, Commerce published the *Preliminary Results* of this administrative review and invited interested parties to comment.¹ On March 3, 2026, we received a timely-filed case brief from Bonney Forge Corporation (Bonney Forge),² and on March 16, 2026, we received a timely-filed rebuttal brief from Both-Well.³ On May 28, 2026, Commerce extended the deadline to complete the final results by 51 days.⁴ Accordingly, the deadline for these final results is July 31, 2026.

For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁵ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

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

Scope of the Order⁶

The merchandise subject to the *Order* are carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in the appendix to this notice and addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues

¹ See *Forged Steel Fittings from Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2023–2024*, 91 FR 5916, (February 10, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² See Bonney Forge's Letter, "Case Briefs," dated March 3, 2026.

³ See Both-Well's Letter, "Rebuttal Brief," dated March 16, 2026.

⁴ See Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated May 28, 2026.

⁵ See Memorandum, "Decision Memorandum for the Final Results of Antidumping Duty Administrative Review: Forged Steel Fittings from Taiwan; 2023–2024," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁶ See *Forged Steel Fittings from Taiwan: Antidumping Duty Order*, 83 FR 48280 (September 24, 2018) (*Order*).

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

Changes Since the Preliminary Results

Based on our review of the record and comments received from interested parties regarding our *Preliminary Results*, Commerce made certain changes to the margin calculations for Both-Well. In addition, Commerce has relied on partial adverse facts available under sections 776(a) and (b) of the Act for Both-Well. For a full description of the methodology underlying our conclusions, see the Issues and Decision Memorandum.

Final Results of Review

Commerce determines that the following estimated weighted-average dumping margin exists for Both-Well for the period September 1, 2023, through August 31, 2024:

Exporter or producer	Weighted-average dumping margin (percent)
Both-Well Steel Fittings Co., Ltd	10.62

Disclosure

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

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review. Because Both-Well's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, we calculated an importer-specific assessment rate based on the ratio of the total amount of dumping calculated for Both-Well's examined sales and the total of those same sales in accordance with 19 CFR 351.212(b)(1). Where an importer-specific assessment rate is zero or *de minimis* (i.e., less than 0.5 percent), the entries by that importer will be liquidated without regard to antidumping duties. For entries of subject merchandise during the POR produced by Both-Well for which it did not know that the merchandise was

destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate (*i.e.*, 116.17 percent) if there is no rate for the intermediate company(ies) involved in the transaction. The final results of this administrative review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

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

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Both-Well will be equal to the weighted-average dumping margin established in the final results of this review; (2) for merchandise exported by producers or exporters not examined in this review but examined in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value (LTFV) investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 116.17 percent, the all-others rate established in the LTFV investigation.⁷ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to

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

Administrative Protective Order (APO)

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

Notification to Interested Parties

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

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Changes Since the *Preliminary Results*
- V. Application of Facts Available and Use of Adverse Inference
- VI. Discussion of the Issues
 - Comment 1: Physical Characteristic Reporting
 - Comment 2: Whether Certain Documents are Unusable
 - Comment 3: Whether to Adjust Certain Costs
- VII. Recommendation

[FR Doc. 2026–16014 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–937]

Citric Acid and Certain Citrate Salts From the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that RZBC Group Co., Ltd., RZBC Co., Ltd., RZBC Import & Export Co., Ltd., and RZBC (Juxian) Co., Ltd. (collectively, RZBC) made sales of citric acid and certain citrate salts (citric acid) from the People's Republic of China (China) at less than normal value (NV) during the period of review (POR) May 1, 2024, through April 30, 2025. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Luke Caruso, 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) 482–2081.

SUPPLEMENTARY INFORMATION:

Background

On May 29, 2009, Commerce published in the **Federal Register** the antidumping duty order on citric acid from China.¹ On May 5, 2025, Commerce published in the **Federal Register** a notice of opportunity to request an administrative review of the *Order*.² On June 25, 2025, based on a timely request for an administrative review, Commerce initiated an administrative review of the *Order*.³ The administrative review covers a single mandatory respondent, RZBC.⁴

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative

¹ See *Citric Acid and Certain Citrate Salts from Canada and the People's Republic of China: Antidumping Duty Orders*, 74 FR 25703 (May 29, 2009) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List*, 90 FR 18962 (May 5, 2025).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025) (*Initiation Notice*).

⁴ See Memorandum, “Respondent Identification,” dated September 4, 2025.

⁷ See *Order*.

proceedings by 47 days.⁵ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁶ Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), on March 24, 2026, Commerce extended the deadline for these preliminary results until July 31, 2026.⁷

For a complete description of the events that occurred since the initiation of this review, see the Preliminary Decision Memorandum.⁸ 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>. A list of topics discussed in the Preliminary Decision Memorandum is included in an appendix to this notice. In addition, a complete version of the Preliminary Decision Memorandum can be found at <https://access.trade.gov/frnotices>.

Scope of the Order

The product covered by this *Order* is citric acid from China. A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.⁹

China-Wide Entity

Commerce's policy regarding the conditional review of the China-wide entity applies to this administrative review.¹⁰ 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 in this review, the entity is not under review,

⁵ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁶ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁷ See Memorandum, "Extension of Deadline for Preliminary Results," dated March 24, 2026.

⁸ See Memorandum, "Decision Memorandum for Preliminary Results of the Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from the People's Republic of China; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁹ *Id.*

¹⁰ 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).

and the entity's assessment rate (*i.e.*, 156.87 percent) is not subject to change.¹¹

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. Because China is a non-market economy country within the meaning of section 771(18) of the Act, we calculated normal value 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.

Preliminary Results of the Administrative Review

Commerce preliminarily determines that the following estimated weighted-average dumping margin exists for the administrative review covering the period May 1, 2024, through April 30, 2025:

Exporter	Weighted-average dumping margin (percent)
RZBC Import & Export Co., Ltd.	7.23

Disclosure

Commerce intends to disclose the calculations and analysis that it performed in these preliminary results of review to parties to the proceeding within five days of any public announcement of these preliminary results or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register** in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to not later than 21 days after the date of the publication of this notice.¹² Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹³ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of

contents listing each issue addressed; and (2) a table of authorities.¹⁴

As provided under 19 CFR 351.309(c)(2) and (d)(2), we request that interested parties provide, at the beginning of their briefs, a public executive summary for each issue raised in their briefs.¹⁵ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that we will issue for the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁶

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written hearing request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the requesting party's name, address, and telephone number; (2) the number of individuals from the requesting party that will attend the hearing and whether any of those individuals is a foreign national; and (3) a list of the issues the party intends to discuss at the hearing. Issues raised in the hearing by a party will be limited to those raised in the party's case and rebuttal briefs. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.

Final Results of Review

Unless extended, Commerce intends to issue the final results of this review, including the results of its analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rates

Upon issuing the final results, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this

¹¹ See *Order*.

¹² See 19 CFR 351.309.

¹³ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹⁴ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁵ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁶ See *APO and Service Final Rule*.

review.¹⁷ For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (i.e., less than 0.5 percent), Commerce intends to calculate importer/customer-specific assessment rates.¹⁸ Where the respondent reported reliable entered values, Commerce intends to calculate importer/customer-specific *ad valorem* assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer/customer and dividing this amount by the total entered value of the merchandise sold to the importer/customer.¹⁹ Where the respondent did not report entered values, Commerce will calculate importer/customer-specific assessment rates by dividing the amount of dumping for reviewed sales to the importer/customer by the total quantity of those sales. Commerce will calculate an estimated *ad valorem* importer/customer-specific assessment rate to determine whether the per-unit assessment rate is *de minimis*; however, Commerce will use the per-unit assessment rate where entered values were not reported.²⁰ Where an importer/customer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis*, or an importer/customer-specific *ad valorem* assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.²¹

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (i.e., within 90 days of publication). In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of

estimated antidumping duties, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for the subject merchandise exported by the company listed above that has a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this administrative review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required); (2) for previously investigated or reviewed Chinese and non-Chinese exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the China-wide entity; and (4) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

Commerce is issuing and publishing the preliminary results of this review in accordance with sections 751(a)(1)(B), 751(a)(3), and 777(i) of the Act, and 19 CFR 351.213(h) and 351.221(b)(4).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Adjustment Under Section 777A(f) of the Act
- VI. Currency Conversion
- VII. Recommendation

[FR Doc. 2026–16041 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–523–810]

Polyethylene Terephthalate Resin From the Sultanate of Oman: Preliminary Results of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that OCTAL SAOC FZC (OCTAL), the mandatory respondent in this administrative review of the antidumping duty (AD) order on polyethylene terephthalate resin (PET resin) from the Sultanate of Oman (Oman), did not sell subject merchandise at less than normal value (NV) during the period of review (POR) May 1, 2024, through April 30, 2025. Interested parties are invited to comment on the preliminary results of this administrative review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Dylan Hill, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1197, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 6, 2016, Commerce published the AD order on PET resin from Oman in the **Federal Register**.¹ On May 5,

¹ See *Certain Polyethylene Terephthalate Resin from Canada, the People's Republic of China, India, and the Sultanate of Oman: Amended Final*

¹⁷ See 19 CFR 351.212(b)(1).

¹⁸ See *Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification*).

¹⁹ See 19 CFR 351.212(b)(1).

²⁰ *Id.*

²¹ See *Final Modification*, 77 FR at 8103.

2025, Commerce notified interested parties of an opportunity to request an administrative review of the *Order* covering the POR.² Based on timely requests for review, in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act), on June 25, 2025, Commerce initiated an administrative review of the *Order* with respect to OCTAL covering the POR.³

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁴ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁵ On March 24, 2026, Commerce extended the deadline for these preliminary results of review until July 31, 2026.⁶

For a complete description of the events that followed the initiation of this review, see the accompanying Preliminary Decision Memorandum.⁷ 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 *Order* is PET resin having an intrinsic

viscosity of at least 0.70, but not more than 0.88, deciliters per gram. For a full description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) the Act. In conducting the review, Commerce calculated export and constructed export prices and NV in accordance with sections 772 and 773 of the Act, respectively. For a full description of the methodology underlying the preliminary results of this review, including our reliance, in part, on facts otherwise available with adverse inferences pursuant to sections 776(a) and (b) of the Act, see the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margin exists for the period May 1, 2024, through April 30, 2025:

Producer/exporter	Weighted-average dumping margin (percent)
OCTAL SAOC FZC	0.00

Disclosure

Commerce intends to disclose its calculations for the 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 the **Federal Register** in accordance with 19 CFR 351.224(b).

Verification

DAK Americas LLC, Indorama Ventures USA, Inc., and Nan Ya Plastics Corporation, America (collectively, the petitioners) requested that Commerce verify the information submitted by OCTAL in this administrative review, pursuant to 19 CFR 307(b)(1)(iv), if Commerce does not conduct an on-site verification of OCTAL in the 2023–2024 administrative review of the *Order*.⁸ Commerce verified the information submitted by OCTAL in the 2023–2024 administrative review of the *Order*⁹ and the petitioners did not contend that there was good cause to verify the

information submitted by OCTAL in this administrative pursuant to section 782(i)(3)(B) of the Act. Therefore, the petitioners' request does not provide a basis for verification. However, pursuant to 19 CFR 307(b)(1)(iv), Commerce may verify the information submitted by OCTAL if it subsequently determines that there is good cause for verification.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.¹⁰ Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice in the **Federal Register**. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the due date for filing case briefs.¹¹ 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.¹² All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹³ 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).¹⁴

¹⁰ See 19 CFR 351.309(c)(1)(ii).

¹¹ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁴ See *APO and Service Final Rule*.

Affirmative Antidumping Determination (Sultanate of Oman) and Antidumping Duty Orders, 81 FR 27979 (May 6, 2016) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List*, 90 FR 18692 (May 5, 2025).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967, 26973 (June 25, 2025) (*Initiation*).

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

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

⁶ See Memorandum, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated March 24, 2026.

⁷ See Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Polyethylene Terephthalate Resin from the Sultanate of Oman; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁸ See Petitioners' Letter, "Petitioners' Verification Request," dated October 3, 2025.

⁹ See *Polyethylene Terephthalate Resin From the Sultanate of Oman: Final Results of Antidumping Duty Administrative Review; 2023–2024*, 91 FR 28554 (May 18, 2026).

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 in the **Federal Register**. 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 at the hearing. Issues raised in the hearing will be limited to those raised in the case and rebuttal briefs. If a hearing is requested, Commerce will announce the date and time of the hearing. Parties should confirm the date and time of the hearing two days before the scheduled hearing date.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results of review in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act.¹⁵

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review in accordance with the final results of the review.¹⁶ We will calculate importer-specific *ad valorem* assessment rates for OCTAL, in accordance with 19 CFR 351.212(b)(1),¹⁷ by dividing the total amount of dumping calculated for all reviewed U.S. sales to an importer by the total entered value of the merchandise sold to the importer.¹⁸ Where either OCTAL's *ad valorem* weighted-average dumping margin is zero or *de minimis*, or an importer-specific *ad valorem* assessment rate is zero or *de minimis*,¹⁹ we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

Commerce intends to issue assessment instructions to CBP no

earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Pursuant to a refinement to Commerce's assessment practice, where OCTAL did not report a sale of subject merchandise in its U.S. sales database that it produced or exported, but the merchandise was entered into the United States for consumption during the POR, Commerce will instruct CBP to liquidate any entries of such merchandise at the all-others rate (in this case 7.62 percent)²⁰ if there is no rate for the intermediate company(ies) involved in the transaction.²¹

Cash Deposit Requirements

The following cash deposit requirements will be in effect for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of this administrative review in the **Federal Register**, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for OCTAL will be equal to the weighted-average dumping margin established for the company in the final results of this review, except if the weighted-average dumping margin is less than 0.50 percent, and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), the cash deposit rate will be zero; (2) for previously investigated or reviewed companies that are not covered by this review, the cash deposit rate will continue to be the company's cash deposit rate from the most recently completed segment of the proceeding in which it was examined; (3) if the exporter is not covered by this review, and does not have a cash deposit rate from a completed segment of this proceeding, but the producer of the subject merchandise does have a cash deposit rate, then the cash deposit rate will be the producer's cash deposit rate from the most recently completed segment of the proceeding in which it was examined; and (4) the cash deposit rate for all other producers or exporters will continue to be 7.62 percent, the all-others rate established in the less-than-fair-value investigation in this

proceeding.²² These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h)(2) and 351.221(b)(4).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Application of Facts Available and use of Adverse Inferences
- V. Discussion of the Methodology
- VI. Currency Conversion
- VII. Recommendation

[FR Doc. 2026–16009 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–887]

Carbon and Alloy Steel Cut-to-Length Plate From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that POSCO, POSCO International Corporation, POSCO Mobility Solution (POSCO MS), Taechang Steel Co., Ltd., and Winsteel Co., Ltd., (collectively, the POSCO

¹⁵ See section 751(a)(3)(A) of the Act; *see also* 19 CFR 351.213(h)(1).

¹⁶ See section 751(a)(2)(C) of the Act.

¹⁷ We applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

¹⁸ See 19 CFR 351.212(b)(1).

¹⁹ See 19 CFR 351.106(c)(2).

²⁰ See Order, 81 FR at 27982.

²¹ For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²² See Order, 81 FR at 27982.

single entity) made sales of subject merchandise at less than normal value (NV) during the period of review (POR), May 1, 2024, through April 30, 2025. Interested parties are invited to comment on these preliminary results.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Jaron Moore, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3640.

SUPPLEMENTARY INFORMATION:

Background

On June 25, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty order on carbon and alloy steel cut-to-length plate (CTL plate) from the Republic of Korea (Korea).¹ On August 18, 2025, Commerce selected the POSCO single entity as the mandatory respondent in this review.²

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.³ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁴ On March 11, 2026, we extended the preliminary results of this review to no later than July 31, 2026.⁵

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025) (*Initiation Notice*); see also *Certain Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders*, 82 FR 24096 (May 25, 2017) (*Order*).

² See Memorandum, "Release of Customs and Border Protection Data and Respondent Selection," dated August 18, 2025.

³ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁴ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁵ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings," dated December 9, 2024; see also Memorandum, "Extension of Deadline for the Preliminary Results of the 2024–2025 Antidumping

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁶ A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise subject to the *Order* is CTL plate from Korea. For a complete description of the merchandise subject to the *Order*, see the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Constructed export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period May 1, 2024, through April 30, 2025:

Producer/Exporter	Weighted average dumping margin (percent)
POSCO Single Entity ⁷	0.60

Disclosure

Commerce intends to disclose its calculations and analysis performed to

Duty Administrative Review," dated March 11, 2026.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Carbon and Alloy Steel Cut-To-Length Plate from the Republic of Korea; 2024–2025," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ In a prior segment of this proceeding, Commerce found that POSCO, POSCO International Corporation, POSCO MS (formerly known as POSCO SPS), and certain distributors and service centers (*i.e.*, Taechang Steel Co., Ltd. and Winsteel Co., Ltd.) are affiliated pursuant to section 771(33)(E) of the Act, and, further, that these companies should be treated as a single entity pursuant to 19 CFR 351.401(f). See *Carbon and Alloy Steel Cut-To-Length Plate from the Republic*

interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.⁸ 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.⁹ 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.¹⁰ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹¹ Further, we request that

of Korea: Final Results of Antidumping Duty Administrative review; 2019–2020, 87 FR 6483 (February 4, 2022). No changes to the relationship among these entities was reported for this POR; therefore, no change to our affiliation/collapsing finding is warranted. Additionally, in August 2022, Commerce published the final results of a changed circumstances review (CCR), finding that POSCO, following a corporate organizational change in March 2022 (POSCO*), is the successor-in-interest to the pre-reorganization POSCO entity (POSCO(I)). Moreover, POSCO* is entitled to POSCO(I)'s AD cash deposit rates with respect to entries of subject merchandise in this proceeding. Further, this CCR recognized that POSCO SPS is now recognized as POSCO MS effective January 1, 2022. For more detail, see *Non-Oriented Electrical Steel from the Republic of Korea, Certain Corrosion-Resistant Steel Products from the Republic of Korea, Certain Cold-Rolled Steel Flat Products from the Republic of Korea, Certain Hot-Rolled Steel Flat Products from the Republic of Korea, Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea, and Carbon and Alloy Steel Wire Rod from the Republic of Korea: Final Results of Antidumping Duty Changed Circumstances Review*, 87 FR 52910 (August 30, 2022).

⁸ See 19 CFR 351.309.

⁹ 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*).

¹⁰ See 19 CFR 351.309(c)(2) and (d)(2).

¹¹ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

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).¹²

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.¹³

Assessment Rate

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

If the POSCO single entity's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.¹⁴ If POSCO single entity'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.¹⁵

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by POSCO single entity's for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.¹⁶ If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (i.e., within 90 days of publication).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 7.10 percent, the all-others rate established in the LTFV investigation.¹⁷ These cash

¹⁵ 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).

¹⁶ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁷ See *Order*.

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: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Preliminary Decision Memorandum

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

[FR Doc. 2026–16036 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–580–888]

Certain Carbon and Alloy Steel Cut-to-Length Plate From the Republic of Korea: Preliminary Results and Rescission, in Part of Countervailing Duty Administrative Review; 2024

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies were provided to certain producers and exporters of certain carbon and alloy steel cut-to-length plate (CTL plate) from the Republic of

¹² See *APO and Service Procedures*.

¹³ See 19 CFR 351.310(d).

¹⁴ See 19 CFR 351.212(b)(1).

Korea (Korea) during the period of review (POR) January 1, 2024, through December 31, 2024. In addition, Commerce is rescinding this review with respect to 54 companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Rachel Accorsi or Joshua Nixon, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3149 or (202) 482-8361, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 25, 2017, Commerce published a countervailing duty (CVD) order on CTL plate from Korea.¹ On June 25, 2025, Commerce published a notice of initiation of an administrative review of the *Order*.² We initiated an administrative review of 57 producers/exporters of CTL plate from Korea for the POR.³ On August 18, 2025, Commerce selected POSCO Co., Ltd. (POSCO) as the sole mandatory respondent in this administrative review.⁴

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁵ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an

additional 21 days.⁶ On March 4, 2026, we extended the deadline for the preliminary results of this review until July 31, 2026, in accordance with 19 CFR 351.213(h)(2).⁷

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁸ A list of topics discussed in the Preliminary Decision Memorandum is provided in Appendix I. 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 *Order* is CTL plate from Korea. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

It is Commerce's practice to rescind an administrative review of a CVD order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁹ Normally, upon completion of an administrative review, the suspended entries are liquidated at the CVD assessment rate calculated for the review period.¹⁰ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the CVD assessment rate calculated for the POR.¹¹ On September 10, 2025, we released a memorandum notifying interested parties that, based on our

examination of the results of the CBP data query, we intended to rescind the administrative review for certain companies for which the data show no reviewable entries of subject merchandise during the POR, and requested comments.¹² No interested parties provided comments.

According to the CBP import data, 54 companies under review did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended.¹³ In the absence of any evidence of shipments placed on the record, pursuant to 19 CFR 351.213(d)(3), we are rescinding the administrative review of these companies.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an "authority" that confers a benefit to the recipient, and that the subsidy is specific.¹⁴ For a full description of the methodology underlying our preliminary results, see the Preliminary Decision Memorandum.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily determine the following net countervailable subsidy rate exists for the period January 1, 2024, through December 31, 2024:

Company	Subsidy rate (percent <i>ad valorem</i>)
POSCO Co., Ltd. ¹⁵	1.14

Disclosure

Commerce intends to disclose its calculations and analysis performed to

¹ See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Countervailing Duty Order*, 82 FR 24103 (May 25, 2017) (*Order*).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967, 26978–79 (June 25, 2025) (*Initiation Notice*).

³ In their request for administrative review, Cleveland-Cliffs Inc., Nucor Corporation, and SSAB Enterprises LLC requested review of "POSCO," "POSCO International Corp.," and "POSCO International Corporation." POSCO International Corp. is an abbreviation of the full company name POSCO International Corporation which is reflected in the company's request for review. Accordingly, we are treating POSCO and POSCO International Corp. as POSCO International Corporation for the purposes of this review.

⁴ See Memorandum, "Respondent Identification," dated August 18, 2025.

⁵ See Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁶ See Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁷ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated March 4, 2026.

⁸ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea; 2024," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁹ 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).

¹⁰ See 19 CFR 351.212(b)(2).

¹¹ See 19 CFR 351.213(d)(3).

¹² See Memorandum, "Notice of Intent to Rescind Review, in Part," dated September 10, 2025, at Attachment I.

¹³ See Appendix II.

¹⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

¹⁵ As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds the following companies to be cross-owned with POSCO Co., Ltd.: POSCO Holdings Inc.; POSCO Future M Co., Ltd.; POSCO Mobility Solution Co., Ltd.; POSCO M-Tech Co., Ltd.; and POSCO Nippon Steel RHF Joint Venture Co., Ltd. The subsidy rate applies to all cross-owned companies. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise during the POR, POSCO International (aka POSCO International Corporation). POSCO International

Continued

interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

Commerce received a timely request from Nucor Corporation (the petitioner) to verify the information submitted in this administrative review, pursuant to 19 CFR 307(b)(1)(v).¹⁶ Commerce conducted verification of the subsidy information reported by POSCO Co., Ltd. in the previous administrative review.¹⁷ Accordingly, Commerce does not intend to verify the information submitted by the mandatory respondent in the course of this administrative review.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.¹⁸ Interested parties will be notified of the timeline for the submission of case briefs and written comments 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.¹⁹ 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.²⁰ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at

the beginning of their briefs a public executive summary for each issue raised in their briefs.²¹ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).²²

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 requesting party's name, address, and telephone number; (2) the number of participants and whether any of the participants are foreign nationals; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to those raised in the respective case briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.²³

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review, for the above-listed companies.

For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2024, through December 31, 2024, in accordance with 19 CFR 351.212(c)(1)(i). We intend to issue assessment instructions to CBP no

earlier than 35 days after the date of publication of this notice in the **Federal Register**.

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

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.107(e), Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review, as follows: (1) the cash deposit rate for POSCO Co., Ltd. will be equal to the company-specific estimated individual countervailable subsidy rate determined in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) if both the producer and exporter of the subject merchandise have company-specific estimated subsidy rates assigned, and their rates differ, then the applicable cash deposit rate will be the higher of these two rates; (3) if either the producer or the exporter, but not both, of the subject merchandise has a company-specific estimated subsidy rate assigned, the applicable cash deposit rate will be that company's company-specific rate; and (4) the cash deposit rate for all other producers and exporters will continue to be 3.72 percent, the all-others subsidy rate established in the investigation.²⁴ These cash deposit instructions, when imposed, shall remain in effect until further notice.

Final Results

Unless otherwise extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these

was not selected as a mandatory respondent, but was examined in the context of POSCO. Therefore, there is not an established CVD rate for POSCO International; POSCO International's subsidies are accounted for in POSCO's total subsidy rate. Instead, entries of subject merchandise exported by POSCO International will receive the rate of the producer listed on the CBP entry form. Thus, the subsidy rate applied to POSCO and POSCO's cross-owned affiliates is also applied to POSCO International for entries of subject merchandise produced by POSCO.

¹⁶ See Petitioner's Letter, "Request for Verification," dated October 13, 2025.

¹⁷ See *Certain Carbon and Alloy Steel Cut-to-Length Plate From the Republic of Korea: Final Results of Countervailing Duty Administrative Review*; 2023, 91 FR 27264, 27265 (May 14, 2026).

¹⁸ See 19 CFR 351.309(c)(1)(ii); see also 19 CFR 351.303 for general filing requirements.

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

²⁰ See 19 CFR 351.309(c)(2) and (d)(2).

²¹ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

²² See *APO and Service Procedures*.

²³ See 19 CFR 351.310(d).

²⁴ See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Notice of Court Decision Not in Harmony With Final Countervailing Duty Determination, and Notice of Amended Final Countervailing Duty Determination*, 84 FR 64459–60 (November 22, 2019).

preliminary results in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(d)(4) and 351.221(b)(4).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Diversification of Korea's Economy
- V. Subsidies Valuation Information
- VI. Benchmarks and Interest Rates
- VII. Analysis of Programs
- VIII. Recommendation

Appendix II

Companies for Which Commerce Is Rescinding the Review

1. Ajin Industrial Co., Ltd.
2. BDP International
3. Blue Track Equipment
4. Boxco
5. Boxco, Inc.
6. Bukook Steel Co., Ltd.
7. Buma CE Co., Ltd.
8. China Chengdu International Techno-Economic Cooperation Co., Ltd.
9. Daehan I.M. Co., Ltd.
10. Daehan Tex Co., Ltd.
11. Daeik Eng Co. Ltd.
12. Daelim Industrial Co., Ltd.
13. Daesam Industrial Co., Ltd.
14. Daesin Lighting Co., Ltd.
15. Daewoo International Corp.
16. Dong Yang Steel Pipe
17. DKC
18. DK Corporation
19. DK Dongshin Co., Ltd.
20. Dongbu Steel Co., Ltd.
21. Dongkuk Industries Co., Ltd.
22. Dongkuk Steel Mill Co., Ltd.
23. EAE Automotive Equipment
24. EEW KHPC Co., Ltd.
25. Eplus Expo Inc.
26. GS Global Corp.
27. Haem Co., Ltd.
28. Han Young Industries
29. Hyeon Dae Jong Hap Gong Gu Co. Ltd.
30. Hyosung Corp.
31. Hyundai Steel Co.
32. Jinmyung Frictech Co., Ltd.
33. Khana Marine Ltd.
34. Kindus Inc.
35. Korean Iron and Steel Co., Ltd.
36. Kyoungil Precision Co., Ltd.
37. LG Electronics Inc.
38. Menics
39. Qian'an Rentai Metal Products Co., Ltd.

40. Samjin Lnd Co., Ltd.
41. Samsun C&T Corp.
42. Samsung
43. Samsung Electronics Co., Ltd.
44. Shinko
45. Shipping Imperial Co., Ltd.
46. Sinchang Eng Co., Ltd.
47. SK Networks Co., Ltd.
48. SNP Ltd.
49. Seogio O/A
50. Steel N People Ltd.
51. Summit Industry
52. Sungjin Co., Ltd.
53. Wonbang Tech Co., Ltd.
54. Young Sun Steel

[FR Doc. 2026–16017 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–170, C–570–171]

Disposable Aluminum Containers, Pans, Trays, and Lids From the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping and Countervailing Duty Orders

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

SUMMARY: In response to a request from the Aluminum Foil Containers Manufacturers Association (AFCMA) and the following individual members of AFCMA, Durable Packaging International; D&W Fine Pack, LLC; Handifoil Corp.; Penny Plate, LLC; Reynolds Consumer Products, LLC; Shah Foil Products, Inc.; Smart USA, Inc.; Trinidad/Benham Corp.; and Wyda Packaging Corp. (collectively, the requesters), the U.S. Department of Commerce (Commerce) is initiating country-wide circumvention inquiries to determine whether imports of disposable aluminum containers, pans, trays, and lids (aluminum containers) completed in Indonesia and Malaysia (collectively, the third countries) using aluminum foil manufactured in the People's Republic of China (China), are circumventing the antidumping duty (AD) and countervailing duty (CVD) orders on aluminum containers from China.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Justin Enck at (202) 482–1614 or Cassie Graham at (202) 482–2159, Office of Policy, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2026, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(i), the requesters filed circumvention inquiry requests alleging that aluminum containers completed in the third countries using aluminum foil manufactured in China, are circumventing the AD and CVD orders on aluminum containers from China¹ and, accordingly, should be included within the scope of the *Orders*.²

On July 7, 2026, we issued supplemental questionnaires to the requesters.³ On July 10, 2026, the requesters filed their responses to our requests for additional information.⁴

Scope of the Orders

The merchandise subject to the *Orders* is disposable aluminum containers, pans, trays, and lids produced primarily from flat-rolled aluminum. The subject merchandise includes aluminum containers regardless of shape or size and whether or not wrinkled or smooth. For a full description of the scope of the *Orders*, see the Circumvention Initiation Checklists.⁵

Merchandise Subject to the Circumvention Inquiries

The circumvention inquiries cover aluminum containers assembled and completed in the third countries using Chinese-origin aluminum foil, that are subsequently exported from the third countries to the United States.

Initiation of Circumvention Inquiries

Section 351.226(d) of Commerce's regulations states that if Commerce

¹ See *Disposable Aluminum Containers, Pans, Trays, and Lids from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 89 FR 49837 (June 12, 2024); see also *Disposable Aluminum Containers, Pans, Trays, and Lids from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 89 FR 49833 (June 12, 2024) (collectively, *Orders*).

² See Requesters' Letters, "Request for Circumvention Ruling Pursuant to Section 781(b), As Amended," dated July 1, 2026 (Circumvention Requests).

³ See Commerce's Letter, "Indonesia Circumvention Inquiry Request Supplemental Questionnaire," dated July 7, 2026; see also Commerce's Letter, "Malaysia Circumvention Inquiry Request Supplemental Questionnaire," dated July 7, 2026.

⁴ See Requesters' Letters, "Petitioners' Response to the U.S. Department of Commerce's Supplemental Questionnaire Dated July 7, 2026," dated July 10, 2026.

⁵ See Checklists, "Aluminum Containers Completed in Indonesia Circumvention Initiation Checklist," and "Aluminum Containers Completed in Malaysia Circumvention Initiation Checklist," dated concurrently with, and hereby adopted by, this notice (collectively, Circumvention Initiation Checklists), at Attachment I.

determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce “will accept the request and initiate a circumvention inquiry.” Section 351.226(c)(1) of Commerce’s regulations, in turn, requires that each circumvention inquiry request allege “that the elements necessary for a circumvention determination under section 781 of the Act exist” and be “accompanied by information reasonably available to the interested party supporting these allegations.” The requesters alleged circumvention pursuant to section 781(b) of the Act (merchandise completed or assembled in other foreign countries).

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce’s determination of whether the process of

assembly or completion in a foreign country is minor or insignificant.⁶ Accordingly, Commerce will evaluate each of these five factors as they exist in the foreign country, depending on the particular circumvention scenario.

In determining whether action is needed in order to prevent evasion of the order under section 781(b)(1)(E) of the Act, section 781(b)(3) of the Act sets forth factors to consider in determining whether to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the requesters’ circumvention inquiry requests, we determine that they have satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(iii), we are initiating the requested circumvention inquiries. For a full discussion of the basis for our decision to initiate the circumvention inquiries, *see* the Circumvention Initiation Checklists. As explained in the Circumvention Initiation Checklists, the information provided by the requesters warrants initiating the circumvention inquiries on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.⁷

Consistent with the approach in the prior circumvention inquiries that were initiated on a country-wide basis, Commerce intends to solicit information from certain companies in the third countries concerning their production of aluminum containers and their shipments thereof to the United States.

⁶ *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103–316, Vol. 1 (1994), at 893.

⁷ *See, e.g., Hydrofluorocarbon Blends from the People’s Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order*, 88 FR 74150 (October 30, 2023).

Respondent Selection

Commerce intends to base respondent selection on U.S. Customs and Border Protection (CBP) data. Commerce intends to place the CBP data on each record within five days of the publication of this initiation notice, which will be available under administrative order (APO) on Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the relevant inquiry. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce’s website at <https://www.trade.gov/administrative-protective-orders>.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company’s failure to completely respond to Commerce’s requests for information may result in the application of facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify CBP of these initiations and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiries that were already subject to the suspension of liquidation under the *Orders* and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *Orders*.

Should Commerce issue affirmative preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)–(4). In the event that Commerce issues affirmative preliminary or final circumvention determinations that the products are circumventing the *Orders*, Commerce will instruct CBP to continue the suspension of liquidation of previously suspended entries and to apply the applicable cash deposit rate. Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of

publication of the notice of initiation of the circumvention inquiries pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, prior to the date of initiation of the circumvention inquiries, but not for such entries prior to November 4, 2021, the effective date of these provisions in the *Final Rule*.⁸ These rules will not affect CBP's authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the requesters' requests for circumvention inquiries satisfy the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of the circumvention inquiries to determine whether aluminum containers from China, which are completed in and exported from the third countries using aluminum foil manufactured in China, are circumventing the *Orders*. In addition, we have included a description of the products that are subject to these inquiries, and an explanation of Commerce's decision to initiate the inquiries is provided in the accompanying Circumvention Initiation Checklists.⁹

In accordance with 19 CFR 351.226(e)(1), unless the circumvention inquiries are rescinded, in whole or in part, or extended, Commerce intends to issue its preliminary circumvention determinations no later than 150 days from the date of publication of the notices of initiation of these circumvention inquiries in the **Federal Register**. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the circumvention inquiries are rescinded, in whole or in part, or extended, Commerce intends to issue its final determinations within 300 days from the date of publication of the notice of initiation of the circumvention inquiries in the **Federal Register**.

This notice is published in accordance with section 781(b) of the Act, and 19 CFR 351.226(d)(1)(iii).

Dated: July 31, 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. 2026–16053 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–894]

Certain Tissue Paper Products From the People's Republic of China: Initiation of Circumvention Inquiry of the Antidumping Duty Order

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

SUMMARY: In response to a request from Seaman Paper Company of Massachusetts, Inc. (Seaman, or the requester), the U.S. Department of Commerce (Commerce) is initiating a country-wide circumvention inquiry to determine whether imports of certain tissue paper products (tissue paper) completed in the Socialist Republic of Vietnam (Vietnam) using jumbo paper rolls manufactured in the People's Republic of China (China), are circumventing the antidumping duty (AD) order on tissue paper from China.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Justin Enck at (202) 482–1614 and Walter Schaub at (202) 482–0907, Trade Remedy Counseling and Initiations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On June 4, 2026, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226, Seaman filed a circumvention inquiry request alleging that tissue paper completed in Vietnam using jumbo paper rolls manufactured in China is circumventing the AD order on tissue paper from China,¹ and, accordingly, should be included within the scope of

the *Order*.² Seaman also requested that Commerce initiate a scope inquiry to determine whether imports of tissue paper completed in Vietnam using Chinese-origin jumbo paper rolls are already specifically covered by the scope of the *Order*, pursuant to 19 CFR 351.225(j).³

On June 18, 2026, Commerce issued a supplemental questionnaire to the requester.⁴ On June 24, 2026, the requester filed its response to our request for additional information.⁵ On June 17, 2026, Vietnam Glitter Company Limited and Vietnam Glitter Celebration Company Limited (collectively, Vietnam Glitter), Vietnamese producers of tissue paper, filed comments in opposition to the Seaman's request.⁶ On June 22, 2026, the requester filed rebuttal comments to Vietnam Glitter's June 17, 2026 comments.⁷ On July 1, 2026, Commerce extended the initiation deadline from July 6 to August 3, 2026, in accordance with 19 CFR 351.226(d)(1).⁸ On July 7, 2026, Target General Merchandise, Inc. (Target) filed comments in opposition to the Seaman's request.⁹ On July 8, 2026, Seaman responded to Target's July 7, 2026 comments.¹⁰ Commerce extended the deadline for Target to file comments and new factual information regarding the adequacy of the circumvention inquiry request to July 17, 2026, in accordance with 19 CFR 351.302(b).¹¹ Target filed additional comments in opposition to the request on July 17, 2026.¹²

² See Requester's Letter, "Circumvention Inquiry," dated June 4, 2026.

³ *Id.* Commerce has concluded that the issues raised by the requester are appropriately addressed in the context of a circumvention inquiry. Therefore, Commerce has not initiated a scope inquiry pursuant to 19 CFR 351.225(j). For further discussion, see the Circumvention Initiation Checklist, "Tissue Paper Products Completed in Vietnam Circumvention Initiation Checklist," dated concurrently with, and hereby adopted by, this notice (Circumvention Initiation Checklist) at 3.

⁴ See Commerce's Letter, "Supplemental Questionnaire," dated June 18, 2026.

⁵ See Requester's Letter, "Response to Commerce's Supplemental Questionnaire," dated June 24, 2026.

⁶ See Vietnam Glitter's Letter, "Comments on the Adequacy of Petitioner's Request for an Anti-Circumvention Inquiry," dated June 17, 2026.

⁷ See Requester's Letter, "Response to Adequacy Comments," dated June 22, 2026.

⁸ See Memorandum, "Extension of Circumvention Inquiry Initiation Deadline," dated July 1, 2026.

⁹ See Target's Letter, "Request to Reject Circumvention Inquiry Request," dated July 7, 2026.

¹⁰ See Requester's Letter, "Response to Target's Comments," dated July 8, 2026.

¹¹ See Memorandum, "Extension of New Factual Information Deadline," dated July 9, 2026.

¹² See Target's Letter, "Adequacy Comments," dated July 17, 2026.

⁸ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

⁹ See Circumvention Initiation Checklists.

¹ See Notice of Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order: *Certain Tissue Paper Products from the People's Republic of China*, 70 FR 16223 (March 30, 2005) (*Order*).

Scope of the Order

The merchandise subject to the *Order* is cut-to-length sheets of tissue paper having a basis weight not exceeding 29 grams per square meter and with a width equal to or greater than one-half (0.5) inch and. Tissue paper may or may not be bleached, dye-colored, surface-colored, glazed, surface decorated or printed, sequined, crinkled, embossed, and/or die cut. Tissue paper may be flat or folded, and may be packaged by banding or wrapping with paper or film, by placing in plastic or film bags, and/or by placing in boxes for distribution and use by the ultimate consumer.

The merchandise subject to this *Order* does not have specific classification numbers assigned to them under the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may be under one or more of several different subheadings, including: 4802.30; 4802.54; 4802.61; 4802.62; 4802.69; 4804.31.1000; 4804.31.2000; 4804.31.4020; 4804.31.4040; 4804.31.6000; 4804.39; 4805.91.1090; 4805.91.5000; 4805.91.7000; 4806.40; 4808.30; 4808.90; 4811.90; 4823.90; 4820.50.00; 4802.90.00; 4805.91.90; 9505.90.40. Although the HTSUS tariff classifications are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

For a full description of the scope of the *Order*, see the Circumvention Initiation Checklist.¹³

Merchandise Subject to the Circumvention Inquiry

The circumvention inquiry covers tissue paper, completed in Vietnam using Chinese-origin jumbo paper rolls that is subsequently exported from Vietnam to the United States.

Initiation of Circumvention Inquiry

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce "will accept the request and initiate a circumvention inquiry." Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each circumvention inquiry request allege "that the elements necessary for a circumvention determination under section 781 of the Act exist" and be "accompanied by information reasonably available to the interested party supporting these allegations." The requester alleged circumvention

pursuant to section 781(b) of the Act (*i.e.*, merchandise completed or assembled in other foreign countries).

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a foreign country is minor or insignificant.¹⁴ Accordingly, Commerce will evaluate each of these five factors as they exist in the foreign country, depending on the particular circumvention scenario.

In determining whether action is needed in order to prevent evasion of the order under section 781(b)(1)(E) of the Act, section 781(b)(3) of the Act sets forth factors to consider in determining

whether to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the Seaman's circumvention inquiry request, we determine that the requester has satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(iii), we are initiating the requested circumvention inquiry. For a full discussion of the basis for our decision to initiate the circumvention inquiry, see the Circumvention Initiation Checklist. As explained in the Circumvention Initiation Checklist, the information provided by the requester warrants initiating the circumvention inquiry on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.¹⁵

Consistent with the approach in the prior circumvention inquiries that were initiated on a country-wide basis, Commerce intends to solicit information from certain companies in Vietnam concerning their production of tissue paper and their shipments to the United States.

Respondent Selection

Commerce intends to base respondent selection on U.S. Customs and Border Protection (CBP) entry data of tissue paper from Vietnam based on the HTSUS subheadings identified in the scope of the *Order*. Commerce intends to place the CBP data on each record within five days of the publication of this initiation notice, which will be available under administrative protective order (APO) on Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users

¹³ See Circumvention Initiation Checklist at Attachment I.

¹⁴ See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1 (1994), at 893.

¹⁵ See, e.g., *Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order*, 88 FR 74150 (October 30, 2023).

at <https://access.trade.gov>. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce's website at <https://www.trade.gov/administrative-protective-orders>. Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the relevant inquiry.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company's failure to completely respond to Commerce's requests for information may result in the application of facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify CBP of the initiation and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiry that were already subject to the suspension of liquidation under the *Order* and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *Order*.

Should Commerce issue affirmative preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)–(4). In the event that Commerce issues affirmative preliminary or final circumvention determinations that the products are circumventing the *Order*, Commerce will instruct CBP to continue the suspension of liquidation of previously suspended entries and to apply the applicable cash deposit rate. Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the notice of initiation of the circumvention inquiry pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, prior to the date of initiation of the circumvention inquiry, but not for such entries prior to November 4, 2021, the effective date of

these provisions in the *Final Rule*.¹⁶ These rules will not affect CBP's authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the Seaman's request for this circumvention inquiry satisfies the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of this circumvention inquiry to determine whether imports of tissue paper completed in and exported from Vietnam using jumbo paper rolls manufactured in China are circumventing the *Order*. In addition, we have included a description of the products that are subject to this inquiry, and an explanation of Commerce's decision to initiate the inquiry as provided in the accompanying Circumvention Initiation Checklist.¹⁷

In accordance with 19 CFR 351.226(e)(1), unless the circumvention inquiry is rescinded, in whole or in part, or extended, Commerce intends to issue its preliminary circumvention determination no later than 150 days from the date of publication of the notice of initiation of this circumvention inquiry in the **Federal Register**. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the circumvention inquiry is rescinded, in whole or in part, or extended, Commerce intends to issue its final determination within 300 days from the date of publication of the notice of initiation of the circumvention inquiry in the **Federal Register**.

This notice is published in accordance with section 781(b) of the Act, and 19 CFR 351.226(d)(1)(iii).

Dated: August 3, 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. 2026–16056 Filed 8–5–26; 8:45 am]

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¹⁶ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

¹⁷ See Circumvention Initiation Checklist.

DEPARTMENT OF COMMERCE

International Trade Administration

Notice of Scope Rulings

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

SUMMARY: The U.S. Department of Commerce (Commerce) hereby publishes a list of scope rulings made during the period April 1, 2026, through June 30, 2026. We intend to publish future lists after the close of the next calendar quarter.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Brenda E. Brown, AD/CVD Operations, Customs Liaison Unit, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: 202–482–4735.

SUPPLEMENTARY INFORMATION:

Background

Commerce's regulations provide that it will publish in the **Federal Register** a list of scope rulings on a quarterly basis.¹ Our most recent notification of scope rulings was published on May 12, 2026.² This current notice covers all scope rulings made by Enforcement and Compliance between April 1, 2026, and June 30, 2026.

Final Scope Rulings

India

A–533–877 and C–533–878: Stainless Steel Flanges From India

Requestor: Pradeep Metals Limited, Inc. (Pradeep). Precision-machined stainless steel ring-shaped components imported by Pradeep are preliminarily found to be within the scope of the antidumping and countervailing duty orders under a (k)(2) analysis. Pradeep's products have essential physical characteristics articulated in the scope. The record indicates that ultimate users of both Pradeep's products and standard flanges expect components to meet established material and pressure standards so they can be incorporated into larger piping systems. The products are intended to interface with standardized flange systems and perform the same connection function as subject flange products, notwithstanding the modified center geometries and additional instrumentation related features. Direct,

¹ See 19 CFR 351.225(o).

² See *Notice of Scope Rulings*, 91 FR 25856 (May 12, 2026).

customer-specific sales arrangements are not unique to Pradeep's products and do not distinguish them from standard flange products. The manner in which the products are advertised or displayed does not distinguish them from standard flange products. June 17, 2026.

People's Republic of China (China)

A-570-064 and C-570-065: Forged Stainless Steel Flanges From China

Requestor: API International Inc. (API). Eighteen models of certain cut plate flanges imported by API are not covered by the scope of the antidumping and countervailing duty orders on stainless steel flanges from China because API's certain cut plate flanges undergo a distinct manufacturing process and are not forged. June 22, 2026.

A-570-896: Magnesium Metal From China

Requestor: Galvotec Mag and Metal Works, Inc. (Galvotec). Certain magnesium extrusions used to produce high-quality concrete and asphalt finishing tools imported by Galvotec are not covered by the scope of the antidumping duty order on magnesium metal from China. The concrete and asphalt finishing tools Galvotec imports are made from magnesium extrusions, which is a "wrought" product and the Order only contemplates that "unwrought" products are included within the scope. May 21, 2026.

A-570-016 and C-570-017: Passenger Vehicle and Light Truck Tires From China

Requestor: Transamerica Tire Co., Ltd. (Transamerica). Sixty-one tire models imported by Transamerica are covered by the scope of the antidumping and countervailing duty orders on passenger vehicle and light truck tires from China because the presence of the "LT" suffix on the tire sidewalls is dispositive under the plain language of the scope; and the TRA Yearbook exclusion applies only to tires lacking such markings. June 24, 2026.

Notification to Interested Parties

Interested parties are invited to comment on the completeness of this list of completed scope inquiries. Any comments should be submitted to the Deputy Assistant Secretary for AD/CVD Operations, Enforcement and Compliance, International Trade Administration, via email to CommerceCLU@trade.gov.

This notice is published in accordance with 19 CFR 351.225(o).

Dated: July 30, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026-16037 Filed 8-5-26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-817]

Oil Country Tubular Goods From the Republic of Türkiye: Final Results of Countervailing Duty Administrative Review; 2023

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to producers and exporters of certain oil country tubular goods (OCTG) from the Republic of Türkiye (Türkiye) during the period of review (POR) January 1, 2023, through December 31, 2023.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Michael Romani, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0198.

SUPPLEMENTARY INFORMATION:

Background

On March 6, 2026, Commerce published in the **Federal Register** the *Preliminary Results* of this administrative review and invited comments from interested parties.¹ On June 23, 2026, Commerce extended the time period for issuing the final results of this review by 26 days.² Accordingly, the deadline for the final results is now July 30, 2026.

For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public

document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise covered by the Order is OCTG from Türkiye. For a complete description of the scope of the Order, see the Issues and Decision Memorandum.⁴

Analysis of Comments Received

All issues raised by interested parties in case briefs are addressed in the Issues and Decision Memorandum. The topics discussed and the issues raised by parties to which we responded in the Issues and Decision Memorandum are listed in the appendix to this notice.

Changes Since the Preliminary Results

Based on comments received from interested parties, we made certain changes to the calculations for Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. (Borusan).⁵ For a discussion of these changes, see the Issues and Decision Memorandum.

Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying all of Commerce's conclusions, including any determination that relied upon the use of adverse facts available, pursuant to

⁴ *Id.*

⁵ See *Circular Welded Carbon Steel Standard Pipe and Tube Products from the Republic of Türkiye; Welded Line Pipe from the Republic of Türkiye; Certain Oil Tubular Goods from the Republic of Türkiye; and Large Diameter Welded Pipe from the Republic of Türkiye: Final Results of Countervailing Duty Changed Circumstances Reviews*, 89 FR 96212 (December 4, 2024) (explaining Commerce determined that Borusan Birleşik Fabrikaları Sanayi ve Ticaret A.Ş. is the successor-in-interest to Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş.). The company reported that the name change was effective November 2023.

⁶ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

¹ See *Oil Country Tubular Goods from the Republic of Türkiye*, 91 FR 11038 (March 6, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated June 23, 2026.

³ See Memorandum, "Decision Memorandum for the Final Results of the Administrative Review of the Countervailing Duty Order on Oil Country Tubular Goods from the Republic of Türkiye; 2023," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

sections 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

Final Results of Review

We find the following net countervailable subsidy rates exist for the period January 1, 2023, through December 31, 2023:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Borusan Birleşik Boru Fabrikalari Sanayi ve Ticaret A.Ş. ⁷	0.80

Disclosure

Commerce intends to disclose the calculations and analyses performed in connection with these final results of review to interested parties within five days after the public announcement of the final results or, if there is not public announcement, within five days of the date of publication of this notice of final results in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Assessment

Pursuant to 19 CFR 351.212(b)(2), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review, for the above-listed companies at the applicable *ad valorem* rates. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for the companies listed above for shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as

appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

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

Notification to Interested Parties

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

Dated: July 30, 2026.

Christopher Abbott,

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

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation
- V. Analysis of Programs
- VI. Discussion of the Issues
 - Comment 1: Whether Banking and Insurance Transaction Tax (BITT) Exemptions on Foreign Exchange Transactions Are Countervailable
 - Comment 2: Whether the BITT Exemption for Foreign Exchange Transactions or Export Loans Were Provided by a Government Authority and Benefit Was Thereby Conferred
 - Comment 3: Whether Commerce Should Find BITT—Tax Exemption for Export Loans and BITT—Tax Exemption on Insurance Premiums the Same and Non-Countervailable
 - Comment 4: Whether Commerce Made A Ministerial Error When Calculating the Benchmark Used in Its Hot-Rolled Steel for Less Than Adequate Remuneration Calculations
 - Comment 5: Whether Commerce Mistakenly Countervailed Foreign Exchange Transactions for Which Borusan Received No Financial Contribution or Benefit
 - Comment 6: Whether Commerce's Inflation Adjustments Are Unlawful and Should Be Removed from the CVD Rate Calculations
 - Comment 7: Whether Commerce's Investigation of Currency Manipulation is Unlawful

Comment 8: Whether Commerce's Liquidation Instructions Account for Borusan's Name Change That Took Place During the POR

VII. Recommendation

[FR Doc. 2026–16002 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–122–858]

Certain Softwood Lumber Products From Canada: Notice of Amended Final Results of Countervailing Duty Expedited Review; Notice of Reinstatement of Countervailing Duty Order

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

SUMMARY: On July 21, 2026, the U.S. Court of International Trade (CIT) issued its final judgment in *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations, et al. v. United States, et al.*, Consol. Court No. 19–00122 (Slip Op. 26–77) (CIT 2026) sustaining the U.S. Department of Commerce's (Commerce) final results of remand redetermination (remand redetermination), concerning the countervailing duty (CVD) order on certain softwood lumber products (softwood lumber) from Canada. In particular, the CIT sustained Commerce's remand redetermination calculating a 1.05 percent *ad valorem* subsidy rate for Les Produits Forestiers D&G Ltée (D&G) and its cross-owned company Les Produits Forestiers Portbec Ltée (Portbec). Because D&G/Portbec's rate is now above *de minimis*, subject merchandise produced and exported by D&G/Portbec is included within the CVD order on softwood lumber from Canada.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4793.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2018, Commerce published the CVD Order on softwood lumber from Canada.¹ On July 5, 2019,

⁷ Commerce finds the following companies to be cross-owned with Borusan: BMB Holding A.Ş. and Borusan Holding.

¹ See *Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing*
Continued

Commerce published its *Expedited Review Final* for the *Order* covering the period January 1, 2015, through December 31, 2015.² In the *Expedited Review Final*, Commerce calculated a *de minimis* subsidy rate of 0.21 percent *ad valorem* for D&G/Portbec.³

The Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (the COALITION) appealed Commerce's *Expedited Review Final*, challenging Commerce's statutory authority to promulgate its expedited review regulations at 19 CFR 351.214(k) to determine individual subsidy rates for companies not individually examined in an investigation. On November 19, 2020, the CIT remanded Commerce's *Expedited Review Final* for reconsideration of the statutory basis upon which Commerce conducted the expedited review.⁴ On February 22, 2021, Commerce issued its *First Remand Redetermination*,⁵ in which Commerce found that it did not have the statutory authority to promulgate the CVD expedited review regulations at 19 CFR 351.214(k), and to conduct CVD expedited reviews. On August 18, 2021, the CIT affirmed Commerce's remand and vacated the expedited review regulation at 19 CFR 351.214(k), as well as the *Expedited Review Final*.⁶ Accordingly, the CIT declined to consider the remaining challenges to the *Expedited Review Final* raised by several of the expedited review companies and the COALITION.

On April 25, 2023, the U.S. Court of Appeals for the Federal Circuit reversed the CIT's decision and held that Commerce has the statutory authority to adopt the CVD expedited review process, and remanded for further

proceedings necessitated by its holding that such statutory authority exists.⁷

On April 24, 2024, the CIT sustained several of Commerce's determinations in the *Expedited Review Final*, but remanded certain issues to Commerce including its decision not to attribute subsidies to D&G/Portbec received by their unaffiliated lumber suppliers.⁸ Accordingly, on September 10, 2024, Commerce issued its *Second Remand Redetermination* in which the subsidy rate for D&G/Portbec was recalculated by treating them as trading companies, pursuant to 19 CFR 351.525(c), with respect to their purchases of lumber from unaffiliated Canadian suppliers that was either further processed (or remanufactured) and sold to the United States, or resold without further processing to the United States.⁹

On January 21, 2025, the CIT sustained Commerce's determination to treat D&G/Portbec as trading companies, but remanded the revised subsidy rate calculation for D&G/Portbec.¹⁰ Additionally, at this time, D&G/Portbec argued that Commerce should seek additional information from Portbec concerning its purchases of lumber from unaffiliated Canadian suppliers delivered in the United States.¹¹ On April 21, 2025, Commerce issued its *Third Remand Redetermination* disagreeing with D&G/Portbec that the subsidy calculation should not include lumber purchases Portbec made in the United States and that the record should be reopened to solicit the value of these purchases. With respect to the subsidy rate calculation for D&G/Portbec, Commerce reconsidered the calculation from the *Second Remand Redetermination* and found that the original calculation inappropriately weighted D&G/Portbec's purchases and sales. Therefore, Commerce applied an

approach that considered each company's relative share of purchases of lumber from unaffiliated Canadian suppliers and each company's relative share of total sales to calculate the subsidy rate attributable to D&G and Portbec, under the trading company regulation, 19 CFR 351.525(c). Commerce, thus, calculated an overall subsidy rate of 1.75 percent *ad valorem*, which is above *de minimis*, for D&G/Portbec.¹²

In its December 18, 2025, order and opinion, the CIT remanded Commerce *Third Remand Redetermination* for it to reconsider the documentation that D&G/Portbec proffered with regard to the lumber which the companies claimed was purchased from importers after importation into the United States during 2015.¹³

On April 17, 2026, Commerce issued its *Fourth Remand Redetermination* in which it considered documentation provided by D&G/Portbec regarding lumber that was purchased from unaffiliated lumber suppliers in the United States after it was imported (*i.e.*, resales).¹⁴ As a result, Commerce calculated a revised subsidy rate of 1.05 percent *ad valorem*, which is above *de minimis*. On July 21, 2026, the CIT issued its final judgment sustaining Commerce's *Expedited Review Final*, as amended by the second, third and fourth redeterminations on remand.¹⁵

Amended Final Results and Reinstatement to the Order

Because the court has issued a final judgment, Commerce is amending its *Expedited Review Final* with respect to the countervailable subsidy rate assigned to D&G/Portbec. As a result of the CIT's final judgment issued on July 21, 2026, D&G/Portbec's rate of 1.05 percent *ad valorem* is now above *de minimis*, and subject merchandise produced and exported by D&G/Portbec is included in the *Order*, effective on the date of publication of this notice.

Cash Deposit Requirements

Commerce will instruct U.S. Customs and Border Protection to collect cash

Duty Determination and Countervailing Duty Order, 83 FR 347 (January 3, 2018) (*Order*).

² See *Certain Softwood Lumber Products from Canada: Final Results of Countervailing Duty Expedited Review*, 84 FR 32121 (July 5, 2019) (*Expedited Review Final*), and accompanying Issues and Decision Memorandum.

³ *Id.*, 84 FR at 32122. Commerce finds the following companies to be cross-owned with D&G/Portbec: Le Groupe Gesco-Star Ltée and Les Produits Forestiers Startrees Ltée. *Id.*

⁴ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations, et al. v. United States, et al.*, 483 F.Supp.3d 1253 (CIT 2020).

⁵ See *Final Results of Redetermination Pursuant to Court Remand, Committee Overseeing Action for Lumber International Trade Investigations or Negotiations, et al. v. United States, et al.*, Court No. 19-00122, Slip Op. 20-167 (CIT 2020), dated February 22, 2021 (*First Remand Redetermination*). Commerce's final remand redeterminations are available at <https://access.trade.gov/FinalRemandRedetermination>.

⁶ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, 535 F.Supp.3d 1336 (CIT 2021).

⁷ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*,

66 F.4th 968 (Fed. Cir. 2023).

⁸ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, Consol. Court No. 19-00122, Slip Op. 24-50 (CIT April 22, 2024).

⁹ See *Final Results of Redetermination Pursuant to Court Remand, Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, Consol. Court No. 19-00122, Slip Op. 24-50 (CIT 2024), dated September 10, 2024 (*Second Remand Redetermination*).

¹⁰ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, Consol. Court No. 19-00122, Slip Op. 25-8 (CIT January 21, 2025).

¹¹ See *Final Results of Redetermination Pursuant to Court Remand, Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, Consol. Court No. 19-00122, Slip Op. 25-8 (CIT 2025), dated April 21, 2025 (*Third Remand Redetermination*) at 5.

¹² *Id.* at 14-15.

¹³ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations, et al. v. United States, et al.*, Consol. Court No. 19-00122 (Slip Op. 25-158) (CIT 2025).

¹⁴ See *Final Results of Redetermination Pursuant to Court Remand, Committee Overseeing Action for Lumber International Trade Investigations or Negotiations v. United States*, Consol. Court No. 19-00122, Slip Op. 25-158 (CIT 2025), dated April 17, 2026 (*Fourth Remand Redetermination*).

¹⁵ See *Committee Overseeing Action for Lumber International Trade Investigations or Negotiations, et al. v. United States, et al.*, Consol. Court No. 19-00122 (Slip Op. 26-77) (CIT 2026).

deposits of estimated countervailing duties for D&G/Portbec, at the rate shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the amended final results of this expedited review. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

This notice is issued and published in accordance with section 777(i)(1) of the Tariff Act of 1930, as amended.

Dated: July 30, 2026.

Christopher Abbott,

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

[FR Doc. 2026–16003 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–520–804]

Certain Steel Nails From the United Arab Emirates: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily finds that sales of certain steel nails (steel nails) from the United Arab Emirates (UAE) were made at less than normal value (NV). The period of review (POR) is May 1, 2024, through April 30, 2025.

Additionally, Commerce is rescinding this administrative review, in part, with respect to 18 companies that had no entries of the subject merchandise during the POR. We invite interested parties to comment on these preliminary results.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Olivia Woolverton or Connor Field, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–7452 or (202) 482–3997, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 10, 2012, Commerce published the antidumping duty (AD) order on steel nails from the UAE.¹ On June 5, 2025, Commerce initiated an administrative review of the *Order*, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), with respect to 20 producers/exporters of the subject merchandise.² Commerce selected one mandatory respondent for individual examination, Rich Well Steel Industries LLC (Rich Well).³

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁴ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁵ On March 11, 2026, Commerce extended the deadline for the preliminary results of this review to July 31, 2026.⁶

For a complete description of the events following the initiation of this administrative review, see the Preliminary Decision Memorandum.⁷ 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, which 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>.

¹ See *Certain Steel Nails from the United Arab Emirates: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 77 FR 27421 (May 10, 2012) (*Order*).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967, 26976–77 (June 25, 2025) (*Initiation Notice*).

³ See Memorandum, “Respondent Selection,” dated August 8, 2025.

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

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

⁶ See Memorandum, “Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated March 11, 2026.

⁷ See Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Steel Nails from the United Arab Emirates; 2024–2025,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope of the Order

The products covered by the *Order* are steel nails from the UAE. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Rescission of Administrative Review, In Part

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an antidumping duty order where it concludes that there were no suspended entries of subject merchandise during the POR.⁸ Normally, upon completion of an administrative review, the suspended entries are liquidated at the antidumping duty assessment rate for the review period.⁹ Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the assessment rate calculated for the POR.¹⁰ Commerce notified all interested parties of its intent to rescind the instant review regarding the companies listed in Appendix II because there were no reviewable, suspended entries of subject merchandise from these companies during the POR, and we invited interested parties to comment.¹¹ No party commented on this memorandum. In the absence of any suspended entries of subject merchandise from these companies during the POR, we are rescinding this administrative review for the companies listed in Appendix II, in accordance with 19 CFR 351.213(d)(3).

⁸ See, e.g., *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Federal Republic of Germany: Rescission of Antidumping Administrative Review; 2020–2021*, 88 FR 4154 (January 24, 2023).

⁹ See 19 CFR 351.212(b)(1).

¹⁰ See, e.g., *Shanghai Sunbeauty Trading Co. v. United States*, 380 F.Supp.3d 1328, 1337 (CIT 2019), 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, and accompanying Issues and Decision Memorandum at Comment 4; and *Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Notice of Rescission of Antidumping Duty Administrative Review*, 77 FR 65532 (October 29, 2012) (noting that “for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate”).

¹¹ See Memorandum, “Notice of Intent to Rescind Review, In Part,” dated February 26, 2026.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Act. Export price is calculated in accordance with section 772 of the Act. We calculated NV in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, see the Preliminary Decision Memorandum.

Rate for Non-Individually Examined Company

The Act and Commerce’s regulations do not address the establishment of a rate to apply to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for

companies which were not selected for individual examination in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any rates that are zero, *de minimis* (i.e., less than 0.5 percent), or determined entirely on the basis of facts available. Where the weighted-average dumping margin for each of the individually examined companies is zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use “any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted-average dumping margins determined for the exporters and producers individually investigated.”

In this administrative review, we preliminarily calculated a weighted-average dumping margin for Rich Well, the sole individually examined respondent in this review. Because this estimated weighted-average dumping margin is not zero, *de minimis*, or based entirely on facts otherwise available, we are preliminarily assigning the estimated weighted-average dumping margin calculated for Rich Well to Master Nails and Pins Manufacturing, LLC/Middle East Manufacturing Steel LLC (Master), the remaining company under review that was not selected for individual examination, consistent with the guidance in section 735(c)(5)(A) of the Act.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margins exist for the period May 1, 2024, through April 30, 2025:

Exporter/producer	Weighted-average dumping margin (percent)
Rich Well Steel Industries LLC	1.42
Master Nails and Pins Manufacturing, LLC/Middle East Manufacturing Steel LLC	1.42

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹² 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.¹³ 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.¹⁴ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹⁵ 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).¹⁶

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.¹⁷

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 Rich Well’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

¹² See 19 CFR 351.309.

¹³ 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*).

¹⁴ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁵ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁶ See *APO and Service Procedures*.

¹⁷ See 19 CFR 351.310(d).

importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.¹⁸ 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 Rich Well'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.¹⁹

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by Rich Well for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.²⁰

For Master, we will assign an assessment rate based on the review-specific rate for the company, which is calculated as noted in the "Rate for Non-Selected Company" section above.

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 publication of this notice in the **Federal Register**.

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

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 4.30 percent,²¹ the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

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

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix I—List of Topics Discussed in the Preliminary Decision Memorandum

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

Appendix II—Companies Rescinded From Review

1. Al Falaq Building Materials
2. Al Khashab Building Materials Co., LLC
3. Al Rafaa Star Building Materials Est
4. Al Sabbah Trading and Importing, Est
5. All Ferro Building Materials, LLC
6. Asgarali Yousuf Trading Co., LLC
7. Azymuth Consulting, LLC
8. Burj Al Tasmeem, Tr
9. Dubai Wire FZE
10. Gheewala Hardware Trading Company, LLC
11. Madar UAE
12. Mustafa Building Materials Co. (LLC)
13. New World International, LLC
14. Okzeela Star Building Materials Trading, LLC
15. Rishi International, FZCO
16. Samrat Wire Industry, LLC
17. Sea Land Contracting Trade Circle Enterprises, LLC
18. SK Metal International DMCC

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–209, C–570–210]

Fiberglass Door Panels From the People's Republic of China: Antidumping Duty Order and Countervailing Duty Order

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

¹⁸ See 19 CFR 351.212(b)(1).

¹⁹ 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).

²⁰ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²¹ See *Order*, 77 FR at 27422.

SUMMARY: Based on affirmative final determinations by the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC), Commerce is issuing antidumping duty (AD) and countervailing duty (CVD) orders on fiberglass door panels (door panels) from the People's Republic of China (China).

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Samuel Frost (AD) or Samuel Brummitt (CVD), AD/CVD Operations, Offices V and III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-8180 or (202) 482-7851, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(d) and 735(d) of the Tariff Act of 1930, as amended (the Act), on June 15, 2026, Commerce published its affirmative final determination of sales at less than fair value (LTFV) of door panels from China¹ and its affirmative final determination that countervailable subsidies are being provided to producers and exporters of door panels from China.²

On July 28, 2026, in accordance with sections 705(d) and 735(d) of the Act, the ITC notified Commerce of its final affirmative determinations that an industry in the United States is materially injured by reason of dumped imports of door panels from China, and subsidized imports of door panels from China, within the meaning of sections 705(b)(1)(A)(i) and 735(b)(1)(A)(i) of the Act.³

Scope of the Orders

The product covered by these orders are door panels from China. For a complete description of the scope of the orders, *see* the appendix to this notice.

AD Order

On July 28, 2026, in accordance with section 735(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act by reason of imports of door panels from China that are sold in the United States at LTFV.⁴ Therefore, in accordance with sections 735(c)(2) and 736 of the Act, Commerce is issuing this AD order. Because the ITC determined that imports of door panels from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of antidumping duties.

Therefore, in accordance with section 736(a)(1) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise on all relevant entries of door panels from China. Antidumping duties will be assessed on unliquidated entries of door panels from China entered, or withdrawn from warehouse, for consumption on or after January 22, 2026, the date of publication of the *LTFV Preliminary Determination*,⁵ but will not include entries occurring after the expiration of provision measures

period and before the publication of the ITC's final injury determination under section 735(b) of the Act, as further described below.

Suspension of Liquidation and Cash Deposits—AD

Except as noted in the “Provisional Measures—AD” section of this notice, Commerce intends to instruct CBP to reinstitute the suspension of liquidation of door panels from China, effective on the date of publication of the ITC's final affirmative injury determination in the **Federal Register** in accordance with section 736 of the Act. These instructions suspending liquidation will remain in effect until further notice.

Commerce also intends to instruct CBP to require cash deposits equal to the estimated weighted-average dumping margins listed in the table below, adjusted by the relevant export subsidy offsets. Accordingly, effective on the date of publication in the **Federal Register** of the notice of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated customs duties on subject merchandise, a cash deposit equal to the rates listed in the table below. The rate for the China-wide entity applies to all producers and exporters not specifically listed, as appropriate.

These instructions suspending liquidation and cash deposit requirements will remain in effect until further notice.

Estimated Weighted-Average Dumping Margins

The estimated weighted-average dumping margins are as follows:

Producer	Exporter	Weighted-average dumping margin (percent)	Cash deposit rate (adjusted for subsidy offsets) (percent)
Anhui Xinyu Fiberglass Door Co., Ltd	Anhui Xinyu Fiberglass Door Co., Ltd	73.07	72.94
Wuxi Lutong Fiberglass Doors Co., Ltd	East Grace Corporation	73.07	72.94
Dalian Capstone Engineering Co., Ltd	Dalian Capstone Engineering Co., Ltd	41.82	41.79
Jiangxi Fangda Tech Co., Ltd./Jiangxi Hangda Tech Co., Ltd./Jiangxi Onda Tech Co., Ltd.	Jiangxi Fangda Tech Co., Ltd./Jiangxi Hangda Tech Co., Ltd./Jiangxi Onda Tech Co., Ltd.	104.31	104.08
Wuxi Lutong Fiberglass Door Co., Ltd	Wuxi Xinli New Material Co., Ltd	73.07	72.94
China-Wide Entity .....	.....	* 147.85	147.82

*Rate based on facts available with adverse inferences.

¹ See *Fiberglass Door Panels from People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 91 FR 35960 (June 15, 2026) (*LTFV Final Determination*).

² See *Fiberglass Door Panels from the People's Republic of China: Final Affirmative Countervailing*

Duty Determination, 91 FR 35963 (June 15, 2026) (*CVD Final Determination*).

³ See ITC's Letter, “Notification of ITC Final Determinations,” dated July 28, 2026 (ITC Notification Letter).

⁴ *Id.*

⁵ See *Fiberglass Door Panels from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 91 FR 2736 (January 22, 2026) (*LTFV Preliminary Determination*).

Provisional Measures—AD

Section 733(d) of the Act states that suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of export of the subject merchandise request that Commerce extend the four-month period to no more than six months. At the request of exporters that accounted for a significant proportion of exports of door panels from China, Commerce extended the four-month period to no more than six months.⁶ In the underlying investigation, Commerce published the *LTFV Preliminary Determination* on January 22, 2026. Therefore, the six-month period beginning on the date of publication ended on July 20, 2026. Pursuant to section 737(b) of the Act, the collection of cash deposits will begin on the date of publication of the ITC's final injury determinations. Therefore, in accordance with section 733(d) of the Act, Commerce will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of door panels from China entered, or withdrawn from warehouse, for consumption on or after July 21, 2026, the first day provisional measures were no longer in effect, until and through the day preceding the date of publication of the ITC's final injury determination in the **Federal Register**. Suspension of liquidation and the collection of cash deposits will resume on the date of publication of the ITC's final determination in the **Federal Register**.

CVD Order

As stated above, on July 28, 2026, the ITC notified Commerce of its final determination that an industry is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act by reason of subsidized imports of door panels from China.⁷ Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing this CVD order. Moreover, because the ITC determined that imports of door panels from China are materially injuring a U.S. industry, unliquidated entries of subject merchandise from China, entered, or withdrawn from warehouse, for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, Commerce intends to direct CBP to assess, upon further instructions by Commerce,

countervailing duties on all relevant entries of door panels from China entered, or withdrawn from warehouse, for consumption on or after August 21, 2025, the date of publication of the *CVD Preliminary Determination*,⁸ but will not include entries occurring after the expiration of the provisional measures period and before the publication of the ITC's final injury determination under section 705(b) of the Act, as further described below.

Suspension of Liquidation and Cash Deposits—CVD

In accordance with section 706 of the Act, Commerce intends to instruct CBP to reinstitute the suspension of liquidation of door panels from China, effective on the date of publication of the ITC's final affirmative injury determination in the **Federal Register**, and to assess, upon further instruction by Commerce, pursuant to section 706(a)(1) of the Act, countervailing duties on each entry of subject merchandise in an amount based on the net countervailable subsidy rates below. These instructions suspending liquidation will remain in effect until further notice.

Commerce also intends, pursuant to section 706(a)(1) of the Act, to instruct CBP to require cash deposits equal to the amounts as indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determination in the **Federal Register**, CBP will require, at the same time as importers would normally deposit estimated duties on the subject merchandise, a cash deposit equal to the rates listed in the table below.⁹ The all-others rate applies to all producers or exporters not specifically listed, as appropriate. These instructions suspending liquidation will remain in effect until further notice.

Estimated Countervailing Duty Subsidy Rates

The estimated countervailing duty subsidy rates are as follows:

Company	Subsidy rate (percent <i>ad valorem</i>)
Dalian Capstone Engineering Co., Ltd. ¹⁰	66.22
Jiangxi Fangda Tech Co., Ltd. ¹¹	58.50
Kits Glass (China) Limited	* 186.46

⁸ See *Fiberglass Door Panels from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 90 FR 40818 (August 21, 2025) (*CVD Preliminary Determination*).

⁹ See section 706(a)(3) of the Act.

Company	Subsidy rate (percent <i>ad valorem</i>)
Hebei Charlotte Enterprise Co., Ltd	* 186.46
Lily Industries Co., Ltd	* 186.46
Shanghai Unikey International Trading Co., Ltd ..	* 186.46
Zhejiang Kuchuan Door Co., Ltd	* 186.46
Zhenshi Group Huamei New Materials Co Ltd	* 186.46
All Others	60.64

* Rate is based on facts available with adverse inferences.

Provisional Measures—CVD

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Commerce published the *CVD Preliminary Determination* on August 21, 2025.¹² Therefore, entries of door panels from China made on or after December 19, 2025, and prior to the date of publication of the ITC's final determinations in the **Federal Register**, are not subject to the assessment of countervailing duties due to Commerce's discontinuation of the suspension of liquidation.

In accordance with section 703(d) of the Act, Commerce instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, certain unliquidated entries of door panels from China entered, or withdrawn from warehouse, for consumption, on or after December 19, 2025, the date on which the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the **Federal Register**. Suspension of liquidation and the collection of cash deposits will resume on the date of publication of the ITC's affirmative final injury determination in the **Federal Register**.

Establishment of the Annual Inquiry Service Lists

On September 20, 2021, Commerce published the *Final Rule* in the **Federal Register**.¹³ On September 27, 2021,

¹⁰ Commerce has found the following company to be cross-owned with Dalian Capstone Engineering Co., Ltd.: Qinhuangdao Entrylite Co., Ltd.

¹¹ Commerce has found the following companies to be cross-owned with Jiangxi Fangda Tech Co., Ltd.: (1) Jiangxi Hangda Tech Co., Ltd.; (2) Jiangxi Onda Tech Co., Ltd.; and (3) Nanchang Fangda Door Tech Co., Ltd.

¹² See *CVD Preliminary Determination*.

¹³ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing*

Continued

⁶ *Id.*, 91 FR at 2738.

⁷ See ITC Notification Letter.

Commerce also published the *Procedural Guidance* in the **Federal Register**.¹⁴ The *Final Rule* and *Procedural Guidance* provide that Commerce will maintain an annual inquiry service list for each order or suspended investigation, and any interested party submitting a scope ruling application or request for circumvention inquiry shall serve a copy of the application or request on the persons on the annual inquiry service list for that order, as well as any companion order covering the same merchandise from the same country of origin.

In accordance with the *Procedural Guidance*, for orders published in the **Federal Register** after November 4, 2021, Commerce will create an annual inquiry service list segment in Commerce's online e-filing and document management system, Antidumping and Countervailing Duty Electronic Service System (ACCESS), available at <https://access.trade.gov>, within five business days of publication of the notice of the order. Each annual inquiry service list will be saved in ACCESS, under each case number, and under a specific segment type called "AISL-Annual Inquiry Service List."¹⁵

Interested parties who wish to be added to the annual inquiry service list for an order must submit an entry of appearance to the annual inquiry service list segment for the order in ACCESS within 30 days after the date of publication of the order. For ease of administration, Commerce requests that law firms with more than one attorney representing interested parties in an order designate a lead attorney to be included on the annual inquiry service list. Commerce will finalize the annual inquiry service list within five business days thereafter. As mentioned in the *Procedural Guidance*,¹⁶ the new annual inquiry service list will be in place until the following year, when the

Opportunity Notice for the anniversary month of the order is published.

Commerce may update an annual inquiry service list at any time as needed based on interested parties' amendments to their entries of appearance to remove or otherwise modify their list of members and representatives, or to update contact information. Any changes or announcements pertaining to these procedures will be posted to the ACCESS website at <https://access.trade.gov>.

Special Instructions for the Petitioner and Foreign Governments

In the *Final Rule*, Commerce stated that, "after an initial request and placement on the annual inquiry service list, both petitioners and foreign governments will automatically be placed on the annual inquiry service list in the years that follow."¹⁷ Accordingly, as stated above, the petitioner and foreign governments should submit their initial entries of appearance after publication of this notice in order to appear in the first annual inquiry service lists for these orders. Pursuant to 19 CFR 351.225(n)(3), the petitioner and foreign governments will not need to resubmit their entries of appearance each year to continue to be included on the annual inquiry service list. However, the petitioner and foreign governments are responsible for making amendments to their entries of appearance during the annual update to the annual inquiry service list in accordance with the procedures described above.

Notification to Interested Parties

This notice constitutes the AD and CVD orders with respect to door panels from China, pursuant to sections 706(a) and 736(a) of the Act. Interested parties can find a list of AD and CVD orders currently in effect at <https://www.trade.gov/data-visualization/adcvd-proceedings>.

These orders are published in accordance with sections 706(a) and 736(a) of the Act and 19 CFR 351.211(b).

Dated: July 31, 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—Scope of the Orders

The merchandise covered by these orders consists of fiberglass door panels, including fiberglass sidelites, whether finished or unfinished, whether assembled or

unassembled, whether pre-hung or included in an entry door system. The subject fiberglass door panels consist of at least one fiberglass skin, and may contain (1) frames typically made of wood or composite stiles, bottom rails, and top rails, (2) binding materials, including adhesives or fasteners, and (3) insulation foam or other insulating material, and may be assembled with glass lites (glass that is ultimately installed in the fiberglass door panel). Fiberglass sidelites (or "sidelights") are typically smaller in width than fiberglass door panels, and consist of at least one fiberglass skin, and may contain (1) frames typically made of wood or composite stiles, bottom rails, and top rails, (2) binding materials, including adhesives or fasteners, and (3) insulation foam or other insulating material, and may be assembled with glass lites (glass that is ultimately installed in the fiberglass sidelite). Subject merchandise includes fiberglass door panels and sidelites whether the fiberglass skin surface is painted or unpainted, contains or does not contain cut-outs for door components, or assembled or unassembled with glass lites in the door.

The country of origin of the fiberglass door panel is determined by where the fiberglass door skin is pressed.

Fiberglass door panels and sidelites are covered by these orders whether they are imported attached to, or in conjunction with door components and accessories (including but not limited to door jambs, door handles, locks, hinges, door stoppers, door kicks, door thresholds, door sills, and trim), in a pre-hung door system, or an entry door system. Subject fiberglass door panels and sidelites are covered whether or not they are accompanied by other parts. However, if a subject fiberglass door panel or sidelite is imported in a pre-hung door system or entry door system, only the fiberglass door panel and sidelite, including when assembled with glass lites or when the glass lites are shipped with the subject merchandise for further assembly, are covered by the scope. Door components and accessories (including but not limited to transoms, door jambs, door handles, locks, hinges, door stoppers, door kicks, door thresholds, door sills, and trim) are not included in the scope when imported with a fiberglass door panel or sidelite, including when such components or accessories are assembled to a fiberglass door panel or sidelite, or when imported separately. Subject merchandise may be impact-rated to withstand hurricane force wind loads and may be reinforced with steel sheet or plate. Impact-rated doors may be certified to Testing Application Standards (TAS) 201/202/203–94 and American Society for Testing and Materials (ASTM) E330–02/14/M–14, E1886–05/13a/, or E1996–09/14a.

Subject merchandise may be fire-rated for up to 90 minutes and may contain flame retardant composites, including, but not limited to flame retardant foam or mineral core materials, including but not limited to low density calcium silicate. Fire-rated doors generally satisfy the National Fire Protection Association (NFPA) 252 Standard Methods of Fire Tests of Door Assemblies and UL10(b) and (c)-Standard for Safety-Fire Tests of Door Assemblies.

Subject merchandise also includes fiberglass door panels and sidelites that have

¹⁴ *Duty Laws*, 86 FR 52300 (September 20, 2021) (*Final Rule*).

¹⁵ See *Scope Ruling Application; Annual Inquiry Service List; and Informational Sessions*, 86 FR 53205 (September 27, 2021) (*Procedural Guidance*).

¹⁶ This segment will be combined with the ACCESS Segment Specific Information (SSI) field which will display the month in which the notice of the order or suspended investigation was published in the **Federal Register**, also known as the anniversary month. For example, for an order under case number A–000–000 that was published in the **Federal Register** in January, the relevant segment and SSI combination will appear in ACCESS as "AISL-January Anniversary." Note that there will be only one annual inquiry service list segment per case number, and the anniversary month will be pre-populated in ACCESS.

¹⁷ See *Procedural Guidance*, 86 FR at 53206.

¹⁷ 17 See *Final Rule*, 86 FR at 52335.

been processed in a third country, including but not limited to one or more of the following: filling with insulation foam, trimming, cutting, notching, punching, drilling, painting, finishing, assembly, or any other processing that would not otherwise remove the merchandise from the scope of these orders if performed in the country of manufacture of the in-scope product. The inclusion of other parts, such as door components and accessories (including but not limited to door jambs, door handles, locks, hinges, door stoppers, door kicks, door thresholds, door sills, and trim) in a third country does not remove the fiberglass door panels and sidelites from the scope.

Excluded from the scope of these orders are all products covered by the scope of the antidumping duty and countervailing duty orders on wood mouldings and millwork products from China. *See Wood Mouldings and Millwork Products from the People's Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order*, 86 FR 9486 (February 16, 2021); and *Wood Mouldings and Millwork Products from the People's Republic of China: Countervailing Duty Order*, 86 FR 9484 (February 16, 2021).

Excluded from the scope of these orders are all products covered by the scope of the antidumping duty and countervailing duty orders on float glass products from China. *See Float Glass Products From the People's Republic of China: Antidumping Duty Order*, 91 FR 17250 (April 6, 2026) (corrected in 91 FR 22123 (April 24, 2026)); and *Float Glass Products From the People's Republic of China and Malaysia: Countervailing Duty Orders*, 91 FR 17253 (April 6, 2026).

Imports of subject merchandise are classified under Harmonized Tariff Schedule of the United States (HTSUS) statistical number 3925.20.0010. Subject merchandise may also be classified under 4418.29.4000, 4418.29.8030, 4418.29.8060, or 7019.90.5150. The HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of these orders is dispositive.

[FR Doc. 2026–16033 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–126]

Non-Refillable Steel Cylinders From the People's Republic of China: Preliminary Results and Partial Rescission of the Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that certain exporters made sales of non-refillable steel cylinders (non-refillable cylinders) at less than normal value (NV) during the period of

review (POR) May 1, 2024, through April 30, 2025.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Matthew Palmer, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1678.

SUPPLEMENTARY INFORMATION:

Background

On May 11, 2021, Commerce published the *Order* on non-refillable cylinders from China.¹ On June 25, 2025, pursuant to timely requests for review, Commerce published the notice of initiation of the administrative review of the AD *Order* on non-refillable cylinders from China.² Commerce initiated this administrative review covering the following four exporters of subject merchandise: Ningbo Eagle Machinery & Technology Co., Ltd. (Ningbo Eagle); Sanjiang Kai Yuan Co. Ltd. (Sanjiang Kai Yuan); Wuyi Xilinde Machinery Manufacture Co., Ltd. (Wuyi Xilinde); and Zhejiang Kin-Shine Technology Co., Ltd. (Zhejiang Kin-Shine).³

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled certain deadlines in this administrative proceeding by 47 days.⁴ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁵ On April 2, 2026, Commerce extended the preliminary deadline in this administrative review by 60 days.⁶ On May 20, 2026, Commerce issued a second extension of

the preliminary deadline by 53 days, to no later than July 31, 2026.⁷

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.⁸ A list of topics included in the Preliminary Decision Memorandum is included 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 found at <https://access.trade.gov/frnotices>.

Scope of the Order

The products covered by this *Order* are certain seamed (welded or brazed), non-refillable steel cylinders meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specification 39, Transport Canada Specification 39M, or United Nations pressure receptacle standard ISO 11118. A full description of the scope of the *Order* is provided in the Preliminary Decision Memorandum.

Partial Rescission of Review

As noted above, we initiated this review with respect to four companies.⁹ Pursuant to 19 CFR 351.213(d)(3), Commerce will rescind an administrative review when there are no reviewable suspended entries during the POR. Normally, upon completion of an administrative review, the suspended entries are liquidated at the antidumping duty assessment rate for the review period.¹⁰ Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated antidumping duty assessment rate for the review period.¹¹ On July 9, 2025, Commerce

⁷ *See* Memorandum, “Second Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated May 20, 2026.

⁸ *See* Memorandum, “Decision Memorandum for the Preliminary Results and Partial Rescission of Administrative Review of the Antidumping Duty Order on Non-Refillable Steel Cylinders from the People's Republic of China, 2024–2025,” dated concurrently with this notice (Preliminary Decision Memorandum).

⁹ *See* Initiation Notice.

¹⁰ *See* 19 CFR 351.212(b)(1).

¹¹ *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

Continued

placed on the record of the review CBP entry data for imports made during the POR under the Harmonized Tariff Schedule of the United States (HTSUS) numbers listed in the scope of the *Order*.¹² In the CBP Data Memorandum, Commerce notified interested parties of its intent to rescind the review with respect to the companies for which the CBP entry data query indicated to have had no reviewable, suspended entries of subject merchandise during the POR: Ningbo Eagle; Sanjiang Kai Yuan; and Zhejiang Kin-Shine.¹³ Additionally, Sanjiang Kai Yuan notified Commerce that it made no shipments of the subject merchandise to the United States during the POR.¹⁴ No parties commented on our intent to rescind. Accordingly, in the absence of any suspended entries of subject merchandise from these companies during the POR, Commerce is rescinding this review with respect to Ningbo Eagle; Sanjiang Kai Yuan; and Zhejiang Kin-Shine in accordance with 19 CFR 351.213(d)(3). As a result, Wuyi Xilinde represents the sole mandatory respondent with suspended entries under individual review during the POR.

The China-Wide Entity

Under Commerce's policy regarding the conditional review of the China-wide entity,¹⁵ 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 in this review, the entity is not under review, and the

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").

¹² See Memorandum, "Release of U.S. Customs and Border Protection Data and Notice of Intent to Rescind Review, in Part," dated July 9, 2025 (CBP Data Memorandum).

¹³ *Id.*

¹⁴ See Sanjiang Kai Yuan's Letter, "Sanjiang Kai Yuan's No Shipment Certification," dated July 24, 2025.

¹⁵ 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).

entity's rate (*i.e.*, 112.21 percent) is not subject to change.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(B) of the Act. We calculated export prices in accordance with section 772 of the Act. Because Commerce has determined that China is a non-market economy country within the meaning of section 771(18) of the Act, Commerce calculated normal value in accordance with section 773(c) of the Act. For a full description of the methodology underlying the preliminary results of this review, see the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily determine that the following estimated weighted-average dumping margin exists for the period May 1, 2024, through April 30, 2025:

Exporter	Weighted-average dumping margin (percent)
Wuyi Xilinde Machinery Manufacture Co., Ltd	218.88

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹⁶ Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹⁷ 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.¹⁸

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.¹⁹ 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. Case and rebuttal briefs should be filed using ACCESS.²⁰ Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information, until further notice.²¹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically via Commerce's electric records system, ACCESS 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 the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.²² Parties should confirm by telephone the date and time of the hearing two days before the scheduled date.

Unless otherwise extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case and rebuttal briefs, within 120 days of publication of these preliminary results in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

¹⁸ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁹ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

²⁰ See, generally, 19 CFR 351.303.

²¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

²² See 19 CFR 351.310(d).

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 Wuyi Xilinde's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.²³ 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 Wuyi Xilinde'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.²⁴

For entries that were not reported in the U.S. sales database submitted by the mandatory respondent(s) during this review, Commerce will instruct CBP to liquidate such entries at the China-wide rate.

For the company listed above 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 publication of this notice in the **Federal Register**.

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 review for all shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of administrative review in the **Federal Register**, as provided for by section 751(a)(2)(C) of the Act: (1) for the companies that have a separate rate, the cash deposit rate will be that rate established in the final results of this review (except, if the rate is *de minimis*, then a cash deposit rate of zero will be required); (2) for previously investigated or reviewed Chinese and non-Chinese exporters for which a review was not requested and that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (i.e., 112.21 percent); and (4) for all non-Chinese exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

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

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix—List of Topics Discussed in the Preliminary Decision Memorandum

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

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–475–834]

Certain Carbon and Alloy Steel Cut-To-Length Plate From Italy: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Metinvest Tramat S.p.A. (MTS) and NLMK Verona S.p.A. (NVR) made sales of certain carbon and alloy steel cut-to-length plate (CTL plate) from Italy at less than normal value (NV) during the period of review (POR), May 1, 2024, through April 30, 2025. Additionally, Commerce is rescinding this review, in part, with respect to three companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Carter Sherwin or Tyler Gartner, 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) 482–4260 or (202) 482–0182, respectively.

SUPPLEMENTARY INFORMATION:

²³ See 19 CFR 351.212(b)(1).

²⁴ 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).

Background

On May 25, 2017, Commerce published in the **Federal Register** the antidumping duty (AD) order on CTL plate from Italy.¹ On May 5, 2025, Commerce published in the **Federal Register** a notice of opportunity to request an administrative review of the Order for the POR.² On June 25, 2025, based on timely requests for review and in accordance with 19 CFR 351.221(c)(1)(i), we initiated an AD administrative review on CTL plate from Italy.³ This review covers five producers and/or exporters of the subject merchandise.⁴ On July 30, 2025, Commerce selected MTS and NVR as the mandatory respondents in this review.⁵

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁶ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁷ On March 10, 2026, Commerce extended the deadline for the preliminary results by 113 days.⁸

¹ See *Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea, and Taiwan, and Antidumping Duty Orders*, 82 FR 24096 (May 25, 2017) (Order).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List*, 90 FR 18962 (May 5, 2025).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 26967 (June 25, 2025) (Initiation Notice).

⁴ We note that the *Initiation Notice* listed seven companies, including two companies that Commerce previously collapsed. While the initiation notice listed Metinvest Tramel SpA. and Ferriera Valsider SpA as separate companies, we collapsed them into a single entity (collectively, MTS) in the last administrative review. Accordingly, we will continue to treat Metinvest Tramel SpA. and Ferriera Valsider SpA as a single entity for the purposes of this review. See *Certain Carbon and Alloy Steel Cut-To-Length Plate from Italy: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review; 2024–2025*, 90 FR 44633 (September 16, 2025).

⁵ See Memorandum, “Respondent Selection,” dated July 30, 2025.

⁶ See Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” dated November 14, 2025.

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

⁸ See Memorandum, “Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated March 10, 2026.

For a complete description of the events that followed the initiation of this review, see the Preliminary Decision Memorandum.⁹ A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Order

The merchandise subject to the Order is CTL plate from Italy. For a complete description of the scope of the Order, see the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), it is Commerce’s practice to rescind an administrative review of an AD order when there are no suspended entries of subject merchandise during the POR.¹⁰ Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate calculated for the review period.¹¹ Therefore, for an administrative review to be conducted, there must be a suspended entry that Commerce can instruct CBP to liquidate at the AD assessment rate calculated for the review period.¹²

On July 7, 2025, we placed on the record U.S. Customs and Border Protection (CBP) data for entries of CTL plate from Italy during the POR, showing no suspended entries during the POR for three companies¹³ and invited interested parties to comment.¹⁴

⁹ See Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Carbon and Alloy Steel Cut-To-Length Plate from Italy; 2024–2025,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

¹⁰ See, e.g., *Dioctyl Terephthalate from the Republic of Korea: Rescission of Antidumping Administrative Review; 2021–2022*, 88 FR 24758 (April 24, 2023); see also *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Federal Republic of Germany: Rescission of Antidumping Administrative Review; 2020–2021*, 88 FR 4157 (January 24, 2023).

¹¹ See 19 CFR 351.212(b)(1).

¹² See 19 CFR 351.213(d)(3).

¹³ The three companies for which the review was initiated on but had no suspended entries during the POR were as follows: (1) Officine Technosider s.r.l., (2) F.A.R. Fonderie Acciaierie S.p.A., and (3) Pro Form S.R.L.

¹⁴ See Memorandum, “Release of U.S. Customs and Border Protection Entry Data,” dated July 7, 2025.

No interested party submitted comments regarding the CBP data. On January 8, 2026, Commerce notified all interested parties of its intent to rescind the administrative review in part, with respect to these three companies because there were no suspended entries of subject merchandise during the POR and invited interested parties to comment.¹⁵ No interested party submitted comments in response to this notice. Accordingly, in the absence of suspended entries of subject merchandise during the POR for these three companies for which this review was initiated, we are hereby rescinding this administrative review with respect to these three companies, in accordance with 19 CFR 351.213(d)(3).

Methodology

Commerce is conducting this review in accordance with sections 751(a)(1)(B) and (2) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is included in the appendix to this notice.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margins exist for the period May 1, 2024, through April 30, 2025:

Producer or exporter	Weighted-average dumping margin (percent)
Metinvest Tramel S.p.A.; Ferriera Valsider S.p.A.	10.77
NLMK Verona S.p.A.	0.94

Disclosure

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and

¹⁵ See Memorandum, “Notice of Intent to Rescind Review, In Part,” dated January 8, 2026.

Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.¹⁶ 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.¹⁷ 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.¹⁸ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline. As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁹ 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).²⁰

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, U.S. Department of Commerce, filed electronically via ACCESS within 30 days after the date of publication of this notice.²¹ Hearing requests should contain: (1) the party's

name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined.²² Parties should confirm by telephone the date and time of the hearing two days before the scheduled date. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act, upon completion of the final results of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review.²³ If the weighted-average dumping margins for MTS and NVR are not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, and because both companies reported entered values for all of their sales, Commerce intends to calculate importer-specific *ad valorem* assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1). We intend to instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., 0.50 percent). If MTS' or NVR's overall weighted-average dumping margin is zero or *de minimis* or where an importer-specific *ad valorem* assessment rate is zero or *de minimis* in the final results of review, we intend to instruct CBP to liquidate the appropriate entries without regard to antidumping duties.²⁴

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by NVR or MTS for which the companies did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate unreviewed entries at the all-others rate established in the original

less-than-fair-value (LTFV) investigation (i.e., 6.08 percent)²⁵ if there is no rate for the intermediate company(ies) involved in the transaction.²⁶

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

For the companies identified above 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 publication of this notice in the **Federal Register**.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication in the **Federal Register** of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rates for MTS and NVR will be equal to the weighted-average dumping margins established in the final results of this review, except if the rates are less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for merchandise exported by a company not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific cash deposit rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, or a previous segment, but the producer is, 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)

¹⁶ See 19 CFR 351.309.

¹⁷ 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*).

¹⁸ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁹ We use the term "issue" here to describe an argument Commerce would normally address in a comment of the Issues and Decision Memorandum.

²⁰ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023).

²¹ See 19 CFR 351.310(c).

²² See 19 CFR 351.310(d).

²³ See 19 CFR 351.212(b)(1).

²⁴ See 19 CFR 351.106(c)(2); see also *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012).

²⁵ See *Order*, 82 FR 24096.

²⁶ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

the cash deposit rate for all other producers or exporters will continue to be 6.08 percent, the all-others rate established in the less-than-fair-value investigation.²⁷ These deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless the deadline is otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of issues raised by interested parties in the written comments, within 120 days of publication of these preliminary results in the **Federal Register**.²⁸

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: July 31, 2026.

Christopher Abbott,

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

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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

[FR Doc. 2026-16005 Filed 8-5-26; 8:45 am]

BILLING CODE 3510-DS-P

²⁷ See *Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders*, 82 FR 24096, 24098 (May 25, 2017).

²⁸ See section 751(a)(3)(A) of the Act; see also 19 CFR 351.213(h)(1).

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF949]

Marine Mammals; File No. 29817

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

ACTION: Notice; receipt of application.

SUMMARY: Notice is hereby given that the NMFS Alaska Fisheries Science Center, Marine Mammal Laboratory, 7600 Sand Point Way NE, Seattle, WA 98115 (Responsible Party: Nancy Friday, Ph.D.), has applied in due form for a permit to conduct research on marine mammals.

DATES: Written comments must be received on or before September 8, 2026.

ADDRESSES: The application and related documents are available upon written request via email to NMFS.Pr1Comments@noaa.gov.

Written comments on this application should be submitted via email to NMFS.Pr1Comments@noaa.gov. Please include File No. 29817 in the subject line of the email comment.

Those individuals requesting a public hearing should submit a written request via email to NMFS.Pr1Comments@noaa.gov. The request should set forth the specific reasons why a hearing on this application would be appropriate.

FOR FURTHER INFORMATION CONTACT: Shasta McClenahan, Ph.D. or Courtney Smith, Ph.D., (301) 427-8401.

SUPPLEMENTARY INFORMATION: The subject permit is requested under the authority of the Marine Mammal Protection Act of 1972, as amended (MMPA; 16 U.S.C. 1361 *et seq.*), the regulations governing the taking and importing of marine mammals (50 CFR part 216), the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*), the regulations governing the taking, importing, and exporting of endangered and threatened species (50 CFR parts 222-226), and the Fur Seal Act of 1966, as amended (16 U.S.C. 1151 *et seq.*).

The applicant requests a 10-year permit to conduct research on 20 species of cetaceans in U.S. and international waters of the Pacific and Atlantic Oceans. Nine species of pinnipeds may be harassed during research. ESA-listed species include: beluga (*Delphinapterus leucas*), blue (*Balaenoptera musculus*), bowhead (*Balaena mysticetus*), fin (*Balaenoptera*

physalus), gray (*Eschrichtius robustus*), humpback (*Megaptera novaeangliae*), killer (*Orcinus orca*), North Pacific right (*Eubalaena japonica*), sei (*Balaenoptera borealis*), and sperm (*Physeter macrocephalus*) whales; Steller sea lions (*Eumetopias jubatus*); and bearded (*Erignathus barbatus*), Guadalupe fur (*Arctocephalus townsendi*), and ringed (*Pusa hispida*) seals. The objectives of the research are to study cetacean population abundance, trends, distribution, health, and status. Animals may be taken during vessel and aerial surveys, including uncrewed aircraft systems, for counts, photography, videography, observations, biological sampling (blow, feces, sloughed skin, predation remains, and skin and blubber biopsies), and tagging (suction-cup, dart/barb, and deep-implant). Marine mammal parts may also be imported and exported for analysis and curation. See the application for complete numbers of animals requested by species, life stage, and procedure.

In compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), an initial determination has been made that the activity proposed is categorically excluded from the requirement to prepare an environmental assessment or environmental impact statement.

Concurrent with the publication of this notice in the **Federal Register**, NMFS is forwarding copies of the application to the Marine Mammal Commission and its Committee of Scientific Advisors.

Dated: August 3, 2026.

Larissa Plants,

Acting Deputy Director, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 2026-15918 Filed 8-5-26; 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; Papahānaumokuākea Marine National Monument and National Marine Sanctuary Permit Application and Reports for Permits

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 the Office of Management and Budget (OMB).

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before October 5, 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 0648–0548 in the subject line of your comments. Do not submit Confidential Business Information or otherwise sensitive personally identifiable information or any other type of protected information.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Phillip Howard, Permit Specialist, NOAA Office of National Marine Sanctuaries, 1845 Wasp Blvd., Building 176 Honolulu, HI 96818, (808–725–5800), and phillip.howard@noaa.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

This request is for the revision and extension of an approved information collection. The collection is being revised to restructure current fields, eliminate redundant questions, and establish a more logical layout. These updates aim to minimize administrative burden and deliver a more intuitive, streamlined application experience for users. This request also extends the permit application to include authorities under the National Marine Sanctuaries Act (16 U.S.C. 1431 *et seq.*).

On June 15, 2006, President Bush established the Papahānaumokuākea Marine National Monument by issuing Presidential Proclamation 8031 (71 FR 36443, June 26, 2006), as amended on February 28, 2007 by Presidential Proclamation 8112 (72 FR 10031, March 6, 2007), under the authority of the Antiquities Act (54 U.S.C. 320301 *et seq.*). The Secretary of Commerce, through the National Oceanic and Atmospheric Administration (NOAA), has primary responsibility regarding the management of the marine areas of the

Monument, in consultation with the Secretary of the Interior. Similarly, the Secretary of the Interior, through the Fish and Wildlife Service (FWS), has sole responsibility for management of the areas of the Monument that overlay the Midway Atoll National Wildlife Refuge, the Battle of Midway National Memorial, and the Hawaiian Islands National Wildlife Refuge, in consultation with the Secretary of Commerce.

On August 29, 2006, NOAA and FWS published a final rule codifying the provisions of Presidential Proclamation 8031, which include restrictions and prohibitions regarding activities in the Monument (71 FR 51134). Specifically, the regulations prohibit access to the Monument except when passing through without interruption, as allowed under a permit issued by NOAA and the FWS, for emergency response and law enforcement purposes, and for activities and exercises of the Armed Forces. Vessels passing through the Monument without interruption are required to notify NOAA and FWS upon entering into and leaving the monument.

Individuals wishing to access the Monument to conduct certain regulated activities must first apply for and be granted a permit issued by NOAA and FWS. These agencies have since worked extensively with the State of Hawaii to ensure the permitting requirements and processes of all three entities are sufficiently coordinated and to ensure applicants for permits for Monument activities require only a single application and receive one, combined agency permit.

On January 16, 2025, NOAA designated the marine areas of the Monument as a national marine sanctuary pursuant to the National Marine Sanctuaries Act (90 FR 4856; 16 U.S.C. 1431 *et seq.*). The designation and regulations for Papahānaumokuākea National Marine Sanctuary (PNMS) became effective on March 3, 2025, with a notification published on March 24, 2025 (90 FR 13410). The purpose of this designation was to provide comprehensive and coordinated conservation and management of the marine areas of Papahānaumokuākea to protect nationally significant biological, cultural, and historical resources. Additionally, the purpose of the designation was to implement the provisions of Executive Order 13178, Presidential Proclamation 9478, and the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2021. NOAA is applying the authorities under the National Marine Sanctuaries Act to this

permit application and this associated information collection.

The information submitted by permit applicants will be used to decide whether to approve or deny a permit application. In making this decision, the agencies will consider such factors as:

- the professional qualifications and financial ability of the applicant as related to the proposed activity;
- the duration of the activity and its effects;
- the appropriateness of the methods and procedures proposed by the applicant for the conduct of the activity;
- the extent to which the conduct of the activity may diminish or enhance the qualities for which the Monument and National Marine Sanctuary was designated;
- the end value of the activity; and
- other such matters as agency staff deem appropriate.

In addition to informing the agencies' decisions on permit applications, information submitted in permit applications and reports submitted pursuant to permit conditions may also be used by the agencies to inform—

- decision making on a permit amendment request or another permit application; or
- other management actions (*e.g.*, emergency response and enforcement).

In terms of frequency of use, the information submitted in permit applications will, in general, only be used at the time the application is submitted to make a final decision on the application. Some of the information may also be used subsequent to the initial decision making to inform management actions or decision making. For example, a survey of a project location by one permit applicant may be used by the agencies in the future to respond to a vessel grounding in the same area to facilitate the agencies' decision in response to that matter. Information submitted in a report will be used to periodically assess the permittee's compliance with permit terms and conditions and to assist in evaluating the appropriateness of the permitted activity.

II. Method of Collection

Respondents have a choice of either electronic or paper forms. Methods of submission include email of electronic forms and mail of paper forms.

III. Data

OMB Control Number: 0648–0548.
Form Number(s): None.

Type of Review: Regular submission, revision and extension of a current information collection.

Affected Public: Individuals, non-profit institutions; Federal, State, local,

government, Native Hawaiian organizations; business or other for-profit organizations.

Estimated Number of Respondents: 192.

Estimated Time per Response: Average time across all permit types: 7 hours. Permit modification requests and final reports: 10 hours; and annual reports: 5 hours. Time per response for entry and exit notifications: 5 minutes. Time per response for VMS certification: 5 minutes per response.

Estimated Total Annual Burden Hours: 170

Estimated Total Annual Cost to Public: \$5,905 in recordkeeping/reporting costs and vessel monitoring system installation and maintenance.

Respondent's Obligation: Required to Obtain or Retain Benefits, or Mandatory.

Legal Authority: 54 U.S.C. 320301 *et seq.*; 16 U.S.C. 1801 *et seq.*; 16 U.S.C. 742f, 16 U.S.C. 742l; 16 U.S.C. 1431 *et seq.*

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 Review. 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. 2026–15956 Filed 8–5–26; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF917]

Marine Mammals; File No. 29707

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

ACTION: Notice; receipt of application.

SUMMARY: Notice is hereby given that the Center for Coastal Studies, 5 Holway Avenue, Provincetown, MA 02657, (Responsible Party: Anne-Marie Runfola), has applied in due form for a permit to conduct research on marine mammals.

DATES: Written comments must be received on or before September 8, 2026.

ADDRESSES: The application and related documents are available for review upon written request via email to NMFS.Pr1Comments@noaa.gov.

Written comments on this application should be submitted via email to NMFS.Pr1Comments@noaa.gov. Please include File No. 29707 in the subject line of the email comment.

Those individuals requesting a public hearing should submit a written request via email to NMFS.Pr1Comments@noaa.gov. The request should set forth the specific reasons why a hearing on this application would be appropriate.

FOR FURTHER INFORMATION CONTACT:

Shasta McClenahan, Ph.D., or Courtney Smith, Ph.D., (301) 427–8401.

SUPPLEMENTARY INFORMATION: The subject permit is requested under the authority of the Marine Mammal Protection Act of 1972, as amended (MMPA; 16 U.S.C. 1361 *et seq.*), the regulations governing the taking and importing of marine mammals (50 CFR part 216), the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*), and the regulations governing the taking, importing, and exporting of endangered and threatened species (50 CFR parts 222–226).

The applicant requests a 10-year permit to conduct research on 23

species of marine mammals in U.S. and international waters of the North Atlantic Ocean. ESA-listed species include: bowhead (*Balaena mysticetus*), blue (*Balaenoptera musculus*), fin (*Balaenoptera physalus*), North Atlantic right (*Eubalaena glacialis*), sei (*Balaenoptera borealis*), and sperm (*Physeter macrocephalus*) whales. The objectives are to study marine mammal occurrence, distribution, abundance, behavior, habitat use, foraging ecology, and health, with a focus on North Atlantic right whales. Cetaceans may be taken during vessel and aerial surveys, including uncrewed aircraft systems, for counts, photography, videography, photogrammetry, thermal imaging, observations, biological sampling (feces, sloughed skin, and skin and blubber biopsies), and suction-cup tagging. Four species of pinnipeds may be unintentionally harassed and opportunistically studied during research. See the application for complete numbers of animals requested by species, life stage, and procedure.

In compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), an initial determination has been made that the activity proposed is categorically excluded from the requirement to prepare an environmental assessment or environmental impact statement.

Concurrent with the publication of this notice in the **Federal Register**, NMFS is forwarding copies of the application to the Marine Mammal Commission and its Committee of Scientific Advisors.

Dated: August 3, 2026.

Larissa Plants,

Acting Deputy Director, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 2026–15917 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF679]

Takes of Marine Mammals Incidental to Specified Activities; Taking Marine Mammals Incidental to U.S. Coast Guard Fast Response Cutter Homeporting in Sitka, Alaska

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

ACTION: Notice; issuance of a modified incidental harassment authorization.

SUMMARY: In accordance with regulations implementing the Marine Mammal Protection Act (MMPA) as amended, notification is hereby given that NMFS has issued a modified incidental harassment authorization (IHA) to the U.S. Coast Guard (USCG) for authorization to take marine mammals incidental to construction activities associated with fast response cutter (FRC) homeporting in Sitka, Alaska.

DATES: This authorization is effective for 1 year from the date of notification by the IHA-holder, not to exceed 1 year from the date of issuance (August 3, 2026).

ADDRESSES: Electronic copies of the application and supporting documents, as well as a list of the references cited in this document, may be obtained online at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/incidental-take-authorizations-construction-activities>. In case of problems accessing these documents, please call the contact listed below.

FOR FURTHER INFORMATION CONTACT: Alyssa Clevens, Office of Protected Resources, NMFS, (301) 427-8401.

SUPPLEMENTARY INFORMATION:

MMPA Background and Determinations

The MMPA prohibits the “take” of marine mammals, with certain exceptions. Among the exceptions is section 101(a)(5)(D) of the MMPA (16 U.S.C. 1361 *et seq.*) which directs the Secretary of Commerce (as delegated to NMFS) to allow, upon request, the incidental, but not intentional, taking by harassment of small numbers of marine mammals by U.S. citizens who engage in a specified activity (other than commercial fishing) within a specified geographical region if certain findings are made and the public has an opportunity to comment on the proposed IHA.

Specifically, NMFS shall issue an IHA if it finds that the taking will have a negligible impact on the species or stock(s) and will not have an unmitigable adverse impact on the availability of the species or stock(s) for taking for subsistence uses (where relevant). Further, NMFS must prescribe the permissible methods of taking and other “means of effecting the least [practicable] adverse impact” on the affected species or stocks and their habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of such species or stocks for taking for certain subsistence uses

(referred to here as “mitigation”). NMFS must also prescribe requirements pertaining to the monitoring and reporting of such takings. The definitions of key terms, such as “take,” “harassment,” and “negligible impact,” can be found in the MMPA and the NMFS’ implementing regulations (see 16 U.S.C. 1362; 50 CFR 216.103).

On July 25, 2024, a notice of NMFS’ proposal to issue two IHAs to the USCG for take of marine mammals incidental to pile driving (installation and removal) associated with construction of two FRC homeporting docks in Seward and Sitka, Alaska, was published in the **Federal Register** (89 FR 60359). On December 20, 2024, NMFS published a **Federal Register** notice announcing the issuance of the IHAs to the USCG, one for Moorings Sitka effective from September 1, 2026, through August 31, 2027, and one for Moorings Seward effective from March 1, 2027, through February 29, 2028 (89 FR 104090).

On April 2, 2026, a notice of NMFS’ proposal to modify the IHA for Moorings Sitka was published in the **Federal Register** (91 FR 16672). In that notice, NMFS indicated the estimated numbers, type, and methods of incidental take proposed for each species or stock, as well as the mitigation, monitoring, and reporting measures that would be required should the modified IHA be issued. The **Federal Register** notice also included analysis to support NMFS’ preliminary conclusions and determinations that the modified IHA, if issued, would satisfy the requirements of section 101(a)(5)(D) of the MMPA for issuance of the IHA. The **Federal Register** notice included web links to a draft modified IHA for review, as well as other supporting documents.

No comments were received during the public comment period. With the exception of the minor changes described below, there are no changes to the specified activity, the species taken, the proposed numbers, type, or methods of take, or the mitigation, monitoring, or reporting measures in the proposed IHA notice. No new information that would change any of the preliminary analyses, conclusions, or determinations in the proposed IHA modification notice has become available since that notice was published, and therefore, the preliminary analyses, conclusions, and determinations included in the proposed IHA modification are considered final.

Changes From the Proposed IHA to the Final IHA

Since publication of the proposed IHA modification, the applicant has

changed the fender piles planned for use from 16-inch (40.64-centimeter (cm)) steel piles to 14- to 16-inch (35.6- to 40.64-cm) plastic piles. The quantity of fender piles to be installed (60) and installation method (vibratory) remain the same, as does the maximum numbers of fender piles that will be installed per day (8). The time required to install the fender piles will decrease from 30 minutes to 15 minutes per pile, and the installation rate will increase from 5 piles per day to 6 piles per day. The sound source level for 14- to 16-inch plastic piles is 162 decibels referenced to 1 micropascal at 10 meters (dB re 1 μ Pa at 10 m) root-mean-square sound pressure level (RMS SPL), which is a decrease of 1 dB from the 16-inch steel piles proposed for use as fender piles. Therefore, the calculated distances to the Level A and Level B harassment zones sizes will be smaller than what was included in the notice of proposed IHA modification (91 FR 16672, April 2, 2026). The ensonified areas were not directly used in the calculation of estimated take because take was estimated with species occurrence data instead of density. Thus, there is no change to estimated take as a result of the slightly smaller Level A and Level B harassment zones. The USCG will use the same mitigation, monitoring, and reporting measures, including the shutdown and harassment zones, shown in the notice of proposed IHA modification and as described in the Marine Mammal Monitoring Plan. The take estimates included in the notice of proposed IHA modification remain the same. The change of pile type has been reflected in table 2 of the IHA.

NMFS has also revised the distribution of take across killer whale (*Orcinus orca*) stocks expected in the project area. In the notice of proposed IHA modification, the percent of each stock impacted for killer whales was estimated assuming each stock was taken in proportion to its population size from the total take. We found that methodology was flawed because stock size and regional occurrence are not directly proportionate. Given the lack of data available on site-specific stock occurrence, we assume that all takes (106 takes by Level B harassment only) could occur to each stock of killer whale. As described in the Small Numbers section of the notice of proposed IHA modification (91 FR 16672, April 2, 2026) and herein, NMFS determined the amount of take authorized is below one-third of the estimated stock abundance of all killer whale stocks (table 1). For all stocks

other than the Eastern North Pacific Northern Resident stock of killer whale, the number of takes proposed for

authorization would be considered small relative to the relevant stocks' abundances, even in the unlikely

scenario that each estimated taking occurred to a new individual.

TABLE 1—ESTIMATED TAKE OF KILLER WHALES FROM THE SPECIFIED ACTIVITIES

Stock	Level B harassment	SAR abundance	Instances of take as a percentage of population
Eastern North Pacific Alaska Resident	106	1,920	5.5
Eastern North Pacific Gulf of Alaska, Aleutian Islands and Bering Sea Transient		587	18.1
Eastern North Pacific Northern Resident		302	35.1
West Coast Transient		349	30.1

The Eastern North Pacific Northern Resident stock of killer whale occurs from Washington State through part of Southeast Alaska. Movements of killer whales, for both transient and resident stocks, between widely separated geographical areas have been documented; however, given the relatively sheltered location of the project site in Southeast Alaska, it is unlikely that numerous discrete groups of individuals sufficient to exceed one-third of the stock abundance would occur within the immediate vicinity of the project. It is more likely that individual groups that occur in the area would remain for periods of time and potentially be resighted on multiple days. As such, and given that the authorized takes would be allocated among four distinct killer whale stocks, the numbers of individuals taken would likely comprise less than one-third of the best available population abundance estimate of the Eastern North Pacific Northern Resident stock of killer whale.

Finally, a rounding error in the calculation of estimated take by Level B harassment of humpback whales was corrected to 60 takes by Level B harassment, which is a reduction of 1 take from the estimated take of marine mammals in the proposed authorization. This correction led to a reduction in the number of estimated takes of the Hawai'i stock of humpback whales by 1, thus, the authorized take of the Hawai'i stock of humpback whales is 59 takes by Level B harassment.

National Environmental Policy Act

To comply with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*) and NOAA Administrative Order (NAO) 216–6A, NMFS must review our proposed action (*i.e.*, the issuance of an IHA) with respect to potential impacts on the human environment.

This action is consistent with categories of activities identified in Categorical Exclusion B4 (IHAs with no anticipated serious injury or mortality)

of the Companion Manual for NAO 216–6A, which do not individually or cumulatively have the potential for significant impacts on the quality of the human environment and for which we have not identified any extraordinary circumstances that would preclude this categorical exclusion. Accordingly, NMFS has determined that the issuance of the modification of the IHA continues to qualify to be categorically excluded from further NEPA review.

Endangered Species Act

Section 7(a)(2) of the Endangered Species Act of 1973 (ESA) (16 U.S.C. 1531 *et seq.*) requires that each Federal agency ensures that any action it authorizes, funds, or carries out is not likely to jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modification of designated critical habitat. To ensure ESA compliance for the issuance of IHAs, NMFS consults internally whenever we propose to authorize take for endangered or threatened species, in this case with the NMFS Alaska Regional Office.

There are two marine mammal species (Western DPS Steller sea lion and Mexico-North Pacific stock of humpback whale) with confirmed occurrence in the project area that are listed under the ESA. The NMFS Alaska Regional Office Protected Resources Division issued a Biological Opinion on July 28, 2026, under section 7 of the ESA, on the issuance of an IHA modification to the USCG under section 101(a)(5)(D) of the MMPA by the NMFS Permits and Conservation Division. The Biological Opinion concluded that the proposed action is not likely to jeopardize the continued existence of Western DPS Steller sea lion or Mexico North Pacific stock of humpback whale, and is not likely to destroy or adversely modify critical habitat for Western DPS Steller sea lion or Mexico North Pacific stock of humpback whale.

Authorization

Accordingly, consistent with the requirements of section 101(a)(5)(D) of the MMPA, NMFS has issued a modified IHA to the USCG for authorization to take marine mammals incidental to construction of a FRC homeporting dock in Sitka.

Dated: August 3, 2026.

Kimberly Damon-Randall,

Director, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 2026–15987 Filed 8–5–26; 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; West Coast Region Vessel Monitoring Requirement in the Pacific Coast Groundfish Fishery

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 October 5, 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 0648–0573 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: Karen Palmigiano, West Coast Region (WCR) Permits Specialist, at NOAA WCR, 7600 Sand Point Way NE—Building 1, Seattle, Washington (WA) 98155, (562) 980–4238, or karen.palmigiano@noaa.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

This is a request for renewal of the existing reporting requirements of the approved collection of information, *West Coast Region Vessel Monitoring Requirement in the Pacific Coast Groundfish Fishery (0648–0573)*.

The National Oceanic and Atmospheric Administration (NOAA) has established large-scale depth-based management areas, referred to as Groundfish Conservation Areas (GCAs), where groundfish fishing is prohibited or restricted. These areas were specifically designed to reduce the catch of species while allowing healthy fisheries to continue in areas and with gears where little incidental catch of overfished species is likely to occur. Because NOAA needs methods to effectively enforce area restrictions, certain commercial fishing vessels are required to install and use a vessel monitoring system (VMS) that automatically position reports every 15 minutes. Exemptions from the reporting requirement are available for inactive vessels or vessels operating outside the monitored area. The vessels are also required to declare what gear will be used. To ensure the integrity of the GCAs and Rockfish Conservation Areas, a pilot VMS program was implemented on January 1, 2004. The pilot program required vessels registered to Pacific Coast groundfish fishery limited entry permits to carry and use VMS transceiver units while fishing off the coasts of Washington, Oregon and California. On January 1, 2007, the VMS program coverage was expanded to include all open access fisheries in addition to the limited entry fisheries.

Finally, in 2010, NMFS expanded the declaration reports to include several more limited entry categories.

II. Method of Collection

The installation/activation reports are available over the internet. Due to the need for the owner's signature, installation reports must be faxed or mailed to the National Marine Fisheries Service (NMFS). Hourly position reports are automatically sent from VMS transceivers installed aboard vessels. Exemption reports and declaration reports are submitted via a toll-free telephone number.

III. Data

OMB Control Number: 0648–0573.

Form Number(s): None.

Type of Review: Regular submission (extension of a currently approved collection).

Affected Public: Business or other for-profit organizations; individuals or households.

Estimated Number of Respondents: 650.

Estimated Time per Response: VMS installation: 4 hours; VMS maintenance: 4 hours; installation, exemption and activation reports: 5 minutes each; and declaration reports: 4 minutes.

Estimated Total Annual Burden Hours: 929 hours.

Estimated Total Annual Cost to Public: \$22,877.

Respondent's Obligations: Mandatory.

Legal Authority: NMFS and the Pacific Fisheries Management Council (Council) manage the groundfish fisheries in the exclusive economic zone seaward of California, Oregon, and Washington under the Pacific Coast Groundfish Fishery Management Plan (FMP). The Council prepared the FMP under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (MSA), 16 U.S.C. 1801 *et seq.* Regulations governing U.S. fisheries and implementing the FMP appear at 50 CFR parts 660.

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. 2026–15957 Filed 8–5–26; 8:45 am]

BILLING CODE 3510–22–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Deletions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Deletions from the Procurement List.

SUMMARY: This action deletes product(s) and service(s) from the Procurement List that were furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

DATES: *Date added to and deleted from the Procurement List:* September 6, 2026.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, 250 E Street SW, Suite 3100, Washington DC, 20024.

FOR FURTHER INFORMATION CONTACT: For further information or to submit comments contact: Michael R. Jurkowski, Telephone: (703) 489–1322, or email CMTEFedReg@AbilityOne.gov.

SUPPLEMENTARY INFORMATION:

Deletions

On July 2, 2026 (91 FR 40518), the Committee for Purchase From People Who Are Blind or Severely Disabled published notice of proposed deletions from the Procurement List. This notice is published pursuant to 41 U.S.C. 8503(a)(2) and 41 CFR 51–2.3.

After consideration of the relevant matter presented, the Committee has determined that the product(s) and service(s) listed below are no longer suitable for procurement by the Federal Government under 41 U.S.C. 8501–8506 and 41 CFR 51–2.4.

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in additional reporting, recordkeeping or other compliance requirements for small entities.

2. The action may result in authorizing small entities to furnish the product(s) and service(s) to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 8501–8506) in connection with the product(s) and service(s) deleted from the Procurement List.

End of Certification

Accordingly, the following product(s) and service(s) are deleted from the Procurement List:

Product(s)

NSN(s)—Product Name(s):

7110–00–149–1621—Contemporary Bookcase, Steel, 2 shelf, 30" x 13" x 29 1/2", Parchment
 7110–00–601–9821—Contemporary Bookcase, Steel, 3 shelf, 30" x 13" x 48", Black
 7110–00–601–9822—Contemporary Bookcase, Steel, 3 shelf, 30" x 13" x 48", Parchment
 7110–00–601–9823—Contemporary Bookcase, Steel, 2 shelf, 30" x 13" x 29 1/2", Black
 7110–01–135–1997—Contemporary Bookcase, Steel, 3 shelf, 30" x 13" x 48", Gray
 7110–01–135–1998—Contemporary Bookcase, Steel, 2 shelf, 30" x 13" x 29 1/2", Gray
 7110–00–128–0096—Credenza, Steel, 30" x 18" x 29", Black
 7110–00–128–0546—Credenza, Steel, 30" x 18" x 29", Parchment
 7110–00–601–9835—Office Machine Stand, Steel, 23" x 17 3/4" x 26", Black
 7110–00–601–9849—Office Machine Stand, Steel, 23" x 17 3/4" x 26", Parchment
 7110–01–136–1563—Office Machine Stand, Steel, 23" x 17 3/4" x 26", Gray
Authorized Source of Supply: Sunshine Services, Knoxville, TN
Contracting Activity: GENERAL SERVICES ADMINISTRATION, GSA/FAS FURNITURE SYSTEMS MGT DIV

Product(s)

2590–01–398–7188—Combat Identification Kit, HMMWV 4 Liter AMB Platform, Brown
 2590–01–398–7197—Combat Identification Kit, HMMWV Armored Avenger, Brown
 2590–01–399–2936—Combat Identification Assembly, M9 Ace Platform, Side, Brown
 2590–01–483–8699—Combat Identification Assembly, Multiple Platform Use, Side & Rear, Tan
 2590–01–483–9056—Combat Identification Kit, FMTV Family of Platforms, Brown
 2590–01–538–4018—Side Assembly, Combat Identification Panel Kit, Thermal, Non-Armored, FMTV and HEMTT Vehicles.
 2590–01–618–8121—Combat Identification Panel Kit, Thermal Armored, HEMTT, A4 Platform
 2590–01–618–8124—Combat Identification Panel Kit, Thermal, Armored, FMTV, A1P2 Platform
 2590–01–619–3419—Front Panel Assembly, Combat Identification Panel Kit, Thermal, Armored, FMTV, A1P2 Platform
 2590–01–619–4852—Front Panel Assembly, Combat Identification Panel Kit, Thermal, Armored, HEMTT, A4 Platform
 2590–01–619–4853—Side Assembly, Combat Identification Panel Kit, Thermal, Armored, HEMTT, A4 Platform
 2590–01–619–4855—Side Assembly, Combat Panel Identification Kit, Thermal, Armored, FMTV, A1P2 Platform
 2590–01–472–5884—Combat Identification Kit, HMMWV ECV Platform, Brown
Authorized Source of Supply: Crossroads Rehabilitation Center, Inc., Indianapolis, IN
Contracting Activity: DEPT OF DEFENSE, W6QK ACC-APG

Service(s)

Service Type: Publications Distribution
Mandatory For: USDA Forest Service, Edith Green-Wendell Wyatt Federal Building, Upper Basement Level, Portland, OR, 1220 SW Third Avenue, Portland, OR
Authorized Source of Supply: Relay Resources, Portland, OR
Contracting Activity: DEPARTMENT OF AGRICULTURE, USDA FOREST SERVICE
Service Type: Janitorial Service
Mandatory For: US Army, Area Maintenance Support Activity (AMSA) #110, New Castle, PA, 2313 West State Street, New Castle, PA
Authorized Source of Supply: Lark Enterprises, Inc., New Castle, PA
Contracting Activity: DEPT OF DEFENSE, W6QK ACC-PICA
Service Type: Administrative Services
Mandatory For: Social Security Administration, Sam Nunn Federal Building, Atlanta, GA, 61 Forsyth Street SW, Suite 22T50, Atlanta, GA
Authorized Source of Supply: Nobis Enterprises, Inc., Marietta, GA
Contracting Activity: SOCIAL SECURITY ADMINISTRATION

Service Type: Janitorial/Custodial
Mandatory For: US Army, Pueblo Army Depot Activity, Pueblo, CO, 45825 Hwy 96 E, Pueblo, CO

Authorized Source of Supply: Pueblo Diversified Industries, Inc., Pueblo, CO
Contracting Activity: DEPT OF DEFENSE, W6QM MICC-FT CARSON

Service Type: Administrative Support Services

Mandatory For: Caribbean National Forest, Rio Grande, PR
Authorized Source of Supply: Fora Pathways, Inc., Garden City, NY
Contracting Activity: DEPARTMENT OF AGRICULTURE

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2026–15954 Filed 8–5–26; 8:45 am]

BILLING CODE 6353–01–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Proposed Additions and Deletions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Proposed Additions to and Deletions from the Procurement List.

SUMMARY: The Committee is proposing to add service(s) to the Procurement List that will be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities, and delete product(s) previously furnished by such agencies.

DATES: Comments must be received on or before: September 5, 2026.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, 250 E Street SW, Suite 3100, Washington, DC, 20024.

FOR FURTHER INFORMATION CONTACT: For further information or to submit comments contact: Michael R. Jurkowski, Telephone: (703) 489–1322, or email CMTEFedReg@AbilityOne.gov.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 8503(a)(2) and 41 CFR 51–2.3. Its purpose is to provide interested persons an opportunity to submit comments on the proposed actions.

Additions

In accordance with 41 CFR 51–5.3(b), the Committee intends to add this services requirement to the Procurement List as a mandatory purchase only for the contracting activity at the location listed with the proposed qualified nonprofit agency as the authorized source of supply. Prior to adding the

service to the Procurement List, the Committee will consider other pertinent information, including information from Government personnel and relevant comments from interested parties regarding the Committee's intent to geographically limit this services requirement.

The following service(s) are proposed for addition to the Procurement List for production by the nonprofit agencies listed:

Service(s)

Service Type: Janitorial Service

Mandatory For: Bureau of Reclamation,
Yuma Area Office, Yuma, AZ, 7301 Calle
Agua Salada, YUMA, AZ

Authorized Source of Supply: The Centers for
Habilitation/TCH, Tempe, AZ

Contracting Activity: INTERIOR,
DEPARTMENT OF THE, LOWER
COLORADO REGIONAL OFFICE

Deletions

The following product(s) are proposed for deletion from the Procurement List:

Product(s)

NSN(s)—Product Name(s):

2540-01-329-8073—Parts Kit, Soft Top
Troop Area Enclosure, Humvee, Tan

Contracting Activity: DEPT OF DEFENSE,
DLA LAND AND MARITIME

NSN(s)—Product Name(s):

4910-01-211-2195—Drip Pan, Oil, Plastic,
3.5 gallons

Authorized Source of Supply: Central
Association for the Blind and Visually
Impaired, Utica, NY

Contracting Activity: DEPT OF DEFENSE,
DLA LAND AND MARITIME

NSN(s)—Product Name(s):

7920-01-620-3634—Scrubber, Tub/
Shower, Non-Scratch, Light Blue 7920-
01-620-4373—Scrubber, Kitchen/Bath,
Non-scratch, Dark Blue

Authorized Source of Supply: Industries for
the Blind and Visually Impaired, Inc.,
West Allis, WI

Contracting Activity: GENERAL SERVICES
ADMINISTRATION, GSA/FSS
GREATER SOUTHWEST ACQUISITI

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2026-15952 Filed 8-5-26; 8:45 am]

BILLING CODE 6353-01-P

**COMMODITY FUTURES TRADING
COMMISSION**

Agency Information Collection

**Activities: Notice of Intent To Renew
Collection 3038-0103, Ownership and
Control Reports, Forms 102/102S, 40/
40S, and 71 (Trader and Account
Identification Reports)**

AGENCY: Commodity Futures Trading
Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (“CFTC” or “Commission”) is announcing an opportunity for public comment on the proposed renewal of the collection of certain information by the agency. Under the Paperwork Reduction Act (“PRA”), Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information and to allow 60 days for public comment. This notice solicits comments in connection with information collection requirements under certain rules and related forms (the “final rules”) that the Commission adopted to enhance its identification of futures and swap market participants.

DATES: Comments must be submitted on or before October 5, 2026.

ADDRESSES: You may submit comments, identified by OMB Control No. 3038-0103, 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.

FOR FURTHER INFORMATION CONTACT: Paul Chaffin, Special Counsel, Division of Market Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581; (202) 418-5185; pchaffin@cftc.gov.

SUPPLEMENTARY INFORMATION: Under the PRA, 44 U.S.C. 3501 *et seq.*, Federal agencies must obtain approval from the Office of Management and Budget (“OMB”) for each collection of information they conduct or sponsor. “Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the

Federal Register concerning each proposed collection of information before submitting the collection to OMB for approval. To comply with this requirement, the CFTC is publishing notice of the proposed collection of information listed below. 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.

Title: Ownership and Control Reports, Forms 102/102S, 40/40S, and 71 (Trader and Account Identification Reports) (OMB Control No. 3038–0103). This is a request for extension of a currently approved information collection.

Abstract: The final rules¹ created new information collection requirements via §§ 17.01, 18.04, 18.05, and 20.5. Specifically, § 17.01 provides for the filing of Form 102A, Form 102B and Form 71, as follows:

- Pursuant to § 17.01(a), futures commission merchants (“FCMs”), clearing members, and foreign brokers shall identify new special accounts to the Commission on Form 102A;
- Pursuant to § 17.01(b), clearing members shall identify volume threshold accounts to the Commission on Form 102B; and

- Pursuant to § 17.01(c), omnibus volume threshold account originators and omnibus reportable sub-account originators shall identify reportable subaccounts to the Commission on Form 71 when requested via a special call by the Commission or its designee.

Additional reporting requirements arise from § 18.04, which results in the collection of information via Form 40 from and regarding traders who own, hold, or control reportable positions; volume threshold account controllers; persons who own volume threshold accounts; reportable sub-account controllers; and persons who own reportable sub-accounts.

Reporting requirements also arise from § 20.5(a), which requires reporting entities to submit Form 102S for swap counterparty or customer consolidated accounts with reportable positions. In addition, § 20.5(b) requires every person subject to books or records under current § 20.6 to complete a 40S filing after a special call upon such person by the Commission.

In addition to the reporting requirements summarized above, § 18.05 imposes recordkeeping

requirements upon: (1) Traders who own, hold, or control a reportable futures or options on futures position; (2) volume threshold account controllers; (3) persons who own volume threshold accounts; (4) reportable sub-account controllers; and (5) persons who own reportable subaccounts.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission’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, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of 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.

Burden Statement: The Commission estimates the burden of this collection of information as follows:

Estimated Number of Respondents: 1,779.

Estimated Average Burden Hours per Respondent: 102.

Estimated Total Annual Burden Hours: 188,980.

Frequency of Collection: On occasion. (Authority: 44 U.S.C. 3501 *et seq.*)

Dated: August 4, 2026.

Christopher Kirkpatrick,

Secretary of the Commission.

[FR Doc. 2026–16040 Filed 8–5–26; 8:45 am]

BILLING CODE 6351–01–P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Notice of Intent To Extend Collection 3038–0092, Customer Clearing Documentation and Timing of Acceptance for Clearing

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (“CFTC” or “Commission”) is announcing an opportunity for public comment on the proposed renewal of a collection of

certain information by the agency. Under the Paperwork Reduction Act of 1995 (“PRA”), Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice solicits comments on the extension of information collection requirements relating to the obligation to maintain clearing documentation records between the customer and the customer’s clearing member under the Commodity Exchange Act, OMB Control No. 3038–0092 (Customer Clearing Documentation and Timing of Acceptance for Clearing).

DATES: Comments must be submitted on or before October 5, 2026.

ADDRESSES: You may submit comments, identified by “Customer Clearing Documentation and Timing of Acceptance for Clearing,” Collection Number 3038–0092, 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 Result—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 notice 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 notice 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 method. To avoid possible delays with mail or in-person deliveries, submissions through Regulations.gov are encouraged.

¹ See Final Rule, *Ownership and Control Reports, Forms 102/102S, 40/40S, and 71*, 78 FR 69178 (Nov. 18, 2013). Terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the final rules or in the Commission’s regulations.

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 notice, such submission will be retained in the record for the matter and will be considered as required under the Administrative Procedure Act, the Paperwork Reduction Act, and other applicable laws, and may be accessible under the FOIA.

FOR FURTHER INFORMATION CONTACT: Dina Moussa, Special Counsel, at (202) 418–5696, or dmoussa@cftc.gov; or Catherine Brescia, Attorney Advisor, at (202) 418–6236, or cbrescia@cftc.gov, Market Participants Division, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581; and refer to OMB Control No. 3038–0092.

SUPPLEMENTARY INFORMATION: Under the PRA, 44 U.S.C. 3501 *et seq.*, Federal agencies must obtain approval from the Office of Management and Budget ("OMB") for each collection of information they conduct or sponsor. "Collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR

1320.3(c) and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. PRA section 3506(c)(2)(A) requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval.¹ To comply with this requirement, the Commission is publishing notice of the proposed collection of information listed below. 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.

Title: Customer Clearing Documentation and Timing of Acceptance for Clearing (OMB Control No. 3038–0092). This is a request for an extension of a currently approved information collection.

Abstract: Section 4d(c) of the Commodity Exchange Act ("CEA"), as amended by the Dodd-Frank Wall Street and Reform Consumer Protection Act ("Dodd-Frank Act"), directs the Commission to require futures commission merchants ("FCMs") to implement conflict of interest procedures that address such issues as the Commission determines to be appropriate.² Similarly, CEA section 4s(j)(5), as added by the Dodd-Frank Act, requires swap dealers ("SDs") and major swap participants ("MSPs") to implement conflict of interest procedures that address such issues the Commission determines to be appropriate.³ CEA section 4s(j)(5) also requires SDs and MSPs to ensure that any persons providing clearing activities or making determinations as to accepting clearing customers are separated by appropriate informational partitions from persons whose involvement in pricing, trading, or clearing activities might bias their judgment or contravene the core principle of open access. CEA section 4s(j)(6) prohibits an SD or MSP from adopting any process or taking any action that results in any unreasonable restraint on trade or imposes any material anticompetitive burden on trading or clearing, unless necessary or appropriate to achieve the purposes of the CEA.⁴ CEA section 2(h)(1)(B)(ii) requires that derivatives clearing organization ("DCO") rules provide for

the nondiscriminatory clearing of swaps executed bilaterally or through an unaffiliated designated contract market or swap execution facility.⁵

To address these provisions, the Commission promulgated regulations that prohibit arrangements involving FCMs, SDs, MSPs, and DCOs that would (a) disclose to an FCM, SD, or MSP the identity of a customer's original executing counterparty;⁶ (b) limit the number of counterparties with whom a customer may enter into a trade;⁷ (c) restrict the size of the position a customer may take with any individual counterparty, apart from an overall credit limit for all positions held by the customer at the FCM;⁸ (d) impair a customer's access to execution of a trade on terms that have a reasonable relationship to the best terms available;⁹ or (e) prevent compliance with specified time frames for acceptance of trades into clearing set forth in Regulations 1.74(b), 23.610(b), or 39.12(b)(7).¹⁰ Additionally, the Commission requires, through Regulation 39.12(b)(7)(i)(B), DCOs to coordinate with clearing members to establish prompt processing of trades.¹¹ Regulations 1.74(a) and 23.610(a) require reciprocal coordination by FCMs, SDs, and MSPs that are clearing members.¹²

Under the above regulations, SDs, MSPs, FCMs, and DCOs are required to develop and maintain written customer clearing documentation and trade processing procedures. Maintenance of contracts, policies, and procedures is prudent business practice. All SDs, MSPs, FCMs, and DCOs maintain documentation consistent with these regulations. The regulations are crucial both for effective risk management and for the efficient operation of trading venues among SDs, MSPs, FCMs, and DCOs. Each of these entities has a general recordkeeping obligation for these requirements under the Regulations 39.20 for DCOs,¹³ 23.606 for SDs and MSPs,¹⁴ and 1.73 for FCMs.¹⁵

As indicated below, the information collection burden arising from the regulations primarily is restricted to the costs associated with the affected registrants' obligation to maintain records related to clearing documentation between the customer

⁵ 7 U.S.C. 2(h)(1)(B)(ii).

⁶ 17 CFR 1.72(a), 23.608(a), and 39.12(a)(1)(vi).

⁷ 17 CFR 1.72(b), 23.608(b), and 39.12(a)(1)(vi).

⁸ 17 CFR 1.72(c), 23.608(c), and 39.12(a)(1)(vi).

⁹ 17 CFR 1.72(d), 23.608(d), and 39.12(a)(1)(vi).

¹⁰ 17 CFR 1.72(e), 23.608(e), and 39.12(a)(1)(vi).

¹¹ 17 CFR 39.12(b)(7)(i)(B).

¹² 17 CFR 1.74(a) and 23.610(a).

¹³ 17 CFR 39.20.

¹⁴ 17 CFR 23.606.

¹⁵ 17 CFR 1.73.

¹ 44 U.S.C. 3506(c)(2)(A).

² 7 U.S.C. 6d(c).

³ 7 U.S.C. 6s(j)(5).

⁴ 7 U.S.C. 6s(j)(6).

and the customer's clearing member, and trade processing procedures between DCOs and FCMs, SDs, and MSPs. The information collection obligations are necessary to implement certain provisions of the CEA, including ensuring that registrants exercise effective risk management and for the efficient operation of trading venues among SDs, MSPs, FCMs, and DCOs.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission's estimate of the burdens of the proposed collection of information, including the validity of the methodology and assumptions used;

- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burdens of 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).

Burden Statement: The respondent burden for this collection is estimated to be as follows:

Estimated Number of Respondents: 204.

Estimated Average Burden Hours per Respondent: 40.

Estimated Total Annual Burden Hours: 8,160.

Frequency of Collection: As needed.

There are no capital costs or operating and maintenance costs associated with this collection.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: August 4, 2026.

Christopher Kirkpatrick,

Secretary of the Commission.

[FR Doc. 2026-16038 Filed 8-5-26; 8:45 am]

BILLING CODE 6351-01-P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection

Activities: Notice of Intent to Extend Collection 3038-0076: Requirements for Derivatives Clearing Organizations

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission ("Commission" or

"CFTC") is announcing an opportunity for public comment on the proposed renewal of a collection of certain information by the agency. Under the Paperwork Reduction Act ("PRA"), Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice solicits comments on the renewal of the information collection that includes reporting requirements for derivatives clearing organizations ("DCOs") under the Commission's regulations.

DATES: Comments must be submitted on or before October 5, 2026.

ADDRESSES: You may submit comments, specifically referencing "OMB Control No. 3038-0076," 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 notice 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 notice 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:** 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 notice, such submission will be retained in the record for the matter and will be considered as required under the Administrative Procedure Act, the Paperwork Reduction Act, and other applicable laws, and may be accessible under the FOIA.

FOR FURTHER INFORMATION CONTACT:

Michael Franklin, Attorney Advisor, Division of Clearing and Risk, Commodity Futures Trading Commission, (202) 418-5818; mfranklin@cftc.gov.

SUPPLEMENTARY INFORMATION: Under the PRA, 44 U.S.C. 3501 *et seq.*, Federal agencies must obtain approval from the Office of Management and Budget ("OMB") for each collection of information they conduct or sponsor. "Collection of Information" is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each

proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the CFTC is publishing notice of the proposed extension of the collection of information listed below. 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.¹

Title: Requirements for Derivatives Clearing Organizations, OMB Control No. 3038–0076. This is a request for an extension of a currently approved information collection.

Abstract: Commission Regulations 39.10, 39.11, 39.12, 39.13, 39.14, 39.15, 39.16, 39.17, 39.18, 39.19, 39.21, 39.24 and 39.27 establish reporting requirements for registered derivatives clearing organizations (“DCOs”). Regulation 39.3 requires any person seeking to register as a DCO to submit a completed Form DCO as provided in appendix A to part 39, accompanied by all applicable exhibits. Subpart C of part 39 includes additional requirements for systemically important DCOs and DCOs that elect to be subject to subpart C. Subpart D of part 39 includes requirements for DCOs subject to alternative compliance. The rules establish reporting and recordkeeping requirements that implement section 5b of the Commodity Exchange Act (CEA), and are necessary for the Commission to assess compliance of DCOs and DCO applicants with requirements prescribed in the CEA and Commission regulations.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed extension of the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission’s estimate of the burden of the proposed extension of the collection of information, including the validity of the methodology and assumptions used;
- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of 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.

Burden Statement: The Commission is revising its estimate of the burden for this existing collection of information. The Commission is increasing its estimate of the total number of registered DCOs from 13 to 24. Similarly, the Commission is increasing its estimate of the total number of applicants for full DCO registration from one to 10. The estimates are based on the current number of DCOs registered with the Commission, as well as pending applications for full DCO registration as of July 2026.

The respondent burden for this collection is estimated to be as follows:

Total Estimated Burden for Information Collection

Estimated number of respondents: 109.

Estimated annual reports per respondent: 240.

Estimated total annual responses: 26,119.

Estimated average burden hours per respondent: 907.

Estimated total annual burden hours: 98,886.

Frequency of Collection: Daily, monthly, quarterly, annually, and on occasion.

The capital and start-up or operations and maintenance costs associated with this collection are estimated at \$821,470.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: August 4, 2026.

Christopher Kirkpatrick,

Secretary of the Commission.

[FR Doc. 2026–16048 Filed 8–5–26; 8:45 am]

BILLING CODE 6351–01–P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection

Activities: Notice of Intent to Extend Collection 3038–0091: Disclosure and Retention of Certain Information Relating to Cleared Swaps Customer Collateral

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (“Commission”) is announcing an opportunity for public comment on the proposed renewal of a collection of certain information by the agency. Under the Paperwork Reduction Act (“PRA”), Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information,

including proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice solicits comments on the proposed extension of the existing collection of information relating to Cleared Swaps Customer Collateral.

DATES: Comments must be submitted on or before October 5, 2026.

ADDRESSES: You may submit comments, specifically referencing “Notice of Intent to Extend Collection 3038–0091: Disclosure and Retention of Certain Information Relating to Cleared Swaps Customer Collateral,” 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

¹ 44 U.S.C. 3512, 5 CFR 1320.5(b)(2)(i) and 1320.8(b)(3)(vi).

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.

FOR FURTHER INFORMATION CONTACT: Jennifer Narvaez, Attorney Advisor, Market Participants Division, Commodity Futures Trading Commission, (202) 418–5152, jnarvaez@cftc.gov, and refer to OMB Control No. 3038–0091.

SUPPLEMENTARY INFORMATION: Under the PRA, 44 U.S.C. 3501 *et seq.*, Federal agencies must obtain approval from the Office of Management and Budget (“OMB”) for each collection of information they conduct or sponsor. “Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires Federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the CFTC is publishing notice of the proposed extension of an

existing collection of information listed below. 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.

Title: Disclosure and Retention of Certain Information Relating to Cleared Swaps Customer Collateral (OMB Control No. 3038–0091). This is a request for an extension of a currently approved information collection.

Abstract: Section 724(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–023, 124 stat. 1376, amended the Commodity Exchange Act (“CEA”), 7 U.S.C. 1 *et seq.*, to add, as section 4d(f) thereof, provisions concerning the protection of collateral provided by a Cleared Swaps Customer to margin, guaranty, or secure a swap cleared by or through a derivatives clearing organization (“DCO”). Broadly speaking, in cleared swaps transactions customers provide collateral to futures commission merchants (“FCMs”) through whom they clear their transactions. FCMs, in turn, may provide customer collateral to DCOs, through which FCMs clear transactions for their customers. 17 CFR part 22 is intended to implement CEA section 4d(f). Several of the sections of part 22 require collections of information.

Section 22.2(g) requires each FCM with Cleared Swaps Customer Accounts to compute daily the amount of Cleared Swaps Customer Collateral on deposit in Cleared Swaps Customer Accounts, the amount of such collateral required to be on deposit in such accounts and the amount of the FCM's residual financial interest in such accounts. The purpose of this collection of information is to help ensure that FCMs' Cleared Swaps Customer Accounts are in compliance at all times with statutory and regulatory requirements for such accounts.

Section 22.5(a) requires an FCM or DCO to obtain, from each depository with which it deposits cleared swaps customer funds, a letter acknowledging that such funds belong to the Cleared Swaps Customers of the FCM, and not the FCM itself or any other person. The purpose of this collection of information is to confirm that the depository understands its responsibilities with respect to protection of cleared swaps customer funds.

Section 22.11 requires each FCM that intermediates cleared swaps for customers on or subject to the rules of a DCO, whether directly as a clearing member or indirectly through a Collecting FCM, to provide the DCO with information sufficient to identify

each customer of the FCM whose swaps are cleared by the FCM. Section 22.11 also requires the FCM, at least once daily, to provide the DCO with information sufficient to identify each customer's portfolio of rights and obligations arising out of cleared swaps intermediated by the FCM. The purpose of this collection of information is to facilitate risk management by DCOs in the event of default by the FCM, to enable DCOs to perform their duty, pursuant to section 22.15, to treat the collateral attributed to each customer of the FCM on an individual basis.

Section 22.12 requires that each DCO and FCM, on a daily basis, calculate, based on information received pursuant to section 22.11 and on information generated and used in the ordinary course of business by the DCO or FCM, and record certain information about the amount of collateral required for each Cleared Swaps Customer and the sum of these amounts. As with section 22.11, the purpose of this collection of information is to facilitate risk management by DCOs and in the event of default by the FCM, to enable DCOs to perform their duty, pursuant to section 22.15, to treat the collateral attributed to each customer of the FCM on an individual basis.

Section 22.16 requires that each FCM who has Cleared Swaps Customers disclose to each of such customers the governing provisions, as established by DCO rules or customer agreements between collecting and depositing FCMs, relating to use of customer collateral, transfer, neutralization of the risks, or liquidation of cleared swaps in the event of a default by a Depositing FCM relating to a Cleared Swaps Customer Account. The purpose of this collection of information is to ensure that Cleared Swaps Customers are informed of the procedures to which accounts containing their swaps collateral may be subject in the event of a default by their FCM.

Section 22.17 requires that each FCM produce a written notice of the reasons and the details concerning withdrawals from a Cleared Swaps Customers Account not for the benefit of Cleared Swap Customers if such withdrawal will exceed 25% of the FCMs residual interest in such account.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed extension of collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;

- The accuracy of the Commission'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, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of 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.

You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission's regulations.¹

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.

Burden Statement: The Commission is revising its estimate of the burden for this collection for 95 respondents (71 FCMs and 24 DCOs). The respondent burden for this collection is estimated to be as follows:

Estimated Number of Respondents: 95.

Estimated Average Burden Hours per Respondent: 314.

Estimated Total Annual Burden Hours: 29,830.

Frequency of Collection: Section 22.2(g)—Daily. Section 22.5(a)—Once. Section 22.11—Daily. Section 22.12—Daily. Section 22.16—Once. Section 22.17—On occasion.

There are no capital costs or operating and maintenance costs associated with this collection.

(Authority: 44 U.S.C. 3501 *et seq.*)

Dated: August 4, 2026.

Christopher Kirkpatrick,
Secretary of the Commission.

[FR Doc. 2026–16074 Filed 8–5–26; 8:45 am]

BILLING CODE 6351–01–P

CONSUMER PRODUCT SAFETY COMMISSION

[CPSC Docket No. 26–C0004]

Johnson Health Tech

AGENCY: Consumer Product Safety Commission.

ACTION: Notice.

SUMMARY: The Commission publishes in the **Federal Register** any settlement that it provisionally accepts under the Consumer Product Safety Act. Published below is a provisionally accepted Settlement Agreement with Johnson Health Tech., containing a civil penalty in the amount of \$16,875,000, subject to the terms and conditions of the Settlement Agreement. The Commission provisionally accepts the proposed Settlement Agreement and Order pertaining to Johnson Health Tech.

DATES: Any interested person may ask the Commission not to accept this agreement or otherwise comment on its contents by filing a written request with the Office of the Secretary by August 21, 2026.

ADDRESSES: Persons wishing to comment on this Settlement Agreement should send written comments to Comment 26–C0004, Office of the Secretary, Consumer Product Safety Commission, 4330 East West Highway, Bethesda, MD 20814; telephone: (240) 863–8938 (mobile), (301) 504–7479 (office); email: cpsc-os@cpsc.gov.

FOR FURTHER INFORMATION CONTACT: Leah Wade, Supervisory General Attorney, Division of Enforcement and Litigation, Office of Compliance and Field Operations, Consumer Product Safety Commission, 4330 East West Highway, Bethesda, Maryland 20814; LWade@cpsc.gov (301) 504–7225 (office).

SUPPLEMENTARY INFORMATION: The text of the Settlement Agreement and Order appear below.

Dated: August 4, 2026.

Brianna Bell,
Paralegal Specialist.

United States of America Consumer Product Safety Commission

In the Matter of: JOHNSON HEALTH TECH.

CPSC Docket No.: 26–C0004

Settlement Agreement

1. In accordance with the Consumer Product Safety Act, 15 U.S.C. 2051–2089 (“CPSA”), and 16 CFR 1118.20, Johnson Health Tech Trading, Inc. (“JHTT” or “the Firm”), Johnson Health Tech North America, Inc. (“JHTNA”) (collectively, “Johnson Health Tech”), and the United States Consumer Product Safety Commission (“Commission” or “CPSC”), through its staff, hereby enter into this Settlement Agreement (“Agreement”). The Agreement and the incorporated attached Order resolve staff's charges set forth below.

The Parties

2. The Commission is an independent federal regulatory agency, established pursuant to, and responsible for, the enforcement of the CPSA, 15 U.S.C. 2051–2089. By executing the Agreement, staff is acting on behalf of the Commission, pursuant to 16 CFR § 1118.20(b). The Commission issues the Order under the provisions of the CPSA.

3. JHTT is a corporation, organized and existing under the laws of the state of Wisconsin, with its principal place of business in Cottage Grove, Wisconsin.

4. JHTNA is a corporation, organized and existing under the laws of the state of Wisconsin, with its principal place of business in Cottage Grove, Wisconsin.

Staff Charges

5. Between 2018 and 2022, JHTT imported and distributed in the United States approximately 192,000 Horizon T101–05 treadmills (the “Subject Products”).

6. JHTT is responsible for the distribution and marketing of the Horizon T101–05 treadmills in the United States.

7. The Subject Products are “consumer products” that were “manufactured” and “import[ed]” and “distribut[ed] in commerce,” as those terms are defined or used in sections 3(a)(5), (8), and (9) of the CPSA, 15 U.S.C. 2052(a)(5), (8), and (9). JHTT is a “manufacturer” and “distributor” of the Subject Products, as such terms are defined in sections 3(a)(8) and (11) of the CPSA, 15 U.S.C. 2052(a)(8) and (11).

¹ 17 CFR 145.9.

Violation of CPSA Section 19(a)(4)

8. The Subject Products contain a defect which could create a substantial product hazard or create an unreasonable risk of serious injury because the machines could unexpectedly accelerate, stop, or change speed, posing a fall hazard to consumers.

9. Between March 2018 and October 2022 JHTT received at least 874 reports of the treadmills unexpectedly accelerating, stopping, or changing speed, including at least 71 reports of consumer injury.

10. In September 2020, JHTT began a root-cause investigation, leading to the adoption of production changes in February 2021 and September 2021 to reduce the fall hazard. However, JHTT continued to receive reports of unexpected accelerations, stoppages, or speed changes in the treadmills, including two reports of consumers who fell and suffered a broken bone.

11. JHTT did not immediately inform the Commission under 15 U.S.C. 2064(b) regarding the defect and risk posed by the Subject Products and did not file a Full Report as required by 16 CFR 1115.13(d) until March 9, 2022, following a request from Commission staff.

12. JHTT and the Commission jointly announced a recall of approximately 192,000 Horizon T101–05 treadmills on October 27, 2022, offering a software update to consumers that addressed the hazard.

Failure to Timely Report

13. Despite having information that reasonably supported the conclusion that the Subject Products contained a defect that could create a substantial product hazard or created an unreasonable risk of serious injury, JHTT did not immediately inform the Commission of such defect or risk, as required by sections 15(b)(3) and (4) of the CPSA, 15 U.S.C. 2064(b)(3) and (4), in violation of section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4).

14. Because the information in JHTT's possession constituted actual and presumed knowledge, JHTT knowingly violated section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4), as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U.S.C. 2069(d).

15. Pursuant to Section 20 of the CPSA, 15 U.S.C. 2069, JHTT is subject to civil penalties for its knowing violations of section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4).

Response of Firm

16. This Agreement does not constitute an admission to the staff's

charges as set forth in paragraphs 4 through 15 above, including without limitation that the Subject Products in fact contained a defect that could create a substantial product hazard or created an unreasonable risk of serious injury or death; that Johnson Health Tech had an obligation to, and failed to, notify the Commission in a timely manner in accordance with section 15(b) of the CPSA, 15 U.S.C. 2064(b); and that Johnson Health Tech knowingly violated section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4), as the term "knowingly" is defined in section 20(d) of the CPSA, 15 U.S.C. 2069(d).

17. JHTT asserts that at all relevant times, it had a compliance program and took reasonable steps to monitor, evaluate, and address reports associated with the Horizon T101–05 treadmill.

18. Prior to the recall and thereafter, JHTT has maintained the position that it did not agree with the incident and injury counts or the inclusion of a stop hazard in the recall announcement. The Firm did not object to the publication of this information in the recall announcement for the purpose of expeditiously announcing the recall. Johnson Health Tech further enters into this Agreement to settle this matter and to avoid the cost, distraction, delay, uncertainty, and inconvenience of protracted litigation or other proceedings. Johnson Health Tech does not admit that it violated the CPSA or any other law, or that reportable information or a substantial product hazard existed. Johnson Health Tech's willingness to enter into this Agreement and Order does not constitute, nor is it evidence of, an admission by Johnson Health Tech of liability, or violation of any law.

Agreement of the Parties

19. Under the CPSA, the Commission has jurisdiction over the matter involving the Subject Products and over Johnson Health Tech.

20. The parties enter into the Agreement for settlement purposes only. The Agreement does not constitute an admission by Johnson Health Tech or a determination by the Commission that Johnson Health Tech violated the CPSA.

21. In settlement of staff's charges regarding the Subject Products, Johnson Health Tech shall pay a civil penalty in the amount of sixteen million, eight-hundred-seventy-five-thousand dollars (\$16,875,000) within thirty (30) calendar days after receiving service of the Commission's final Order accepting the Agreement. All payments to be made under the Agreement shall constitute debts owing to the United States and shall be made by electronic wire transfer

to the United States via <http://www.pay.gov>, for allocation to, and credit against, the payment obligations of Johnson Health Tech under this Agreement. Failure to make such payment by the date specified in the Commission's final Order shall constitute Default.

22. After receipt of the payment set forth in paragraph 21, the Commission releases and agrees that it will not seek civil penalties from Johnson Health Tech for any violation of section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4), regarding any defect or risk posed by a consumer product for which Johnson Health Tech, as of March 1, 2026, had submitted an Initial or Full Report under CPSA section 15, 2064(b) and 16 CFR 1115.13 (c) and (d). This paragraph does not relieve Johnson Health Tech from the continuing duty to report to the Commission any new, additional, or different information as required by CPSA section 15.

23. The Commission or the United States may seek enforcement for any breach of, or any failure to comply with, any provision of this Agreement and Order in United States District Court, to seek relief including, but not limited to, collecting amounts due.

24. All unpaid amounts, if any, due and owing under the Agreement, shall constitute a debt due and immediately owing by Johnson Health Tech to the United States, and interest shall accrue and be paid by JHTT at the federal legal rate of interest set forth at 28 U.S.C. 1961(a) and (b) from the date of Default, until all amounts due have been paid in full (hereinafter "Default Payment Amount" and "Default Interest Balance"). Johnson Health Tech shall consent to a Consent Judgment in the amount of the Default Payment Amount and Default Interest Balance, and the United States, at its sole option, may collect the entire Default Payment Amount and Default Interest Balance, or exercise any other rights granted by law or in equity, including, but not limited to, referring such matters for private collection, and Johnson Health Tech agrees not to contest, and hereby waives and discharges any defenses to, any collection action undertaken by the United States, or its agents or contractors, pursuant to this paragraph. Johnson Health Tech shall pay the United States all reasonable costs of collection and enforcement under this paragraph, respectively, including reasonable attorney's fees and expenses.

25. After staff receives this Agreement executed on behalf of Johnson Health Tech, staff shall promptly submit the Agreement to the Commission for provisional acceptance. Promptly

following provisional acceptance of the Agreement by the Commission, the Agreement shall be placed on the public record and published in the **Federal Register**, in accordance with the procedures set forth in 16 CFR 1118.20(e). If the Commission does not receive any written request not to accept the Agreement within fifteen (15) calendar days, the Agreement shall be deemed finally accepted on the 16th calendar day after the date the Agreement is published in the **Federal Register**, in accordance with 16 CFR 1118.20(f).

26. This Agreement is conditioned upon, and subject to, the Commission's final acceptance, as set forth above, and it is subject to the provisions of 16 CFR 1118.20(h). Upon the later of: (i) the Commission's final acceptance of this Agreement and service of the accepted Agreement upon Johnson Health Tech, and (ii) the date of issuance of the final Order, this Agreement shall be in full force and effect, and shall be binding upon the parties.

27. Effective upon the later of: (1) the Commission's final acceptance of the Agreement and service of the accepted Agreement upon Johnson Health Tech and (2) the date of issuance of the final Order, for good and valuable consideration, Johnson Health Tech hereby expressly and irrevocably waives and agrees not to assert any past, present, or future rights to the following, in connection with the Horizon T101–05 matter described in this Agreement:

- (i) an administrative or judicial hearing;
- (ii) judicial review or other challenge or contest of the Commission's actions;
- (iii) a determination by the Commission of whether Johnson Health Tech failed to comply with the CPSA and the underlying regulations;
- (iv) a statement of findings of fact and conclusions of law; and
- (v) any claims under the Equal Access to Justice Act.

28. Johnson Health Tech has, and shall maintain, a compliance program ("Compliance Program") designed to ensure compliance with the CPSA with respect to any consumer product imported, manufactured, distributed or sold by Johnson Health Tech. This program has, or will be modified to include, the following elements:

- (i) written standards, policies, and procedures, including those designed to ensure that information that may relate to or impact CPSA compliance is conveyed effectively to Johnson Health Tech personnel responsible for CPSA compliance, including the individual appointed pursuant to (viii) of

paragraph 28, whether or not an injury has been reported;

- (ii) procedures and systems for tracking and reviewing claims, including warranty claims, and reports for safety concerns and for implementing corrective and preventive actions when compliance deficiencies or violations are identified;

(iii) procedures requiring that information required to be disclosed by Johnson Health Tech to the Commission is recorded, processed, and reported in accordance with applicable law;

- (iv) procedures requiring that all reporting made to the Commission is timely, truthful, complete, accurate, and in accordance with applicable law;

(v) procedures requiring that prompt disclosure is made to the individual appointed pursuant to (viii) of paragraph 28 and to Johnson Health Tech management of any significant deficiencies or material weaknesses in the design or operation of such internal controls that are reasonably likely to affect adversely, in any material respect, the Johnson Health Tech's ability to record, process and report to the Commission in accordance with applicable law;

- (vi) mechanisms to effectively communicate to all applicable Johnson Health Tech employees, through training programs or other means, compliance-related company policies and procedures to prevent violations of the CPSA;

(vii) a mechanism for confidential employee reporting of compliance-related questions or concerns to either a compliance officer or to another senior manager with authority to act as necessary;

- (viii) Johnson Health Tech's senior management responsibility for, and general board oversight of, CPSA compliance, including the appointment of a product safety professional who will supervise compliance with the CPSA and make recommendations on timely section 15(b) reporting, and implementation of steps to ensure that incident and injury data is reviewed and analyzed for purposes of CPSA Section 15(b) reporting;

(ix) an annual internal audit for 3 years of the effectiveness of policies, procedures, systems, and training related to CPSA compliance that evaluates opportunities for improvement, deficiencies or weaknesses, and the Johnson Health Tech's overall culture of compliance; and

- (x) retention of all CPSA compliance-related records for at least five (5) years, and availability of such records to CPSC staff upon request.

29. Johnson Health Tech, in coordination with the individual appointed pursuant to paragraph (viii) above, shall submit a report under CPSA Section 16(b), sworn to under penalty of perjury:

- (i) describing in detail its compliance program and internal controls and the actions Johnson Health Tech has taken to comply with each subparagraph of paragraphs 28–29;

(ii) affirming that during the reporting period, Johnson Health Tech has reviewed its compliance program and internal controls, including the actions referenced in subparagraph (i) of this paragraph, for effectiveness, and that it complies with each subparagraph of paragraphs 28–29, or describing in detail any non-compliance with any such subparagraph; and

- (iii) identifying the results of the annual internal audit referenced in paragraph 28(ix) and any changes or modifications made during the reporting period to Johnson Health Tech's compliance program or internal controls to ensure compliance with the terms of the CPSA and, in particular, the requirements of CPSA Section 15 related to timely reporting.

Such reports shall be submitted annually to the Director, Office of Compliance, Division of Enforcement and Litigation, for a period of three (3) years. The first report shall be submitted 30 days after the close of the first 12-month reporting period, which begins on the date of the Commission's Final Order of Acceptance of the Agreement, and successive reports shall be due annually on the same date thereafter. Without limitation, Johnson Health Tech acknowledges and agrees that failure to make such timely and accurate reports, as required by this Agreement and Order, may constitute a violation of Section 19(a)(3) of the CPSA, 15 U.S.C. 2068(a)(3), and may subject Johnson Health Tech to enforcement under Section 22 of the CPSA, 15 U.S.C. 2071.

30. Johnson Health Tech shall cooperate fully and truthfully with staff and shall make available all non-privileged information and materials and personnel deemed necessary by staff to evaluate Johnson Health Tech's compliance with the terms of the Agreement.

31. The parties acknowledge and agree that the Commission may publicize the terms of the Agreement and the Order.

32. Johnson Health Tech represents that the Agreement:

- (i) is entered into freely and voluntarily, without any degree of duress or compulsion whatsoever;
- (ii) has been duly authorized; and

(iii) constitutes the valid and binding obligation of JHTT and JHTNA respectively, as set forth in the Agreement, enforceable against JHTT and JHTNA in accordance with its terms. The individuals signing the Agreement on behalf of Johnson Health Tech represent and warrant that they are duly authorized by Johnson Health Tech to execute the Agreement.

33. The signatories represent that they are authorized to execute this Agreement.

34. The Agreement is governed by the laws of the United States.

35. The Agreement and the Order shall apply to, and be binding upon, Johnson Health Tech and each of its successors, transferees, and assigns; and a violation of the Agreement or Order may subject Johnson Health Tech, and each of its successors, transferees, and assigns, to appropriate legal action.

36. The Agreement, any attachments, and the Order constitute the complete agreement between the parties on the subject matter contained therein.

37. The Agreement may be used in interpreting the Order. Understandings, agreements, representations, or interpretations apart from those contained in the Agreement and the Order may not be used to vary or contradict their terms. For purposes of construction, the Agreement shall be deemed to have been drafted by both of the parties and shall not, therefore, be construed against any party, for that reason, in any subsequent dispute.

38. The Agreement may not be waived, amended, modified, or otherwise altered, except as in accordance with the provisions of 16 CFR 1118.20(h). The Agreement may be executed in counterparts.

39. If any provision of the Agreement or the Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the Agreement and the Order, such provision shall be fully severable. The balance of the Agreement and the Order shall remain in full force and effect, unless the parties agree in writing that severing the provision materially affects the purpose of the Agreement and the Order.

(Signatures on next page)

Johnson Health Tech Trading, Inc.

Dated: July 28, 2026

By: _____ S _____

Ryan Hoodjer,

Johnson Health Tech Trading, Inc.
Vice President of E-Commerce and Operations

Dated: July 27, 2026

By: _____ S _____

Matthew R. Howsare,

Cooley LLP, Counsel to Johnson Health Tech

Johnson Health Tech North America,

Inc.,

(agreed where applicable)

Dated: July 28, 2026

By: _____ S _____

Robert Hoge,

Johnson Health Tech North America,
Inc., General Counsel—US Region

U.S. Consumer Product Safety

Commission

Mary B. Murphy, Director

Leah Wade, Supervisory Attorney

Dated: July 28, 2026

By: _____ S _____

Mark Raffman,

Senior Trial Attorney, Division of
Enforcement and Litigation, Office of
Compliance and Field Operations

United States of America Consumer Product Safety Commission

In the Matter of: JOHNSON HEALTH TECH.

CPSC Docket No.: 26–C0004

Order

Upon consideration of the Settlement Agreement entered into between Johnson Health Tech Trading, Inc. and Johnson Health Tech North America, Inc. (collectively, “Johnson Health Tech”) and the U.S. Consumer Product Safety Commission (“Commission” or “CPSC”), and the Commission having jurisdiction over the subject matter and over Johnson Health Tech, and it appearing that the Settlement Agreement is in the public interest, the Settlement Agreement is incorporated by reference and it is:

Provisionally accepted and this Order issued on the 4 day of August, 2026.

By Order of the Commission:

By: _____ S _____

Alberta E. Mills,

Secretary,

U.S. Consumer Product Safety
Commission

[FR Doc. 2026–16010 Filed 8–5–26; 8:45 am]

BILLING CODE 6355–01–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–1717]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Case Service Report (RSA–911)

AGENCY: Office of Special Education and Rehabilitative Services (OSERS), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a revision of a currently approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before September 8, 2026.

ADDRESSES: Written comments and recommendations for proposed information collection requests should be submitted within 30 days of publication of this notice. Click on this link www.reginfo.gov/public/do/PRAMain to access the site. Find this information collection request (ICR) by selecting “Department of Education” under “Currently Under Review,” then check the “Only Show ICR for Public Comment” checkbox. Reginfo.gov provides two links to view documents related to this information collection request. Information collection forms and instructions may be found by clicking on the “View Information Collection (IC) List” link. Supporting statements and other supporting documentation may be found by clicking on the “View Supporting Statement and Other Documents” link.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Michael Quinn, (202) 245–6527.

SUPPLEMENTARY INFORMATION: The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Case Service Report (RSA–911).

OMB Control Number: 1820–0508.

Type of Review: Revision of a currently approved ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 312.

Total Estimated Number of Annual Burden Hours: 8,885,949.

Abstract: The Case Service Report (RSA–911) is used to collect individual level data on State Vocational Rehabilitation (VR) program participants on a quarterly basis. The

data collected in this report are mandated by section 101(a)(10) and 607 of the Rehabilitation Act of 1973 (Act) and section 116(d) of the Workforce Innovation and Opportunity Act. In addition, the Rehabilitation Services Administration (RSA) uses data reported through this collection to support its other responsibilities under the Act. Section 14(a) of the Act calls for the evaluation of programs authorized under the Act, as well as an assessment of the programs' effectiveness in relation to cost. Many of these evaluations use RSA-911 data. RSA also uses data captured through the RSA-911 during the conduct of both the annual review and periodic on-site monitoring of VR agencies required by section 107 of the Act to examine the effectiveness of program performance. Other important management activities, such as the provision of technical assistance, program planning, and budget preparation and development, are greatly enhanced through the use of RSA-911 data. In addition, RSA uses RSA-911 data in the exchange of data under a data sharing agreement with the Social Security Administration and the U.S. Department of Health and Human Services as required by section 131 of the Act. Finally, the RSA-911 is considered to be one of the most robust databases in describing the demographics of the disabled population in the country and as such is used widely in researchers' disability-related analyses and reports.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026-16068 Filed 8-5-26; 8:45 am]

BILLING CODE 4000-01-P

DEPARTMENT OF EDUCATION

[Docket No.: ED-2026-SCC-1882]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; RSA-509, Annual Protection and Advocacy of Individual Rights Program Performance Report

AGENCY: Office of Special Education and Rehabilitative Services (OSERS), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing an extension without change of a currently approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before September 8, 2026.

ADDRESSES: Written comments and recommendations for proposed information collection requests should be submitted within 30 days of publication of this notice. Click on this link www.reginfo.gov/public/do/PRAMain to access the site. Find this information collection request (ICR) by selecting "Department of Education" under "Currently Under Review," then check the "Only Show ICR for Public Comment" checkbox. *Reginfo.gov* provides two links to view documents related to this information collection request. Information collection forms and instructions may be found by clicking on the "View Information Collection (IC) List" link. Supporting statements and other supporting documentation may be found by clicking on the "View Supporting Statement and Other Documents" link.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Samuel Pierre, Samuel.Pierre@ed.gov.

SUPPLEMENTARY INFORMATION: The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: RSA-509, Annual Protection and Advocacy of Individual Rights Program Performance Report.

OMB Control Number: 1820-0627.

Type of Review: Extension without change of a currently approved ICR.

Respondents/Affected Public: State, Local, and Tribal Governments

Total Estimated Number of Annual Responses: 57.

Total Estimated Number of Annual Burden Hours: 912.

Abstract: The Annual Protection and Advocacy of Individual Rights (PAIR) Program Performance Report (Form RSA-509) will be used to analyze and evaluate the PAIR Program administered by eligible systems in states. These systems provide services to eligible individuals with disabilities to protect their legal and human rights. RSA uses

the form to meet specific data collection requirements of Section 509 of the Rehabilitation Act of 1973, as amended (the Act), and its implementing federal regulations at 34 CFR part 381. PAIR programs must report annually using the RSA-509, which is due no later than 120 days after the end of each fiscal year.

The collection of information through Form RSA-509 has enabled RSA to furnish the President and Congress with data on the provision of protection and advocacy services and has helped to establish a sound basis for future funding requests. Data from the form have been used to evaluate the effectiveness of eligible systems within individual states in meeting annual priorities and objectives. These data also have been used to indicate trends in the provision of services from year-to-year.

Respondents are not-for-profit organizations.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026-16067 Filed 8-5-26; 8:45 am]

BILLING CODE 4000-01-P

DEPARTMENT OF EDUCATION

[Docket No.: ED-2026-SCC-1849]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Magnet Schools Assistance Program Annual Performance Report

AGENCY: Office of Elementary and Secondary Education (OESE), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a new information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before September 8, 2026.

ADDRESSES: Written comments and recommendations for proposed information collection requests should be submitted within 30 days of publication of this notice. Click on this link www.reginfo.gov/public/do/PRAMain to access the site. Find this information collection request (ICR) by selecting "Department of Education" under "Currently Under Review," then check the "Only Show ICR for Public Comment" checkbox. *Reginfo.gov* provides two links to view documents related to this information collection

request. Information collection forms and instructions may be found by clicking on the “View Information Collection (IC) List” link. Supporting statements and other supporting documentation may be found by clicking on the “View Supporting Statement and Other Documents” link.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Gillian Cohen-Boyer, 202–219–1672.

SUPPLEMENTARY INFORMATION: The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Magnet Schools Assistance Program Annual Performance Report.

OMB Control Number: 1810–NEW.

Type of Review: A new ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 120.

Total Estimated Number of Annual Burden Hours: 360.

Abstract: This is a request for a new approved collection. The Department has developed program performance measures at every program level to quantify and report progress required by the Elementary and Secondary Education Act of 1965, as amended. Under the Uniform Guidance and EDGAR, recipients of federal awards are required to submit performance and financial expenditure information. The program level measures and budget information for the Magnet Schools Assistance Program (MSAP) are reported in the Annual Performance Report (APR) as required under 2 CFR 200.328 and 34 CFR 75.118 and 75.590. The annual report provides data on the status of the funded project that corresponds to the scope and objectives established in the approved application and any amendments. To ensure that accurate and reliable data are reported to Congress on program implementation and performance outcomes, the MSAP APR collects the raw data from grantees

in a consistent format to calculate these data in the aggregate.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–16069 Filed 8–5–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2725–076]

Oglethorpe Power Corporation; Notice of Reasonable Period of Time for Water Quality Certification Application

On July 10, 2026, Oglethorpe Power Corporation (OPC) submitted to the Federal Energy Regulatory Commission (Commission) documentation from the Georgia Environmental Protection Division (Georgia EPD) that it received a complete request for a Clean Water Act section 401(a)(1) water quality certification from OPC, as defined by 40 CFR 121.5, in conjunction with the above captioned project.¹ Pursuant to the Commission’s regulations,² we hereby notify Georgia EPD of the following:

Date of Receipt of the Certification

Request: July 8, 2026.

Reasonable Period of Time to Act on the Certification Request: One year (July 8, 2027).

If Georgia EPD fails or refuses to act on the water quality certification request on or before the above date, then the certifying authority is deemed waived pursuant to section 401(a)(1) of the Clean Water Act, 33 U.S.C. 1341(a)(1).

(Authority: 18 CFR 2.1)

Dated: August 3, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–16064 Filed 8–5–26; 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:

¹ See staff’s email correspondence with Georgia EPD concerning the status of the section 401 water quality certification application, issued August 3, 2026.

² 18 CFR 4.34(b)(5).

Filings Instituting Proceedings

Docket Numbers: PR26–74–000.

Applicants: Black Hills/Kansas Gas Utility Company, LLC.

Description: 284.123 Rate Filing: Revised Statement of Currently Effective Rates to be effective 7/1/2026.

Filed Date: 7/30/26.

Accession Number: 20260730–5072.

Comment Date: 5 p.m. ET 8/20/26.

Docket Numbers: PR26–75–000.

Applicants: Bay Gas Storage Company, LLC.

Description: 284.123(g) Rate Filing: Bay Gas Storage Petition for Rate Approval to be effective 8/1/2026.

Filed Date: 7/31/26.

Accession Number: 20260731–5054.

Comment Date: 5 p.m. ET 8/21/26.

284.123(g) Protest: 5 p.m. ET 9/29/26.

Docket Numbers: RP26–1012–000.

Applicants: Alliance Pipeline L.P.

Description: 4(d) Rate Filing:

Negotiated Rates—Release—08/01/2026 to be effective 8/1/2026.

Filed Date: 7/30/26.

Accession Number: 20260730–5106.

Comment Date: 5 p.m. ET 8/11/26.

Docket Numbers: RP26–1013–000.

Applicants: Great Lakes Gas

Transmission Limited Partnership.

Description: Compliance filing: Semi-Annual Transporter’s Use Report July 2026 to be effective N/A.

Filed Date: 7/30/26.

Accession Number: 20260730–5136.

Comment Date: 5 p.m. ET 8/11/26.

Docket Numbers: RP26–1014–000.

Applicants: El Paso Natural Gas Company, L.L.C.

Description: 4(d) Rate Filing: Negotiated Rate Agreement Update (SoCal Aug-Oct 2026) to be effective 8/1/2026.

Filed Date: 7/30/26.

Accession Number: 20260730–5149.

Comment Date: 5 p.m. ET 8/11/26.

Docket Numbers: RP26–1015–000.

Applicants: Vector Pipeline L.P.

Description: 4(d) Rate Filing: Future Sales of Capacity and Scheduling Priorities to be effective 9/1/2026.

Filed Date: 7/31/26.

Accession Number: 20260731–5025.

Comment Date: 5 p.m. ET 8/12/26.

Docket Numbers: RP26–1016–000.

Applicants: Mountain Valley Pipeline, LLC.

Description: 4(d) Rate Filing: Negotiated Rate Agreement—8/1/2026 to be effective 8/1/2026.

Filed Date: 7/31/26.

Accession Number: 20260731–5029.

Comment Date: 5 p.m. ET 8/12/26.

Docket Numbers: RP26–1017–000.

Applicants: Maritimes & Northeast Pipeline, L.L.C.

Description: 4(d) Rate Filing: Negotiated Rate—Aug 1 2026 Northern to NRG to be effective 8/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5039.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1018–000.
Applicants: NEXUS Gas Transmission, LLC.
Description: 4(d) Rate Filing: Negotiated Rates Castleton 860652 eff 8–01–2026 to be effective 8/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5064.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1019–000.
Applicants: Natural Gas Pipeline Company of America LLC.
Description: 4(d) Rate Filing: Update Filing-Removal of Expired Negotiated Rate Agreements Filing -July 2026 to be effective 9/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5068.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1020–000.
Applicants: Southern Natural Gas Company, L.L.C.
Description: 4(d) Rate Filing: SNG NRA Filing—July 2026 to be effective 8/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5073.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1021–000.
Applicants: Algonquin Gas Transmission, LLC.
Description: 4(d) Rate Filing: Negotiated Rates Various Releases eff 8–01–2026 to be effective 8/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5075.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1022–000.
Applicants: Dauphin Island Gathering Partners.
Description: Compliance filing: 2026 Annual Cash-Out Report to be effective N/A.
Filed Date: 7/31/26.
Accession Number: 20260731–5076.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1023–000.
Applicants: Columbia Gas Transmission, LLC.
Description: 4(d) Rate Filing: NR Agmt Antero 349630 Eff 8.1.26 to be effective 8/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5098.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1024–000.
Applicants: Sierrita Gas Pipeline LLC.
Description: 4(d) Rate Filing: 2026 July Quarterly Filing to be effective 9/1/2026.
Filed Date: 7/31/26.

Accession Number: 20260731–5124.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1025–000.
Applicants: Columbia Gas Transmission, LLC.
Description: 4(d) Rate Filing: Administrative Housekeeping Filing 2026 to be effective 9/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5130.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1026–000.
Applicants: Ruby Pipeline, L.L.C.
Description: 4(d) Rate Filing: RP 2026–07–31 FL&U and EPC Rate Adjustment to be effective 9/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5147.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1027–000.
Applicants: Northern Natural Gas Company.
Description: 4(d) Rate Filing: 20260731 Negotiated Rate Filing to be effective 8/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5158.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1028–000.
Applicants: Wyoming Interstate Company, L.L.C.
Description: 4(d) Rate Filing: Fuel LU Quarterly Update Filing Eff Sep 2026 to be effective 9/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5159.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1029–000.
Applicants: Cheyenne Plains Gas Pipeline Company, L.L.C.
Description: 4(d) Rate Filing: Negotiated Rate Agreement Filing (Koch) to be effective 9/1/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5189.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1030–000.
Applicants: Guardian Pipeline, L.L.C.
Description: Compliance filing: Petition for Approval of Pre-Filing Stipulation and Settlement Agreement to be effective N/A.
Filed Date: 7/31/26.
Accession Number: 20260731–5230.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1031–000.
Applicants: Northern Natural Gas Company.
Description: 4(d) Rate Filing: 20260731 Negotiated Rate Filing Part 2 to be effective 8/2/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5241.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP26–1033–000.
Applicants: Equitrans, L.P.
Description: 4(d) Rate Filing: Negotiated Rate Capacity Release

Agreements—8/1/2026 to be effective 8/1/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5101.
Comment Date: 5 p.m. ET 8/17/26.
Docket Numbers: RP26–1034–000.
Applicants: Mountain Valley Pipeline, LLC.
Description: 4(d) Rate Filing: Negotiated Rate Capacity Release Agreements—8/1/2026 to be effective 8/1/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5103.
Comment Date: 5 p.m. ET 8/17/26.
Docket Numbers: RP26–1035–000.
Applicants: Rover Pipeline LLC.
Description: 4(d) Rate Filing: Summary of Negotiated Rate Capacity Release Agreements 8–3–2026 to be effective 8/1/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5105.
Comment Date: 5 p.m. ET 8/17/26.
Docket Numbers: RP26–1036–000.
Applicants: Texas Eastern Transmission, LP.
Description: 4(d) Rate Filing: Negotiated Rates—Various Releases eff 8–1–26 to be effective 8/1/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5111.
Comment Date: 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: PR21–61–002.
Applicants: Whistler Pipeline LLC.
Description: Whistler Rate Certification to be effective N/A.
Filed Date: 7/31/26.
Accession Number: 20260731–5041.
Comment Date: 5 p.m. ET 8/21/26.
Docket Numbers: RP19–262–004.
Applicants: Hardy Storage Company, LLC.
Description: Compliance filing: Informational Cost and Revenue Study to be effective N/A.
Filed Date: 7/31/26.
Accession Number: 20260731–5077.
Comment Date: 5 p.m. ET 8/12/26.
Docket Numbers: RP22–1222–006.
Applicants: Natural Gas Pipeline Company of America LLC.
Description: Compliance filing: NGPL Fuel Transparency Report Informational Filing 2026 to be effective N/A.

Filed Date: 7/31/26.

Accession Number: 20260731–5066.

Comment Date: 5 p.m. ET 8/12/26.

Any person desiring to protest in any the above proceedings must file in accordance with Rule 211 of the Commission's Regulations (18 CFR 385.211) on or before 5:00 p.m. Eastern time on the specified comment date.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercgensearch.asp>) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

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: August 3, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–15976 Filed 8–5–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Notice of Motion for Deferral of Effective Date

	Docket Nos.
Black Hills Colorado Electric, LLC.	ER22–2306–000
Black Hills Power, Inc	ER22–2303–000
Cheyenne Light, Fuel and Power Company.	ER22–2307–000
El Paso Electric Company	ER22–2346–000
Public Service Company of Colorado.	ER22–2356–001
Tucson Electric Power Company.	ER22–2348–000
UNS Electric, Inc	ER22–2349–000

On July 24, 2026, Black Hills Power, Inc., Black Hills Colorado Electric, LLC, Cheyenne Light, Fuel and Power Company, El Paso Electric Company, Public Service Company of Colorado, Tucson Electric Power Company, and UNS Electric, Inc. (collectively, SPP West Customers) filed a joint motion for deferral of the effective date for the Open Access Transmission Tariff (Tariff) revisions approved by the Commission¹ to comply with the

requirements of Order Nos. 881 and 881–A.² The SPP West Customers request that the Commission grant a deferral of the effective date of these Tariff revisions from September 1, 2026, until April 1, 2027. The SPP West Customers explain that they receive reliability coordinator services from the Southwest Power Pool, Inc. (SPP), which recently filed a second motion for deferral of the effective date for its Order No. 881 tariff provisions due to delays in the delivery of crucial software necessary for SPP, and SPP transmission owners, to test and implement the systems and process necessary to comply with Order No. 881. Accordingly, the SPP West Customers have determined they must also request deferral of their respective Order No. 881 compliance tariff provisions.

Answers to the motion must be filed by 5:00 p.m. Eastern Time on Friday, August 14, 2026.

Dated: August 3, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–16061 Filed 8–5–26; 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: EC26–106–000.

Applicants: Airport Solar LLC, Assembly Solar, LLC, Assembly Solar I, LLC, Assembly Solar II, LLC, Assembly Solar III, LLC, Arroyo Solar LLC, Arroyo Energy Storage LLC, Balko Wind, LLC, Balko Wind Transmission, LLC, Bartonville Energy Facility, LLC, Big River Solar, LLC, Blue Bird Solar, LLC, Carné Energy Storage, LLC, Castle Solar, LLC, Cuyama Solar, LLC, Cove Mountain Solar, LLC, Cove Mountain Solar 2, LLC, Crossroads Solar, LLC, DESRI Carne Interconnection, L.L.C., DESRI Gravel Pit Construction Borrower, L.L.C. Dressor Plains Solar, LLC, Drew Solar, LLC, Drew Solar-CA,

FERC ¶ 61,039, at P 1 (2023); *Cheyenne Light, Fuel & Power Co.*, 184 FERC ¶ 61,049, at P 1 (2023); *El Paso Elec. Co.*, 183 FERC ¶ 61,104, at P 1 (2023); *Pub. Serv. Co. of Colo.*, 183 FERC ¶ 61,105, at P 1 (2023); *Tucson Elec. Power Co.*, 184 FERC ¶ 61,175, at P 1 (2023); *UNS Elec., Inc.*, 184 FERC ¶ 61,178, at P 1 (2023).

² *Managing Transmission Line Ratings*, Order No. 881, 177 FERC ¶ 61,179 (2021), order addressing arguments raised on reh'g, Order No. 881–A, 179 FERC ¶ 61,125 (2022).

LLC, DWW Solar II, LLC, Elektron Solar, LLC, Gravel Pit Solar, LLC, Gravel Pit Solar III, LLC, Gravel Pit Solar IV, LLC, Gray Hawk Solar, LLC, Hornshadow Solar, LLC, Hornshadow Solar 2, LLC, Heartwood Solar, LLC, Hecate Energy Highland LLC, Highland Solar Transco Interconnection LLC, Horseshoe Solar, LLC, Hunter Solar LLC, Hunter Solar, LLC, Iris Solar, LLC, Long Lake Solar, LLC, MS Solar 2, LLC, North Star Solar PV LLC, Portal Ridge Solar B, LLC, Portal Ridge Solar C, LLC, Prairie State Solar, LLC, Rancho Seco Solar II LLC, Red Horse III, LLC, Red Horse Wind 2, LLC, River Fork Solar, LLC, Rocket Solar, LLC, Rocking R Solar, LLC, San Juan Solar 1, LLC, Santa Teresa Solar, LLC, Santa Teresa Storage, LLC, Show Me State Solar, LLC, Sigurd Solar LLC, SJS 1 Storage, LLC, SloughHouse Solar, LLC, Solar PV Development NM 18 II LLC, Speedway Solar, LLC, St. James Solar, LLC, Steel Solar, LLC, TPE Alta Luna, LLC, White Tail Solar, LLC, Willow Springs Solar, LLC, Sunlight Road Solar, L.L.C., 311SV 8me LLC, 62SK 8ME LLC, 63SU 8ME LLC, Babacomari Solar North LLC, DESRI Holdings, L.P.

Description: Supplement to 05/29/2026, DESRI Holdings, L.P., et al. tariff filing.

Filed Date: 7/29/26.

Accession Number: 20260729–5156.

Comment Date: 5 p.m. ET 8/10/26.

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER26–1855–000.

Applicants: Exsocert LLC.

Description: Response to 05/12/2026, Deficiency Letter of Exsocert LLC.

Filed Date: 5/13/26.

Accession Number: 20260513–5188.

Comment Date: 5 p.m. ET 8/6/26.

Docket Numbers: ER26–2638–001.

Applicants: Southwest Power Pool, Inc.

Description: Tariff Amendment: Amended Filing—Revisions to Adjust RUC Make Whole Payment Distribution to be effective 12/31/9998.

Filed Date: 8/3/26.

Accession Number: 20260803–5182.

Comment Date: 5 p.m. ET 8/24/26.

Docket Numbers: ER26–2720–001.

Applicants: Southwest Power Pool, Inc.

Description: Tariff Amendment: 1166R48 OMPA NITSA NOA Deferral to be effective 12/31/9998.

Filed Date: 7/31/26.

Accession Number: 20260731–5226.

Comment Date: 5 p.m. ET 8/21/26.

Docket Numbers: ER26–3343–000.

Applicants: SR Quincy Valley, LLC.

¹ See *Black Hills Colo. Elec., LLC*, 184 FERC ¶ 61,171, at P 1 (2023); *Black Hills Power, Inc.*, 183

Description: Report Filing: Supplement to Market-Based Rate Application to be effective N/A.
Filed Date: 7/31/26.
Accession Number: 20260731–5165.
Comment Date: 5 p.m. ET 8/21/26.
Docket Numbers: ER26–3380–000.
Applicants: PJM Interconnection, L.L.C.

Description: 205(d) Rate Filing: Reliability Backstop Procurement to Address Resource Adequacy and Large Loads to be effective 9/29/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5214.
Comment Date: 5 p.m. ET 8/21/26.
Docket Numbers: ER26–3381–000.
Applicants: Edge Solar LLC.

Description: Initial Rate Filing: Baseline new to be effective 9/30/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5216.
Comment Date: 5 p.m. ET 8/21/26.
Docket Numbers: ER26–3382–000.
Applicants: Public Service Company of Colorado.

Description: 205(d) Rate Filing: 2026–07–31 Three Corners Transmn Planning SISA–935–0.0.0 to be effective 9/30/2026.
Filed Date: 7/31/26.
Accession Number: 20260731–5239.
Comment Date: 5 p.m. ET 8/21/26.
Docket Numbers: ER26–3383–000.
Applicants: SF Jasmine, LLC.

Description: 205(d) Rate Filing: SF Jasmine, LLC MBR Tariff to be effective 10/2/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5000.
Comment Date: 5 p.m. ET 8/24/26.
Docket Numbers: ER26–3404–000.
Applicants: New York Independent System Operator, Inc.

Description: Tariff Amendment: Notice of Cancellation: Amnd SGIA Hilltop Solar SA2638 to be effective 10/3/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5088.
Comment Date: 5 p.m. ET 8/24/26.
Docket Numbers: ER26–3405–000.
Applicants: New York Independent System Operator, Inc.

Description: Tariff Amendment: Notice of Cancellation: Amnd SGIA Fairview Solar SA2647 to be effective 10/3/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5093.
Comment Date: 5 p.m. ET 8/24/26.
Docket Numbers: ER26–3406–000.
Applicants: Midcontinent Independent System Operator, Inc.

Description: 205(d) Rate Filing: 2026–08–03 SA 4817 METC-Hackett Energy Storage GIA (E0004) to be effective 7/21/2026.

Filed Date: 8/3/26.
Accession Number: 20260803–5107.
Comment Date: 5 p.m. ET 8/24/26.
Docket Numbers: ER26–3407–000.
Applicants: OSW Project, LLC.
Description: Compliance filing: Compliance Filing to Reflect Grant of Waiver of Certain Affiliate Restrictions to be effective 8/4/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5204.
Comment Date: 5 p.m. ET 8/24/26.
Docket Numbers: ER26–3408–000.
Applicants: Virginia Electric and Power Company.

Description: Compliance filing: Compliance Filing to Reflect Grant of Waiver of Certain Affiliate Restrictions to be effective 8/4/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5207.
Comment Date: 5 p.m. ET 8/24/26.
Docket Numbers: ER26–3409–000.
Applicants: Virginia Electric and Power Company.

Description: Compliance filing: Compliance Filing to Reflect Grant of Waiver of Certain Affiliate Restrictions to be effective 8/4/2026.
Filed Date: 8/3/26.
Accession Number: 20260803–5213.
Comment Date: 5 p.m. ET 8/24/26.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercensearch.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: August 3, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–15979 Filed 8–5–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 14867–003]

Scott's Mill Hydro, 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) regulations, 18 CFR part 380, the Office of Energy Projects has reviewed the application for an original license to construct, operate, and maintain the Scott's Mill Hydroelectric Project No. 14867 (project). The proposed project would be located on the James River in the city of Lynchburg and Bedford and Amherst Counties, Virginia. Commission staff has prepared an Environmental Assessment (EA) for the project.¹

The EA contains staff's analysis of the potential environmental impacts of the project and concludes that licensing the project, with appropriate environmental protective measures, would not constitute a major federal action that would significantly affect the quality of the human environment.

The Commission provides all interested persons with an opportunity to view and/or print the EA via the internet through the Commission's Home Page (<http://www.ferc.gov/>), using the "eLibrary" link. Enter the docket number, excluding the last three digits in the docket number field, to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov, or toll-free at (866) 208–3676, or for TTY, (202) 502–8659.

You may also register online at <https://ferconline.ferc.gov/ferconline.aspx> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

Any comments should be filed on or before 5:00 p.m. Eastern Time on September 2, 2026.

The Commission strongly encourages electronic filing. Please file comments using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 10,000 characters, without prior registration, using the

¹ For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is EAXX–019–20–000–1753779200.

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-14867-003.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

For further information, contact Jody Callihan at (202) 502-8278 or by email at jody.callihan@ferc.gov.

(Authority: 18 CFR 2.1)

Dated: August 3, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-16060 Filed 8-5-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26-557-000]

Gulf South Pipeline Company, LLC; Notice of Request Under Blanket Authorization and Establishing Intervention and Protest Deadline

Take notice that on July 24, 2026, Gulf South Pipeline Company, LLC, 9 Greenway Plaza, Suite 2800, Houston, Texas 77046, filed in the above referenced docket, a prior notice request pursuant to sections 157.205 and 157.208 of the Commission's regulations under the Natural Gas Act (NGA), and Gulf South's blanket certificate issued in Docket No. CP82-430-000, for authorization to construct, own, operate, and maintain approximately 16.11 miles of 16-inch-diameter lateral pipeline from Gulf South's Index 819 to Southwestern Electric Power Company's (SWEPCO) existing Welsh Power Plant. All of the above facilities are located in Titus County, Texas (Welsh Lateral Project). The project will create 277,500 dekatherms per day (Dth/d) of lateral capacity to meet SWEPCO's demand for the firm transportation service needed

to transport natural gas supplies to the Welsh Power Plant, which SWEPCO is converting from coal burning to gas-fired power generation. The estimated cost for the project is \$46.8 million, all as more fully set forth in the request which is on file with the Commission and open to public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (<http://www.ferc.gov>). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. Email the Public Reference Room at public.referenceroom@ferc.gov.

Any questions concerning this request should be directed to Blake Flowers, Senior Regulatory Compliance Analyst, Gulf South Pipeline Company, LLC, 9 Greenway Plaza, Suite 2800, Houston, Texas 77046, by phone at (713) 479-3480, or by email at Blake.Flowers@bwpipelines.com.

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file a protest to the project, you can file a motion to intervene in the proceeding, and you can file comments on the project. There is no fee or cost for filing protests, motions to intervene, or comments. The deadline for filing protests, motions to intervene, and comments is 5:00 p.m. Eastern Time on October 2, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502-6595 or OPP@ferc.gov.

Protests

Pursuant to section 157.205 of the Commission's regulations under the

NGA,¹ any person² or the Commission's staff may file a protest to the request. If no protest is filed within the time allowed or if a protest is filed and then withdrawn within 30 days after the allowed time for filing a protest, the proposed activity shall be deemed to be authorized effective the day after the time allowed for protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request for authorization will be considered by the Commission.

Protests must comply with the requirements specified in section 157.205(e) of the Commission's regulations,³ and must be submitted by the protest deadline, which is 5:00 p.m. Eastern Time on October 2, 2026. Filings that do not meet requirements of 18 CFR 157.205(e)(2)⁴ will not be considered protests by the Commission.⁵ A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

Interventions

Any person has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure⁶ and the regulations under the NGA⁷ by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on October 2, 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

¹ 18 CFR 157.205.

² Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

³ 18 CFR 157.205(e).

⁴ 18 CFR 157.205(e)(2).

⁵ *Cheniere Creole Trail Pipeline, L.P.*, 195 FERC ¶ 61,208, at P 8 n.16 (2026).

⁶ 18 CFR 385.214.

⁷ 18 CFR 157.10.

FERC website at <https://www.ferc.gov/resources/guides/how-to/intervene.asp>.

All timely, unopposed motions to intervene are automatically granted by operation of Rule 214(c)(1). Motions to intervene that are filed after the intervention deadline are untimely and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations. A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Comments

Any person wishing to comment on the project may do so. The Commission considers all comments received about the project in determining the appropriate action to be taken. To ensure that your comments are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on October 2, 2026. The filing of a comment alone will not serve to make the filer a party to the proceeding. To become a party, you must intervene in the proceeding.

How To File Protests, Interventions, and Comments

There are two ways to submit protests, motions to intervene, and comments. In both instances, please reference the Project docket number CP26–557–000 in your submission.

(1) You may file your protest, motion to intervene, and comments by using the Commission's eFiling feature, which is located on the Commission's website (www.ferc.gov) under the link to Documents and Filings. New eFiling users must first create an account by clicking on "eRegister." You will be asked to select the type of filing you are making; first select "General" and then select "Protest", "Intervention", or "Comment on a Filing"; or ⁸

(2) You can file a paper copy of your submission by mailing it to the address below. Your submission must reference the Project docket number CP26–557–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy

Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other method: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of submissions (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or FercOnlineSupport@ferc.gov.

Protests and motions to intervene must be served on the applicant either by mail at: Blake Flowers, Senior Regulatory Compliance Analyst, Gulf South Pipeline Company, LLC, 9 Greenway Plaza, Suite 2800, Houston, Texas 77046 or by email (with a link to the document) at Blake.Flowers@bwpipelines.com. Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online.

Tracking the Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502–6595 or on the FERC website at www.ferc.gov using the "eLibrary" link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to www.ferc.gov/docs-filing/esubscription.asp.

(Authority: 18 CFR 2.1)

Dated: August 3, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–16065 Filed 8–5–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2743–112]

Kodiak Electric Association, Inc.; Notice of Intent To File License Application, Filing of Pre-Application Document (Pad), Commencement of Pre-Filing Process, and Scoping; Request for Comments on the Pad and Scoping Document, and Identification of Issues and Associated Study Requests

a. *Type of Filing:* Notice of Intent to File License Application for a New License and Commencing Pre-filing Process.

b. *Project No.:* 2743–112.

c. *Dated Filed:* June 4, 2026.

d. *Submitted By:* Kodiak Electric Association, Inc. (KEA).

e. *Name of Project:* Terror Lake Hydroelectric Project.

f. *Location:* The project dam is located on Terror Lake, and the project powerhouse is located on the Kizhuyak River, about 20 air miles southwest of the City of Kodiak, on Kodiak Island Borough, Alaska. The project occupies 2,036.82 acres of land within the Kodiak National Wildlife Refuge, administered by the U.S. Fish and Wildlife Service, and 136.34 acres of federal land administered by the U.S. Coast Guard.

g. *Filed Pursuant to:* 18 CFR part 5 of the Commission's Regulations.

h. *Potential Applicant Contact:* Daniel P. Menth, President/CEO, KEA., 1614 Mill Bay Road, Kodiak, Alaska 99615–6234; phone at (907) 486–7707 or email at dmenth@kodiak.coop; or Jennifer H. King, Regulatory Specialist, KEA, 1614 Mill Bay Road, Kodiak, Alaska 99615–6234; phone at (907) 654–7667 or email at jking@kodiak.coop.

i. *FERC Contact:* Amy Chang at (202) 502–6154 or email at amy.chang@ferc.gov.

j. *Cooperating agencies:* Federal, state, local, and tribal agencies with jurisdiction and/or special expertise with respect to environmental issues that wish to cooperate in the preparation of the environmental document should follow the instructions for filing such requests described in item o below. Cooperating agencies should note the Commission's policy that agencies that cooperate in the preparation of the environmental document cannot also intervene. See 94 FERC ¶ 61,076 (2001).

k. With this notice, we are initiating informal consultation with: (a) the U.S. Fish and Wildlife Service and/or NOAA Fisheries under section 7 of the

⁸ Additionally, you may file your comments electronically by using the eComment feature, which is located on the Commission's website at www.ferc.gov under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project.

Endangered Species Act and the joint agency regulations thereunder at 50 CFR, Part 402; (b) NOAA Fisheries under section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act and implementing regulations at 50 CFR 600.920; and (c) the State Historic Preservation Officer, as required by section 106, National Historic Preservation Act, and the implementing regulations of the Advisory Council on Historic Preservation at 36 CFR 800.2.

l. With this notice, we are designating KEA as the Commission's non-federal representative for carrying out informal consultation pursuant to section 7 of the Endangered Species Act, section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act, and section 106 of the National Historic Preservation Act.

m. KEA filed with the Commission a Pre-Application Document (PAD; including a proposed process plan and schedule), pursuant to 18 CFR 5.6 of the Commission's regulations.

n. A copy of the PAD may be viewed on the Commission's website (<http://www.ferc.gov>), using the "eLibrary" link. Enter the docket number, excluding the last three digits in the docket number field to access the document. For assistance, contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). A copy is also available for inspection and reproduction at the address in paragraph h.

Register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filing and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

o. With this notice, we are soliciting comments on the PAD and Commission's staff Scoping Document 1 (SD1), as well as study requests. All comments on the PAD and SD1, and study requests should be sent to the address above in paragraph h. In addition, all comments on the PAD and SD1, study requests, requests for cooperating agency status, and all communications to and from Commission staff related to the merits of the potential application must be filed with the Commission.

The Commission strongly encourages electronic filing. Please file all documents using the Commission's eFiling system at <https://ferconline.ferc.gov/FERCOOnline.aspx>. Commenters can submit brief comments up to 10,000 characters, without prior registration, using the eComment system

at <https://ferconline.ferc.gov/FERCOOnline.aspx>. For assistance, please contact FERC Online Support at FERCOnlineSupport@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, MD 20852. All filings must clearly identify the project name and docket number on the first page: Terror Lake Hydroelectric Project (P-2743-112).

All filings with the Commission must bear the appropriate heading:

"Comments on Pre-Application Document," "Study Requests," "Comments on Scoping Document 1,"

"Request for Cooperating Agency Status," or "Communications to and from Commission Staff." Any individual or entity interested in submitting study requests, commenting on the PAD or SD1, and any agency requesting cooperating status must do so on or before 5:00 p.m. Eastern Time on October 2, 2026.

p. *Scoping Sessions:* Commission staff will hold two scoping sessions in the vicinity of the project at the time and place noted below. All interested individuals, organizations, and agencies are invited to attend one or both of the sessions to provide oral comments. The times and locations of these sessions are as follows:

Evening Scoping Session

Date: Tuesday, September 1, 2026.

Time: 5:30 p.m.–7:30 p.m. Alaska Time (AKT).

Location: Kodiak Public Library.

Address: 612 Egan Way, Kodiak, AK 99615 (Multipurpose Room).

Daytime Scoping Session

Date: Wednesday, September 2, 2026.

Time: 10:00 a.m.–12:00 p.m. AKT.

Location: Kodiak Public Library.

Address: 612 Egan Way, Kodiak, AK 99615 (Multipurpose Room).

Scoping Document 1 (SD1), which outlines the subject areas to be addressed in the environmental document, was mailed to the individuals and entities on the Commission's mailing list. Copies of SD1 will be available at the scoping sessions, or may be viewed on the web at <http://www.ferc.gov>, using the "eLibrary" link. Follow the directions for accessing information in paragraph

n. Based on all oral and written comments, a Scoping Document 2 (SD2) may be issued. SD2 may include a revised process plan and schedule, as well as a list of issues, identified through the scoping process.

Environmental Site Review

Because the project is located in a remote area of Kodiak Island, requiring complex and capacity-limited transportation (floatplanes, boats, and on site vehicles) that can only accommodate a small number of people, an in-person site visit will not occur. In lieu of an in-person site visit, KEA has developed a virtual site tour that includes maps, photos, and descriptions of key project facilities, as well as aerial flyover videos of Terror Lake, Terror Lake Dam and spillway, and the Terror River. The virtual site visit is available at the following link: <https://experience.arcgis.com/experience/92792105fea644b991b19bdb1e005534>.

Scoping Session Objectives

The primary goal of these scoping sessions is to have you identify the specific environmental issues and concerns that should be considered in the environmental document. Commission staff will prepare either an environmental assessment (EA) or an environmental impact statement (EIS) that will present Commission staff's independent analysis of the issues. The Commission's scoping process will help determine the required level of analysis and satisfy the NEPA scoping requirements, irrespective of whether the Commission prepares an EA or an EIS.

Scoping session participants should come prepared to discuss their issues and/or concerns. Please review the PAD and SD1 in preparation for the scoping sessions. Directions on how to obtain a copy of the PAD and SD1 are included in item n. of this document.

Meeting Procedures

The scoping sessions will begin promptly at their respective start times listed above. If you wish to speak, Commission staff will hand out numbers in the order of your arrival. If no additional numbers have been handed out and all individuals who wish to provide comments have had an opportunity to do so, staff may conclude the session a half hour earlier than the scheduled time.

Your oral comments will be recorded by a court reporter (with FERC staff or FERC representative present) and become part of the public record for this proceeding. Transcripts will be publicly available on FERC's eLibrary system

(see paragraph (n) of this notice for instructions on using eLibrary). If a significant number of people are interested in providing oral comments in the one-on-one settings, a time limit of 5 minutes may be implemented for each commentor. Although there will not be a formal presentation, Commission staff will be available throughout the scoping session to answer your questions about the environmental review process. Representatives from KEA will also be present to answer project-specific questions.

Proper conduct will help the sessions maintain a respectful atmosphere for attendees to provide comments effectively. Loudspeakers, lighting, oversized visual aids, other visual or audible disturbances, and disruptive video and photographic equipment are not permitted. Recorded interviews are also not permitted within the session space. FERC reserves the right to end the session if disruptions interfere with the opportunity for individuals to provide oral comments or if there is a safety or security risk.

It is important to note that the Commission provides equal consideration to all comments received, whether filed in written form or provided orally at a scoping session.

q. 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: August 3, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-16063 Filed 8-5-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Notice of Effectiveness of Exempt Wholesale Generator and Foreign Utility Company Status

	Docket Nos.
Clean Flexible Energy LLC	EG26-228-000
Clean Flexible Energy LLC	EG26-229-000
Clean Flexible Energy LLC	EG26-230-000
Clean Flexible Energy LLC	EG26-231-000
Lupinus BESS, LLC	EG26-232-000
Lupinus BESS 2, LLC	EG26-233-000
Lupinus Solar, LLC	EG26-234-000
Lupinus Solar 2, LLC	EG26-235-000
Eagle Springs BESS, LLC	EG26-236-000
Eagle Springs Solar, LLC	EG26-237-000
Cub Storage, LLC	EG26-238-000
Hart Solar Partners, LLC	EG26-239-000

	Docket Nos.
BdPU Solar Nightfall, LLC	EG26-240-000
Felix 2, LLC	EG26-241-000
Crimson Orchard Solar LLC	EG26-242-000
Scioto Ridge Solar LLC	EG26-243-000
Swenson Solar LLC	EG26-244-000
Heritage Solar, LLC	EG26-245-000
Show Me State Solar, LLC	EG26-246-000
Milltown Onsite Generation, LLC ..	EG26-247-000
Blossom Solar, LLC	EG26-248-000
DESRI Carne Interconnection, LLC	EG26-249-000
Bear Branch Solar, LLC	EG26-250-000
Sun Chief Solar Farm, LLC	EG26-251-000
Staccato Storage, LLC	EG26-252-000
Sutton Bridge Power Generation ..	FC26-16-000
GB Flexible Power Limited	FC26-17-000
Conrad (Larport) Limited	FC26-18-000

Take notice that during the months of June and July 2026, the status of the above-captioned entities as Exempt Wholesale Generators or Foreign Utility Companies became effective by operation of the Commission's regulations. 18 CFR 366.7(a) (2025).

Dated: August 3, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026-15977 Filed 8-5-26; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-13542-01-R8]

Clean Air Act Operating Permit Program; Order on Petition for Objection to State Operating Permit for Phillips 66 Pipeline LLC, Denver Terminal

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of final order on petition.

SUMMARY: The Environmental Protection Agency (EPA) Administrator signed an order dated May 19, 2026, denying a petition dated September 19, 2025, from the Center for Biological Diversity (CBD). The petition requested that the EPA object to a Clean Air Act (CAA) operating permit issued by the Colorado Department of Public Health and Environment (CDPHE) to Phillips 66 Pipeline LLC (P66) for its Denver Terminal facility located in Commerce City, Colorado.

FOR FURTHER INFORMATION CONTACT: James Floyd, EPA Region Air and Radiation Division, EPA Region 8, 1595 Wynkoop Street, Mail code: 8ARD-AP-P, Denver, CO 80202, telephone number: (303) 312-6975, email address: *floyd.james@epa.gov*; or Suman Kunwar, EPA Region 8 Air and Radiation Division, telephone number: (303) 312-6095, email address:

kunwar.suman@epa.gov. The final order and petition are available electronically at: <https://www.epa.gov/title-v-operating-permits/title-v-petition-database>.

SUPPLEMENTARY INFORMATION: The EPA received a petition from CBD dated September 19, 2025, requesting that the EPA object to the issuance of title V operating permit no. 96OPAD160, issued by CDPHE to P66—Denver Terminal in Commerce City, Colorado. On May 19, 2026, the EPA Administrator issued an order denying the petition. The order itself explains the basis for the EPA's decision.

Sections 307(b) and 505(b)(2) of the CAA provide that a petitioner may request judicial review of those portions of an order that deny issues in a petition. Any petition for review shall be filed in the United States Court of Appeals for the appropriate circuit no later than October 5, 2026.

Cyrus M. Western,
Regional Administrator, Region 8.
[FR Doc. 2026-15994 Filed 8-5-26; 8:45 am]
BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-13359-01-Region 5]

Public Water System Supervision Program Revision Approvals for the States of Indiana and Illinois

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of tentative.

SUMMARY: Notice is hereby given that the Environmental Protection Agency (EPA) has approved the State of Indiana's revisions to its Public Water System Supervision (PWSS) Program under the federal Safe Drinking Water Act (SDWA) for revisions to four National Primary Drinking Water Regulations (NPDWRs): the Ground Water Rule (GWR), Lead and Copper Rule—Short Term Revisions (LCR-STR), Long-Term 2 Enhanced Surface Water Treatment Rule (LT2 ESWTR), and the Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 D/DBPR). The EPA has determined that the State of Indiana's PWSS program regulations and the revisions thereto are no less stringent than the above corresponding federal regulations and thus give the Indiana Department of Environmental Management primary enforcement responsibility for the GWR, LCR-STR, LT2 ESWTR, and Stage 2 D/DBPR.

Notice is also hereby given that the EPA has approved the State of Illinois' revisions to its PWSS program under SDWA for adoption of the Filter Backwash Recycling Rule (FBRR). The EPA has determined that the State of Illinois' PWSS Program regulations and the revisions thereto are no less stringent than the NPDWR and thus give the Illinois Environmental Protection Agency primary enforcement responsibility for the FBRR.

These determinations on the Indiana and Illinois requests for approval of such primacy enforcement responsibility shall take effect in accordance with procedures described below, subject to timely substantial requests for public hearing. This approval action does not extend to public water systems in Indian Country. By approving this revision, the EPA does not intend to affect the rights of federally recognized Indian Tribes in either Indiana or Illinois, nor does it intend to limit existing rights of either the State of Indiana or the State of Illinois.

DATES: Any interested party may request a public hearing on this determination. A request for a public hearing must be submitted by September 8, 2026. The EPA Region 5 Regional Administrator may deny frivolous or insubstantial requests for a hearing. If a substantial request for a public hearing is made by September 8, 2026, EPA Region 5 will hold a public hearing, and a notice of such hearing will be published in the **Federal Register** and a newspaper of general circulation. Any request for a public hearing shall include the following information: the name, address, and telephone number of the individual, organization, or other entity requesting a hearing; a brief statement of the requesting person's interest in the Regional Administrator's determination; a brief statement of the information that the requesting person intends to submit at such hearing; and the signature of the individual making the request, or, if the request is made on behalf of an organization or other entity, the signature of a responsible official of the organization or other entity.

If EPA Region 5 does not receive a timely and appropriate request for a hearing and the Regional Administrator does not elect to hold a hearing upon her own motion, this determination shall become final and effective on September 8, 2026 and no further public notice will be issued.

ADDRESSES: To receive copies of documents related to this determination, please contact Stacy Meyers at email address: meyers.stacy@epa.gov

epa.gov or telephone number: (312) 886-0880.

Documents relating to the determination regarding Indiana are available for inspection at the following locations during normal business hours and when the offices are open: Indiana Department of Environmental Management, Drinking Water Branch, 100 N. Senate Avenue, Indianapolis, IN 46204; and the U.S. Environmental Protection Agency Region 5, Ground Water and Drinking Water Branch (WG-15J), 77 W Jackson Blvd., Chicago, IL 60604.

Documents relating to the determination regarding Illinois are available for inspection at the following locations during normal business hours and when the offices are open: Illinois Environmental Protection Agency, Division of Legal Counsel, 2520 W Iles Ave. Springfield, Illinois 62794-9276; and the U.S. Environmental Protection Agency Region 5, Ground Water and Drinking Water Branch (WG-15J), 77 W. Jackson Blvd., Chicago, IL 60604.

FOR FURTHER INFORMATION CONTACT: Stacy Meyers, EPA Region 5, Ground Water and Drinking Water Branch, at the address given above, by telephone at (312) 886-0880, or at meyers.stacy@epa.gov.

Authority: Section 1413 of the Safe Drinking Water Act, 42 U.S.C. 300g-2, and the federal regulations implementing Section 1413 of the Act set forth at 40 CFR part 142.

Dated: July 27, 2026.

Anne Vogel,

Regional Administrator, Region 5.

[FR Doc. 2026-15998 Filed 8-5-26; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OPP-2025-0029; FRL-13544-02-OCSP]

Cancellation Order for Certain Pesticide Registrations and/or Amendments To Terminate Uses (From February 19, 2026, Notice)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: This notice announces EPA's order for the cancellations and/or amendments to terminate uses, voluntarily requested by the registrants and accepted by the Agency, pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). This cancellation order follows a February 19, 2026, **Federal Register** Notice of

Receipt of Requests from the registrants listed in Table 3 of Unit II, to voluntarily cancel and/or amend to terminate uses of these product registrations. In the February 19, 2026, notice, EPA indicated that it would issue an order implementing the cancellations and/or amendments to terminate uses, unless the Agency received substantive comments within the 30-day comment period that would merit its further review of these requests, or unless the registrants withdrew their requests. EPA is issuing in this notice a cancellation order granting the requested cancellations and/or amendments to terminate uses. Any distribution, sale, or use of the products subject to this cancellation order is permitted only in accordance with the terms of this order, including any existing stocks provisions.

DATES: The cancellations and/or amendments are effective August 6, 2026.

FOR FURTHER INFORMATION CONTACT: Christopher Green, Regulatory & Information Services Division, Office of Mission Critical Operations, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460-0001; telephone number: (202) 566-2707; email address: green.christopher@epa.gov.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this action apply to me?

This action is directed to the public in general and may be of interest to a wide range of stakeholders including environmental, human health, and agricultural advocates; the chemical industry; pesticide users; and members of the public interested in the sale, distribution, or use of pesticides. Since others also may be interested, the Agency has not attempted to describe all the specific entities that may be affected by this action.

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

The docket for this action, identified by docket identification (ID) number EPA-HQ-OPP-2025-0029, is available through <https://www.regulations.gov>. Additional information about dockets generally, along with instructions for visiting the docket in person, is available at <https://www.epa.gov/dockets>.

II. What action is the Agency taking?

This notice announces the cancellations and/or amendments to terminate uses, as requested by registrants, of products registered under

FIFRA section 3 (7 U.S.C. 136a). These registrations are listed in sequence by registration number in Tables 1 and 2 of this unit.

TABLE 1—VOLUNTARY PRODUCT REGISTRATION CANCELLATIONS

Registration No.	Company No.	Product name	Active ingredient
100–1549	100	Quindigo	Azoxystrobin (128810/131860–33–8)—(13.19%), Propiconazole (122101/60207–90–1)—(11.54%), Thiamethoxam (060109/153719–23–4)—(6.59%), lambda-Cyhalothrin (128897/91465–08–6)—(3.3%).
100–1620	100	Clariva Elite Beans	Fludioxonil (071503/131341–86–1)—(.63%), Metalaxyl-M (113502/70630–17–0)—(1.88%), Pasteuria nishizawae Pn1 (016455)—(4.06%), Sedaxane (129223/874967–67–6)—(.63%), Thiamethoxam (060109/153719–23–4)—(12.5%).
239–2785	239	GC 19	Dicamba, dimethylamine salt (029802/2300–66–5)—(.048%), Fluazifop-P-butyl (122809/79241–46–6)—(.07%), Nonanoic acid (217500/112–05–0)—(2%), Triclopyr, triethylamine salt (116002/57213–69–1)—(.056%).
7969–33	7969	Luprosil	Propionic acid (077702/79–09–4)—(99.9%).
7969–234	7969	AC 303757/AC 263499 Herbicide.	Glyphosate, isopropylamine salt (103601/38641–94–0)—(22%), Imazethapyr (128922/81335–77–5)—(1.8%).
60063–56	60063	Torrent G	lambda-Cyhalothrin (128897/91465–08–6)—(1.8%).
63310–19	63310	Rhizopon AA #1 (0.1) ...	Indole-3-butyric acid (046701/133–32–4)—(.1%).
63310–20	63310	Rhizopon AA #2 (0.3) ...	Indole-3-butyric acid (046701/133–32–4)—(.3%).
63310–21	63310	Rhizopon AA #3 (0.8) ...	Indole-3-butyric acid (046701/133–32–4)—(.8%).
OR–200001	7969	Rely 280	Glufosinate (128850/77182–82–2)—(24.5%).
OR–210002	56228	Compound DRC–1339 Concentrate-Livestock Nest & Fodder Deprivations.	Starlicide (009901/7745–89–3)—(97%).
TX–210007	101563	Cimarron Max Part A Herbicide.	Metsulfuron-methyl (122010/74223–64–6)—(60%).
TX–220003	101563	Kontos	Spirotetramat (392201/203313–25–1)—(22.4%).

TABLE 2—VOLUNTARY PRODUCT REGISTRATION AMENDMENTS TO TERMINATE USES

Registration No.	Company No.	Product name	Active ingredient	Uses to be terminated
100–969	100	Scholar Fungicide	Fludioxonil (071503/131341–86–1)—(50%).	Pre-harvest uses on melon and post-harvest uses on citrus, pineapple, pome, tuberous and corm vegetable subgroup 1C, stone fruit, sweet potatoes, tomato, tropical fruit and true yam without prejudice.
70506–554	70506	Enhance AW	Captan (081301/133–06–2)—(19.55%), Carboxin (090201/5234–68–4)—(20%), Imidacloprid (129099/138261–41–3)—(20%).	Rye uses.
85678–78	85678	Lambda-Cyhalothrin Technical.	lambda-Cyhalothrin (128897/91465–08–6)—(96.28%).	Domestic indoor and outdoor uses.

Table 3 of this unit includes the names and addresses of record for all registrants of the products in Tables 1

and 2 of this unit, in sequence by EPA company number. This number corresponds to the first part of the EPA

registration numbers of the products listed above.

TABLE 3—REGISTRANTS OF CANCELLED AND/OR AMENDED PRODUCTS

Company No.	Company name and address
100	Syngenta Crop Protection, LLC, 410 Swing Road, P.O. Box 18300, Greensboro, NC 27419–8300.
239	The Scotts Company, d/b/a The Ortho Group, P.O. Box 190, Marysville, OH 43040.
7969	BASF Agricultural Solutions US, LLC, 2 TW Alexander Drive, Research Triangle Park, NC 27713.
56228	U.S. Department of Agriculture, Animal and Plant Health Inspection Service, 5601 Sunnyside Avenue, Beltsville, MD 20705
60063	Sipcam Agro USA, Inc., 2525 Meridian Pkwy., Durham, NC 27713
63310	Hortus USA Corp., 245 West 24th Street, New York, NY 10011
70506	UPL NA, Inc., P.O. Box 12219, Research Triangle Park, NC 27709
85678	Redeagle International, LLC, Agent Name: Wagner Regulatory Associates, Inc., 7217 Lancaster Pike, Suite A, P.O. Box 640, Hockessin, DE 19707
101563	Bayer Environmental Science, A Division of Bayer CropScience, LLC, 800 N. Lindbergh Blvd., St. Louis, MO 63167

III. Summary of Public Comments Received and Agency Response to Comments

During the public comment period provided, EPA received four comments in response to the February 19, 2026, **Federal Register** notice announcing the Agency's receipt of the requests for voluntary cancellations and/or amendments to terminate uses of products listed in Tables 1, and 2 of Unit II, (91 FR 7979) (FRL-13170-01-OCSP). Three of the comments agree with canceling pesticides which is the purpose of this **Federal Register** Notice. One comment was specific to paraquat, a chemical not listed in this **Federal Register** Notice; therefore, no response will be provided to the comment in this **Federal Register** Notice.

IV. Cancellation Order

Pursuant to FIFRA section 6(f) (7 U.S.C. 136d(f)(1)), EPA hereby approves the requested cancellations and/or amendments to terminate uses of registrations identified in Tables 1 and 2 of Unit II. Accordingly, the Agency hereby orders that the product registrations identified in Tables 1 and 2 of Unit II, are canceled and/or amended to terminate the affected uses. The effective date of the cancellations that are subject of this notice is August 6, 2026. Any distribution, sale, or use of existing stocks of the products identified in Tables 1 and 2 of Unit II, in a manner inconsistent with any of the provisions for disposition of existing stocks set forth in Unit VI, will be a violation of FIFRA.

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

Section 6(f)(1) of FIFRA (7 U.S.C. 136d(f)(1)) provides that a registrant of a pesticide product may at any time request that any of its pesticide registrations be canceled or amended to terminate one or more uses. FIFRA further provides that, before acting on the request, EPA must publish a notice of receipt of any such request in the **Federal Register**. Thereafter, following the public comment period, the EPA Administrator may approve such a request. The notice of receipt for this action was published for comment in the **Federal Register** of February 19, 2026 (91 FR 7979) (FRL-13170-01-OCSP). The comment period closed on March 23, 2026.

VI. Provisions for Disposition of Existing Stocks

Existing stocks are those stocks of registered pesticide products which are currently in the United States, and which were packaged, labeled, and

released for shipment prior to the effective date of the action.

The registrants may continue to sell and distribute existing stocks of products listed in Table 1 of Unit II until August 6, 2027, which is 1 year after publication of this cancellation order in the **Federal Register**. Thereafter, the registrants are prohibited from selling or distributing products listed in Table 1 of Unit II, except for export in accordance with FIFRA section 17 (7 U.S.C. 136o) or for proper disposal.

Now that EPA has approved product labels reflecting the requested amendments to terminate uses, registrants are permitted to sell or distribute products listed in Table 2 of Unit II, under the previously approved labeling until February 7, 2028, a period of 18 months after publication of the cancellation order in this **Federal Register**, unless other restrictions have been imposed. Thereafter, registrants will be prohibited from selling or distributing the products whose labels include the terminated uses identified in Table 2 of Unit II, except for export consistent with FIFRA section 17 or for proper disposal.

Persons other than the registrant may sell, distribute, or use existing stocks of canceled products and/or products whose labels include the terminated uses until supplies are exhausted, provided that such sale, distribution, or use is consistent with the terms of the previously approved labeling on, or that accompanied, the canceled products and/or terminated uses.

Authority: 7 U.S.C. 136 *et seq.*

Dated: August 4, 2026.

Charles Smith,

Director, Registration Division, Office of Pesticide Programs.

[FR Doc. 2026-16076 Filed 8-5-26; 8:45 am]

BILLING CODE 6560-50-P

FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060-XXXX; FR ID 360845]

Information Collection Being Reviewed by the Federal Communications Commission

AGENCY: Federal Communications Commission.

ACTION: Notice; request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork burdens, and as required by the Paperwork Reduction Act of 1995 (PRA), the Federal Communications Commission (FCC or Commission) invites the general public

and other Federal agencies to take this opportunity to comment on the following information collections. Comments are requested concerning: whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; the accuracy of the Commission's burden estimate; ways to enhance the quality, utility, and clarity of the information collected; ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology; and ways to further reduce the information collection burden on small business concerns with fewer than 25 employees.

The FCC may not conduct or sponsor a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

DATES: Written PRA comments should be submitted on or before October 5, 2026. If you anticipate that you will be submitting comments but find it difficult to do so within the period of time allowed by this notice, you should advise the contact listed below as soon as possible.

ADDRESSES: Direct all PRA comments to Cathy Williams, FCC, via email to PRA@fcc.gov and to Cathy.Williams@fcc.gov.

FOR FURTHER INFORMATION CONTACT: For additional information about the information collection, contact Cathy Williams at (202) 418-2918.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 3060-XXXX.

Title: One-Time Information Collection on Submarine Cable Licenses.

Form Number: N/A.

Type of Review: New Collection.

Respondents: Business and other for profit entities and State, Local or Tribal Governments.

Number of Respondents and Responses: 236 respondents; 236 responses.

Estimated Time per Response: 10 hours.

Frequency of Response: One time reporting requirement; third party disclosure.

Obligation To Respond: Required to obtain or retain benefits. The statutory authority for this information collection is contained in Sections 1, 4(i), 4(j), 201-255, 303(r), 403, 413 of the

Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 154(j), 201–255, 303(r), 403, 413, and the Cable Landing License Act of 1921, 47 U.S.C. 34–39, and Executive Order No. 10530, Section 5(a) (May 12, 1954) reprinted as amended in 3 U.S.C. 301.

Total Annual Burden: 2,360 hours.

Total Annual Cost: \$35,400.

Needs and Uses: The Federal Communications Commission (Commission) is requesting that the Office of Management and Budget (OMB) approve a new one-time information collection applicable to all submarine cable landing licensees as adopted in the *Submarine Cable First Report and Order*, FCC 25–49. The *Submarine Cable First Report and Order* modernized the Commission's submarine cable rules to facilitate infrastructure deployment, while strengthening national security. Pursuant to the Cable Landing License Act and Executive Order 10530, the Commission holds broad legal authority to regulate submarine cables that connect to the United States. Under section 35 of title 47, the Commission has legal authority to withhold or revoke a license if such action will "promote the security of the United States."

The *Submarine Cable First Report and Order* was the first major review of the Commission's submarine cable rules since 2001, and updated rules and procedures to streamline and improve the timeliness and transparency of its submarine cable licensing process. The Commission also modernized the definition of submarine cable system to include Submarine Line Terminal Equipment (SLTE) as part of the cable system and adopted common sense measures to presumptively preclude foreign adversaries and other entities from accessing the nation's communications networks. The updates will provide greater certainty for applicants, while making targeted improvements to address national security threats.

In line with the Commission's modernization efforts, the *Submarine Cable First Report and Order* adopted a one-time information collection to obtain information on how many entities currently own or operate SLTE on existing licensed cable systems. The one-time information collection will further inform the Commission about the identities of SLTE owners and operators and their role in operating a portion of the submarine cable system. The one-time collection will also assess for insolvent cables or licensees and require licensees to disclose whether or not their submarine cable systems use equipment or services identified on the Commission's Covered List, uses a third-party foreign adversary service provider, or uses a third-party service provider that can access the submarine cable system from a foreign adversary country.

Federal Communications Commission.

Marlene Dortch,

Secretary, Office of the Secretary.

[FR Doc. 2026–15932 Filed 8–5–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL DEPOSIT INSURANCE CORPORATION

[OMB No. 3064–0057; –0125; –0175]

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. 3064–0057; –0125; –0175). The notices of proposed renewal for these information collections were previously

published in the **Federal Register** on June 4, 2026, allowing for a 60-day comment period. No comments were received.

DATES: Comments must be submitted on or before September 8, 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:** Certified Statement for Quarterly Deposit Insurance Assessment.

OMB Number: 3064–0057.

Form Number: N/A

Affected Public: FDIC-insured depository institutions.

Burden Estimate:

SUMMARY OF ESTIMATED ANNUAL BURDEN

[OMB No. 3064–0057]

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. Quarterly Certified Statement Invoice for Deposit Insurance Assessment, 12 CFR Part 327 (Mandatory).	Reporting (Quarterly)	4,345	4	00:20	5,793
Total Annual Burden (Hours) .....	.....	.....	.....	.....	5,793

Source: FDIC.

General Description of Collection: The FDIC collects deposit insurance assessments on a quarterly basis. Each quarterly assessment is based on an insured depository institution's quarterly report of condition for the prior calendar quarter. The FDIC collects the quarterly assessment associated with certifying the review by officials of the insured institutions to

confirm that the assessment data are accurate and, in cases of inaccuracy, submission of corrected data. There is no change in the substance or methodology of this information collection. The estimated annual burden had decreased by 547 hours, from 6,340 hours in 2024 to 5,793 hours currently, due solely to a decrease in the number of respondents.

2. Title: Foreign Banking and Investment by Insured State Nonmember Banks.

OMB Number: 3064–0125.

Form Number: None.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

SUMMARY OF ESTIMATED ANNUAL BURDEN

[OMB No. 3064–0125]

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. Notices or applications to establish, move, or close a foreign branch, 12 CFR 303.182 (Mandatory).	Reporting (On Occasion).	P 1	1	02:00	2
2. Filings for authorization for foreign branch to engage in activities other than those permitted under 12 CFR 347.115, 12 CFR 303 (Mandatory).	Reporting (On Occasion).	P 1	1	40:00	40
3. Filings to invest in foreign organizations, or to engage in certain activities through foreign organizations, 12 CFR 303.183(b) and 303.121, (Mandatory).	Reporting (On Occasion).	1	1	60:00	60
4. Merger transactions involving foreign organizations, 12 CFR 303.185(b) and 12 CFR 303.62 (Mandatory).	Reporting (On Occasion).	P 1	1	06:00	6
5. Filings by insured state nonmember banks to invest in, or divest its interest in, a foreign organization, 12 CFR 303.183 (Mandatory).	Reporting (On Occasion).	P 1	1	02:00	2
6. Notice of foreign divestiture of foreign organization, 12 CFR 303.183(d) (Mandatory).	Reporting (On Occasion).	P 1	1	01:00	1
7. Document policies and procedures for supervision of foreign activities, 12 CFR 347.116 (Mandatory).	Recordkeeping (Annual)	4	1	400:00	1,600
Total Annual Burden (Hours) .....	.....	.....	.....	.....	1,711

Source: FDIC.

^P Placeholder value—the FDIC expects zero respondents.

General Description of Collection: The Federal Deposit Insurance (FDI) Act requires state nonmember banks to obtain FDIC consent to establish or operate a foreign branch, or to acquire and hold, directly or indirectly, stock or other evidence of ownership in any foreign bank or other entity. The FDI Act also authorizes the FDIC to impose conditions for such consent and to issue

regulations related thereto. This collection is a direct consequence of those statutory requirements. There is no change in the substance or methodology of this information collection. The estimated annual burden has decreased by 33 percent, from 2,577 hours in 2023 to 1,711 hours currently, driven by a reduction in the estimated

number of respondents to IC 3 and IC 7.

3. Title: Interagency Guidance on Sound Incentive Compensation Policies.

OMB Number: 3064–0175.

Form Number: N/A.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

SUMMARY OF ESTIMATED ANNUAL BURDEN

[OMB No. 3064–0175]

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. Initial implementation: Interagency Guidance on Sound Incentive Compensation Practices, 75 FR 36395 (June 25, 2010) (Voluntary).	Recordkeeping (Annual)	1	1	40:00	40
2. Ongoing maintenance and revision: Interagency Guidance on Sound Incentive Compensation Practices, 75 FR 36395 (June 25, 2010) (Voluntary).	Recordkeeping (Annual)	1,776	1	02:00	3,552

SUMMARY OF ESTIMATED ANNUAL BURDEN—Continued
[OMB No. 3064–0175]

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)
Total Annual Burden (Hours)					3,592

Source: FDIC.

General Description of Collection: The Federal banking agencies, including the FDIC, issued guidance for institutions to set expectations regarding incentive-based compensation. Under this Guidance, banks are encouraged to: (i) Have policies and procedures that identify and describe the role(s) of the personnel and units authorized to be involved in incentive compensation arrangements, identify the source of significant risk-related inputs, establish appropriate controls governing these inputs to help ensure their integrity, and identify the individual(s) and unit(s) whose approval is necessary for the establishment or modification of incentive compensation arrangements; (ii) create and maintain sufficient documentation to permit an audit of the organization's processes for incentive compensation arrangements; (iii) have any material exceptions or adjustments to the incentive compensation arrangements established for senior executives approved and documented by its board of directors; and (iv) have its board of directors receive and review, on an annual or more frequent basis, an assessment by management of the effectiveness of the design and operation of the organization's incentive compensation system in providing risk taking incentives that are consistent with the organization's safety and soundness. There is no change in the substance or methodology of this information collection. The estimated annual burden has decreased by 418 hours from 4,010 hours in 2023 to 3,592 hours currently, due to a decrease in the number of respondents.

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, on August 3, 2026.

Jennifer M. Jones,

Deputy Executive Secretary.

[FR Doc. 2026–15988 Filed 8–5–26; 8:45 am]

BILLING CODE 6714–01–P

FEDERAL DEPOSIT INSURANCE CORPORATION

[OMB No. 3064–0112]

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 (PRA), invites the general public and other Federal agencies to take this opportunity to comment on the renewal of the existing information collection described below (OMB Control No. 3064–0112).

DATES: Comments must be submitted on or before October 5, 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 Counsel, 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.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

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:** Real Estate Lending Standards.

OMB Number: 3064–0112.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

SUMMARY OF ESTIMATED ANNUAL BURDEN
[OMB No. 3064–0112]

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. Real Estate Lending Standards, 12 CFR 365 (Mandatory).	Recordkeeping (Annual)	2,647	1	20:00	52,940

SUMMARY OF ESTIMATED ANNUAL BURDEN—Continued
[OMB No. 3064–0112]

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)
Total Annual Burden (Hours)					52,940

Source: FDIC.

General Description of Collection: Section 1828(o) of the Federal Deposit Insurance Act requires each federal banking agency to adopt uniform regulations prescribing real estate lending standards. Part 365 of the FDIC Rules and Regulations, which implements section 1828(o), requires institutions to have real estate lending policies that include (a) limits and standards consistent with safe and sound banking practices; (b) prudent underwriting standards, including loan-to-value ratio (LTV) limits that are clear and measurable; (c) loan administration policies; (d) documentation, approval and reporting requirements; and (e) a requirement for annual review and approval by the board of directors. The rule also establishes supervisory LTV limits and other underwriting considerations in the form of guidelines. There is no change in the substance or methodology of this information collection. The estimated annual burden has decreased by 8,780 hours, from 61,720 hours to 52,940 hours, due to a reduction in the number of respondents.

Request for Comment

Comments are invited on: (a) whether the collections of information are 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 collections, 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 collections 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, on August 3, 2026.

Jennifer M. Jones,
Deputy Executive Secretary.

[FR Doc. 2026–15992 Filed 8–5–26; 8:45 am]

BILLING CODE 6714–01–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 August 21, 2026.

A. Federal Reserve Bank of Chicago (Christopher Koopmans, Senior Vice President) 230 South LaSalle Street, Chicago, Illinois 60690–1414. Comments can also be sent

electronically to

Comments.applications@chi.frb.org:

1. *Amanda Brooke Boger and Natalie Blyth Boger, both of Lexington, North Carolina; and certain minor children, all of Covington, Indiana;* to join the White Family Control Group, a group acting in concert, to acquire voting shares of Piper Holdings, Inc., and thereby indirectly acquire voting shares of The Fountain Trust Company, both of Covington, Indiana.

Board of Governors of the Federal Reserve System.

Erin Cayce,

Assistant Secretary of the Board.

[FR Doc. 2026–16046 Filed 8–5–26; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION

Privacy Act of 1974; System of Records

AGENCY: Federal Trade Commission (FTC).

ACTION: Notice of modified systems of records.

SUMMARY: The FTC proposes to modify its Privacy Act system of records notices (SORNs) by adding a routine use to four specific SORNs to comply with Executive Order 14249, *Protecting America's Bank Account Against Fraud, Waste, and Abuse*, and OMB Memorandum M–25–32, *Preventing Improper Payments and Protecting Privacy Through Do Not Pay*. The FTC is also separately making technical changes to three of these SORNs.

DATES: Comments must be submitted by September 8, 2026. These routine uses, which are being published in proposed form, will become final and effective on October 5, 2026, without further notice unless otherwise amended or repealed by the Commission on the basis of any comments received.

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write “Privacy Act of 1974; System of Records: FTC File No. P072104” on your comment, and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex S), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: G. Richard Gold, Attorney, Office of the General Counsel, FTC, 600 Pennsylvania Avenue NW, Washington, DC 20580, email: rgold@ftc.gov, phone: (202) 326-3355.

SUPPLEMENTARY INFORMATION:

Request for Comments

For the FTC to consider a comment, we must receive it on or before September 8, 2026. Your comment, including your name and your State, will be placed on the public record of this proceeding, including the <https://www.regulations.gov> website.

You can file a comment online or on paper. Due to heightened security screening, postal mail addressed to the Commission will be subject to delay. We encourage you to submit your comments online through the <https://www.regulations.gov> website.

If you file your comment on paper, write “Privacy Act of 1974; System of Records: FTC File No. P072104,” on your comment and on the envelope, and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex S), Washington, DC 20580.

Because your comment will become publicly available at <https://www.regulations.gov>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other State identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical

records or other individually identifiable health information. In addition, your comment should not include any “trade secret or any commercial or financial information which . . . is privileged or confidential”—as provided by section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2)—including, in particular, competitively sensitive information, such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must (1) be filed in paper form, (2) be clearly labeled “Confidential,” and (3) comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. See FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted publicly at www.regulations.gov, we cannot redact or remove your comment unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before September 8, 2026. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Analysis To Aid Public Comment

In accordance with the Privacy Act of 1974, 5 U.S.C. 552a, this document provides public notice that the FTC is proposing to add one new routine use to the SORNs for FTC-III-2—Travel Management System, FTC-III-3—Financial Management System, FTC-III-4—Automated Acquisitions System, and FTC-III-5—Employee Transportation Program Records, to comply with E.O. 14249. The Privacy Act authorizes the agency to adopt routine uses that are compatible with the purpose for which the information is collected. 5 U.S.C. 552a(b)(3); *see also* 5 U.S.C. 552a(a)(7).

On March 28, 2025, President Trump issued E.O. 14249, “Protecting America’s Bank Account Against Fraud, Waste, and Abuse,”¹ which states in relevant part² that—

Within 90 days of the date of this order [*i.e.*, by June 23, 2025], agency heads shall review and modify, as applicable, their relevant system of records notices under the Privacy Act of 1974 to include a ‘routine use’ that allows for the disclosure of records to the Department of the Treasury for the purposes of identifying, preventing, or recouping fraud and improper payments, to the extent permissible by law.

On August 20, 2025, Russell T. Vought, the Director of OMB, issued guidance that advised³ each Senior Agency Official for Privacy, in consultation with the agency’s Chief Financial Officer and Chief Information Officer, to consider adding a routine use that includes the following language:

To the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a state (meaning a state of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a state-administered, federally funded program.

After completing the required review of agency Privacy Act systems and to ensure compliance with E.O. 14249, the Commission proposes to add a new routine use applicable to four agency Privacy Act SORNs using the language set out immediately above from the OMB guidance. This includes FTC-III-2—Travel Management System, FTC-III-3—Financial Management System, FTC-III-4—Automated Acquisitions System, and FTC-III-5—Employee Transportation Program Records.

The FTC believes that it is compatible with the collection of information pertaining to individuals to disclose Privacy Act records about them when, in doing so, it will help with Administration priorities to help identify, prevent, or recoup fraud and improper payments, to the extent permissible by law. E.O. 14249 specifically directs the FTC and other agencies to ensure that sharing for such purposes is authorized by the agencies’ Privacy Act systems’ routine uses. The FTC believes the proposed routine use should not affect the privacy protections

¹ 90 FR 14011 (Mar. 28, 2025).

² Section 3(d) of E.O. 14249.

³ OMB Memorandum M-25-32, *Preventing Improper Payments and Protecting Privacy Through Do Not Pay* (Aug. 20, 2025).

of individuals. Adding this routine use to four specific SORNs is a reasonable step to help the Administration, the FTC, and the Department of Treasury identify, prevent, or recoup fraud or improper payments, and is compatible with the purpose of the collection. In addition, the proposed routine use cannot override statutory restrictions on sharing information.⁴ Accordingly, the Commission concludes that it is authorized under the Privacy Act to adopt the proposed routine use permitting disclosure of Privacy Act records for the purposes described above.

In accordance with the Privacy Act, *see* 5 U.S.C. 552a(e)(4) and (11), the FTC is publishing notice of the proposed routine use and giving the public a 30-day period to comment before adopting them as final. The FTC has provided advance notice of this proposed system notice amendment to OMB and Congress, as required by the Act, 5 U.S.C. 552a(r), and OMB Circular A-108 (2016). The Commission proposes that the new routine uses become effective on October 5, 2026, unless the Commission amends or revokes the routine uses on the basis of any comments received.

Additionally, the FTC is making technical changes to three of these SORNs. For Travel Management System—FTC (FTC-III-2), the FTC is replacing a reference within the routine use section that previously stated the applicable routine uses were those routine uses associated with GSA/GOVT-4, or any successor system notice for that system, with language from ten specific routine uses from GSA/GOVT-4. For Financial Management System—FTC (FTC-III-3), the FTC is replacing a reference within the routine use section to the routine uses associated with Treasury.009 (Treasury Financial Management Systems), or any successor system notice for that system, with language from ten specific routine uses from Treasury.009 (Treasury Financial Management Systems). For Employee Transportation Program Records—FTC (FTC-III-5), the FTC is revising the language of routine use #1 relating to the disclosure to the U.S. Department of Transportation (DOT) for purposes of processing and distributing subsidies to FTC employees and verifying employee compliance with program rules to delete any reference to how DOT may then disclose these records under the applicable DOT routine uses.

Accordingly, the FTC hereby proposes to amend its Systems of Records Notices as follows:

FTC Systems of Records Notices

* * * * *

III. Federal Trade Commission Financial Systems of Records

* * * * *

SYSTEM NAME AND NUMBER:

Travel Management System—FTC (FTC-III-2).

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

Financial Management Office, Federal Trade Commission, 600 Pennsylvania Ave. NW, Washington, DC 20580. This system of records is principally operated and maintained off-site for the FTC under an interagency agreement with the Department of the Treasury's Administrative Resource Center, which is part of the Bureau of Fiscal Services, although this system is also intended to include any miscellaneous official FTC travel data that may be maintained on-site by individual FTC offices and retrieved by name or other personally assigned identifier about individuals on official FTC travel. For other locations where records may be maintained or accessed, *see* Appendix III (Locations of FTC Buildings and Regional Offices), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacyact-systems> and 87 FR 57698 (Sept. 21, 2022).

SYSTEM MANAGER(S):

Chief Financial Officer, Financial Management Office, Federal Trade Commission, 600 Pennsylvania Ave. NW, Washington, DC 20580, email: SORNs@ftc.gov.

* * * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records in this system may be disclosed:

1. To another Federal agency, Travel Management Center (TMC), online booking engine suppliers and the airlines that are required to support the DHS/TSA Secure Flight program. In this program, DHS/TSA assumes the function of conducting pre-flight comparisons of airline passenger information to Federal Government watch lists. In order to supply the appropriate information, these mentioned parties are responsible for obtaining new data fields consisting of personal information for date of birth, gender, redress number, and known traveler number. At this time, the redress number is optional and the

known traveler number is for future programs. They may be required to be stored in another phase of the Secure Flight program.

2. To a credit card company for billing purposes, including collection of past due amounts.

3. To a Federal agency by the contractor in the form of itemized statements or invoices, and reports of all transactions, including refunds and adjustments to enable audits of charges to the Federal Government.

4. To a Federal agency in connection with the hiring or retention of an employee; the issuance of a security clearance; the reporting of an investigation; the letting of a contract; or the issuance of a grant, license, or other benefit to the extent that the information is relevant and necessary to a decision.

5. To an authorized appeal or grievance examiner, formal complaints examiner, equal employment opportunity investigator, arbitrator, or other duly authorized official engaged in investigation or settlement of a grievance, complaint, or appeal filed by an employee to whom the information pertains.

6. To the Office of Personnel Management (OPM), the Office of Management and Budget (OMB), or the Government Accountability Office (GAO) when the information is required for program evaluation purposes.

7. To officials of labor organizations recognized under 5 U.S.C. chapter 71 when relevant and necessary to their duties of exclusive representation concerning personnel policies, practices, and matters affecting working conditions.

8. To a travel services provider for billing and refund purposes.

9. To a carrier or an insurer for settlement of an employee claim for loss of or damage to personal property incident to service under 31 U.S.C. 3721, or to a party involved in a tort claim against the Federal Government resulting from an accident involving a traveler.

10. To a credit reporting agency or credit bureau, as allowed and authorized by law, for the purpose of adding to a credit history file when it has been determined that an individual's account with a creditor with input to the system is delinquent.

11. To the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a

⁴ *See, e.g.*, 15 U.S.C. 18a, 46(f) and 57b-2.

State (meaning a State of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a State-administered, federally funded program.

For other ways that the Privacy Act permits the FTC to use or disclose system records outside the agency, see Appendix I (Authorized Disclosures and Routine Uses Applicable to All FTC Privacy Act Systems of Records), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and at 83 FR 55541, 55542–55543 (Nov. 6, 2018).

* * * *

HISTORY:

82 FR 50872–50882 (November 2, 2017); 75 FR 52749–52751 (August 27, 2010); 73 FR 33591–33634 (June 12, 2008).

* * * *

SYSTEM NAME AND NUMBER:

Financial Management System—FTC (FTC–III–3).

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

Financial Management Office, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. This system of records is principally operated and maintained off-site for the FTC under interagency agreement with the Department of the Treasury's Administrative Resource Center (ARC), which is part of the Bureau of Fiscal Services. For other locations where records may be maintained or accessed, see Appendix III (Locations of FTC Buildings and Regional Offices), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and 87 FR 57698 (Sept. 21, 2022).

SYSTEM MANAGER(S):

(1) Chief Financial Officer, Financial Management Office, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580, email: SORNs@ftc.gov; (2) The following system manager has overall responsibility for the Federal Financial System: Fiscal Accounting, Assistant Commissioner, Department of the Treasury's Administrative Resource Center (ARC).

* * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records in this system may be disclosed:

1. To a Federal, State, local, or other public authority maintaining civil, criminal or other relevant enforcement information or other pertinent information, which has requested information relevant to or necessary to the requesting agency's, bureau's, or authority's hiring or retention of an individual, or issuance of a security clearance, license, contract, grant, or other benefit;

2. To the news media in accordance with guidelines contained in 28 CFR 50.2 which pertain to an agency's functions relating to civil and criminal proceedings;

3. Through a computer matching program, information on individuals owing debts to the Department of the Treasury, or any of its components, to other Federal agencies for the purpose of determining whether the debtor is a Federal employee or retiree receiving payments which may be used to collect the debt through administrative or salary offset;

4. To other Federal agencies to effect salary or administrative offset for the purpose of collecting debts, except that addresses obtained from the IRS shall not be disclosed to other agencies;

5. To a consumer reporting agency, including mailing addresses obtained from the Internal Revenue Service, to obtain credit reports;

6. To a debt collection agency, including mailing addresses obtained from the Internal Revenue Service, for debt collection services;

7. To unions recognized as exclusive bargaining representatives under the Civil Service Reform Act of 1978, 5 U.S.C. 7111 and 7114, the Merit Systems Protection Board, arbitrators, the Federal Labor Relations Authority, and other parties responsible for the administration of the Federal labor-management program for the purpose of processing any corrective actions, or grievances, or conducting administrative hearings or appeals, or if needed in the performance of other authorized duties;

8. To a public or professional auditing organization for the purpose of conducting financial audit and/or compliance audits;

9. To insurance companies or other appropriate third parties, including common carriers and warehousemen, in the course of settling an employee's claim for lost or damaged property filed with the Commission;

10. To the IRS for any applicable tax reporting purposes;

11. May be disclosed to the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a State (meaning a State of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a State-administered, federally funded program; and

12. To the extent they pertain to FTC acquisition activities, to the General Service Administration's Federal Procurement Data System, a central repository for statistical information on Government contracting, for purposes of providing public access to Government-wide data about agency contract actions.

For other ways that the Privacy Act permits the FTC to use or disclose system records outside the agency, see Appendix I (Authorized Disclosures and Routine Uses Applicable to All FTC Privacy Act Systems of Records), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and at 83 FR 55542–55543 (Nov. 6, 2018).

* * * *

HISTORY:

85 FR 16349–16360 (March 23, 2020); 80 FR 9460–9465 (February 23, 2015); 73 FR 33591–33634 (June 12, 2008).

* * * *

SYSTEM NAME AND NUMBER:

Automated Acquisitions System—FTC (FTC–III–4).

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. This system of records is principally operated and maintained off-site for the FTC under interagency agreement with the Department of the Treasury's Administrative Resource Center (ARC), which is part of the Bureau of Fiscal Services. For other locations where records may be maintained or accessed, see Appendix III (Locations of FTC Buildings and Regional Offices), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and at 87 FR 57698 (Sept. 21, 2022).

SYSTEM MANAGER(S):

Chief, Acquisitions Branch, Financial Management Office, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580, email: SORNs@ftc.gov.

* * * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

1. Records in this system pertaining to FTC acquisition activities may be transmitted or disclosed to the General Service Administration's Federal Procurement Data System, a central repository for statistical information on Government contracting, for purposes of providing public access to Government-wide data about agency contract actions.

2. Records in this system may be disclosed to the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a State (meaning a State of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a State-administered, federally funded program.

For other ways that the Privacy Act permits the FTC to use or disclose system records outside the agency, see Appendix I (Authorized Disclosures and Routine Uses Applicable to All FTC Privacy Act Systems of Records), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and at 83 FR 55542-55543 (Nov. 6, 2018).

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HISTORY:

73 FR 33591-33634 (June 12, 2008).

* * * * *

SYSTEM NAME AND NUMBER:

Employee Transportation Program Records—FTC (FTC—III-5).

SECURITY CLASSIFICATION:

Unclassified.

SYSTEM LOCATION:

Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. For other locations where records may be maintained or accessed, see Appendix III (Locations of FTC Buildings and Regional Offices), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and 87 FR 57698 (Sept. 21, 2022).

SYSTEM MANAGER(S):

Chief Administrative Services Officer, Office of the Chief Administrative Services Officer, Office of the Executive Director, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580, email: SORNs@ftc.gov.

* * * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records in this system:

1. May be disclosed to the U.S. Department of Transportation (DOT) for purposes of processing and distributing subsidies to FTC employees and verifying employee compliance with program rules;

2. May be disclosed to the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a State (meaning a State of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a State-administered, federally funded program; and

3. May be disclosed to other investigatory or law enforcement authorities, where necessary, to investigate, prosecute, discipline, or pursue other appropriate action against suspected program fraud or abuse, if any.

For other ways that the Privacy Act permits the FTC to use or disclose system records outside the agency, see Appendix I (Authorized Disclosures and Routine Uses Applicable to All FTC Privacy Act Systems of Records), available on the FTC's website at <https://www.ftc.gov/about-ftc/foia/foia-reading-rooms/privacy-act-systems> and at 83 FR 55542-55543 (Nov. 6, 2018).

* * * * *

HISTORY:

87 FR 964-974 (January 7, 2022); 82 FR 50871-50882 (November 2, 2017); 73 FR 33591-33634 (June 12, 2008).

By direction of the Commission.

April J. Tabor,
Secretary.

[FR Doc. 2026-15955 Filed 8-5-26; 8:45 am]

BILLING CODE 6750-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Disease Control and Prevention**

[30Day-26-0879]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled "Information Collections to Advance State, Tribal, Local, and Territorial (STLT) Governmental Agency System Performance, Capacity, and Program Delivery" to the Office of Management and Budget (OMB) for review and approval. CDC previously published a "Proposed Data Collection Submitted for Public Comment and Recommendations" notice on May 12, 2026, to obtain comments from the public and affected agencies. CDC received no comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639-7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Direct written

comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

Information Collections to Advance State, Tribal, Local, and Territorial (STLT) Governmental Agency System Performance, Capacity, and Program Delivery (OMB Control No. 0920–0879, Exp. 08/31/2026) - Revision—National Center for State, Tribal, Local, and Territorial Public Health Infrastructure and Workforce (NCSTLTPHIW), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The mission of the Department of Health and Human Services (HHS) is to enhance the health and well-being of all Americans. As part of HHS, CDC conducts critical science and provides health information to people and communities to save lives and protect people from health threats. To this end, CDC and HHS seek to accomplish their mission by collaborating with partners throughout the nation and the world to monitor health, detect and investigate health problems, conduct research to enhance prevention, develop and advocate sound public health policies, implement prevention strategies, promote healthy behaviors, foster safe

and healthful environments, and provide leadership and training.

In 2011, CDC obtained OMB approval to establish a Generic Clearance for the purpose of facilitating information collection related to domestic public health issues and services that affect and/or involve State, Tribal, Local, and Territorial (STLT) government entities. Since that time, the Generic Clearance has been used to collect information supporting the work of a wide variety of CDC/ATSDR programs and STLT partnerships.

In 2026, CDC seeks OMB approval to continue the Generic Clearance. There are no proposed changes to its purpose and scope, however, the requested number of responses and total burden hours will be reduced based on CDC review of past utilization and revised projections for future use. As in previous approval cycles, the respondent universe will be comprised of STLT governmental staff or delegates acting on behalf of an STLT agency involved in the provision of essential public health services in the United States. Delegate is defined as a governmental or non-governmental agent (agency, function, office or individual) acting for a principal or submitted by another to represent or act on their behalf. The STLT agency is represented by an STLT entity or delegate with a task to protect and/or improve the public's health.

The information to be collected may be used to: (1) assess situational awareness of current public health emergencies; (2) make decisions that

affect planning, response and recovery activities for subsequent emergencies; (3) fill CDC and HHS gaps in knowledge of programs and/or STLT governments that will strengthen surveillance, epidemiology, and laboratory science; and (4) improve CDC's support and technical assistance to states and communities.

CDC and HHS will conduct brief data collections across a range of public health topics related to essential public health services. CDC will continue to seek OMB approval of each information collection under the Generic Clearance by submitting a project-specific request that describes project purpose and methodology. Utilization of the Generic Clearance may vary by year and project. For purposes of estimating overall capacity for the generic, CDC estimates up to 15 data collections with state, tribal, and territorial governmental staff or delegates, and five data collections with local/county/municipal/city governmental staff or delegates will be conducted on an annual basis. The burden per response is estimated at one hour but individual projects may request higher or lower burden per response. Approximately 95% of STLT data collections will be web-based and 5% will be conducted through interviews or focus groups conducted by telephone, in-person, or virtually.

CDC requests OMB approval for 27,000 hours of total estimated annualized burden for all projects. OMB approval is requested for three years. There are no costs to respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
State, Territorial, or Tribal government staff or delegates.	Web, Paper, Telephone or In-Person Survey, Interview, or Focus Group.	800	15	1
Local, County, City, or Municipal government staff or delegates.	Web, Paper, Telephone or In-Person Survey, Interview, or Focus Group.	3,000	5	1

Jeffrey M. Zirger,

Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.

[FR Doc. 2026–15980 Filed 8–5–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–1175]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information

collection request titled “Environmental Public Health Tracking Network (Tracking Network)” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection Submitted for Public Comment and Recommendations” notice on April 21, 2026 to obtain comments from the public and affected agencies. CDC did not receive comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639-7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395-5806. Provide written comments within 30 days of notice publication.

Proposed Project

Environmental Public Health Tracking Network (Tracking Network) (OMB Control No. 0920-1175, Exp. 08/31/2026)—Revision—National Center for Environmental Health (NCEH), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

CDC is submitting a three-year Paperwork Reduction Act (PRA) Revision for the information collection request (ICR) Environmental Public Health Tracking Network (Tracking Network) (OMB Control No. 0920-1175, Exp. 08/31/2026). This information

collection is sponsored by the Environmental Public Health Tracking Branch (Tracking Branch), Division of Environmental Health Science and Practice (DEHSP), National Center for Environmental Health (NCEH) at CDC.

In September 2000, the Pew Environmental Health Commission issued a report entitled *America's Environmental Health Gap: Why the Country Needs a Nationwide Health Tracking Network*. The Commission documented a critical gap in "knowledge that hinders our national efforts to reduce or eliminate diseases that might be prevented by better managing environmental factors" due largely to the fact that existing environmental health systems were inadequate and fragmented. They described a lack of data for the leading causes of mortality and morbidity, a lack of data on exposure to hazards, a lack of environmental data with applicability to public health, and barriers to integrating and linking existing data. To address this critical gap, the Commission recommended a Nationwide Health Tracking Network for disease and exposures. In response to the report and this critical gap, Congress appropriated funds in the fiscal year 2002 budget for the CDC to establish the National Environmental Public Health Tracking Program (Tracking Program) and Tracking Network and has appropriated funds each year thereafter to continue this effort.

The Tracking Program includes State and Local Health Departments (SLHD) and other partners which collaborate to: (1) build and maintain the Tracking Network; (2) advance the practice and science of environmental public health tracking; (3) communicate information to guide environmental health policies and actions; (4) enhance tracking workforce and infrastructure; and (5) foster collaborations between health and environmental programs.

In spring of 2022, under Notice of Funding Opportunity CDC-RFA-EH22-2202, the CDC's Tracking Program funded 33 state and local public health programs (funded SLHD). These recipients were selected through a competitive objective review process and are managed as CDC cooperative agreements. Awards are for five years and are renewed through an Annual Performance Report (APR)/Continuation Application. The Tracking Program collects data from recipients about their activities and progress for the purposes of program evaluation and monitoring (hereafter referenced as program data). The Tracking Program also collects data

from radon testing labs to integrate into the Tracking Network.

Environmental public health tracking is the ongoing collection, integration, analysis, and dissemination of health, exposure, and hazard data (hereinafter referenced as Tracking Network data) to inform public health actions that protect the population from harm resulting from exposure to environmental contaminants. The Tracking Network provides data from existing health, exposure, and hazard surveillance systems and supports ongoing efforts within the public health and environmental sectors to improve data collection, accessibility, and dissemination as well as analytic and response capacity. Data that were previously collected for different purposes and stored in separate state and local systems are now available in a nationally standardized format allowing programs to begin bridging the gap between health and the environment.

CDC is requesting approval for a Revision of the previously approved ICR. This request has an increase in the number of annual respondents, from 37 to 47, with a decrease in overall responses (599 to 522) and overall burden hours (14,041 to 12,348). In spring of 2022, under the new 5-year NOFO No. CDC-RFA-EH22-2202, CDC's Tracking Program funded 33 state and local public health programs (funded SLHD). The approval number reflects the current 33 SLHD respondents plus four to allow for future funding of new SLHD or to collect voluntary responses from unfunded SLHD as well as 10 radon testing labs. Data from recipients or other SLHD are submitted annually following standardized procedures. Tracking Network data submitted annually by recipients and other SLHD to the Tracking Program include six datasets and the metadata form, specifically: (1) birth defects prevalence; (2) drinking water monitoring; (3) emergency department visits; (4) hospitalizations; (5) radon testing for SLHD and radon labs; (6) biomonitoring; and (7) metadata. The Tracking Program uses Research Electronic Data Capture (REDCap) for its Electronic Data Capture System (EDCS) needs, which is an easy-to-use, free software tool useful for programmatic deliverable management and data capture. Using an EDCS significantly reduces the burden by optimizing the data capture method to eliminate the need for personnel to complete manual data cleaning and organization before using data for analysis and evaluation upon submission.

Based on the above changes, CDC is requesting OMB approval for an estimated 12,348 annual burden hours.

There is no cost to respondents other than their time to participate.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondent	Form name	Number of respondents	Number of responses per respondent	Avg. burden per response (in hrs.)
State and local Health Department (SLHD) ...	Birth Defects Prevalence Form	30	1	40
	Drinking Water Monitoring Form	37	1	50
	Emergency Department Visits Form	37	1	40
	Hospitalizations Form	37	1	40
	Radon Testing Form (combined form)	25	1	50
	Biomonitoring Form	8	1	40
	Metadata Records	37	2	20
	Environmental Public Health Tracking Work Plan—REDCap.	33	1	21
	Program Accomplishments and Public Health Actions Report—REDCap.	33	2	20
	Performance Measures Report—REDCap	33	1	20
	PHA Impact Follow-up—REDCap	33	2	15/60
	Communications Plan Template	33	1	2
	Web Stats Template	33	1	1
	Radon Testing Form (combined form)	10	1	50
Radon Testing Labs				

Jeffrey M. Zirger,

*Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.*

[FR Doc. 2026–15981 Filed 8–5–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day-26–0259; Docket No. CDC–2026–1321]

Proposed Data Collection Submitted for Public Comment and Recommendations

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice with comment period.

SUMMARY: The Centers for Disease Control and Prevention (CDC), as part of its continuing effort to reduce public burden and maximize the utility of government information, invites the general public and other federal agencies the opportunity to comment on a proposed information collection, as required by the Paperwork Reduction Act of 1995. This notice invites comment on a proposed information collection project titled HIV Capacity Building Assistance (CBA) Program: Data Management, Monitoring, and Evaluation. This data collection aims to determine the short- and long-term outcomes of the CDC HIV CBA program

and support continuous quality improvement.

DATES: CDC must receive written comments on or before October 5, 2026.

ADDRESSES: You may submit comments, identified by Docket No. CDC–2026–1321 by either of the following methods:

- *Federal eRulemaking Portal:* www.regulations.gov. Follow the instructions for submitting comments.
- *Mail:* Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road, NE, MS H21–8, Atlanta, Georgia 30329.

Instructions: All submissions received must include the agency name and Docket Number. CDC will post, without change, all relevant comments to www.regulations.gov.

Please note: Submit all comments through the Federal eRulemaking portal (www.regulations.gov) or by U.S. mail to the address listed above.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the information collection plan and instruments, contact Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road, NE, MS H21–8, Atlanta, Georgia 30329; Telephone: 404–639–7570; Email: omb@cdc.gov.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. In addition, the PRA also

requires federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each new proposed collection, each proposed extension of existing collection of information, and each reinstatement of previously approved information collection before submitting the collection to the OMB for approval. To comply with this requirement, we are publishing this notice of a proposed data collection as described below.

The OMB is particularly interested in comments that will help:

1. Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
2. Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
3. Enhance the quality, utility, and clarity of the information to be collected;
4. Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses; and
5. Assess information collection costs.

Proposed Project

HIV Capacity Building Assistance (CBA) Program: Data Management,

Monitoring, and Evaluation—New—National Center for HIV, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Centers for Disease Control and Prevention (CDC) requests approval of non-research program evaluation project that will be conducted to evaluate the CDC HIV Capacity Building Assistance (CBA) program funded under PS24–0020: Capacity Building Assistance for HIV Prevention Programs to End the HIV Epidemic in the United States.

The CDC National Center for HIV, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), Division of HIV Prevention (DHP) is charged with the mission to promote health and quality of life by preventing HIV infection and reducing HIV-related illness and death in the United States. CDC is a key partner in the *Ending the HIV Epidemic in the U.S.* (EHE) initiative, with the goal to reduce new HIV infections by at least 90% by 2030. Toward this aim, DHP partners with and provides CBA to health departments and community-based organizations (CBOs) to improve both individual competencies and organizational capacity to optimally plan, integrate, implement, and sustain

comprehensive HIV prevention programs.

This evaluation aims to assess the short- and long-term outcomes of the HIV CBA program and to provide critical feedback that can be used for continuous program quality improvement. The evaluation questions and performance measures developed for this evaluation are guided by the logic model outcomes documented in PS24–0020. The following evaluation questions serve as the lens through which data collection instruments were developed, data are analyzed, and results are used to improve program activities:

What is the reach of the HIV CBA program?
What is the quality of the HIV CBA services provided?

To what extent do HIV CBA services contribute to improving the knowledge, skills, and competency of the HIV prevention workforce?

To what extent does the HIV CBA program strengthen national partnerships for CDC-funded health departments?

To what extent does the HIV CBA program improve capacity for CDC-funded health departments and community-based organizations?

To what extent do CBA marketing efforts result in greater awareness and utilization of CBA services?

These evaluation questions will be answered using pre-defined performance measures that will be calculated leveraging data collected through a combination of web-based applications and survey instruments that require OMB review and approval prior to use. Web-based applications include the CBA Tracking System (CTS)—a web-based application that allows the HIV prevention workforce to request CBA from the HIV CBA program—and CDC Train—a web-based learning management system. The Post-CBA Survey and the CBA Follow-Up Survey were developed and tailored to meet the evaluation needs of this project. These surveys will be administered through CTS. The Post-CBA Survey will be administered to all CBA participants after CBA has been provided. The CBA Follow-Up Survey will be administered to respondents of the Post-CBA Survey who indicate a role in implementation at set three-month time periods. The following table illustrates the alignment between evaluation questions, logic model outcomes, performance measures, and data sources.

CDC requests OMB approval for an estimated 1,668 annual burden hours. There is no cost to the respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total burden (in hours)
CBA participants/HIV prevention workforce.	Post-CBA Survey	2,000	4	10/60	1,334
CBA participants/HIV prevention workforce.	CBA Follow-Up Survey	500	4	10/60	334
Total .....	.....	.....	.....	.....	1,668

Jeffrey M. Zirger,
Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.
[FR Doc. 2026–15983 Filed 8–5–26; 8:45 am]
BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day-26–1431]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled “Rape prevention and education (RPE) Program” to the Office of Management and Budget (OMB) for review and approval. CDC previously published a “Proposed Data Collection Submitted

for Public Comment and Recommendations” notice on May 27, 2026, to obtain comments from the public and affected agencies. CDC received five comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639-7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-5806. Provide written comments within 30 days of notice publication.

Proposed Project

Rape Prevention and Education (RPE) Program (OMB Control No. 0920-1431, Exp. 4/30/2027)—Revision—National Center for Injury Prevention and Control (NCIPC), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Centers for Disease Control and Prevention (CDC) seeks OMB approval for a Revision to Rape Prevention and Education (RPE) Program (OMB Control No. 0920-1431). OMB approval is requested for three years. CDC will

collect data from RPE recipients to assess how recipients are improving prevention infrastructure, implementing and evaluating prevention strategies to expand efforts to prevent sexual assault, and using data to inform prevention action. The RPE program is funded under the Violence Against Women Act (VAWA) and Section 393A(a) of the Public Health Service (PHS) Act (42 U.S.C. 280b-1b(a) and Section 392(a)(1) of the PHS Act (42 U.S.C. 280b-1(a)(1)) legislative authority. Eligible entities are based on the VAWA legislation. The legislative authority requires CDC to fund the RPE Program. The proposed information collection is authorized by the PHS Act, which provides the legislative means for states to advance public health across the lifespan and reduce differences in health outcomes. Section 301(a) of the PHS Act 42 U.S.C. 241(a) authorizes funding grants and cooperative agreements to aid “other appropriate public authorities, scientific institutions, and scientists in the conduct of, and promote the coordination of, research, investigations, experiments, demonstrations, and studies relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases and impairments of man.” The CDC administers the RPE Program, which is authorized under the statutory authorities of the Section 393A of the PHS Act 42 U.S.C. 280b-1a.

Sexual violence (SV) is a major public health problem. One in three women and one in four men experienced sexual violence involving physical contact during their lifetimes. Nearly one in five women and one in 38 men have experienced completed or attempted rape. Sexual violence starts early: one in three female and one in four male rape victims experienced it for the first time between 11–17 years old. CDC’s Division of Violence Prevention (DVP) provides national leadership in prevention of SV perpetration and victimization before it begins (*i.e.*, primary prevention). DVP administers the RPE Program, which provides funding to health departments and SV

coalitions in all 50 states, the District of Columbia (DC), and U.S. territories as well as up to 10 tribal coalitions.

These NOFOs encourage the expansion of strategies implemented and evaluated at the community- and societal-level using a comprehensive approach. Recipients will have an opportunity to: (1) continue to build program and partner capacity to facilitate and monitor the implementation of SV prevention programs, practices, and policies; (2) continue to support state and territorial health departments’ implementation of community- and societal-level programs, practices, and policies to prevent SV; (3) continue to support the implementation of data-driven, comprehensive, evidence-based SV primary prevention strategies, and approaches focused mainly on centering and engaging communities; and (4) continuously conduct data to action activities to inform changes or adaptations to existing SV strategies or on selected and implemented additional strategies.

The RPE Program is the principal federally funded program focused on SV primary prevention. Collecting information about the implementation and outcomes of funded recipients through the online data system, DVP Partners Portal, is crucial to informing SV prevention nationally; enhancing accountability of the use of federal funds; providing timely program reports and responses to information requests, such as Congressional requests mandated by the authorizing legislation; improving real-time communications between CDC and RPE recipients; and strengthening CDC’s capacity to provide responsive data-driven technical assistance and to monitor and evaluate recipients’ progress and performance.

Revisions were made to streamline the reporting process and ensure compliance. CDC requests OMB approval for an estimated 1,137 annual burden hours. This is a decrease from 1,408 hours in the previous approval. There is no cost to respondents other than their time to participate.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
RPE-funded Health Departments (State, DC, and Territories), Sexual Assault Coalitions, Tribal Coalitions and their Designated Delegates.	Annual Performance Report ..	111	1	10
RPE-funded Health Departments (state, DC, and Territories)	Lead Evaluator Survey	53	1	0.5

Jeffrey M. Zirger,

Lead, Information Collection Review Office,
Office of Public Health Ethics and
Regulations, Office of Science, Centers for
Disease Control and Prevention.

[FR Doc. 2026-15982 Filed 8-5-26; 8:45 am]

BILLING CODE 4163-18-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Announcement of the Intent To Award a Single-Source Cooperative Agreement to Burke Law Group, PLLC in Houston, Texas

AGENCY: Office of Refugee Resettlement (ORR), Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

ACTION: Notice of intent to award a single-source cooperative agreement

SUMMARY: The ACF, ORR announces the intent to award a single-source cooperative agreement in an amount of up to \$150,000,000 to Burke Law Group, a law firm headquartered in Houston, Texas. The purpose of this proposed award is to provide legal orientation, legal consultation, and attorney-of-record representation services for eligible unaccompanied alien children (UACs) during immigration proceedings before the Executive Office for Immigration Review (EOIR) and in hearings and proceedings before the U.S. Citizenship and Immigration Services (USCIS) while children remain in ORR care. The proposed award also includes limited discharge-related legal continuity planning and referral support for children exiting ORR care. Under the proposed award, Burke Law Group would provide legal orientation, legal consultation, and attorney-of-record representation services for eligible UACs while they remain in ORR care. The recipient would also provide limited discharge-related legal continuity planning and referral support to assist children in connecting with appropriate post-discharge legal resources.

DATES: The proposed period of performance is August 15, 2026 to August 14, 2027.

FOR FURTHER INFORMATION CONTACT: Reina Byrd, Assistant Deputy Director, Unaccompanied Alien Children Bureau, 330 C St SW, Washington, DC 20201. Telephone: (202) 256-9497, Reina.Byrd@acf.hhs.gov.

SUPPLEMENTARY INFORMATION: ORR announces the intent to award a single-

source cooperative agreement to Burke Law Group to provide legal orientation, legal consultation, and attorney-of-record representation services, as required under 8 U.S.C. 1232(c)(5), 45 CFR 410.1309(a), and the preliminary injunction in *Community Legal Services In East Palo Alto, et. al. v. HHS, et. al.*, No. 4:25-cv-02847 (N.D. Cal.), for eligible UACs during immigration proceedings before EOIR and in hearings and proceedings before USCIS while children remain in ORR care. The proposed award also includes limited discharge-related legal continuity planning and referral support.

The proposed award would expand ORR's capacity to provide legal orientation, legal consultation, and attorney-of-record representation services for eligible UACs while complementing existing ORR-funded legal services. Services under the proposed award include legal orientation, legal consultation, and attorney-of-record representation during immigration proceedings before EOIR and USCIS, and limited discharge-related legal continuity planning and referral support.

The proposed award is intended to help address identified gaps in legal orientation, legal consultation, and attorney-of-record representation services for eligible UACs while supporting ORR's statutory responsibility to ensure, to the greatest extent practicable, that eligible UACs have counsel to represent them during immigration proceedings.

Statutory Authority: Section 462 of the Homeland Security Act of 2002, 6 U.S.C. 279, transferred responsibility for the care and custody of UACs to the Office of Refugee Resettlement. In addition, the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008, 8 U.S.C. 1232(c)(4) and (c)(5), requires the Department of Health and Human Services, to the greatest extent practicable and consistent with 8 U.S.C. 1362, to ensure that UACs have counsel to represent them in legal proceedings or matters and to protect them from mistreatment, exploitation, and trafficking.

Dawnisha Helland,

Assistant Principal Deputy Director,
Unaccompanied Alien Children Bureau,
Office of Refugee Resettlement.

[FR Doc. 2026-16081 Filed 8-4-26; 4:15 pm]

BILLING CODE 4184-45-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2026-N-7956]

Authorization of Emergency Use of an In Vitro Diagnostic Device in Response to an Outbreak of Mpox; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the issuance of an Emergency Use Authorization (EUA) (the Authorization) under the Federal Food, Drug, and Cosmetic Act (FD&C Act) in response to an outbreak of Mpox. FDA has issued an Authorization for an in vitro diagnostic device, Allplex HSV-1&2/VZV/MPXV Assay, for the simultaneous qualitative detection and differentiation of viral nucleic acid from monkeypox virus (MPXV clade I/II and MPXV clade II)1, herpes simplex virus type 1 (HSV-1), herpes simplex virus type 2 (HSV-2), and varicella-zoster virus (VZV). The Authorization contains, among other things, conditions on the emergency use of the authorized product. The Authorization follows the August 9, 2022, determination by the Secretary of Health and Human Services (HHS) that there is a public health emergency, or a significant potential for a public health emergency, that affects, or has a significant potential to affect, national security or the health and security of U.S. citizens living abroad, and that involves monkeypox virus. On the basis of such determination, the Secretary of HHS declared, on September 7, 2022, that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of infection with the monkeypox virus, including in vitro diagnostics that detect and/or diagnose infection with non-variola *Orthopoxvirus*, pursuant to the FD&C Act, subject to terms of any authorization issued under that section. The Authorization, which includes an explanation of the reasons for issuance, is listed in this document, and can be accessed on FDA's website from the link indicated.

DATES: The Authorization is effective as of July 9, 2026.

ADDRESSES: Submit written requests for single copies of an EUA to the Office of Policy, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire

Ave., Bldg. 66, Rm. 5441, Silver Spring, MD 20993-0002. Send one self-addressed adhesive label to assist that office in processing your request or include a fax number to which the Authorization may be sent. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the Authorization.

FOR FURTHER INFORMATION CONTACT: Kim Sapsford-Medintz, Office of Product Evaluation and Quality, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 3216, Silver Spring, MD 20993-0002, 301-796-0311 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION:

I. Background

Section 564 of the FD&C Act (21 U.S.C. 360bbb-3) allows FDA to strengthen public health protections against biological, chemical, radiological, or nuclear agent or agents. Among other things, section 564 of the FD&C Act allows FDA to authorize the use of an unapproved medical product or an unapproved use of an approved medical product in certain situations. With this EUA authority, FDA can help ensure that medical countermeasures may be used in emergencies to diagnose, treat, or prevent serious or life-threatening diseases or conditions caused by biological, chemical, radiological, or nuclear agent or agents when there are no adequate, approved, and available alternatives (among other criteria).

II. Criteria for EUA Authorization

Section 564(b)(1) of the FD&C Act provides that, before an EUA may be issued, the Secretary of HHS must declare that circumstances exist justifying the authorization based on one of the following grounds: (1) a determination by the Secretary of Homeland Security that there is a domestic emergency, or a significant potential for a domestic emergency, involving a heightened risk of attack with a biological, chemical, radiological, or nuclear agent or agents; (2) a determination by the Secretary of Defense that there is a military emergency, or a significant potential for a military emergency, involving a heightened risk to U.S. military forces, including personnel operating under the authority of title 10 or title 50 of the U.S. Code, of attack with (A) a biological, chemical, radiological, or nuclear agent or agents; or (B) an agent or agents that may cause, or are otherwise associated with, an imminently life-threatening and specific

risk to U.S. military forces;¹ (3) a determination by the Secretary of HHS that there is a public health emergency, or a significant potential for a public health emergency, that affects, or has a significant potential to affect, national security or the health and security of U.S. citizens living abroad, and that involves a biological, chemical, radiological, or nuclear agent or agents, or a disease or condition that may be attributable to such agent or agents; or (4) the identification of a material threat by the Secretary of Homeland Security pursuant to section 319F-2 of the Public Health Service (PHS) Act (42 U.S.C. 247d-6b) sufficient to affect national security or the health and security of U.S. citizens living abroad.

Once the Secretary of HHS has declared that circumstances exist justifying an authorization under section 564 of the FD&C Act, FDA may authorize the emergency use of a drug, device, or biological product if the Agency concludes that the statutory criteria are satisfied. Under section 564(h)(1) of the FD&C Act, FDA is required to publish in the **Federal Register** a notice of each authorization, and each termination or revocation of an authorization, and an explanation of the reasons for the action. Under section 564(h)(1) of the FD&C Act, revisions to an authorization shall be made available on the internet website of FDA. Section 564 of the FD&C Act permits FDA to authorize the introduction into interstate commerce of a drug, device, or biological product intended for use in an actual or potential emergency when the Secretary of HHS has declared that circumstances exist justifying the authorization of emergency use. Products appropriate for emergency use may include products and uses that are not approved, cleared, or licensed under sections 505, 510(k), 512, or 515 of the FD&C Act (21 U.S.C. 355, 360(k), 360b, or 360e) or section 351 of the PHS Act (42 U.S.C. 262), or conditionally approved under section 571 of the FD&C Act (21 U.S.C. 360ccc).

FDA may issue an EUA only if, after consultation with the HHS Assistant Secretary for Preparedness and Response, the Director of the National Institutes of Health, and the Director of the Centers for Disease Control and Prevention (to the extent feasible and appropriate given the applicable

¹ In the case of a determination by the Secretary of Defense, the Secretary of HHS shall determine within 45 calendar days of such determination, whether to make a declaration under section 564(b)(1) of the FD&C Act, and, if appropriate, shall promptly make such a declaration.

circumstances), FDA² concludes: (1) that an agent referred to in a declaration of emergency or threat can cause a serious or life-threatening disease or condition; (2) that, based on the totality of scientific evidence available to FDA, including data from adequate and well-controlled clinical trials, if available, it is reasonable to believe that (A) the product may be effective in diagnosing, treating, or preventing (i) such disease or condition or (ii) a serious or life-threatening disease or condition caused by a product authorized under section 564, approved or cleared under the FD&C Act, or licensed under section 351 of the PHS Act, for diagnosing, treating, or preventing such a disease or condition caused by such an agent and (B) the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product, taking into consideration the material threat posed by the agent or agents identified in a declaration under section 564(b)(1)(D) of the FD&C Act, if applicable; (3) that there is no adequate, approved, and available alternative to the product for diagnosing, preventing, or treating such disease or condition; (4) in the case of a determination described in section 564(b)(1)(B)(ii) of the FD&C Act, that the request for emergency use is made by the Secretary of Defense; and (5) that such other criteria as may be prescribed by regulation are satisfied.

No other criteria for issuance have been prescribed by regulation under section 564(c)(4) of the FD&C Act.

III. The Authorization

The Authorization follows the August 9, 2022, determination by the Secretary of HHS that there is a public health emergency, or a significant potential for a public health emergency, that affects, or has a significant potential to affect, national security or the health and security of U.S. citizens living abroad, and that involves monkeypox virus. Notice of the Secretary's determination was provided in the **Federal Register** on August 15, 2022 (87 FR 50090). On the basis of such determination, the Secretary of HHS declared, on September 7, 2022, that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of infection with the monkeypox virus, including in vitro diagnostics that detect and/or diagnose infection with non-variola *Orthopoxvirus*, pursuant to section 564

² The Secretary of HHS has delegated the authority to issue an EUA under section 564 of the FD&C Act to the Commissioner of Food and Drugs.

of the FD&C Act, subject to the terms of any authorization issued under that section. Notice of the Secretary's declaration was provided in the **Federal Register** on September 13, 2022 (87 FR 56074). On July 9, 2026, having concluded that the criteria for issuance of the Authorization under section 564(c) of the FD&C Act are met, FDA issued an EUA to Seegene USA, Inc. for the Allplex HSV-1&2/VZV/MPXV Assay subject to the terms of the Authorization. The Authorization,

which is included below in its entirety after section IV of this document (not including the authorized versions of the fact sheets and other written materials), provides an explanation of the reasons for issuance, as required by section 564(h)(1) of the FD&C Act. Any subsequent revision to the Authorization can be found from FDA's web page at: <https://www.fda.gov/emergency-preparedness-and-response/mcm-legal-regulatory-and-policy->

[framework/emergency-use-authorization](https://www.fda.gov/emergency-preparedness-and-response/mcm-legal-regulatory-and-policy-framework/emergency-use-authorization).

IV. Electronic Access

An electronic version of this document and the full text of the Authorization is available on the internet and can be accessed from <https://www.fda.gov/emergency-preparedness-and-response/mcm-legal-regulatory-and-policy-framework/emergency-use-authorization>.

BILLING CODE 4164-01-P



July 09, 2026

Sharon Young
Senior Manager Regulatory Affairs
Seegene USA, Inc.
141 Innovation Drive
Irvine, CA 92617

Device: Allplex HSV-1&2/VZV/MPXV Assay
EUA Number: EUA250001
Company: Seegene USA, Inc.
Indication: This test is authorized for the simultaneous qualitative detection and differentiation of viral nucleic acid from monkeypox virus (MPXV clade I/II and MPXV clade II)¹, herpes simplex virus type 1 (HSV-1), herpes simplex virus type 2 (HSV-2), and varicella-zoster virus (VZV) in human lesion swab specimens (i.e., swabs of acute pustular or vesicular rash) from individuals suspected of viral infection consistent with mpox² by their healthcare provider.
Emergency use of this test is limited to authorized laboratories.
Authorized Laboratories: Testing is limited to laboratories certified under the Clinical Laboratory Improvement Amendments of 1988 (CLIA), 42 U.S.C. §263a, that meet requirements to perform high complexity tests.

Dear Sharon Young:

This letter is in response to your³ request that the Food and Drug Administration (FDA) issue an Emergency Use Authorization (EUA) for emergency use of your product,⁴ pursuant to Section 564 of the Federal Food, Drug, and Cosmetic Act (the Act) (21 U.S.C. §360bbb-3).

¹ On August 12, 2022, following a meeting convened by the World Health Organization (WHO) monkeypox virus variants were renamed to align with current best practices under the International Classification of Diseases and the WHO Family of International Health Related Classifications (WHO-FIC). This letter will refer to the former Congo Basin (Central African) clade as clade one (I) and the former West African clade as clade two (II). Refer to: <https://www.who.int/news/item/12-08-2022-monkeypox--experts-give-virus-variants-new-names>.

² On November 28, 2022, following a series of consultations with global experts, the World Health Organization (WHO) began using a new preferred term "mpox" as a synonym for monkeypox, the disease cause by the monkeypox virus. Refer to: <https://www.who.int/news/item/28-11-2022-who-recommends-new-name-for-monkeypox-disease>.

³ For ease of reference, this letter will use the term "you" and related terms to refer to Seegene USA, Inc.

⁴ For ease of reference, this letter will use the term "your product" to refer to the Allplex HSV-1&2/VZV/MPXV Assay used for the indication identified above.

On August 9, 2022, pursuant to Section 564(b)(1)(C) of the Act, the Secretary of the Department of Health and Human Services (HHS) determined that there is a public health emergency, or a significant potential for a public health emergency, that affects or has a significant potential to affect national security or the health and security of United States citizens living abroad that involves monkeypox virus.⁵ Pursuant to Section 564 of the Act, and on the basis of such determination, the Secretary of HHS then declared on September 7, 2022 that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of infection with the monkeypox virus, including in vitro diagnostics that detect and/or diagnose infection with non-variola *Orthopoxvirus*, subject to the terms of any authorization issued under Section 564(a) of the Act.⁶

FDA considered the totality of scientific information available in authorizing the emergency use of your product for the indication above. A summary of the performance information FDA relied upon is contained in the “Allplex HSV-1&2/VZV/MPXV Assay Instructions for Use.” Viral infections caused by MPXV, HSV-1, HSV-2, and VZV can have similar clinical presentation and diagnostic considerations. Thus, to differentially detect monkeypox virus, information from a test that detects and differentiates the virus that causes mpox and HSV-1, HSV-2 and VZV viruses is needed. There is an FDA-cleared test for the qualitative detection of non-variola *Orthopoxvirus*, that includes monkeypox virus, but this is not an adequate and available alternative to your product.⁷

Having concluded that the criteria for issuance of this authorization under Section 564(c) of the Act are met, I am authorizing the emergency use of your product, described in the Scope of Authorization of this letter (Section II), subject to the terms of this authorization.

I. Criteria for Issuance of Authorization

I have concluded that the emergency use of your product meets the criteria for issuance of an authorization under Section 564(c) of the Act, because I have concluded that:

1. The monkeypox virus can cause a serious or life-threatening disease or condition, to humans infected by this virus;
2. Based on the totality of scientific evidence available to FDA, it is reasonable to believe that your product may be effective in diagnosing infection with the monkeypox virus, through the simultaneous qualitative detection and differentiation of monkeypox virus (MPXV clade I/II and MPXV clade II), herpes simplex virus type 1 (HSV-1), herpes simplex virus type 2 (HSV-2), and varicella-zoster virus (VZV) DNA, and that the known

⁵ 87 FR 50090 (August 15, 2022)

⁶ 87 FR 56074 (September 13, 2022)

⁷ To date, the FDA-cleared CDC Non-variola *Orthopoxvirus* Real-time PCR Primer and Probe Set (Product Code: PBK; DEN070001, K181205, K221658, K221834, K222558) is the only test available in the United States with FDA clearance for the detection of non-variola *Orthopoxvirus* DNA, including vaccinia, cowpox, monkeypox and ectromelia viruses at varying concentrations. Available information indicates that timely detection of mpox cases in the United States requires wide availability of diagnostic testing to control the spread of this contagious infection and there is currently a need for additional diagnostic testing for monkeypox virus in the United States.

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and potential benefits of your product when used for diagnosing infection with the monkeypox virus, outweigh the known and potential risks of your product; and

3. There is no adequate, approved, and available alternative to the emergency use of your product.⁸

II. Scope of Authorization

I have concluded, pursuant to Section 564(d)(1) of the Act, that the scope of this authorization is limited to the indication above.

Authorized Product Details

Your product is a multiplex real-time polymerase chain reaction (PCR) in vitro diagnostic test (IVD) intended for the simultaneous qualitative detection and differentiation of viral nucleic acid from monkeypox virus (MPXV clade I/II and MPXV clade II), herpes simplex virus type 1 (HSV-1), herpes simplex virus type 2 (HSV-2), and varicella-zoster virus (VZV) in human lesion swab specimens (i.e., swabs of acute pustular or vesicular rash) from individuals suspected of viral infection consistent with mpox by their healthcare provider. Symptoms due to MPXV clade I/II, MPXV clade II, HSV-1, HSV-2, and VZV infection can be similar.

Testing is limited to laboratories certified under the Clinical Laboratory Improvement Amendments of 1988 (CLIA), 42 U.S.C. §263a, that meet requirements to perform high complexity tests.

The device is not intended for use with cerebrospinal fluid or for prenatal screening.

The assay detects and differentiates the presence of MPXV clade I/II, MPXV clade II, HSV-1, HSV-2, and VZV viral nucleic acid targets. Clinical correlation with patient history and other diagnostic information is necessary to determine patient infection status. Positive results are indicative of the presence of MPXV clade I/II and/or MPXV clade II, HSV-1, HSV-2, or VZV nucleic acid but do not rule out bacterial infection or co-infection with other viruses. The agent detected may not be the definite cause of disease. Negative results obtained with this device do not preclude MPXV clade I/II, MPXV clade II, HSV-1, HSV-2, or VZV infection and should not be used as the sole basis for treatment or other patient management decisions. Negative results must be combined with clinical observations, patient history, and epidemiological information.

Your product, is to be used with the Seegene STARlet System (or other authorized system as may be requested under Condition O. below) which automates nucleic acid extraction and PCR plate setup, and the Bio-Rad CFX Opus 96 Dx instrument (or other authorized real-time PCR instrument as may be requested under Condition O. below) for detection and differentiation of the monkeypox virus (MPXV clade I/II and MPXV clade II), HSV-1, HSV-2, and/or VZV nucleic acid targeted sequences using real-time PCR assays, as described in the authorized labeling (described below). The Allplex HSV-1&2/VZV/MPXV Assay includes the materials (or

⁸ No other criteria of issuance have been prescribed by regulation under Section 564(c)(4) of the Act.

Page 4 – Sharon Young, Seegene USA, Inc.

other authorized materials as may be requested under Condition O. below) described in the authorized labeling (described below).

Your product requires control materials (or other authorized control materials as may be requested under Condition O. below) that are described in the authorized labeling. Your product also requires the use of additional authorized materials and authorized ancillary reagents that are not included with your product and are described in the authorized labeling.

The labeling entitled “Allplex HSV-1&2/VZV/MPXV Assay Instructions for Use” (available at <https://www.fda.gov/medical-devices/emergency-use-authorizations-medical-devices/monkeypox-emergency-use-authorizations-medical-devices>), and the following fact sheets pertaining to the emergency use, are required to be made available as set forth in the Conditions of Authorization (Section IV), and are collectively referred to as “authorized labeling”:

- Fact Sheet for Healthcare Providers: Seegene USA, Inc. – Allplex HSV-1&2/VZV/MPXV Assay
- Fact Sheet for Patients: Seegene USA, Inc. – Allplex HSV-1&2/VZV/MPXV Assay

The above described product, when accompanied by the authorized labeling provided as set forth in the Conditions of Authorization (Section IV), is authorized to be distributed to and used by authorized laboratories under this EUA, despite the fact that it does not meet certain requirements otherwise required by applicable federal law.

I have concluded, pursuant to Section 564(d)(2) of the Act, that it is reasonable to believe that the known and potential benefits of your product, when used consistent with the Scope of Authorization of this letter (Section II), outweigh the known and potential risks of your product.

I have concluded, pursuant to Section 564(d)(3) of the Act, based on the totality of scientific evidence available to FDA, that it is reasonable to believe that your product may be effective in diagnosing infection with the monkeypox virus, when used consistent with the Scope of Authorization of this letter (Section II), pursuant to Section 564(c)(2)(A) of the Act.

FDA has reviewed the scientific information available to FDA, including the information supporting the conclusions described in Section I above, and concludes that your product (as described in the Scope of Authorization of this letter (Section II)) meets the criteria set forth in Section 564(c) of the Act concerning safety and potential effectiveness.

The emergency use of your product under this EUA must be consistent with, and may not exceed, the terms of this letter, including the Scope of Authorization (Section II) and the Conditions of Authorization (Section IV). Subject to the terms of this EUA and under the circumstances set forth in the Secretary of HHS's determination under Section 564(b)(1)(C) of the Act described above and the Secretary of HHS's corresponding declaration under Section 564(b)(1) of the Act, your product is authorized for the indication above.

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III. Waiver of Certain Requirements

I am waiving the following requirements for your product during the duration of this EUA:

- Current good manufacturing practice requirements, including the quality management system requirements under 21 CFR Part 820, which incorporates by reference ISO 13485:2016, with respect to the design, manufacture, packaging, labeling, storage, and distribution of your product, but excluding those parts of 21 CFR Part 820 which incorporate by reference ISO 13485:2016 that relate to acceptance activities, nonconforming product, statistical techniques, and complaint files, including, but not limited to: ISO 13485:2016 Clauses 7.5.8, 8.2.2, 8.2.6, 8.3 and 21 CFR 820.35.

IV. Conditions of Authorization

Pursuant to Section 564(e) of the Act, I am establishing the following conditions on this authorization:

Seegene USA, Inc. (You) and Authorized Distributor(s)⁹

- A. Your product must comply with the following labeling requirements pursuant to FDA regulations: the intended use statement (21 CFR 809.10(a)(2), (b)(2)); adequate directions for use (21 U.S.C. 352(f)), (21 CFR 809.10(b)(5), (7), and (8)); appropriate limitations on the use of the device including information required under 21 CFR 809.10(a)(4); and any available information regarding performance of the device, including requirements under 21 CFR 809.10(b)(12).
- B. Your product must comply with those parts of 21 CFR Part 820, which incorporates by reference ISO 13485:2016, that relate to acceptance activities, nonconforming product, statistical techniques, and complaint files, including, but not limited to: ISO 13485:2016 Clauses 7.5.8, 8.2.2, 8.2.6, 8.3 and 21 CFR 820.35.
- C. You and authorized distributor(s) must make your product available with the authorized labeling to authorized laboratories.
- D. You and authorized distributor(s) must make available on your website(s) the authorized labeling.
- E. You and authorized distributor(s) must include a physical copy of the authorized “Allplex HSV-1&2/VZV/MPXV Assay Instructions for Use” with each shipped product to authorized laboratories and must make the authorized “Allplex HSV-1&2/VZV/MPXV Assay Instructions for Use,” electronically available.
- F. You and authorized distributor(s) must inform authorized laboratories and relevant

⁹ “Authorized Distributor(s)” are identified by you, Seegene USA, Inc., in your EUA submission as an entity allowed to distribute your product.

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public health authorities of this EUA, including the terms and conditions herein, and any updates made to your product and authorized labeling.

- G. Through a process of inventory control, you and authorized distributor(s) must maintain records of the authorized laboratories to which your product is distributed and the number of your product distributed.
- H. You and authorized distributor(s) must collect information on the performance of your product. You must report any significant deviations from the established performance characteristics of your product of which you become aware to the Division of Microbiology (DMD)/Office of Health Technology 7 (OHT7): Office of In Vitro Diagnostics /Office of Product Evaluation and Quality (OPEQ)/Center for Devices and Radiological Health (CDRH) (via email: CDRH-EUA-Reporting@fda.hhs.gov).
- I. You and authorized distributor(s) are authorized to make available additional information relating to the emergency use of your product that is consistent with, and does not exceed, the terms of this letter of authorization.

Seegene USA, Inc. (You)

- J. You must register and list consistent with 21 CFR Part 807 within one month of this letter.
- K. You must notify FDA of any authorized distributor(s) of your product, including the name, address, and phone number of any authorized distributor(s).
- L. You must have a signed agreement with each authorized distributor that distribution of the authorized product must be consistent with this Letter of Authorization.
- M. If requested by FDA, you must submit associated documents and records related to your quality management system for FDA review within 48 hours of the request.
- N. You must provide authorized distributor(s) with a copy of this EUA and communicate to authorized distributor(s) any subsequent amendments that might be made to this EUA and its authorized accompanying materials (e.g., Fact Sheets).
- O. You may request modifications to this EUA for your product, including to the Scope of Authorization (Section II in this letter) or to the authorized labeling, including requests to make available additional authorized labeling specific to an authorized distributor. Such additional labeling may use another name for the product but otherwise must be consistent with the authorized labeling, and not exceed the terms of authorization of this letter. Any request for modification to this EUA should be submitted to DMD/OHT7/OPEQ/CDRH and require appropriate authorization from FDA.

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- P. You must have lot release procedures and the lot release procedures, including the study design and statistical power, must ensure that the tests released for distribution have the clinical and analytical performance claimed in the authorized labeling.
- Q. If requested by FDA, you must submit lot release procedures to FDA within 48 hours of the request, including sampling protocols, testing protocols, and acceptance criteria, that you use to release lots of your product for distribution in the U.S.
- R. You must evaluate the analytical limit of detection and assess traceability of your product with any FDA-recommended reference material(s) if requested by FDA.¹⁰ After submission to and concurrence with the data by FDA, you must update your labeling to reflect the additional testing. Such labeling updates will be made in consultation with, and require concurrence of, DMD/OHT7/OPEQ/CDRH.
- S. You must have a process in place to track adverse events and report to FDA pursuant to 21 CFR Part 803.
- T. You must evaluate the impact of monkeypox viral mutations on your product's performance. Such evaluations must occur on an ongoing basis and must include any additional data analysis that is requested by FDA in response to any performance concerns you or FDA identify during routine evaluation. Additionally, if requested by FDA, you must submit records of these evaluations for FDA review within 48 hours of the request. If your evaluation identifies viral mutations that affect the stated expected performance of your device, you must notify FDA immediately (via email: CDRH-EUA-Reporting@fda.hhs.gov).
- U. If requested by FDA, you must update your labeling within 7 calendar days to include any additional labeling risk mitigations identified by FDA regarding the impact of viral mutations on test performance. Such updates will be made in consultation with, and require concurrence of, DMD/OHT7/OPEQ/CDRH.
- V. You must further evaluate the clinical performance of your product using fresh natural clinical specimens in an FDA agreed upon post authorization clinical evaluation study. After submission to and concurrence with the data by FDA, you must update the authorized labeling to reflect the additional testing. Such labeling updates will be made in consultation with, and require concurrence of, DMD/OHT7/OPEQ/CDRH.
- W. If requested by FDA, you must submit records within 48 hours of the request of the instrument qualification procedures performed to verify that the RUO instruments authorized with your product are capable of performing the Allplex HSV-1&2/VZV/MPXV Assay with sufficient accuracy at authorized laboratories, as stated in the authorized labeling.

¹⁰ Traceability refers to tracing analytical sensitivity/reactivity back to an FDA-recommended reference material. FDA may request, for example, that you perform this study in the event that we receive reports of adverse events concerning your product.

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- X. You must submit to DMD/OHT7/OPEQ/CDRH within 3 months of the date of this letter your plan and anticipated timeline to establish and maintain a quality management system that is appropriate for your product's design and manufacture, and that meets the requirements of 21 CFR Part 820.

Authorized Laboratories

- Y. Authorized laboratories that receive your product must notify the relevant public health authorities of their intent to run your product prior to initiating testing.
- Z. Authorized laboratories using your product must have a process in place for reporting test results to healthcare providers and relevant public health authorities, as appropriate.
- AA. Authorized laboratories using your product must include with test result reports, all authorized Fact Sheets. Under exigent circumstances, other appropriate methods for disseminating these Fact Sheets may be used, which may include mass media.
- BB. Authorized laboratories using your product must use your product as outlined in the authorized labeling. Deviations from the authorized procedures, including the authorized instruments, authorized extraction methods, authorized clinical specimen types, authorized control materials, authorized other ancillary reagents and authorized materials required to use your product are not permitted.
- CC. Authorized laboratories must have a process in place to track adverse events and report to you (Customer Support: support.seegeneusa@seegene.com) and to FDA pursuant to 21 CFR Part 803.
- DD. All operators using your product must be appropriately trained in performing and interpreting the results of your product, use appropriate personal protective equipment when handling your product, and use your product in accordance with the authorized labeling.

Seegene USA, Inc. (You), Authorized Distributor(s) and Authorized Laboratories

- EE. You, authorized distributor(s), and authorized laboratories must collect information on the performance of your product and must report any significant deviations from the established performance characteristics of your product of which they become aware to DMD/OHT7/OPEQ/CDRH (via email: CDRH-EUA-Reporting@fda.hhs.gov) In addition, authorized distributor(s) and authorized laboratories report to you (via email: support.seegeneusa@seegene.com).
- FF. You, authorized distributor(s), and authorized laboratories using your product must ensure that any records associated with this EUA, are maintained until otherwise notified by FDA. Such records must be made available to FDA for inspection upon request.

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Conditions Related to Printed Materials, Advertising and Promotion

- GG. All descriptive printed matter, advertising and promotional materials relating to the use of your product shall be consistent with the authorized labeling, as well as the terms set forth in this EUA and meet the requirements set forth in section 502(a), (q)(1), and (r) of the Act, as applicable, and FDA implementing regulations.
- HH. No descriptive printed matter, advertising or promotional materials relating to the use of your product may represent or suggest that this test is safe or effective for the detection of monkeypox virus or other non-variola orthopoxviruses.
- II. All descriptive printed matter, advertising and promotional materials relating to the use of your product shall clearly and conspicuously state that:
- This product has not been FDA cleared or approved, but has been authorized for emergency use by FDA under an EUA for use by the authorized laboratories;
 - This product has been authorized only for the detection and differentiation of nucleic acid from monkeypox virus, herpes simplex virus type 1, herpes simplex virus type 2, and varicella-zoster virus, not for any other viruses or pathogens; and
 - The emergency use of this product is only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of infection with the monkeypox virus, including in vitro diagnostics that detect and/or diagnose infection with non-variola *Orthopoxvirus*, under Section 564(b)(1) of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 360bbb-3(b)(1), unless the declaration is terminated or authorization is revoked sooner.

The emergency use of your product as described in this letter of authorization must comply with the conditions and all other terms of this authorization.

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V. Duration of Authorization

This EUA will be effective until the declaration that circumstances exist justifying the authorization of the emergency use of in vitro diagnostics for detection and/or diagnosis of infection with the monkeypox virus, including in vitro diagnostics that detect and/or diagnose infection with non-variola *Orthopoxvirus*, is terminated under Section 564(b)(2) of the Act or the EUA is revoked under Section 564(g) of the Act.

Sincerely,

//s//

Ellen J. Flannery, J.D.
Deputy Center Director for Policy
Director, Office of Policy
Center for Devices and Radiological Health
Food and Drug Administration

Enclosure

Grace R. Graham,

Deputy Commissioner for Policy, Legislation,
and International Affairs.

[FR Doc. 2026-15964 Filed 8-5-26; 8:45 am]

BILLING CODE 4164-01-C

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-1998-D-0038]

Evaluating the Safety of Antimicrobial New Animal Drugs With Regard to their Microbiological Effects on Bacteria of Human Health Concern; 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 final guidance for industry (GFI) #152 entitled "Evaluating the Safety of Antimicrobial New Animal Drugs with Regard to their Microbiological Effects on Bacteria of Human Health Concern." This guidance document informs interested parties about FDA's current method for evaluating potential microbiological effects of antimicrobial new animal drugs on bacteria of human health concern as part of the new animal drug application process.

DATES: The announcement of the guidance is published in the **Federal Register** on August 6, 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-1998-D-0038 for "Evaluating the Safety of Antimicrobial New Animal Drugs with Regard to their Microbiological Effects on Bacteria of Human Health Concern." 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: Ron Miller, Center for Veterinary Medicine, Food and Drug Administration, 5001 Campus Drive, College Park, MD 20740, 240-402-0795, ron.miller@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

In 2003, FDA issued GFI #152, entitled "Evaluating the Safety of Antimicrobial New Animal Drugs with Regard to their Microbiological Effects on Bacteria of Human Health Concern." GFI #152 outlines a qualitative risk assessment methodology as a process for evaluating foodborne antimicrobial resistance concerns related to the use of antimicrobial drugs in food-producing animals. GFI #152 also contains an appendix, commonly referred to as "Appendix A," in which FDA ranks antimicrobial drugs according to their relative importance to human medicine: "critically important," "highly important," or "important." As stated in the guidance, the drug/drug class rankings provided in the Appendix are intended specifically to inform one component of the described qualitative risk assessment methodology, and they are not intended to be used as a standalone guide for antimicrobial use in veterinary practice or otherwise to serve as a standalone risk management tool.

The list, as published in 2003, of medically important antimicrobial drugs

in Appendix A reflects FDA's thinking at the time of publication. It was envisioned at the time of publication of GFI #152 that the Agency would reassess the rankings provided in Appendix A periodically to confirm that the rankings are consistent with contemporary practices and needs. As noted in GFI #152, the development of new antimicrobial drugs for human therapy, the emergence or re-emergence of diseases in humans, and changes in prescribing practices, are some factors that may cause the human medical importance rankings to change over time.

Given the considerable advances in science that have taken place since 2003, new relevant information has become available. In light of those advances and the new information now available, FDA published a document in the **Federal Register** of October 13, 2020 (85 FR 64481), announcing a public meeting and requesting comments on a concept paper entitled "Potential Approach for Ranking of Antimicrobial Drugs According to Their Importance in Human Medicine: A Risk Management Tool for Antimicrobial New Animal Drugs." FDA received more than 60 comment submissions from pharmaceutical companies, academia, organizations, and private citizens on this concept paper. In the **Federal Register** of December 19, 2022 (87 FR 77619), FDA announced the availability of draft revised GFI #152 entitled "Evaluating the Safety of Antimicrobial New Animal Drugs with Regard to their Microbiological Effects on Bacteria of Human Health Concern." Interested parties were originally given until March 20, 2023, to comment on the guidance. In the **Federal Register** of March 7, 2023 (88 FR 14170), FDA extended the comment period for the guidance to May 19, 2023.

FDA received over 9,200 comments on the draft guidance that appear to have been the result of 2 write-in campaigns. These campaigns asked FDA to "quit delaying efforts to stop the overuse of antibiotics in meat production," "stop allowing the meat industry to use antibiotics to counter unhealthy conditions in livestock facilities," "treat all drugs used in human medicine as medically important. . .," and said that "FDA must make a plan for updating [the list of medically important drugs in Appendix A] more frequently." With the exception of the comment that FDA should treat all drugs used in human medicine as medically important, these comments expressed broad policy views and did not address specific recommendations in the draft guidance.

Twenty-two comments outside of the write-in campaigns were submitted by animal pharmaceutical companies, food animal producers, veterinarians, consumer and public health interest groups, a State agriculture department, and other organizations and individuals. These comments offered feedback and suggestions addressing specific recommendations in the draft guidance.

FDA considered all comments as we finalized the guidance. In the final guidance, we made several changes, including: providing a more detailed description of hazard characterization; combining sections of the guidance discussing Application of Risk Management Strategies and Risk Management; clarifying why the ranking of medically important drugs in Appendix A should not be used alone to dictate risk management decisions, but instead be used to inform one component of the risk assessment process as described in the guidance; and addressing why FDA excludes topicals in our ranking of medically important antimicrobials. In addition, we made editorial changes to improve clarity.

This level 1 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 "Evaluating the Safety of Antimicrobial New Animal Drugs with Regard to their Microbiological Effects on Bacteria of Human Health Concern." 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.

FDA considered the applicability of Executive Order 14192, per OMB guidance in M-25-20, and finds this action to be neither regulatory nor deregulatory under this E.O.

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/animal-veterinary/guidance-regulations/guidance->

<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. 2026-15951 Filed 8-5-26; 8:45 am]

BILLING CODE 4164-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Agency Information Collection Activities: Proposed Collection: Public Comment Request; Information Collection Request Title: Organ Procurement and Transplantation Network Board of Directors and Committee Member Applications and Forms

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice.

SUMMARY: In compliance with the requirement for opportunity for public comment on proposed data collection projects of the Paperwork Reduction Act of 1995, HRSA announces plans to submit an Information Collection Request (ICR), described below, to the Office of Management and Budget (OMB). Prior to submitting the ICR to OMB, HRSA seeks comments from the public regarding the burden estimate, below, or any other aspect of the ICR.

DATES: Comments on this ICR should be received no later than October 5, 2026.

ADDRESSES: Submit your comments to paperwork@hrsa.gov or mail the HRSA Information Collection Clearance Officer, Room 13N82, 5600 Fishers Lane, Rockville, Maryland 20857.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the data collection plans and draft instruments, email paperwork@hrsa.gov or call Samantha Miller, the HRSA Information Collection Clearance Officer, at (301) 443-3983.

SUPPLEMENTARY INFORMATION: When submitting comments or requesting information, please include the ICR title for reference.

Information Collection Request Title: Organ Procurement and Transplantation Network Board of Directors and Committee Member Applications and Forms, OMB No. 0906-New.

Abstract: The Organ Procurement and Transplantation Network (OPTN) is a

public-private partnership that links professionals involved in the donation, procurement, and transplantation system in the United States. The OPTN focuses on promoting long, healthy, and productive lives for people with organ failure. The OPTN also aims to increase opportunities for transplants, optimize organ use, enhance efficiency, and prioritize patient care. The OPTN Board of Directors (BOD) is authorized by the National Organ Transplant Act of 1984 (*see* 42 U.S.C. 27(b)(1)(B)), and the operation composition of the OPTN BOD are further codified in federal regulation under the regulations implementing the National Organ Transplant Act (*see* 42 CFR 121.3(a)). These regulations also provide that the OPTN BOD shall establish committees as are necessary to perform the duties of the OPTN and describe the composition of these committees (*see* 42 CFR 121.3(a)(4)).

As part of the ongoing OPTN Modernization Initiative (<https://www.hrsa.gov/optn-modernization/learn-more-about-modernization>), HRSA seeks OMB approval of applications to be completed by candidates interested in volunteering to serve on the OPTN BOD and/or on the committees that support the BOD. Members of the OPTN BOD and committees do not receive payment for this work. HRSA also seeks approval of conflict of interest (COI), code of conduct, confidentiality, and attestation forms to be completed by the selected/confirmed members of the OPTN BOD and committees on an annual, tri-annual, or ad hoc basis. The OPTN BOD consists of 35 members who serve 2- to 3-year terms and are supported by 21 committees with a total of approximately 419 members with the same term limits. Select members of the BOD also serve on committee(s) as Visiting Board Members. In addition, there are ad hoc committees or BOD workgroups that may be established to work on time-limited issues, and 20 of these members would fill out the annual COI form as well, as other members already receive the form as per their other OPTN committee roles. Given some committee turnover, there are approximately 505 committee and BOD members filling out the annual COI form and attestation form every year.

Need and Proposed Use of the Information: HRSA and the OPTN

anticipate collecting committee and BOD applications on an annual basis for committee and board openings. Resumes are requested and required for Board applicants and requested but not required for committee applicants. To ensure applicants to the OPTN BOD and committees have the appropriate expertise, the proposed applications will collect information including candidates' professional background, expertise, experience in organ donation and transplantation and areas of interest. The OPTN and its Nominating Committee, with HRSA oversight, will evaluate the applications to analyze qualifications and support a structured nomination and selection process. The application information will help ensure the OPTN governance bodies are composed of individuals with the necessary knowledge, skills, and perspectives to effectively oversee and support the nation's organ donation and transplantation system.

In addition, annual COI disclosures will be collected from BOD and committee members upon their election/selection or annual anniversary. The BOD and Membership and Professional Standards Committee members will also submit COI updates on a triannual basis as well as fill out an ad hoc COI form when needed. HRSA and the OPTN will use information collected via the selected BOD and committee members' COI forms to routinely identify, monitor, prevent, and address actual, potential, or appearances of COI relating to the operation of the OPTN. HRSA will use this information to strengthen oversight and accountability within the OPTN to enhance trust and confidence among stakeholders and the public. Without access to this information, HRSA and the OPTN would be less able to prevent potential conflicts of interest, which could jeopardize the independence and objectivity of the OPTN BOD and committees that inform national organ procurement and transplantation policy.

Upon committee election or appointment and volunteer orientation, BOD and committee members will complete and submit an Attestation Form, Confidentiality Agreement, as well as the Code of Conduct. The Code of Conduct, Confidentiality Agreement, and Attestation are collected to ensure that OPTN BOD and committee members annually acknowledge their

obligations to act in the best interests of the OPTN, comply with applicable ethical and conduct requirements, protect confidential information, and uphold the standards necessary to maintain good standing and public trust in OPTN governance.

Likely Respondents: Respondents completing the application forms will be individuals who express interest in serving in volunteer governance or committee roles within the OPTN. This includes a broad and diverse group of stakeholders involved in or connected to organ donation and transplantation, such as: transplant professionals (*e.g.*, physicians, surgeons, coordinators, administrators), organ procurement organization personnel, histocompatibility experts, researchers, patients, living donors, family members, caregivers, and members of the public with relevant expertise (*e.g.*, ethics, finance, governance, public policy, or operations). Respondents may be employed or unaffiliated individuals and will represent a wide range of professional disciplines, lived experiences, and geographic regions across the United States, helping to support a more dynamic and representative governance process. Respondents completing the COI forms and attestation forms will be individuals who have been elected or appointed to committee and BOD positions for the OPTN.

Burden Statement: Burden in this context means the time expended by persons to generate, maintain, retain, disclose, or provide the information requested in the applications, COI, and attestation forms. This includes the time needed to review instructions; to develop, acquire, install, and utilize technology and systems for the purpose of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; to search data sources; to complete and review the collection of information; and to transmit or otherwise disclose the information. The total annual burden hours estimated for this ICR are summarized in the table below. HRSA calculated estimated burden hours based on internal testing for completing each form.

TOTAL ESTIMATED ANNUALIZED BURDEN HOURS

Form name	Number of respondents	Number of responses per respondent	Total responses	Average burden per response (in hours)	Total burden hours
OPTN BOD Application *	304	1	304	1.50	456.00
OPTN Committee Application *	838	1	838	1.25	1,047.50
OPTN BOD and Committee Annual COI Form	505	1	505	0.17	85.85
OPTN BOD Tri-Annual COI Form	74	3	222	0.08	17.76
OPTN BOD Ad hoc COI Form **	74	24	1,776	0.08	142.08
OPTN Attestation Form	505	1	505	0.08	40.40
OPTN Code of Conduct Form	505	1	505	0.08	40.40
OPTN Confidentiality Agreement	505	1	505	0.08	40.40
Total			5,160		1,870.39

* Estimated responses per year, every 2 to 3 years.

** Board members submit ad hoc conflict-of-interest forms prior to each monthly meeting, and before any ad hoc Board Meeting or Executive Board meeting with specific institution-based discussion.

HRSA specifically requests comments on (1) the necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Amy P. McNulty,

Deputy Director, Executive Secretariat.

[FR Doc. 2026-16054 Filed 8-5-26; 8:45 am]

BILLING CODE 4165-15-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Dental & Craniofacial Research; Notice of Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the National Advisory Dental and Craniofacial Research Council.

The meeting will be open to the public as indicated below, with attendance limited to space available. Individuals who plan to attend and need special assistance, such as sign language interpretation or other reasonable accommodations, should notify the Contact Person listed below in advance of the meeting. The open session will be videocast and can be accessed from the NIH Videocasting website (<https://videocast.nih.gov/watch/c3123b11-02ce-11f1-9f14-124f0a52e769>). Registration is not required to access the videocast.

The meeting will be closed to the public in accordance with the

provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Advisory Dental and Craniofacial Research Council.

Date: September 9, 2026.

Open: 9:30 a.m. to 12:30 p.m.

Agenda: For the discussion of programs; opening remarks; report of the Director, NIDCR; and other business of the Council.

Address: National Institute of Dental Craniofacial Research, 31 Center Drive, Bethesda, MD 20892. Virtual Meeting.

Closed: 12:30 p.m. to 4:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institute of Dental Craniofacial Research, 31 Center Drive, Bethesda, MD 20892. Virtual Meeting

Contact Person: Latarsha J. Carithers, Ph.D., Acting Director, Division of Extramural Activities, National Institutes of Dental and Craniofacial Research, National Institutes of Health, 31 Center Drive, Room 2C39L, Bethesda, MD 20892, (301) 480-4151, latarsha.carithers@nih.gov.

Information is also available on the Institute's/Center's home page: <http://www.nidcr.nih.gov/about>, where an agenda and any additional information for the meeting will be posted when available.

Dated: August 4, 2026.

Rosalind M. Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-16059 Filed 8-5-26; 8:45 am]

BILLING CODE 4167-05-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review, Special Emphasis Panel; Career Development Grants.

Date: August 21, 2026.

Time: 1:00 p.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Kristin Goltry, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 7198, Bethesda, MD 20892, (301) 435-0297, goltrykl@mail.nih.gov.

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: August 3, 2026.

Sterlyn H. Gibson,

Program Specialist, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–15945 Filed 8–5–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Proposed Collection; 60-Day Comment Request: The Impact of Clinical Research Training and Medical Education at the Clinical Center on Physician Careers in Academia and Clinical Research (Clinical Center)

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: In compliance with the requirement of the Paperwork Reduction Act of 1995, for opportunity for public comment on proposed data collection projects, the Clinical Center, the National Institutes of Health (NIH) will publish periodic summaries of proposed projects to be submitted to the Office of Management and Budget (OMB) for review and approval.

DATES: Comments regarding this information collection are best assured of having their full effect if received by October 5, 2026.

FOR FURTHER INFORMATION CONTACT: To obtain a copy of the data collection plans and instruments, contact: Tom Burklow, MD, Office of Clinical Research Training and Medical Education, NIH Clinical Center, National Institutes of Health, 10 Center Drive, Room 1N262, Bethesda, MD 20892–1158, or call non-toll-free number 301–435–8015, or Email your request, including your address to: tom.burklow@nih.gov. *Formal requests for additional plans and instruments must be requested in writing.*

SUPPLEMENTARY INFORMATION: Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires: written comments and/or suggestions from the public and affected agencies are invited to address one or more of the following points: (1) Whether the proposed collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility; (2) The accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and (4) Ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Proposed Collection Title:
Application Process for Clinical

Research Training and Medical Education at the NIH Clinical Center and Its Impact on Course and Training Program Enrollment and Effectiveness, 0925–0698, REVISION, Exp., date October 31, 2026, National Institutes of Health Clinical Center (CC), National Institutes of Health (NIH).

Need and Use of Information

Collection: The primary objective of the application process is to allow the Office of Clinical Research Training and Medical Education (OCRTME) at the NIH Clinical Center to evaluate applicants' qualifications to determine applicants' eligibility for training programs managed by the Office. Applicants must provide the required information requested in the respective applications to be considered a candidate for participation. Information submitted by candidates for training programs is reviewed initially by OCRTME administrative staff to establish eligibility for participation. Eligible candidates are then referred to the designated training program director/administrator or training program selection committee for review and decisions regarding acceptance for participation. Upon acceptance, OCRTME will collect required eligibility documents for respective training programs. A secondary objective of the application process is to track enrollment in training programs over time.

OMB approval is requested for 3 years. There are no costs to respondents other than their time. The total estimated annualized burden hours 400.

ESTIMATED ANNUALIZED BURDEN HOURS

Form name	Type of respondents	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total annual burden hours
Clinical Electives Program	Pre Doctoral Students	300	1	20/60	100
Graduate Medical Education	Physicians	100	1	20/60	33
Medical Research Scholars Program	Pre Doctoral Students	200	1	20/60	67
Resident Electives Program	Physicians	100	1	20/60	33
Bioethics Fellowship Program	Pre Doctoral, Post-Doctoral	200	1	20/60	67
OCRTME Onboarding Application	Pre Doctoral Students	300	1	20/60	100
Total .....	.....	1,200	.....	.....	400

Dated: July 31, 2026.

Frederick D. Vorck Jr.,

Project Clearance Liaison, NIH Clinical Center, National Institutes of Health.

[FR Doc. 2026–16071 Filed 8–5–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HOMELAND SECURITY**Coast Guard****[Docket No. USCG–2025–0351]****Collection of Information Under Review by Office of Management and Budget; OMB Control Number: 1625–0003****AGENCY:** Coast Guard, DHS.**ACTION:** Thirty-day notice requesting comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 the U.S. Coast Guard is forwarding an Information Collection Request (ICR), abstracted below, to the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs (OIRA), requesting an approval of a revision of the following collection of information: 1625–0003, Coast Guard Boating Accident Report Form; with change. Our ICR describes the information we seek to collect from the public. Review and comments by OIRA ensure we only impose paperwork burdens commensurate with our performance of duties.

DATES: You may submit comments to the Coast Guard and OIRA on or before September 8, 2026.

ADDRESSES: Comments to the Coast Guard should be submitted using the Federal eRulemaking Portal at <https://www.regulations.gov>. Search for docket number USCG–2025–0351. Written comments and recommendations to OIRA for the proposed information collection should be sent within 30 days of publication of this notice to <https://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.

A copy of the ICR is available through the docket on the internet at <https://www.regulations.gov>. Additionally, copies are available from: COMMANDANT (CG–C51–P), ATTN: PAPERWORK REDUCTION ACT MANAGER, U.S. COAST GUARD, 2703 MARTIN LUTHER KING JR. AVE SE, STOP 7710, WASHINGTON, DC 20593–7710.

FOR FURTHER INFORMATION CONTACT: A.L. Craig, Office of Privacy Management, telephone (571) 607–4058, or email hqs-dg-m-cg-61-pii@uscg.mil.

SUPPLEMENTARY INFORMATION:**Public Participation and Request for Comments**

This notice relies on the authority of the Paperwork Reduction Act of 1995; 44 U.S.C. chapter 35, as amended. An ICR is an application to OIRA seeking the approval, extension, or renewal of a Coast Guard collection of information (Collection). The ICR contains information describing the Collection’s purpose, the Collection’s likely burden on the affected public, an explanation of the necessity of the Collection, and other important information describing the Collection. There is one ICR for each Collection.

The Coast Guard invites comments on whether this ICR should be granted based on the Collection being necessary for the proper performance of Departmental functions. In particular, the Coast Guard would appreciate comments addressing: (1) the practical utility of the Collection; (2) the accuracy of the estimated burden of the Collection; (3) ways to enhance the quality, utility, and clarity of information subject to the Collection; and (4) ways to minimize the burden of the Collection on respondents, including the use of automated collection techniques or other forms of information technology. These comments will help OIRA determine whether to approve the ICR referred to in this Notice.

We encourage you to respond to this request by submitting comments and related materials. Comments to Coast Guard or OIRA must contain the OMB Control Number of the ICR. They must also contain the docket number of this request, USCG–2025–0351, and must be received by September 8, 2026.

Submitting Comments

We encourage you to submit comments through the Federal eRulemaking Portal at <https://www.regulations.gov>. If your material cannot be submitted using <https://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Documents mentioned in this notice as being available in the docket, and public comments, are in our online docket at <https://www.regulations.gov> and can be viewed by following that website’s instructions. If you go to the online docket and sign up for email alerts, you will be notified when comments are posted.

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 Coast Guard in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020). For more about privacy and submissions to OIRA in response to this document, see the <https://www.reginfo.gov>, comment-submission web page. OIRA posts its decisions on ICRs online at <https://www.reginfo.gov/public/do/PRAMain> after the comment period for each ICR. An OMB Notice of Action on each ICR will become available via a hyperlink in the OMB Control Number: 1625–0003.

Previous Request for Comments

This request provides a 30-day comment period required by OIRA. The Coast Guard published the 60-day notice (90 FR 55145, December 1, 2025) required by 44 U.S.C. 3506(c)(2). That notice elicited one comment. The commenter outlined changes from a Coast Guard Policy Letter dated 26 September 2023 which were not reflected in the proposed ICR. The Coast Guard intends to revise the ICR to “make changes to Coast Guard Boating Accident Report form (CG–3865). These revisions include changes to terminology, clarifications in reporting requirements, and an instructions section from the aforementioned Policy Letter.

Information Collection Request

Title: Coast Guard Boating Accident Report Form (CG–3865).

OMB Control Number: 1625–0003.

Summary: The Coast Guard Boating Accident Report form (CG–3865) is the data collection instrument that ensures compliance with the implementing regulations and 46 U.S.C. 6102(b) that requires the Secretary to collect, analyze and publish reports, information, and statistics on marine casualties.

Need: 46 U.S.C. 6102(a) requires a uniform marine casualty reporting system, with regulations prescribing casualties to be reported and the manner of reporting. The statute requires a State to compile and submit to the Secretary (delegated to the Coast Guard) reports, information, and statistics on casualties reported to the State. Implementing regulations are contained in 33 CFR, SUBCHAPTER S—BOATING SAFETY, PART 173—VESSEL NUMBERING AND CASUALTY AND ACCIDENT REPORTING, Subpart C—Casualty and Accident Reporting and PART 174—STATE NUMBERING AND CASUALTY REPORTING SYSTEMS, Subpart C—Casualty Reporting System Requirements, and Subpart D—State reports.

States are required to forward copies of the reports or electronically transmit accident report data to the Coast Guard within 30 days of their receipt of the report as prescribed by 33 CFR 174.121 (Forwarding of casualty or accident reports). The accident report data and statistical information obtained from the reports submitted by the State reporting authorities are used by the Coast Guard in the compilation of national recreational boating accident statistics. Supplemental guidance for reporting of incidents is published in Coast Guard Office of Auxiliary and Boating Safety Policy Letter 23–01, Change 1 dated 26 September 2023.

Forms: CG–3865, Coast Guard Boating Accident Report.

Respondents: 33 CFR 173.55 requires the operator of any uninspected vessel that is numbered or used for recreational purposes to submit an accident report to the State authority when:

- (1) A person dies; or
- (2) A person is injured and requires medical treatment beyond first aid; or
- (3) Damage to the vessel and other property totals \$2,000 or more, or there is a complete loss of the vessel; or
- (4) A person disappears from the vessel under circumstances that indicate death or injury.

Frequency: On occasion.

Hour Burden Estimate: The estimated burden remains 10,430 a year.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. chapter 35, as amended.

Dated: July 16, 2026.

Bradley E. White,

(Acting) Chief, Office of Privacy Management, U.S. Coast Guard.

[FR Doc. 2026–15969 Filed 8–5–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket No. USCG–2026–0247]

Information Collection Request to Office of Management and Budget; OMB Control Number: 1625–0046

AGENCY: Coast Guard, DHS.

ACTION: Sixty-day notice requesting comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, the U.S. Coast Guard intends to submit an Information Collection Request (ICR) to the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs (OIRA), requesting an

extension of its approval for the following collection of information: 1625–0046, Certificates of Financial Responsibility under the Oil Pollution Act of 1990; without change. Our ICR describes the information we seek to collect from the public. Before submitting this ICR to OIRA, the Coast Guard is inviting comments as described below.

DATES: Comments must reach the Coast Guard on or before October 5, 2026.

ADDRESSES: You may submit comments identified by Coast Guard docket number USCG–2026–0247 to the Coast Guard at <https://www.regulations.gov>. See the “Public participation and request for comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

A copy of the ICR is available through the docket on the internet at <https://www.regulations.gov>. Additionally, copies are available from: COMMANDANT (CG–PM), ATTN: PAPERWORK REDUCTION ACT MANAGER, U.S. COAST GUARD, 2703 MARTIN LUTHER KING JR. AVE SE, STOP 7710, WASHINGTON, DC 20593–7710.

FOR FURTHER INFORMATION CONTACT: A.L. Craig, Office of Privacy Management, telephone (571) 607–4058, or email hqs-dg-m-cg-61-pii@uscg.mil.

SUPPLEMENTARY INFORMATION:

Public Participation and Request for Comments

This notice relies on the authority of the Paperwork Reduction Act of 1995; 44 U.S.C., chapter 35, as amended. An ICR is an application to OIRA seeking the approval, extension, or renewal of a Coast Guard collection of information (Collection). The ICR contains information describing the Collection’s purpose, the Collection’s likely burden on the affected public, an explanation of the necessity of the Collection, and other important information describing the Collection. There is one ICR for each Collection.

The Coast Guard invites comments on whether this ICR should be granted based on the Collection being necessary for the proper performance of Departmental functions. In particular, the Coast Guard would appreciate comments addressing: (1) the practical utility of the Collection; (2) the accuracy of the estimated burden of the Collection; (3) ways to enhance the quality, utility, and clarity of information subject to the Collection; and (4) ways to minimize the burden of the Collection on respondents, including the use of automated

collection techniques or other forms of information technology.

In response to your comments, we may revise this ICR or decide not to seek a reinstatement of the Collection. We will consider all comments and material received during the comment period.

We encourage you to respond to this request by submitting comments and related materials. Comments must contain the OMB Control Number of the ICR and the docket number of this request, USCG–2026–0247, and must be received by October 5, 2026.

Submitting Comments

We encourage you to submit comments through at <https://www.regulations.gov>. If your material cannot be submitted using <https://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Documents mentioned in this notice as being available in the docket, and all public comments, are in our online docket at <https://www.regulations.gov> and can be viewed by following that website’s instructions. If you go to the online docket and sign up for email alerts, you will be notified when comments are posted.

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 in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

Information Collection Request

Title: Certificates of Financial Responsibility under the Oil Pollution Act of 1990.

OMB Control Number: 1625–0046

Summary: The information collection requirements described in this supporting statement are necessary to provide evidence of a respondent’s ability to pay for removal costs and damages associated with discharges or substantial threats of discharges of hazardous material or oil into the navigable waters, adjoining shorelines or the exclusive economic zone of the United States. The requirements are imposed generally on operators and financial guarantors of tank vessels over 100 gross tons and all vessels over 300 gross tons.

Need: If the requested information is not collected, the Coast Guard will be unable to comply with the provisions of the Oil Pollution Act (OPA) of 1990 and Comprehensive Environmental Response, Compensation, and Liability

Act (CERCLA) to ensure that responsible parties have the ability to pay for cleanup costs and damages when there is an oil or hazardous material spill or threat of a spill.

Forms:

- CG-5585, Application for Vessel Certificate of Financial Responsibility (Water Pollution).
- CG-5586-1, Master Insurance Guaranty.
- CG-5586-2, Surety Bond Guaranty.
- CG-5586-3, Financial Guaranty.
- CG-5586-4, Master Financial Guaranty.

Respondents: Vessel operators and approved insurers

Frequency: Annually, to include collection of information on a three-year cycle.

Hour Burden Estimate: Total annual cost is \$380,160. The burden cost to the federal government was updated to reflect 2025 dollars. The reporting requirements and the hours of burden remain unchanged. The estimated burden remains 3,400 hours a year.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. chapter 35, as amended.

Dated: July 16, 2026.

Bradley E. White,

Chief, Office of Privacy Management, U.S. Coast Guard.

[FR Doc. 2026-15968 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket No. USCG-2026-0118]

Information Collection Request to Office of Management and Budget; OMB Control Number: 1625-0015

AGENCY: Coast Guard, DHS.

ACTION: Sixty-day notice requesting comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, the U.S. Coast Guard intends to submit an Information Collection Request (ICR) to the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs (OIRA), requesting an extension of its approval for the following collection of information: 1625-0015, Bridge Permit Application Guide; without change. Our ICR describes the information we seek to collect from the public. Before submitting this ICR to OIRA, the Coast Guard is inviting comments as described below.

DATES: Comments must reach the Coast Guard on or before October 5, 2026.

ADDRESSES: You may submit comments identified by Coast Guard docket number [USCG-2026-0118] to the Coast Guard at <https://www.regulations.gov>. See the “Public participation and request for comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

A copy of the ICR is available through the docket on the internet at <https://www.regulations.gov>. Additionally, copies are available from: COMMANDANT (CG-PM), ATTN: PAPERWORK REDUCTION ACT MANAGER, U.S. COAST GUARD, 2703 MARTIN LUTHER KING JR. AVE, SE, STOP 7710, WASHINGTON, DC 20593-7710.

FOR FURTHER INFORMATION CONTACT: A.L. Craig, Office of Privacy Management, telephone (571) 607-4058, or email hqs-dg-m-cg-61-pii@uscg.mil.

SUPPLEMENTARY INFORMATION:

Public Participation and Request for Comments

This notice relies on the authority of the Paperwork Reduction Act of 1995; 44 U.S.C., chapter 35, as amended. An ICR is an application to OIRA seeking the approval, extension, or renewal of a Coast Guard collection of information (Collection). The ICR contains information describing the Collection's purpose, the Collection's likely burden on the affected public, an explanation of the necessity of the Collection, and other important information describing the Collection. There is one ICR for each Collection.

The Coast Guard invites comments on whether this ICR should be granted based on the Collection being necessary for the proper performance of Departmental functions. In particular, the Coast Guard would appreciate comments addressing: (1) the practical utility of the Collection; (2) the accuracy of the estimated burden of the Collection; (3) ways to enhance the quality, utility, and clarity of information subject to the Collection; and (4) ways to minimize the burden of the Collection on respondents, including the use of automated collection techniques or other forms of information technology.

In response to your comments, we may revise this ICR or decide not to seek a reinstatement of the Collection. We will consider all comments and material received during the comment period.

We encourage you to respond to this request by submitting comments and related materials. Comments must

contain the OMB Control Number of the ICR and the docket number of this request, USCG-2026-0118, and must be received by October 5, 2026.

Submitting Comments

We encourage you to submit comments through at <https://www.regulations.gov>. If your material cannot be submitted using <https://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Documents mentioned in this notice as being available in the docket, and all public comments, are in our online docket at <https://www.regulations.gov> and can be viewed by following that website's instructions. If you go to the online docket and sign up for email alerts, you will be notified when comments are posted.

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 in response to this document, see DHS's eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

Information Collection Request

Title: Bridge Permit Application Guide.

OMB Control Number: 1625-0015.

Summary: The collection of information is a request for a bridge permit submitted as an application for approval by the Coast Guard of any proposed bridge project. An applicant must submit to the Coast Guard a letter of application along with letter-size drawings (plans) and maps showing the proposed project and its location.

Need: 33 U.S.C. 401, 491, and 525 authorize the Coast Guard to approve plans and locations for all bridges and causeways that go over navigable waters of the United States.

Forms: None.

Respondents: Public and private owners of bridges over navigable waters of the United States.

Frequency: On Occasion.

Hour Burden Estimate: The estimated burden for the period FY21-FY23 is 6,611 hours, which averages to 2,204 hours per year.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. chapter 35, as amended.

Dated: July 16, 2026.

Bradley E. White,

Chief, Office of Privacy Management, U.S. Coast Guard.

[FR Doc. 2026-15974 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY**Coast Guard****[Docket No. USCG–2026–0114]****Information Collection Request to Office of Management and Budget; OMB Control Number: 1625–0002****AGENCY:** Coast Guard, DHS.**ACTION:** Sixty-day notice requesting comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, the U.S. Coast Guard intends to submit an Information Collection Request (ICR) to the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs (OIRA), requesting an extension of its approval for the following collection of information: 1625–0002, Applications for Vessel Inspection, Waiver and Continuous Synopsis Record; without change. Our ICR describes the information we seek to collect from the public. Before submitting this ICR to OIRA, the Coast Guard is inviting comments as described below.

DATES: Comments must reach the Coast Guard on or before October 5, 2026.

ADDRESSES: You may submit comments identified by Coast Guard docket number USCG–2026–0114 to the Coast Guard at <https://www.regulations.gov>. See the “Public participation and request for comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

A copy of the ICR is available through the docket on the internet at <https://www.regulations.gov>. Additionally, copies are available from: COMMANDANT (CG–PM), ATTN: PAPERWORK REDUCTION ACT MANAGER, U.S. COAST GUARD, 2703 MARTIN LUTHER KING JR. AVE SE, STOP 7710, WASHINGTON, DC 20593–7710.

FOR FURTHER INFORMATION CONTACT: A.L. Craig, Office of Privacy Management, telephone (571) 607–4058, or email hqs-dg-m-cg-61-pii@uscg.mil.

SUPPLEMENTARY INFORMATION:**Public Participation and Request for Comments**

This notice relies on the authority of the Paperwork Reduction Act of 1995;

44 U.S.C., chapter 35, as amended. An ICR is an application to OIRA seeking the approval, extension, or renewal of a Coast Guard collection of information (Collection). The ICR contains information describing the Collection’s purpose, the Collection’s likely burden on the affected public, an explanation of the necessity of the Collection, and other important information describing the Collection. There is one ICR for each Collection.

The Coast Guard invites comments on whether this ICR should be granted based on the Collection being necessary for the proper performance of Departmental functions. In particular, the Coast Guard would appreciate comments addressing: (1) the practical utility of the Collection; (2) the accuracy of the estimated burden of the Collection; (3) ways to enhance the quality, utility, and clarity of information subject to the Collection; and (4) ways to minimize the burden of the Collection on respondents, including the use of automated collection techniques or other forms of information technology.

In response to your comments, we may revise this ICR or decide not to seek a reinstatement of the Collection. We will consider all comments and material received during the comment period.

We encourage you to respond to this request by submitting comments and related materials. Comments must contain the OMB Control Number of the ICR and the docket number of this request, USCG–2026–0114, and must be received by October 5, 2026.

Submitting Comments

We encourage you to submit comments through at <https://www.regulations.gov>. If your material cannot be submitted using <https://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Documents mentioned in this notice as being available in the docket, and all public comments, are in our online docket at <https://www.regulations.gov> and can be viewed by following that website’s instructions. If you go to the online docket and sign up for email alerts, you will be notified when comments are posted.

We accept anonymous comments. Comments we post to <https://www.regulations.gov>

www.regulations.gov will include any personal information you have provided. For more about privacy and submissions in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

Information Collection Request

Title: Applications for Vessel Inspection, Waiver and Continuous Synopsis Record.

OMB Control Number: 1625–0002.

Summary: The collection of information requires the owner, operator, agent, or master of a vessel to apply in writing to the Coast Guard before the commencement of an inspection for certification, when a waiver is desired from the requirements of navigation and vessel inspection, or to request a Continuous Synopsis Record.

Need: 46 U.S.C. 3306 authorizes the Coast Guard to establish regulations to protect life, property, and the environment. The reporting requirements are part of the Coast Guard’s Marine Safety Program.

Forms:

- CG–2633, Application for Waiver and Waiver Order.
- CG–3752, Application for Inspection of U.S. Vessel.
- CG–6039, Application for Continuous Synopsis Record.

Respondents: Vessel owner, operator, agent, master or interested U.S. Government agency.

Frequency: On occasion, annually, or on a 5-year cycle.

Hour Burden Estimate: The estimated burden has increased from 745 hours to 1,005 hours per year due to an increase in the estimated annual number of responses.

To streamline the inspection application process, the Coast Guard updated form CG–3752 (*Application for Inspection of U.S. Vessel*). This update consolidates the original form and form CG–3752A (*Application for Inspection of U.S. Vessel (New Construction)*) into a single, two-page document.

Respondents only complete the second page if a U.S. vessel is under new construction or entering certificated service. Table 1 shows the updated features and benefits to the public and the Coast Guard.

TABLE 1—IMPROVEMENTS AND JUSTIFICATIONS

Updated feature	Benefits
Consolidated Format	Reduces redundancy and streamlines the application process.

TABLE 1—IMPROVEMENTS AND JUSTIFICATIONS—Continued

Updated feature	Benefits
Interactive Elements	Includes embedded hyperlinks, dropdowns, and electronic signatures to increase efficiency, while retaining manual entry options if needed.
Standardized Fields	Ensure the submitted values align seamlessly with the Coast Guard's internal database.

Despite these structural updates, the estimated burden for the new form remains unchanged.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. chapter 35, as amended.

Dated: July 16, 2026.

Bradley E. White,

Chief, Office of Privacy Management, U.S. Coast Guard.

[FR Doc. 2026–15965 Filed 8–5–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA–2026–0002]

Changes in Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: New or modified Base (1-percent annual chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for each of the communities listed in the table below are finalized. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities.

DATES: Each LOMR was finalized as in the table below.

ADDRESSES: Each LOMR is available for inspection at both the respective Community Map Repository address listed in the table below and online through the FEMA Map Service Center at <https://msc.fema.gov>.

FOR FURTHER INFORMATION CONTACT:

David N. Bascom, Acting Director, Engineering and Modeling Division, National Flood Insurance Program, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final flood hazard determinations as shown in the LOMRs for each community listed in the table below. Notice of these modified flood hazard determinations has been published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

The modified flood hazard determinations are made pursuant to section 206 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and with 44 CFR part 65.

The current effective community number is shown and must be used for all new policies and renewals.

The new or modified flood hazard information is the basis for the

floodplain management measures that the community is required either to adopt or to show evidence of being already in effect in order to remain qualified for participation in the National Flood Insurance Program (NFIP).

This new or modified flood hazard information, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities.

This new or modified flood hazard determinations are used to meet the floodplain management requirements of the NFIP. The changes in flood hazard determinations are in accordance with 44 CFR 65.4.

Interested lessees and owners of real property are encouraged to review the final flood hazard information available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

(Catalog of Federal Domestic Assistance No. 97.022, “Flood Insurance.”)

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Arkansas: Benton (FEMA Docket No.: B–2607.)	City of Rogers (25–06–2464P)..	The Honorable Greg Hines, Mayor, City of Rogers, 301 West Chestnut Street, Rogers, AR 72756..	City Hall, 301 West Chestnut Street, Rogers, AR 72756..	May 18, 2026	050013
Florida: Manatee (FEMA Docket No.: B–2607)	Unincorporated areas of Manatee County (24–04–2966P).	Charlie Bishop, Manatee County Administrator, 1112 Manatee Avenue, West Bradenton, FL 34205.	Manatee County Administration Building, 1112 Manatee Avenue, West Bradenton, FL 34205.	May 11, 2026	120153

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Manatee (FEMA Docket No.: B-2607)	Unincorporated areas of Manatee County (25-04-3476P).	Charlie Bishop, Manatee County Administrator, 1112 Manatee Avenue, West Bradenton, FL 34205.	Manatee County Administration Building, 1112 Manatee Avenue, West Bradenton, FL 34205.	Apr. 30, 2026	120153
Monroe (FEMA Docket No.: B-2607)	Unincorporated areas of Monroe County (25-04-5120P).	The Honorable Michelle Lincoln, Mayor, Monroe County Board of Commissioners, 7280 Overseas Highway, #2, Marathon, FL 33050.	Monroe County Building Department, 2798 Overseas Highway, Suite 300, Marathon, FL 33050.	May 11, 2026	125129
Orange (FEMA Docket No.: B-2607)	City of Orlando (25-04-3707P).	The Honorable Buddy Dyer, Mayor, City of Orlando, 400 South Orange Avenue, Orlando, FL 32801.	Public Works Department, Engineering Division, 400 South Orange Avenue, 8th Floor, Orlando, FL 32801.	Apr. 20, 2026	120186
Pasco (FEMA Docket No.: B-2607)	Unincorporated areas of Pasco County (25-04-2985P).	The Honorable Kathryn Starkey, Chair, Pasco County Board of Commissioners, 8731 Citizens Drive, New Port Richey, FL 34654.	Pasco County Building Construction Services Department, 8661 Citizens Drive, Suite 100, New Port Richey, FL 34654.	May 14, 2026	120230
Pasco (FEMA Docket No.: B-2607)	Unincorporated areas of Pasco County (25-04-4313P).	The Honorable Kathryn Starkey, Chair, Pasco County Board of Commissioners, 8731 Citizens Drive, New Port Richey, FL 34654.	Pasco County Building Construction Services Department, 8661 Citizens Drive, Suite 100, New Port Richey, FL 34654.	Apr. 27, 2026	120230
Polk (FEMA Docket No.: B-2607)	City of Lakeland (25-04-4775P).	The Honorable William "Bill" Mutz, Mayor, City of Lakeland, 228 South Massachusetts Avenue, Lakeland, FL 33801.	City Hall, 228, South Massachusetts Avenue, Lakeland, FL 33801.	May 11, 2026	120267
Polk (FEMA Docket No.: B-2607)	City of Winter Haven (25-04-4498P).	The Honorable Nathaniel J. Birdsong, Jr., Mayor, City of Winter Haven, 451 3rd Street Northwest, Winter Haven, FL 33881.	Building Division, 490 3rd Street Northwest, Winter Haven, FL 33881.	May 21, 2026	120271
Walton (FEMA Docket No.: B-2607)	Unincorporated areas of Walton County (25-04-4072P).	The Honorable Donna Johns, Chair, Walton County Board of Commissioners, P.O. Box 1355, DeFuniak Springs, FL 32433.	Walton County Administrative Office, 76 North 6th Street, DeFuniak Springs, FL 32433.	May 14, 2026	120317
Georgia: Rabun (FEMA Docket No.: B-2607)	Unincorporated areas of Rabun County (25-04-2143P).	The Honorable Greg James, Chair, Rabun County Board of Commissioners, 25 Courthouse Square, Suite 201, Clayton, GA 30525.	Rabun County Courthouse, 25 Courthouse Square, Clayton, GA 30525.	Apr. 24, 2026	130156
Indiana:					
Allen (FEMA Docket No.: B-2607)	City of Fort Wayne (25-05-1252P).	The Honorable Sharon Tucker, Mayor, City of Fort Wayne, 200 East Berry Street, Suite 420, Fort Wayne, IN 46802.	Planning Department, 200 East Berry Street, Suite 150, Fort Wayne, IN 46802.	Apr. 22, 2026	180003
Hamilton (FEMA Docket No.: B-2607)	City of Westfield (25-05-0165P).	The Honorable Scott Willis, Mayor, City of Westfield, 2728 East 171st Street, Westfield, IN 46074.	Department of Community Development, 2728 East 171st Street, Westfield, IN 46074.	Apr. 28, 2026	180083
Hamilton (FEMA Docket No.: B-2607)	Unincorporated areas of Hamilton County (25-05-0165P).	The Honorable Steve Dillinger, President, Hamilton County Board of Commissioners, 1 Hamilton County Square, Suite 157, Noblesville, IN 46060.	Hamilton County Government and Judicial Center, 1 Hamilton County Square, Noblesville, IN 46060.	Apr. 28, 2026	180080

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Marion (FEMA Docket No.: B-2607)	City of Indianapolis (25-05-0392P).	The Honorable Joe Hogsett, Mayor, City of Indianapolis, 200 East Washington Street, Suite 2501, Indianapolis, IN 46204.	Department of Business and Neighborhood Services, 200 East Washington Street, Suite 107, Indianapolis, IN 46204.	May 13, 2026	180159
Kansas:					
Sedgwick (FEMA Docket No.: B-2607)	City of Valley Center (25-07-0013P).	The Honorable Jet Truman, Mayor, City of Valley Center, 121 South Meridian Avenue, Valley Center, KS 67147.	City Hall, 121 South Meridian Avenue, Valley Center, KS 67147..	Apr. 23, 202	200327
Sedgwick (FEMA Docket No.: B-2607)	Unincorporated areas of Sedgwick County (25-07-0013P).	Tom Stolz, County Manager, Sedgwick County, 100 North Broadway, Suite 630, Wichita, KS 67202.	Wichita-Sedgwick County Metropolitan Area Planning Department, 271 West 3rd Street, North Wichita, KS 67202.	Apr. 23, 2026	200321
Minnesota:					
Wright (FEMA Docket No.: B-2607)	Township of Corinna (25-05-2133P).	The Honorable John Dearing, Chair, Township of Corinna, Board of Supervisors, 9801 Ireland Avenue Northwest, Annandale, MN 55302.	Township Hall, 9801 Ireland Avenue Northwest, Annandale, MN 55302..	Apr. 20, 202	270860
Wright (FEMA Docket No.: B-2607)	Unincorporated areas of Wright County (25-05-2133P).	Greg Kryzer, County Administrator, Wright County, 3650 Braddock Avenue Northeast, Buffalo, MN 55313.	Wright County Government Center, 3650 Braddock Avenue Northeast, Buffalo, MN 55313.	Apr. 20, 2026	270534
New Hampshire: Strafford (FEMA Docket No.: B-2607)	City of Dover (25-01-0240P).	J. Michael Joyal, Jr., City Manager, City of Dover, 288 Central Avenue, Dover, NH 03820.	Planning Department, 288 Central Avenue, Dover, NH 03820.	Apr. 27, 2026	330145
Oklahoma:					
Oklahoma (FEMA Docket No.: B-2607)	City of Oklahoma City (25-06-0571P).	The Honorable David Holt, Mayor, City of Oklahoma City, 200 North Walker Avenue, 3rd Floor, Oklahoma City, OK 73102.	Public Works Department, 420 West Main Street, 7th Floor, Oklahoma City, OK 73102.	May 12, 2026	405378
Oklahoma (FEMA Docket No.: B-2607)	Unincorporated areas of Oklahoma County (25-06-0571P).	The Honorable Brian Maughan, Chair, Oklahoma County Board of Commissioners, 321 Park Avenue, Room 901, Oklahoma City, OK 73102.	Oklahoma County Annex Building, 320 Robert S. Kerr Avenue, Suite 201, Oklahoma City, OK 73102.	May 12, 2026	400466
Pennsylvania:					
Dauphin (FEMA Docket No.: B-2607)	City of Harrisburg (25-03-0211P).	The Honorable Wanda R.D. Williams, Mayor, City of Harrisburg, 10 North 2nd Street, Suite 202, Harrisburg, PA 17101.	Martin Luther King, Jr. City Government Center, 10 North 2nd Street, Suite 405, Harrisburg, PA 17101.	Apr. 24, 2026	420380
Dauphin (FEMA Docket No.: B-2607)	Township of Susquehanna (25-03-0211P).	Theresa Eberly, Manager, Township of Susquehanna, 1900 Linglestown Road, Harrisburg, PA 17110.	Township Hall, 1900 Linglestown Road, Harrisburg, PA 17110.	Apr. 24, 2026	420397
Texas:					
Bexar (FEMA Docket No.: B-2607)	City of San Antonio (25-06-0876P).	The Honorable Gina Ortiz Jones, Mayor, City of San Antonio, P.O. Box 839966, San Antonio, TX 78283.	Department of Public Works Stormwater Division, 1901 South Alamo Street, 2nd Floor, San Antonio, TX 78214.	May 11, 2026	480045
Bexar (FEMA Docket No.: B-2607)	City of San Antonio (25-06-1054P).	The Honorable Gina Ortiz Jones, Mayor, City of San Antonio, P.O. Box 839966, San Antonio, TX 78283.	Department of Public Works Stormwater Division, 1901 South Alamo Street, 2nd Floor, San Antonio, TX 78214.	Apr. 6, 2026	480045

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Bexar (FEMA Docket No.: B-2607)	Unincorporated areas of Bexar County (25-06-0876P).	The Honorable Peter Sakai, Bexar County Judge, 101 West Nueva Street, 10th Floor, San Antonio, TX 78205.	Bexar County Public Works Department, 1948 Probandt Street, San Antonio, TX 78214.	May 11, 2026	480035
Bexar (FEMA Docket No.: B-2607)	Unincorporated areas of Bexar County (25-06-1143P).	The Honorable Peter Sakai, Bexar County Judge, 101 West Nueva Street, 10th Floor, San Antonio, TX 78205.	Bexar County Public Works Department, 1948 Probandt Street, San Antonio, TX 78214.	Apr. 6, 2026	480035
Dallas (FEMA Docket No.: B-2607)	City of Carrollton (25-06-0488P).	The Honorable Steve Babick, Mayor, City of Carrollton, 1945 East Jackson Road, Carrollton, TX 75006.	City Hall, 1945 East Jackson Road, Carrollton, TX 75006.	Apr. 20, 2026	480167
Dallas (FEMA Docket No.: B-2607)	City of Dallas (25-06-0795P).	Kimberly Bizar Tolbert, City Manager, City of Dallas, 1500 Marilla Street, Room 4EN, Dallas, TX 75201.	Stormwater Operations Department, 2245 Irving Boulevard, 2nd Floor, Dallas, TX 75207.	May 18, 2026	480171
Dallas (FEMA Docket No.: B-2607)	City of Dallas (25-06-1031P).	Kimberly Bizar Tolbert, City Manager, City of Dallas, 1500 Marilla Street, Room 4EN, Dallas, TX 75201.	Stormwater Operations Department, 2245 Irving Boulevard, 2nd Floor, Dallas, TX 75207.	Apr. 20, 2026	480171
Dallas (FEMA Docket No.: B-2607)	City of Farmers Branch (25-06-0488P).	Benjamin Williamson, City Manager, City of Farmers Branch, 13000 William Dodson Parkway, Farmers Branch, TX 75234.	Public Works Department, 13000 William Dodson Parkway, Farmers Branch, TX 75234.	Apr. 20, 2026	480174
Dallas (FEMA Docket No.: B-2607)	City of Grand Prairie (24-06-2527P).	The Honorable Ron Jensen, Mayor, City of Grand Prairie, P.O. Box 534045, Grand Prairie, TX 75053.	City Hall, 300 West Main Street, Grand Prairie, TX 75053.	May 4, 2026	485472
Ellis (FEMA Docket No.: B-2607)	City of Midlothian (24-06-2527P).	The Honorable Justin Coffman, Mayor, City of Midlothian, 215 North 8th Street, Midlothian, TX 76065.	City Hall, 215 North 8th Street, Midlothian, TX 76065.	May 4, 2026	480801
Ellis (FEMA Docket No.: B-2607)	Unincorporated areas of Ellis County (24-06-2527P).	The Honorable John Wray, Ellis County Judge, 101 West Main Street, Waxahachie, TX 75165.	Engineering Department, 109 South Jackson Street, Waxahachie, TX 75165.	May 4, 2026	480798
Hays (FEMA Docket No.: B-2607)	City of Kyle (25-06-0396P).	The Honorable Travis Mitchell, Mayor, City of Kyle, 100 West Center Street, Kyle, TX 78640.	City Hall, 100 West Center Street, Kyle, TX 78640.	May 7, 2026	481108
Hays (FEMA Docket No.: B-2607)	City of San Marcos (25-06-1418P).	The Honorable Jane Hughson, Mayor, City of San Marcos, 630 East Hopkins Street, San Marcos, TX 78666.	City Hall, 630 East Hopkins Street, San Marcos, TX 78666.	Apr. 20, 2026	485505
Hays (FEMA Docket No.: B-2607)	City of Umland (25-06-0396P).	The Honorable Lacey Duke, Mayor, City of Umland, 15 North Old Spanish Trail, Umland, TX 78640.	City Hall, 15 North Old Spanish Trail, Umland, TX 78640.	May 7, 2026	481668
Hays (FEMA Docket No.: B-2607)	Unincorporated areas of Hays County (25-06-0061P).	The Honorable Ruben Becerra, Hays County Judge, 111 East San Antonio Street, Suite 300, San Marcos, TX 78666.	Hays County Development Services Department, 2171 Yarrington Road, San Marcos, TX 78640.	May 14, 2026	480321
Hays (FEMA Docket No.: B-2607)	Unincorporated areas of Hays County (25-06-0396P).	The Honorable Ruben Becerra, Hays County Judge, 111 East San Antonio Street, Suite 300, San Marcos, TX 78666.	Hays County Development Services Department, 2171 Yarrington Road, San Marcos, TX 78640.	May 7, 2026	480321

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Hidalgo (FEMA Docket No.: B-2607)	Unincorporated areas of Hidalgo County (25-06-2000P).	Valde Guerra, Executive Officer, Hidalgo County, 505 South McColl Road, Suite J, Edinburg, TX 78539.	Hidalgo County Courthouse, 100 North Closner Boulevard, Edinburg, TX 78539.	May 18, 2026	480344
Travis (FEMA Docket No.: B-2607)	City of Pflugerville (25-06-1853P).	The Honorable Victor Gonzales, Mayor, City of Pflugerville, P.O. Box 589, Pflugerville, TX 78691.	City Hall, 100 East Main Street, Pflugerville, TX 78660.	May 18, 2026	481028
Webb (FEMA Docket No.: B-2607)	City of Laredo (24-06-2251P).	The Honorable Victor D. Treviño, Mayor, City of Laredo, 1110 Houston Street, Laredo, TX 78040.	City Hall, 1110 Houston Street, Laredo, TX 78040.	Apr. 10, 2026	480651
Webb (FEMA Docket No.: B-2607)	Unincorporated areas of Webb County (24-06-1464P).	The Honorable Tano E. Tijerina, Webb County Judge, 1000 Houston Street, 3rd Floor, Laredo, TX 78040.	Webb County Planning Department, 1110 Washington Street, Suite 302, Laredo, TX 78040.	Apr. 13, 2026	481059
Virginia: Independent City (FEMA Docket No.: B-2607)	City of Manassas (25-03-0221P).	The Honorable Michelle Davis-Younger, Mayor, City of Manassas, 9027 Center Street, Manassas, VA 20110.	City Hall, 9027 Center Street, Manassas, VA 20110.	Apr. 24, 2026	510122
West Virginia: Cabell (FEMA Docket No.: B-2607)	City of Milton (25-03-0316P).	The Honorable Shane Evans, Mayor, City of Milton, 1139 Smith Street, Milton, WV 25541.	City Hall, 1139 Smith Street, Milton, WV 25541.	May 22, 2026	540019
Cabell (FEMA Docket No.: B-2607)	Unincorporated areas of Cabell County (25-03-0316P).	The Honorable Liza Caldwell, Cabell County Commissioner, District 1, 750 5th Avenue, Suite 300, Huntington, WV 25701.	Cabell County Courthouse, 750 5th Avenue, Suite 300, Huntington, WV 25701.	May 22, 2026	540016
Wisconsin: Eau Claire (FEMA Docket No.: B-2607)	City of Eau Claire (25-05-1029P).	Stephanie Hirsch, City Manager, City of Eau Claire, P.O. Box 5148, Eau Claire, WI 54702.	City Hall, 203 South Farwell Street, Eau Claire, WI 54702.	Apr. 27, 2026	550128
Eau Claire (FEMA Docket No.: B-2607)	Unincorporated areas of Eau Claire County (25-05-1029P).	Jon Johnson, County Administrator, Eau Claire County, 721 Oxford Avenue, Suite 3520, Eau Claire, WI 54703.	Eau Claire County Government Center, 721 Oxford Avenue, Suite 3344, Eau Claire, WI 54703.	Apr. 27, 2026	555552

[FR Doc. 2026-15944 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY**Federal Emergency Management Agency****[Docket ID FEMA-2026-0002; Internal Agency Docket No. FEMA-B-2618]****Proposed Flood Hazard Determinations****AGENCY:** Federal Emergency Management Agency, Department of Homeland Security.**ACTION:** Notice.**SUMMARY:** Comments are requested on proposed flood hazard determinations,

which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the preliminary FIRM, and where applicable, the FIS report that the Federal Emergency Management Agency (FEMA) has provided to the affected communities. The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified

for participation in the National Flood Insurance Program (NFIP).

DATES: Comments are to be submitted on or before November 4, 2026.

ADDRESSES: The Preliminary FIRM, and where applicable, the FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables below. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

You may submit comments, identified by Docket No. FEMA-B-2618, to David N. Bascom, Acting Director, Engineering and Modeling Division, Federal

Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: FEMA proposes to make flood hazard determinations for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed flood hazard determinations, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements.

The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities. These flood hazard determinations are used to meet the floodplain management requirements of the NFIP.

The communities affected by the flood hazard determinations are provided in the tables below. Any request for reconsideration of the revised flood hazard information shown on the Preliminary FIRM and FIS report that satisfies the data requirements outlined in 44 CFR 67.6(b) is considered an appeal. Comments unrelated to the flood hazard determinations also will be considered before the FIRM and FIS report become effective.

Use of a Scientific Resolution Panel (SRP) is available to communities in support of the appeal resolution process. SRPs are independent panels of experts in hydrology, hydraulics, and other pertinent sciences established to review conflicting scientific and technical data and provide recommendations for resolution. Use of the SRP only may be exercised after FEMA and local communities have been engaged in a collaborative consultation process for at least 60 days without a

mutually acceptable resolution of an appeal. Additional information regarding the SRP process can be found online at https://www.floodsrp.org/pdfs/srp_overview.pdf.

The watersheds and/or communities affected are listed in the tables below. The Preliminary FIRM, and where applicable, FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables. For communities with multiple ongoing Preliminary studies, the studies can be identified by the unique project number and Preliminary FIRM date listed in the tables. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Montgomery County, Missouri and Incorporated Areas	
Project: 20-07-0037S Preliminary Date: November 6, 2025	
City of Bellflower	City Hall, 100 South Main Street, Bellflower, MO 63333.
City of Jonesburg	City Hall, 106 West Booneslick Road, Jonesburg, MO 63351.
City of McKittrick	Montgomery County Courthouse, 211 East 3rd Street, Montgomery City, MO 63361.
City of Middletown	City Hall, 203 Johnson Street, Middletown, MO 63359.
City of Montgomery City	City Hall, 723 North Sturgeon Street, Montgomery City, MO 63361.
City of New Florence	City Hall, 217 South Main Street, New Florence, MO 63363.
City of Wellsville	City Hall, 200 West Hudson Street, Wellsville, MO 63384.
Unincorporated Areas of Montgomery County ...	Montgomery County Courthouse, 211 East Third Street, Montgomery City, MO 63361.
Village of Rhineland	Village Office, 104 Bluff Street, Rhineland, MO 65069.
Seward County, Kansas and Incorporated Areas	
Project: 24-07-0004S Preliminary Date: December 12, 2025	
City of Kismet	Seward County Administration, 515 North Washington Avenue, Suite 207, Liberal, KS 67901.
City of Liberal	City Hall, 324 North Kansas Avenue, Liberal, KS 67901.
Unincorporated Areas of Seward County	Seward County Administration, 515 North Washington Avenue, Suite 207, Liberal, KS 67901.

[FR Doc. 2026-15943 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA-2026-0002]

Final Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Flood hazard determinations, which may include additions or modifications of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or regulatory floodways on the Flood Insurance Rate Maps (FIRMs) and where applicable, in the supporting Flood Insurance Study (FIS) reports have been made final for the communities listed in the table below.

The FIRM and FIS report are the basis of the floodplain management measures that a community is required either to

adopt or to show evidence of having an effect in order to qualify or remain qualified for participation in the Federal Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP).

DATES: The date of November 13, 2026 has been established for the FIRM and, where applicable, the supporting FIS report showing the new or modified flood hazard information for each community.

ADDRESSES: The FIRM, and if applicable, the FIS report containing the final flood hazard information for each community is available for inspection at the respective Community Map Repository address listed in the tables below and will be available online through the FEMA Map Service Center at <https://msc.fema.gov> by the date indicated above.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director,

Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below for the new or modified flood hazard information for each community listed. Notification of these changes has been published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

This final notice is issued in accordance with section 110 of the

Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR part 67. FEMA has developed criteria for floodplain management in floodprone areas in accordance with 44 CFR part 60.

Interested lessees and owners of real property are encouraged to review the new or revised FIRM and FIS report available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

The flood hazard determinations are made final in the watersheds and/or communities listed in the table below.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Baker County, Georgia and Incorporated Areas Docket No.: FEMA-B-2529	
City of Newton	City Hall, 146 Highway 91, Newton, GA 39870.
Unincorporated Areas of Baker County	Baker County Superior Court, 167 Baker Place, Newton, GA 39870.
Chatham County, Georgia and Incorporated Areas Docket No.: FEMA-B-2540	
City of Bloomingdale	City Hall, 8 West Highway 80, Bloomingdale, GA 31302.
City of Garden City	City Hall, 100 Central Avenue, Garden City, GA 31405.
City of Pooler	City Hall, 100 U.S. Highway 80 Southwest, Pooler, GA 31322.
City of Port Wentworth	City Hall, 7224 GA Highway 21, Port Wentworth, GA 31407.
City of Savannah	Development Services, 20 Interchange Drive, Savannah, GA 31415.
Unincorporated Areas of Chatham County	Old Chatham County Courthouse, 124 Bull Street, Room 430, Savannah, GA 31401.
Grady County, Georgia and Incorporated Areas Docket No.: FEMA-B-2529	
City of Cairo	Planning and Zoning Department, 100 2nd Street Southwest, Cairo, GA 39828.
City of Whigham	City Hall, 126 East Broad Avenue, Whigham, GA 39897.
Unincorporated Areas of Grady County	Grady County Courthouse, 250 North Broad Street, Cairo, GA 39828.
Mitchell County, Georgia and Incorporated Areas Docket No.: FEMA-B-2529	
City of Baconton	City Hall, 333 East Walton Street, Baconton, GA 31716.
City of Camilla	City Hall, 30 East Broad Street, Camilla, GA 31730.
City of Pelham	City Hall, 108 Hand Avenue West, Pelham, GA 31779.
City of Sale City	City Hall, 122 East Broad Street, Sale City, GA 31784.
Unincorporated Areas of Mitchell County	Mitchell County Building and Zoning Department, 5201 U.S. Highway 19 South, Camilla, GA 31730.
Rabun County, Georgia and Incorporated Areas Docket No.: FEMA-B-2547	
City of Dillard	City Hall, 892 Franklin Street, Dillard, GA 30537.
City of Sky Valley	City Hall, 3608 Highway 246, Sky Valley, GA 30537.
Town of Mountain City	City Hall, 41 Education Street, Mountain City, GA 30562.
Unincorporated Areas of Rabun County	Rabun County Planning and Zoning Office, 18 Old Raco High Drive, Suite 102, Clayton, GA 30525.

Community	Community map repository address
Labette County, Kansas and Incorporated Areas Docket No.: FEMA-B-2540	
City of Altamont	City Hall, 407 South Huston Street, Altamont, KS 67330.
City of Chetopa	City Hall, 618 North 11th Street, Chetopa, KS 67336.
City of Labette	Labette City Hall, 100 West 6th Labette City Street, Oswego, KS 67356.
City of Mound Valley	City Hall, 411 Hickory Street, Mound Valley, KS 67354.
City of Oswego	City Hall, 703 5th Street, Oswego, KS 67356.
City of Parsons	City Hall, 112 South 17th Street, Parsons, KS 67357.
Unincorporated Areas of Labette County	Labette County Emergency Management, 1712 Corning Avenue, Parsons, KS 67357.
Neosho County, Kansas and Incorporated Areas Docket No.: FEMA-B-2523	
City of Chanute	City Offices, 101 South Lincoln Avenue, Chanute, KS 66720.
City of Earlton	Neosho County Courthouse, 100 South Main Street, Erie, KS 66733.
City of Erie	City Clerk, 101 North Main Street, Erie, KS 66733.
City of St. Paul	City Clerk, 703 Central Street, St. Paul, KS 66771.
City of Thayer	City Office, 103 Neosho Street, Thayer, KS 66776.
Unincorporated Areas of Neosho County	Neosho County Courthouse, 100 South Main Street, Erie, KS 66733.
Buchanan County, Missouri and Incorporated Areas Docket No.: FEMA-B-2186 and B-2430	
City of Easton	City Hall, 106 North Woodward Street, Easton, MO 64443.
City of Rushville	Buchanan County Emergency Management Office, 411 Jules Street, Room 102, St. Joseph, MO 64501.
City of St. Joseph	City Hall, 1100 Frederick Avenue, Room 107, St. Joseph, MO 64501.
Village of Agency	Buchanan County Emergency Management Office, 411 Jules Street, Room 102, St. Joseph, MO 64501.
Village of Lewis and Clark	Lewis and Clark Village Office, 101 Lakeshore Drive, Rushville, MO 64484.
Unincorporated Areas of Buchanan County	Buchanan County Emergency Management Office, 411 Jules Street, Room 102, St. Joseph, MO 64501.
Hartford County, Connecticut (All Jurisdictions) Docket No.: FEMA-B-2508	
City of Bristol	City Hall, 111 N Main Street, Bristol, CT 06010.
Town of Avon	Town Hall, 60 W Main Street, Avon, CT 06001.
Town of Bloomfield	Town Hall, 800 Bloomfield Avenue, Bloomfield, CT 06002.
Town of Burlington	Town Hall, 200 Spielman Highway, Burlington, CT 06013.
Town of Canton	Canton Town Hall, 4 Market Street, Collinsville, CT 06019.
Town of East Granby	Town Hall, 9 Center Street, East Granby, CT 06026.
Town of Farmington	Town Hall, 1 Monteith Drive, Farmington, CT 06032.
Town of Granby	Town Hall, 15 N Granby Road, Granby, CT 06035.
Town of Hartland	Hartland Town Hall, 22 S Road, East Hartland, CT 06027.
Town of Plainville	Municipal Center, 1 Central Square, Plainville, CT 06062.
Town of Simsbury	Town Hall, 933 Hopmeadow Street, Simsbury, CT 06070.
Town of Suffield	Town Hall, 83 Mountain Road, Suffield, CT 06078.
Town of West Hartford	Town Hall, 50 S Main Street, West Hartford, CT 06107.
Town of Windsor	Town Hall, 275 Broad Street, Windsor, CT 06095.
Town of Windsor Locks	Town Hall, 50 Church Street, Windsor Locks, CT 06096.
Merrimack County, New Hampshire (All Jurisdictions) Docket No.: FEMA-B-2477	
City of Concord	Engineering Department, 41 Green Street, Concord, NH 03301.
City of Franklin	City Hall, 316 Central Street, Franklin, NH 03235.
Town of Andover	Selectmen's Office, 31 School Street, Andover, NH 03216.
Town of Boscawen	Municipal Facility, 116 N Main Street, Boscawen, NH 03303.
Town of Bow	Town Hall, 10 Grandview Road, Bow, NH 03304.
Town of Bradford	Town Office, 75 W Main Street, Bradford, NH 03221.
Town of Canterbury	Town Offices, 10 Hackleboro Road, Canterbury, NH 03224.
Town of Danbury	Town Hall, 23 High Street, Danbury, NH 03230.
Town of Dunbarton	Town Hall, 1011 School Street, Dunbarton, NH 03046.
Town of Henniker	Town Hall, 18 Depot Hill Road, Henniker, NH 03242.
Town of Hill	Selectmen's Office, 30 Crescent Street, Hill, NH 03243.
Town of Hopkinton	Town Hall, 330 Main Street, Hopkinton, NH 03229.
Town of New London	Town Offices, 375 Main Street, New London, NH 03257.
Town of Newbury	Town Office Building, 937 Route 103, Newbury, NH 03255.
Town of Salisbury	Academy Hall, 9 Old Coach Road, Salisbury, NH 03268.
Town of Sutton	Sutton Town Office, 93 Main Street, Sutton Mills, NH 03221.

Community	Community map repository address
Town of Warner	Town Hall, 5 E Main Street, Warner, NH 03278.
Town of Webster	Selectmen's Office, 945 Battle Street, Webster, NH 03303.
Town of Wilmot	Selectmen's Office, 9 Kearsarge Valley Road, Wilmot, NH 03287.
Hunterdon County, New Jersey (All Jurisdictions) Docket No.: FEMA-B-2353, FEMA-B-2539	
Town of Clinton	Municipal Building, 43 Leigh Street, Clinton, NJ 08809.
Township of Clinton	Clinton Municipal Building, 1225 Route 31 S Lebanon, NJ 08833.
Township of Franklin	Franklin Township Municipal Building, 43 Lower Landsdown Road, Annandale, NJ 08801.
Township of Raritan	Raritan Municipal Building, One Municipal Drive, Flemington, NJ 08822.
Township of Readington	Readington Municipal Building, 509 Route 523, Whitehouse Station, NJ 08889.
Township of Union	Union Municipal Building, Zoning Department, 140 Perryville Road, Hampton, NJ 08827.
Somerset County, New Jersey (All Jurisdictions) Docket No.: FEMA-B-2353, FEMA-B-2539	
Township of Bedminster	Municipal Building, One Miller Lane, Bedminster, NJ 07921.
Township of Branchburg	Municipal Building, Engineering Department, 1077 US Highway 202 N, Branchburg, NJ 08876.
Township of Bridgewater	Municipal Building, 100 Commons Way, Bridgewater, NJ 08807.
Township of Hillsborough	Municipal Building, Engineering Department, 379 S Branch Road, Hillsborough, NJ 08844.
Wayne County, New York (All Jurisdictions) Docket No.: FEMA-B-2530	
Town of Arcadia	Arcadia Town Hall, 201 Frey Street, Newark, NY 14513.
Town of Butler	Butler Town Hall, 4576 Butler Center Road, Wolcott, NY 14590.
Town of Galen	Galen Town Hall, 6 S Park Street, Clyde, NY 14433.
Town of Huron	Town Hall, 10880 Lummisville Road, Huron, NY 14590.
Town of Lyons	Town Hall, 43 Phelps Street, Lyons, NY 14489.
Town of Macedon	Town Hall, 32 Main Street, Macedon, NY 14502.
Town of Marion	Town Hall, 3823 N Main Street, Marion, NY 14505.
Town of Ontario	Town Hall, 1850 Ridge Road, Ontario, NY 14519.
Town of Palmyra	Town Hall, 1180 Canandaigua Road, Palmyra, NY 14522.
Town of Rose	Rose Town Hall, 5074 N Main Street, North Rose, NY 14516.
Town of Savannah	Town Hall, 1564 N Main Street, Savannah, NY 13146.
Town of Sodus	Town Hall, 14-16 Mill Street, Sodus, NY 14551.
Town of Walworth	Town Hall, 3600 Lorraine Drive, Walworth, NY 14568.
Town of Williamson	Town Hall, 6380 Route 21, Suite 2, Williamson, NY 14589.
Town of Wolcott	Town Hall, 6070 Lake Avenue, Wolcott, NY 14590.
Village of Clyde	Village Office, 6 S Park Street, Clyde, NY 14433.
Village of Newark	Village Hall, 100 E Miller Street, Newark, NY 14513.
Village of Palmyra	Village Hall, 144 E Main Street, Palmyra, NY 14522.
Village of Red Creek	Village Hall, 6815 Church Street, Red Creek, NY 13143.
Village of Sodus Point	Village Hall, 8356 Bay Street, Sodus Point, NY 14555.
Village of Wolcott	Village Office, 6015 New Hartford Street, Wolcott, NY 14590.
Sevier County, Tennessee and Incorporated Areas Docket No.: FEMA-B-2550	
City of Gatlinburg	City Hall, 1230 East Parkway, Gatlinburg, TN 37738.
City of Sevierville	City Hall, 120 Gary Wade Boulevard, Sevierville, TN 37862.
Town of Pittman Center	Pittman Center City Hall, 2839 Webb Creek Road, Sevierville, TN 37876.
Unincorporated Areas of Sevier County	Sevier County Public Works Building, 227 Cedar Street, Sevierville, TN 37862.
Hampshire County, West Virginia and Incorporated Areas Docket No.: FEMA-B-2475	
Town of Capon Bridge	Hampshire County Courthouse, 19 E Main Street, Romney, WV 26757.
Town of Romney	Town Hall, 340 E Main Street, Romney, WV 26757.
Unincorporated Areas of Hampshire County	Hampshire County Courthouse, 19 E Main Street, Romney, WV 26757.
Hardy County, West Virginia and Incorporated Areas Docket No.: FEMA-B-2293	
Town of Wardensville	Town Hall, 25 Warrior Way, Wardensville, WV 26851.

Community	Community map repository address
Unincorporated Areas of Hardy County	Hardy County Courthouse, 204 Washington Street, Moorefield, WV 26836.

[FR Doc. 2026-15942 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY**Federal Emergency Management Agency****[Docket ID FEMA-2026-0002]****Final Flood Hazard Determinations**

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Flood hazard determinations, which may include additions or modifications of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or regulatory floodways on the Flood Insurance Rate Maps (FIRMs) and where applicable, in the supporting Flood Insurance Study (FIS) reports have been made final for the communities listed in the table below.

The FIRM and FIS report are the basis of the floodplain management measures that a community is required either to adopt or to show evidence of having an effect in order to qualify or remain qualified for participation in the Federal

Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP).

DATES: The date of October 29, 2026 has been established for the FIRM and, where applicable, the supporting FIS report showing the new or modified flood hazard information for each community.

ADDRESSES: The FIRM, and if applicable, the FIS report containing the final flood hazard information for each community is available for inspection at the respective Community Map Repository address listed in the tables below and will be available online through the FEMA Map Service Center at <https://msc.fema.gov> by the date indicated above.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below for the new or modified

flood hazard information for each community listed. Notification of these changes has been published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

This final notice is issued in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR part 67. FEMA has developed criteria for floodplain management in floodprone areas in accordance with 44 CFR part 60.

Interested lessees and owners of real property are encouraged to review the new or revised FIRM and FIS report available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

The flood hazard determinations are made final in the watersheds and/or communities listed in the table below. (Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Clearwater County, Idaho and Incorporated Areas Docket No.: FEMA-B-2535	
City of Elk River	City Hall, 112 S 2nd Street, Elk River, ID 83827.
City of Orofino	City Hall, 217 1st Street, Orofino, ID 83544.
City of Pierce	City Hall, 404 S Main Street, Pierce, ID 83546.
City of Weippe	City Hall, 623 N Main Street, Weippe, ID 83553.
Nez Perce Tribe	Department of Natural Resources, 102 Agency Road, Lapwai, ID 83540.
Unincorporated Areas of Clearwater County	Clearwater County Courthouse Planning and Zoning Office, 150 Michigan Avenue, Orofino, ID 83544.
Nez Perce County, Idaho and Incorporated Areas Docket No.: FEMA-B-2543	
City of Culatesac	City Hall, 100 6th Street, Culatesac, ID 83524.
City of Lapwai	City Hall, 315 S Main Street, Lapwai, ID 83540.
City of Lewiston	Community Development Services, 215 D Street, Lewiston, ID 83501.
City of Peck	City Hall, 120 W Howard Street, Peck, ID 83545.
Nez Perce Tribe	Department of Natural Resources, 102 Agency Road, Lapwai, ID 83540.
Unincorporated Areas of Nez Perce County	Nez Perce County Courthouse, 1230 Main Street, Lewiston, ID 83501.

Community	Community map repository address
Franklin County, Pennsylvania (All Jurisdictions) Docket No.: FEMA-B-2548	
Township of Southampton	Southampton Municipal Building, 705 Municipal Drive, Shippensburg, PA 17257.

[FR Doc. 2026-15941 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY**Federal Emergency Management Agency**

[Docket ID FEMA-2026-0002]

Changes in Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: New or modified Base (1-percent annual chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for each of the communities listed in the table below are finalized. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities.

DATES: Each LOMR was finalized as in the table below.

ADDRESSES: Each LOMR is available for inspection at both the respective Community Map Repository address

listed in the table below and online through the FEMA Map Service Center at <https://msc.fema.gov>.

FOR FURTHER INFORMATION CONTACT:

David N. Bascom, Acting Director, Engineering and Modeling Division, National Flood Insurance Program, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final flood hazard determinations as shown in the LOMRs for each community listed in the table below. Notice of these modified flood hazard determinations has been published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

The modified flood hazard determinations are made pursuant to section 206 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and with 44 CFR part 65.

The current effective community number is shown and must be used for all new policies and renewals.

The new or modified flood hazard information is the basis for the floodplain management measures that

the community is required either to adopt or to show evidence of being already in effect in order to remain qualified for participation in the National Flood Insurance Program (NFIP).

This new or modified flood hazard information, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities.

This new or modified flood hazard determinations are used to meet the floodplain management requirements of the NFIP. The changes in flood hazard determinations are in accordance with 44 CFR 65.4.

Interested lessees and owners of real property are encouraged to review the final flood hazard information available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Alabama:					
Madison (FEMA Docket No.: B-2608)	City of *Huntsville (25-04-4509P) ..	The Honorable Thomas Battle, Jr., Mayor, City of Huntsville, P.O. Box 308, Huntsville, AL 35804..	City Hall, P.O. Box 308, Huntsville, AL 35804..	Jun. 4, 2026	010153
Madison (FEMA Docket No.: B-2608)	Unincorporated areas of Madison County (25-04-4509P) ..	The Honorable Mac McCutcheon, Chair, Madison County Commission, 100 North Side Square, Suite 700, Huntsville, AL 35801..	Bailee Robinson, 266-C Shields Road, Huntsville, AL 35811..	Jun. 4, 2026	010151
Arkansas: Benton (FEMA Docket No.: B-2608)	City of Cave Springs (25-06-0818P) ..	The Honorable Randall Noblett, Mayor, City of Cave Springs, P.O. Box 36, Cave Springs, AR 72718..	City Hall, 134 North Main Street, Cave Springs, AR 72718..	May 18, 2026	050398

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Connecticut: New London (FEMA Docket No.: B-2608).	City of New London (25-01-0865P)..	The Honorable Michael E. Passero, Mayor, City of New London, 181 State Street, New London, CT 06320..	Building Department, 111 Union Street, New London, CT 06320..	May 26, 2026	090100
Delaware: Kent (FEMA Docket No.: B-2608).	Unincorporated areas of Kent County (24-03-0129P)..	The Honorable Kevin Sipple, County Administrator, Kent County, 555 Bay Road, Dover, DE 19901..	Kent County Levy Court, Administrative Complex, 555 Bay Road, Dover, DE 19901..	May 26, 2026	100001
Florida: Charlotte (FEMA Docket No.: B-2608).	Unincorporated areas of Charlotte County (25-04-4878P)..	The Honorable Joe Tiseo, Chair, Charlotte County Board of Commissioners, 18500 Murdock Circle, Port Charlotte, FL 33948..	Charlotte County Community Development Department, 18400 Murdock Circle, Port Charlotte, FL 33948..	May 27, 2026	120061
Indian River (FEMA Docket No.: B-2608).	Unincorporated areas of Indian River County (24-04-5997P)..	The Honorable Deryl Loar, Chair, Indian River County Board of Commissioners, 1801 27th Street, Vero Beach, FL 32960..	Indian River County Administration Building, 1801 27th Street, Vero Beach, FL 32960..	May 13, 2026	120119
Marion (FEMA Docket No.: B-2608).	City of Ocala (24-04-6052P)..	The Honorable Ben Marciano, Mayor, City of Ocala, 110 Southeast Watula Avenue, Ocala, FL 34471..	Stormwater Engineering Department, 1805 Northeast 30th Avenue, Building 300, Ocala, FL 34470..	May 26, 2026	120330
Pasco (FEMA Docket No.: B-2608).	Unincorporated areas of Pasco County (24-04-2301P)..	Mike Carballa, Pasco County Administrator, 8731 Citizens Drive, New Port Richey, FL 34654..	Pasco County Building Construction Services, 8731 Citizens Drive, Suite 100, New Port Richey FL, 34654..	Jun. 1, 2026	120230
Indiana: Hamilton (FEMA Docket No.: B-2608).	City of Carmel (23-05-1308P)..	The Honorable James Brainard, Mayor, City of Carmel, 1 Civic Square, Carmel, IN 46032..	Department of Community Services, 1 Civic Square, Carmel, IN 46032..	May 27, 2026	180081
Iowa: Linn (FEMA Docket No.: B-2608).	City of Cedar Rapids (25-07-0790P)..	Jeff Pomeranz, City Manager, City of Cedar Rapids, 101 1st Street Southeast, Cedar Rapids, IA 52401..	City Hall, 101 1st Street Southeast, Cedar Rapids, IA 52401..	Jun. 1, 2026	190187
Story, (FEMA Docket No.: B-2608).	Unincorporated areas of Story County, (25-07-0418P)..	The Honorable Lisa Heddens, Chair, Story County Board of Supervisors, 900 6th Street, Nevada, IA 50201..	Story County Planning and Development Department, Administration Building, 900 6th Street, Nevada, IA 50201..	May 26, 2026	190907
Maryland: Baltimore (FEMA Docket No.: B-2608).	Unincorporated areas of Baltimore County (25-03-0540P)..	Katherine A. Klausmeier, Baltimore County Executive, 400 Washington Avenue, Mezzanine Level, Towson, MD 21204..	Baltimore County Government, 400 Washington Avenue, Towson, MD 21204..	Jun. 1, 2026	240010
Massachusetts: Norfolk (FEMA Docket No.: B-2608).	Town of Weymouth (25-01-0821P)..	The Honorable Mike Molisse, Mayor, Town of Weymouth, 75 Middle Street, Weymouth, MA 02189..	Town Hall, 75 Middle Street, Weymouth, MA 02189..	May 27, 2026	250257
Michigan: Washtenaw (FEMA Docket No.: B-2608).	Township of Scio (24-05-0242P)..	The Honorable Jillian M. Kerry, Supervisor, Township of Scio Board of Trustees, 827 North Zeeb Road, Ann Arbor, MI 48103..	Township Hall, 827 North Zeeb Road, Ann Arbor, MI 48103..	May 22, 2026	260537

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Wayne (FEMA Docket No.: B-2608).	City of Taylor (24-05-0096P)..	The Honorable Tim O. Woolley, Mayor, City of Taylor, 23555 Goddard Road, Taylor, MI 48180..	City Hall, 23555 Goddard Road, Taylor, MI 48180..	May 26, 2026	260728
Ohio: Lorain (FEMA Docket No.: B-2608).	City of Avon Lake (25-05-0773P)..	The Honorable Mark Spaetzel, Mayor, City of Avon Lake, 150 Avon Belden Road, Avon Lake, OH 44012..	City Hall, 150 Avon Belden Road, Avon Lake, OH 44012..	May 26, 2026	390602
Oklahoma:					
Tulsa (FEMA Docket No.: B-2608).	City of Collinsville (24-06-0878P)..	The Honorable Larry Shafer, Mayor, City of Collinsville, P.O. Box 730, Collinsville, OK 74021..	City Hall, 106 North 12th Street, Collinsville OK, 74021..	May 20, 2026	400360
Tulsa, (FEMA Docket No.: B-2608).	City of Owasso, (24-06-0878P)..	Chris Garrett, City Manager, City of Owasso, P.O. Box 180, Owasso, OK 74055..	City Municipal Building, 200 South Main Street, Owasso OK, 74055..	May 20, 2026	400210
Tulsa (FEMA Docket No.: B-2608).	Unincorporated areas of Tulsa County (24-06-0878P)..	Lonnie Sims, Chair, Tulsa County Board of Commissioners, 218 West 6th Street, Tulsa, OK 74119..	Tulsa County Headquarters, 218 West 6th Street, Tulsa OK, 74119..	May 20, 2026	400462
South Carolina: Dorchester (FEMA Docket No.: B-2608). ...	Unincorporated areas of Dorchester County (24-04-7453P)..	Jason L. Ward, Dorchester County Administrator, 201 Johnston Street, St. George, SC 29477..	Dorchester County Engineering Department, 2120 East Main Street, Dorchester, SC 29437..	Apr. 30, 2026	450068
Tennessee:					
Sevier (FEMA Docket No.: B-2608).	City of Pigeon Forge (25-04-1916P)..	The Honorable Kevin McClure, Mayor, City of Pigeon Forge, P.O. Box 1350, Pigeon Forge, TN 37868..	City Hall, 3221 Rena Street, Pigeon Forge, TN 37868..	May 21, 2026	475442
Sevier (FEMA Docket No.: B-2608).	City of Sevierville (25-04-1916P)..	The Honorable Robert W. Fox, Mayor, City of Sevierville, 120 Gary Wade Boulevard, Sevierville, TN 37862..	City Hall, 120 Gary Wade Boulevard, Sevierville, TN 37862..	May 21, 2026	475444
Sevier (FEMA Docket No.: B-2608).	Unincorporated areas of Sevier County (25-04-1916P)..	The Honorable Larry Waters, Sevier County Mayor, 227 Cedar Street, Sevierville, TN 37862..	Sevier County Public Works Building, 227 Cedar Street, Sevierville, TN 37862..	May 21, 2026	470236
Shelby (FEMA Docket No.: B-2608).	Town of Arlington (25-04-3514P)..	The Honorable Mike Wissman, Mayor, Town of Arlington, P.O. Box 507, Arlington, TN 38002..	Township Hall, 5854 Airline Road, Arlington, TN 38003..	Jun. 3, 2026	470262
Texas:					
Bexar (FEMA Docket No.: B-2608).	Unincorporated areas of Bexar County, (25-06-2239P)..	The Honorable Peter Sakai, Bexar County Judge, 101 West Nueva Street, 10th Floor, San Antonio, TX 78205..	Bexar County Public Works Department, 1948 Probandt Street, San Antonio, TX 78214..	Jun. 1, 2026	480035
Brazoria (FEMA Docket No.: B-2608).	City of Pearland (25-06-0485P)..	The Honorable Kevin Cole, Mayor, City of Pearland, 3519 Liberty Drive, Pearland, TX 77581..	City Hall, 3519 Liberty Drive, Pearland, TX 77581..	Jun. 3, 2026	480077
Collin (FEMA Docket No.: B-2608).	City of Celina (25-06-0734P)..	The Honorable Ryan Tubbs, Mayor, City of Celina, 142 North Ohio Street, Celina, TX 75009..	City Hall, 142 North Ohio Street, Celina, TX 75009..	May 18, 2026	480133
Collin (FEMA Docket No.: B-2608).	City of Celina (25-06-1438P)..	The Honorable Ryan Tubbs, Mayor, City of Celina, 142 North Ohio Street, Celina, TX 75009..	City Hall, 142 North Ohio Street, Celina, TX 75009..	Jun. 1, 2026	480133
Collin (FEMA Docket No.: B-2608).	City of Lucas (25-06-0603P)..	John Whitsell, City Manager, City of Lucas, 665 Country Club Road, Lucas, TX 75002..	City Hall, 665 Country Club Road, Lucas, TX 75002..	Jun. 1, 2026	481545

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Collin (FEMA Docket No.: B-2608).	City of Wylie (25-06-0603P)..	The Honorable Matthew Porter, Mayor, City of Wylie, 300 Country Club Road, Building 100, Wylie, TX 75098..	City Hall, 300 Country Club Road, Wylie, TX 75098..	Jun. 1, 2026	480759
Collin (FEMA Docket No.: B-2608).	Unincorporated areas of Collin County (25-06-0603P)..	The Honorable Chris Hill, Collin County Judge, 2300 Bloomdale Road, 1st Floor, McKinney, TX 75071..	Collin County Engineering Building, 4690 Community Avenue, Suite 200, McKinney, TX 75071..	Jun. 1, 2026	480130
Collin (FEMA Docket No.: B-2608).	Unincorporated areas of Collin County (25-06-0734P)..	The Honorable Chris Hill, Collin County Judge, 2300 Bloomdale Road, 1st Floor, McKinney, TX 75071..	Collin County Engineering Building, 4690 Community Avenue, Suite 200, McKinney, TX 75071..	May 18, 2026	480130
Denton (FEMA Docket No.: B-2608).	City of Frisco (25-06-1501P)..	Wes Pierson, City Manager, City of Frisco, 6101 Frisco Square Boulevard, Frisco, TX 75034..	City Hall, 6101 Frisco Square Boulevard, Frisco, TX 75034..	May 18, 2026	480134
Harris (FEMA Docket No.: B-2608).	Unincorporated areas of Harris County (25-06-0482P)..	The Honorable Lina Hidalgo, Harris County Judge, 1001 Preston Street, Suite 911, Houston, TX 77002..	Harris County Office of County Engineer, 1111 Fannin Street, 11th Floor, Houston, TX 77002..	Apr. 27, 2026	480287
Tarrant (FEMA Docket No.: B-2608).	City of Arlington (25-06-0118P)..	The Honorable Jim Ross, Mayor, City of Arlington, 101 West Abram Street, Arlington, TX 76010..	Public Works and Transportation Department, 101 West Abram Street, Arlington, TX 76010..	Jun. 1, 2026	485454
Tarrant (FEMA Docket No.: B-2608).	City of Euless (25-06-0118P)..	The Honorable Linda Martin, Mayor, City of Euless, 201 North Ector Drive, Euless, TX 76039..	City Hall, 201 North Ector Drive, Euless, TX 76039..	Jun. 1, 2026	480593
Tarrant (FEMA Docket No.: B-2608).	City of Fort Worth (25-06-0118P)..	The Honorable Mattie Parker, Mayor, City of Fort Worth, 100 Fort Worth Trail, Fort Worth, TX 76102..	Department of Transportation and Public Works-Stormwater Management Division, 100 Fort Worth Trail, Fort Worth, TX 76102..	Jun. 1, 2026	480596
Tarrant (FEMA Docket No.: B-2608).	City of Fort Worth (25-06-0364P)..	The Honorable Mattie Parker, Mayor, City of Fort Worth, 100 Fort Worth Trail, Fort Worth, TX 76102..	Department of Transportation and Public Works-Stormwater Management Division, 100 Fort Worth Trail, Fort Worth, TX 76102..	May 26, 2026	480596
Webb (FEMA Docket No.: B-2608).	Unincorporated areas of Webb County (25-06-1401P)..	The Honorable Tano Tijerina, Webb County Judge, P.O. Box 451728, Laredo, TX 78045..	Webb County, Planning Department, 1110 Washington Street, Suite 302, Laredo, TX 78040..	Jun. 1, 2026	481059
Wise (FEMA Docket No.: B-2608).	Unincorporated areas of Wise County (25-06-0966P)..	The Honorable J.D. Clark, Wise County Judge, 101 North Trinity Street, 3rd Floor, Number 101, Decatur, TX 76234..	Wise County Office of Emergency Management, 205 North State Street, Decatur, TX 76234..	May 15, 2026	481051
Wisconsin: Marathon (FEMA Docket No.: B-2608).	Village of Rib Mountain, (25-05-2073P)..	The Honorable Allen Opall, President, Village of Rib Mountain Board of Trustees, 227800 Snowbird Avenue, Rib Mountain, WI 54401..	Municipal Center, 227800 Snowbird Avenue, Rib Mountain, WI 54401..	May 26, 2026	550642

DEPARTMENT OF HOMELAND SECURITY**Federal Emergency Management Agency**

[Docket ID FEMA-2026-0002; Internal Agency Docket No. FEMA-B-2620]

Proposed Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Comments are requested on proposed flood hazard determinations, which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the preliminary FIRM, and where applicable, the FIS report that the Federal Emergency Management Agency (FEMA) has provided to the affected communities. The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: Comments are to be submitted on or before November 4, 2026.

ADDRESSES: The Preliminary FIRM, and where applicable, the FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femportal/prelimdownload> and the respective Community Map Repository address listed in the tables below. Additionally, the current effective FIRM and FIS

report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

You may submit comments, identified by Docket No. FEMA-B-2620, to David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov.

FOR FURTHER INFORMATION CONTACT:

David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: FEMA proposes to make flood hazard determinations for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed flood hazard determinations, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities. These flood hazard determinations are used to meet the floodplain management requirements of the NFIP.

The communities affected by the flood hazard determinations are provided in the tables below. Any request for reconsideration of the revised flood hazard information shown on the Preliminary FIRM and FIS report

that satisfies the data requirements outlined in 44 CFR 67.6(b) is considered an appeal. Comments unrelated to the flood hazard determinations also will be considered before the FIRM and FIS report become effective.

Use of a Scientific Resolution Panel (SRP) is available to communities in support of the appeal resolution process. SRPs are independent panels of experts in hydrology, hydraulics, and other pertinent sciences established to review conflicting scientific and technical data and provide recommendations for resolution. Use of the SRP only may be exercised after FEMA and local communities have been engaged in a collaborative consultation process for at least 60 days without a mutually acceptable resolution of an appeal. Additional information regarding the SRP process can be found online at https://www.floodsrp.org/pdfs/srp_overview.pdf.

The watersheds and/or communities affected are listed in the tables below. The Preliminary FIRM, and where applicable, FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femportal/prelimdownload> and the respective Community Map Repository address listed in the tables. For communities with multiple ongoing Preliminary studies, the studies can be identified by the unique project number and Preliminary FIRM date listed in the tables. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Calhoun County, Alabama and Incorporated Areas Project: 18-04-0019S Preliminary Date: January 29, 2025	
City of Piedmont	City Hall, 109 North Center Avenue, Piedmont, AL 36272.
Unincorporated Areas of Calhoun County	Calhoun County Highway Department, 160 Seaton Drive, Anniston, AL 36205.
Cherokee County, Alabama and Incorporated Areas Project: 18-04-0019S Preliminary Date: January 29, 2025	
City of Centre	City Hall, 635 Armory Road, Centre, AL 35960.
Town of Cedar Bluff	Town Hall, 3420 Spring Street, Cedar Bluff, AL 35959.
Town of Gaylesville	Town Hall, 4740 Main Street, Gaylesville, AL 35973.
Town of Leesburg	Town Hall, 215 Industrial Boulevard, Leesburg, AL 35983.
Town of Sand Rock	Town Hall, 1925 Sand Rock Avenue, Sand Rock, AL 35983.

Community	Community map repository address
Unincorporated Areas of Cherokee County	Cherokee County Highway Department, 1875 East Main Street, Centre, AL 35960.
Cleburne County, Alabama and Incorporated Areas Project: 18-04-0019S Preliminary Date: January 29, 2025	
Unincorporated Areas of Cleburne County	Cleburne County Engineer's Office, 302 Haley Road, Heflin, AL 36264.
DeKalb County, Alabama and Incorporated Areas Project: 18-04-0019S Preliminary Date: January 29, 2025	
City of Fort Payne	City Hall, 100 Alabama Avenue NW, Fort Payne, AL 35967.
Town of Mentone	Town Hall, 5972 Alabama Highway 117, Mentone, AL 35984.
Unincorporated Areas of DeKalb County	DeKalb County Commission, 111 Grand Avenue SW, Suite 200, Fort Payne, AL 35967.
DeKalb County, Alabama and Incorporated Areas Project: 18-04-0007S Preliminary Date: August 21, 2024	
City of Henagar	City Hall, 9252 Burton Drive, Henagar, AL 35978.
City of Rainsville	City Hall, 70 McCurdy Avenue S, Rainsville, AL 35986.
City of Collinsville	City Hall, 39 Post Office Street, Collinsville, AL 35961.
Town of Crossville	Town Hall, 14521 Alabama Highway 68, Crossville, AL 35962.
Town of Sylvania	Town Hall, 22957 Sylvania Avenue S, Sylvania, AL 35988.
Unincorporated Areas of DeKalb County	DeKalb County Commission, 111 Grand Avenue SW, Suite 200, Fort Payne, AL 35967.
Etowah County, Alabama and Incorporated Areas Project: 18-04-0019S Preliminary Date: January 29, 2025	
Unincorporated Areas of Etowah County	Etowah County Road Department, 402 Tuscaloosa Avenue, Gadsden, AL 35901.
Jackson County, Alabama and Incorporated Areas Project: 18-04-0007S Preliminary Date: August 21, 2024	
City of Scottsboro	City Hall, 316 South Broad Street, Scottsboro, AL 35768.
City of Stevenson	City Hall, 104 Kentucky Avenue, Stevenson, AL 35772.
Unincorporated Areas of Jackson County	Jackson County Public Works Department, 395 Shelby Drive, Scottsboro, AL 35769.
Marshall County, Alabama and Incorporated Areas Project: 18-04-0007S Preliminary Date: August 21, 2024	
City of Albertville	City Hall, 116 West Main Street, Albertville, AL 35950.
City of Guntersville	City Hall, 341 Gunter Avenue, Guntersville, AL 35976.
Unincorporated Areas of Marshall County	Marshall County Engineering Department, 424 Blount Avenue, Suite A337, Guntersville, AL 35976.
Berrien County, Georgia and Incorporated Areas Project: 23-04-0034S Preliminary Date: November 20, 2025	
City of Nashville	City Hall, 405 West Washington Avenue, Nashville, GA 31639.
City of Ray City	City Hall, 8151 Main Street, Ray City, GA 31645.
Town of Alapaha	Berrien County Administration Building, 201 North Davis Street, Room 122, Nashville, GA 31639.
Town of Enigma	Town Hall, 569 Main Street, Enigma, GA 31749.
Unincorporated Areas of Berrien County	Berrien County Administration Building, 201 North Davis Street, Room 122, Nashville, GA 31639.
Lanier County, Georgia and Incorporated Areas Project: 23-04-0034S Preliminary Date: November 20, 2025	
Unincorporated Areas of Lanier County	Lanier County Board of Commissioner's Office, 28 South Valdosta Road, Lakeland, GA 31635.
Warren County, Missouri and Incorporated Areas Project: 20-07-0037S Preliminary Date: November 21, 2025	
City of Marthasville	City Offices, 402 East Main Street, Marthasville, MO 63357.
City of Truesdale	City Hall, 109 Pinckney Street, Truesdale, MO 63380.
City of Warrenton	City Hall, 200 West Booneslick Road, Warrenton, MO 63383.
City of Wright City	City Hall, 636 Westwoods Road, Wright City, MO 63390.
Unincorporated Areas of Warren County	Warren County Administrative Building, 101 Mockingbird Lane, Warrenton, MO 63383.

Community	Community map repository address
Village of Innsbrook	Village Hall, 13600 State Highway M, Innsbrook, MO 63390.
Village of Three Creeks	Warren County Administrative Building, 101 Mockingbird Lane, Warrenton, MO 63383.

[FR Doc. 2026-15939 Filed 8-5-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY**Federal Emergency Management Agency**

[Docket ID FEMA-2026-0002; Internal Agency Docket No. FEMA-B-2604]

Proposed Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Comments are requested on proposed flood hazard determinations, which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the preliminary FIRM, and where applicable, the FIS report that the Federal Emergency Management Agency (FEMA) has provided to the affected communities. The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: Comments are to be submitted on or before November 4, 2026.

ADDRESSES: The Preliminary FIRM, and where applicable, the FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective

Community Map Repository address listed in the tables below. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

You may submit comments, identified by Docket No. FEMA-B-2604, to David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: FEMA proposes to make flood hazard determinations for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed flood hazard determinations, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities. These flood hazard determinations are used to meet the floodplain management requirements of the NFIP.

The communities affected by the flood hazard determinations are provided in the tables below. Any request for reconsideration of the

revised flood hazard information shown on the Preliminary FIRM and FIS report that satisfies the data requirements outlined in 44 CFR 67.6(b) is considered an appeal. Comments unrelated to the flood hazard determinations also will be considered before the FIRM and FIS report become effective.

Use of a Scientific Resolution Panel (SRP) is available to communities in support of the appeal resolution process. SRPs are independent panels of experts in hydrology, hydraulics, and other pertinent sciences established to review conflicting scientific and technical data and provide recommendations for resolution. Use of the SRP only may be exercised after FEMA and local communities have been engaged in a collaborative consultation process for at least 60 days without a mutually acceptable resolution of an appeal. Additional information regarding the SRP process can be found online at https://www.floodsrp.org/pdfs/srp_overview.pdf.

The watersheds and/or communities affected are listed in the tables below. The Preliminary FIRM, and where applicable, FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables. For communities with multiple ongoing Preliminary studies, the studies can be identified by the unique project number and Preliminary FIRM date listed in the tables. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Sullivan County, New Hampshire (All Jurisdictions) Project: 18-01-0025S, 22-01-0008S, 20-01-0024S Preliminary Date: December 14, 2021; July 25, 2024; July 30, 2025	
Town of Acworth	Town Hall, 13 Town Hall Road, Acworth, NH 03601.

Community	Community map repository address
Town of Charlestown	Town Offices, 233 Main Street, Charlestown, NH 03603.
Town of Langdon	Municipal Office, 122, Route 12 A, Langdon, NH 03602.
Town of Lempster	Town Office, 856 NH Route 10, Lempster, NH 03605.
Town of Springfield	Town Offices, 2750 Main Street, Springfield, NH 03284.
Town of Unity	Town Office, 13 Center Road, Unity, NH 03603.
Town of Washington	Selectmen's Office, 7 Halfmoon Pond Road, Washington, NH 03280.

Morris County, New Jersey (All Jurisdictions)
Project: 23-02-0027S Preliminary Date: November 17, 2025

Borough of Butler	Borough Municipal Building, 1 Ace Road, Butler, NJ 07405.
Borough of Chatham	Borough Municipal Building, 54 Fairmount Avenue, Chatham, NJ 07928.
Borough of Florham Park	Borough Hall, 111 Ridgedale Avenue, Florham Park, NJ 07932.
Borough of Kinnelon	Municipal Building, 130 Kinnelon Road, Kinnelon, NJ 07405.
Borough of Madison	Borough Hall, Hartley Dodge Memorial Building, 50 Kings Road, Madison, NJ 07940.
Borough of Mendham	The Phoenix House, 2 W Main Street, Mendham, NJ 07945.
Borough of Morris Plains	Borough Hall, 531 Speedwell Avenue, Morris Plains, NJ 07950.
Borough of Mount Arlington	Borough Hall, 419 Howard Boulevard, Mount Arlington, NJ 07856.
Borough of Netcong	Municipal Building, 23 Maple Avenue, Netcong, NJ 07857.
Borough of Riverdale	Municipal Building, 91 Newark-Pompton Turnpike, Riverdale, NJ 07457.
Borough of Rockaway	Borough Municipal Building, 1 E Main Street, Rockaway, NJ 07866.
Borough of Victory Gardens	Victory Gardens Borough Municipal Building, 337 S Salem Street, Dover, NJ 07801.
Borough of Wharton	Borough Hall, 10 Robert Street, Wharton, NJ 07885.
Town of Boonton	Town Hall, 100 Washington Street, Boonton, NJ 07005.
Town of Dover	Engineering Department, 100 Princeton Avenue, Dover, NJ 07801.
Town of Morristown	Town Hall, 200 S. Street, Morristown, NJ 07960.
Township of Boonton	Township Municipal Building, 155 Powerville Road, Boonton Township, NJ 07005.
Township of Chatham	Township Municipal Building, 58 Meyersville Road, Chatham, NJ 07928.
Township of Chester	Township Building, 1 Parker Road, Chester, NJ 07930.
Township of Denville	Township Municipal Building, Engineering Department, 1 St. Mary's Place, Denville, NJ 07834.
Township of East Hanover	Municipal Building, Construction Department, 411 Ridgedale Avenue, East Hanover, NJ 07936.
Township of Hanover	Hanover Township Municipal Building, 1000 Route 10, Whippany, NJ 07981.
Township of Harding	Harding Township Municipal Building, 21 Blue Mill Road, New Vernon, NJ 07976.
Township of Jefferson	Jefferson Township Municipal Building, 1033 Weldon Road, Lake Hopatcong, NJ 07849.
Township of Long Hill	Long Hill Township Hall, 915 Valley Road, Gillette, NJ 07933.
Township of Mendham	Mendham Township Building, 2 W Main Street, Brookside, NJ 07926.
Township of Mine Hill	Township Hall, 10 Baker Street, Mine Hill, NY 07803.
Township of Montville	Municipal Building, Engineering Department, 195 Changebridge Road, Montville, NJ 07045.
Township of Morris	Morris Township Municipal Building, 50 Woodland Avenue, Morristown, NJ 07960.
Township of Mount Olive	Mount Olive Township Hall, 204 Flanders-Drakestown Road, Budd Lake, NJ 07828.
Township of Parsippany-Troy Hills	Parsippany-Troy Hills Township Hall, 1001 Parsippany Boulevard, Parsippany, NJ 07054.
Township of Randolph	Township Municipal Building, 502 Millbrook Avenue, Randolph, NJ 07869.
Township of Rockaway	Township Municipal Building, 65 Mount Hope Road, Rockaway, NJ 07866.
Township of Roxbury	Roxbury Township Hall, 1715 Route 46, Ledgewood, NJ 07852.
Township of Washington	Washington Township Municipal Building, 43 Schooley's Mountain Road, Long Valley, NJ 07853.

Berkeley County, West Virginia and Incorporated Areas
Project: 21-03-0021S Preliminary Date: August 29, 2025

City of Martinsburg	Martinsburg City Hall, 232 N Queen Street, Martinsburg, WV 25401.
Unincorporated Areas of Berkeley County	Berkeley County Dunn Building, 400 W Stephen Street, Suite 201, Martinsburg, WV 25401.

Community	Community map repository address
Pike County, Pennsylvania (All Jurisdictions) Project: 23–03–0021S Preliminary Date: August 18, 2025	
Borough of Matamoras	Borough Hall, 10 Avenue I, Matamoras, PA 18336.
Borough of Milford	Milford Borough Office, 500 Broad Street, Milford, PA 18337.
Township of Blooming Grove	Municipal Building, 488 Route 739, Blooming Grove, PA 18428.
Township of Delaware	Delaware Township Office, 116 Wilson Hill Road, Dingmans Ferry, PA 18328.
Township of Dingman	Dingman Township Municipal Building, 118 Fisher Lane, Milford, PA 18337.
Township of Greene	Greene Township Municipal Building, 198 Brink Hill Road, Greentown, PA 18426.
Township of Lackawaxen	Lackawaxen Township Municipal Building, 169 Urban Road, Hawley, PA 18428.
Township of Lehman	Lehman Township Municipal Building, 193 Municipal Drive, Bushkill, PA 18324.
Township of Milford	Milford Township Building, 560 Route 6 And 209, Milford, PA 18337.
Township of Palmyra	Palmyra Township Building, 115 Buehler Lane, Paupack, PA 18451.
Township of Porter	Porter Township Building, 2186 Route 402, Dingmans Ferry, PA 18328.
Township of Shohola	Township Main Office, 159 Twin Lakes Road, Shohola, PA 18458.
Township of Westfall	Westfall Township Municipal Building, 102 La Barr Lane, Matamoras, PA 18336.
Morgan County, West Virginia and Incorporated Areas Project: 21–03–0020S Preliminary Date: November 21, 2025	
Town of Bath	Morgan County Courthouse, 77 Fairfax Street, Room 105, Berkeley Springs, WV 25411.
Town of Paw Paw	Morgan County Courthouse, 77 Fairfax Street, Room 105, Berkeley Springs, WV 25411.
Unincorporated Areas of Morgan County	Morgan County Courthouse, 77 Fairfax Street, Room 105, Berkeley Springs, WV 25411.
Bayfield County, Wisconsin and Incorporated Areas Project: 14–05–2832S Preliminary Date: July 31, 2025	
City of Bayfield	City Hall, 34 S Broad Street, Unit 101, Bayfield, WI 54814.
City of Washburn	City Hall, 119 Washington Avenue, Washburn, WI 54891.
Red Cliff Band of Lake Superior Chippewa	Tribal Office, 88455 Pike Road, Bayfield, WI 54814.
Unincorporated Areas of Bayfield County	Bayfield County Courthouse, 117 E 5th Street, Washburn, WI 54891.
Village of Mason	Village Hall, 59400 Northern Lights Boulevard, Mason, WI 54856.
Ingham County, Michigan (All Jurisdictions) Project: 24–05–0020S Preliminary Date: July 25, 2025	
Charter Township of Delhi	Charter Township of Delhi Township Hall, 2074 Aurelius Road, Holt, MI 48842.
Charter Township of Lansing	Charter Township of Lansing Township Hall, 3209 W Michigan Avenue, Lansing, MI 48917.
Charter Township of Meridian	Charter Township of Meridian Township Hall, 5151 Marsh Road, Okemos, MI 48864.
City of East Lansing	City Hall, 410 Abbot Road, East Lansing, MI 48823.
City of Lansing	City Hall, 124 W Michigan Avenue, Lansing, MI 48933.
City of Williamston	City Hall, 161 E. Grand River Avenue, Williamston, MI 48895.
Township of Alaiedon	Alaiedon Township Hall, 2021 W Holt Road, Mason, MI 48854.
Township of Leroy	Leroy Township Hall, 1685 N M–52, Webberville, MI 48892.
Township of Locke	Locke Township Hall, 3805 Bell Oak Road, Williamston, MI 48895.
Township of Wheatfield	Wheatfield Township Hall, 985 E Holt Road, Williamston, MI 48895.
Township of Williamstown	Township Hall, 4990 N Zimmer Road, Williamston, MI 48895.
Village of Webberville	Village Hall, 115 S Main Street, Webberville, MI 48892.
Monroe County, Wisconsin and Incorporated Areas Project: 21–05–0011S Preliminary Date: October 07, 2025	
City of Sparta	City Hall, 201 W. Oak Street, Sparta, WI 54656.
City of Tomah	Zoning and Inspection Department, 819 Superior Avenue, Tomah, WI 54660.
Ho-Chunk Nation of Wisconsin	Tribal Office Building, W9814 Airport Road, Black River Falls, WI 54615.
Unincorporated Areas of Monroe County	Zoning Office, 777 S Black River Street, Suite 2, Sparta, WI 54656.
Village of Kendall	Village Hall, 219 W South Railroad Street, Kendall, WI 54638.
Village of Melvina	Melvina Village Hall, 604 Central Drive, Cashton, WI 54619.
Village of Norwalk	Village Hall, 208 S Church Street, Norwalk, WI 54648.
Village of Oakdale	Oakdale Village Hall, 133 Well Drive, Tomah, WI 54649.

Community	Community map repository address
Village of Warrens	Village Hall, 301 Main Street, Warrens, WI 54666.
Village of Wilton	Village Hall, 400 E Street, Suite 103, Wilton, WI 54670.
Village of Wyeville	Village Hall, 215 Wyeville Avenue, Wyeville, WI 54660.

[FR Doc. 2026–15938 Filed 8–5–26; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–7106–N–36]

Privacy Act of 1974; Matching Program

AGENCY: Office of Policy Development and Research, Department of Housing and Urban Development (HUD).

ACTION: Notice of a reestablished matching program.

SUMMARY: Pursuant to the Privacy Act of 1974, as amended by the Computer Matching and Privacy Protection Act of 1988 and the Computer Matching and Privacy Protection Amendments of 1990 (Privacy Act), and Office of Management and Budget (OMB) guidance on the conduct of matching programs, notice is hereby given of the reestablishment of a matching program between the Department of Housing and Urban Development (HUD), the Department of Homeland Security, Federal Emergency Management Agency (FEMA), and HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) grantees. Since publication of the previous matching program notice, HUD and FEMA have updated the data elements used in the matching program by adding and removing certain data fields to align with current programmatic requirements.

DATES: Please submit comments on or before September 8, 2026. The matching program will be effective on September 8, 2026, unless comments have been received from interested members of the public that require modification and republication of the notice. The matching program will continue for 18 months from the beginning date and may be extended an additional 12 months if the conditions specified in 5 U.S.C. 552a(o)(2)(D) have been met.

ADDRESSES: Interested persons are invited to submit comments regarding this notice at www.regulations.gov or to the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410. Communications should refer to the docket number.

FOR FURTHER INFORMATION CONTACT: For general questions about this matching program, contact Todd Richardson, General Deputy Assistant Secretary, Office of Policy Development and Research, Department of Housing and Urban Development, 451 7th Street SW, Room 8106, Washington, DC 20410, telephone number (202) 402–5706. To obtain additional information about this matching program and the contents of this Computer Matching Agreement between HUD, FEMA, and HUD's CDBG-DR grantees, please view this Computer Matching Agreement at the following website: www.hud.gov/stat/oa/computer-matching-agreement. 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: HUD is providing this notice in accordance with the Privacy Act of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100–503) and the Computer Matching and Privacy Protection Amendments of 1990 (Pub. L. 101–508); Office of Management and Budget Final Guidance Interpreting the Provisions of Public Law 100–503, the Computer Matching and Privacy Protection Act of 1988, 54 FR 25818 (June 19, 1989); and OMB Circular A–108, 81 FR 94424 (December 23, 2016).

FEMA will share data to HUD to allow HUD to develop the funding formulas to request additional appropriations from Congress and allocate funding for CDBG-DR grant awards. The FEMA data will be used by HUD to calculate the amount of HUD's CDBG-DR grants, which are based on the number of unmet needs for the disaster. HUD performs a complex grants formulation process using Personally Identifiable Information (PII) data from FEMA and the Small Business Administration (SBA) to generate its CDBG-DR grant allocations and figures estimating unmet disaster needs for OMB and Congress. HUD has a separate agreement with the SBA. The SBA is not a party to this agreement. HUD will request data from FEMA on an as-

needed basis to share with CDBG-DR grantees to identify needs for the use of grant funds, conduct outreach to disaster-affected individuals, prevent duplication of benefits, and comply with requirements to limit certain flood disaster assistance to a person who failed to obtain and maintain flood insurance when required as a condition of previous federal flood disaster assistance or a CDBG-DR grant.

Participating Agencies

Department of Housing and Urban Development (HUD), Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), and HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) grantees.

Authority for Conducting the Matching Program

A. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. 5155, requires each Federal agency that administers any program providing financial assistance because of a major disaster or emergency to ensure that no individual or entity receives duplicate financial assistance under any program, from insurance, or through any other source.

B. Section 408(i) of the Stafford Act, 42 U.S.C. 5174(i), authorizes the development of systems and databases to verify eligibility, minimize duplicative payments, prevent fraud, and administer disaster assistance programs.

C. Executive Order 13411, Improving Assistance for Disaster Victims, 71 FR 52729 (August 29, 2006), directs Federal agencies to reduce unnecessarily duplicative application forms and processes for Federal disaster assistance.

D. The DHS/FEMA–008 Disaster Recovery Assistance Files System of Records, 89 FR 73104 (September 9, 2024), and the DHS/FEMA–003 National Flood Insurance Program Files System of Records Notice, 79 FR 28747 (May 19, 2014), authorize FEMA to share information for disaster assistance administration, unmet needs determinations, duplication of benefits reviews, and approved computer matching programs.

E. The President may declare a disaster as an emergency under Section 501 of the Stafford Act and authorize

emergency assistance under Section 502(a)(7).

F. Section 502(a)(6) and (8) of the Stafford Act, as codified at 42 U.S.C. 5192(a)(6) and (8), authorizes federal assistance to individuals and households and emergency sheltering for Presidentially declared emergencies.

G. Section 408 of the Stafford Act, as codified at 42 U.S.C. 5174, authorizes financial and direct services assistance for individuals and households for Presidentially declared major disasters.

H. The President may declare a major disaster under section 401 of the Stafford Act to authorize assistance to Individuals and Households under section 408 of the Stafford Act and Essential Assistance under section 403 of the Stafford Act.

I. Section 403(a)(3)(B) of the Stafford Act, Public Law 93–288, as codified at 42 U.S.C. 5170b(a)(3)(B), authorizes emergency sheltering, including non-congregate sheltering for Presidentially declared major disasters.

J. The Debt Collection Improvement Act of 1996, 31 U.S.C. 3325(d) and 7701(c)(1), requires Federal agencies to collect taxpayer identification numbers or Social Security numbers from individuals receiving Federal payments.

K. HUD's applicable systems of records include the Inventory Management System/Public and Indian Housing Information Center (IMS/PIIC), HUD/PIH.01; Enterprise Income Verification (EIV), HUD/PIH–05; and Tenant Rental Assistance Certification System (TRACS), HUD/HOU–11.

L. Community Development Block Grant-Disaster Recovery appropriations acts and title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5301 *et seq.*, provide authority for HUD's disaster recovery grant programs and impose requirements related to duplication of benefits, fraud prevention, and unmet needs determinations.

M. HUD regulations at 24 CFR 982.352(c) prohibit families from receiving duplicative Federal housing subsidies and require coordination between assistance programs.

Purpose(s)

This Computer Matching Agreement (CMA) facilitates essential data matching to support the coordinated administration of FEMA's emergency sheltering and housing assistance programs, as well as HUD's rental assistance programs and Community Development Block Grant-Disaster Recovery (CDBG–DR) grants including Community Development Block Grant Mitigation (CDBG–MIT), National Disaster Resilience Competition (CDBG–

NDR), and CDBG–DR grants for limited activities. The HUD–FEMA computer matching program encompasses three primary data matching purposes, as outlined below.

1. To transition HUD housing recipients whose HUD-assisted homes are uninhabitable due to a declared disaster or emergency that authorizes FEMA Individual Assistance from emergency sheltering or FEMA housing assistance back into HUD-assisted housing while preventing duplication of benefits.

2. To allow HUD to develop funding formulas used to request additional appropriations from Congress and allocate CDBG–DR grant awards. Data associated with this Agreement will be used by HUD to calculate unmet disaster-related needs and determine CDBG–DR grant allocations.

3. To support CDBG–DR grantee planning, outreach, program implementation, duplication of benefits reviews, and compliance with flood insurance requirements under 42 U.S.C. 5154a and 24 CFR 58.6(b). HUD will request Individuals and Households Program (IHP) and National Flood Insurance Program (NFIP) data from FEMA on an as-needed basis and provide that information to participating CDBG–DR grantees in accordance with the terms of the Agreement.

Categories of Individuals

The categories of individuals covered by this matching program include:

A. FEMA applicants or registrants who have applied for or are eligible for disaster assistance under FEMA's Individuals and Households Program (IHP);

B. National Flood Insurance Program (NFIP) policyholders and claimants;

C. Pre-disaster HUD housing program recipients receiving assistance through Public Housing, Housing Choice Voucher, Project-Based Section 8, Section 202, Section 811, or other covered HUD housing programs; and

D. CDBG–DR grantee program applicants, including individuals, households, businesses, and other entities that apply for or receive CDBG–DR assistance.

Categories of Records

Data elements disclosed by each agency in this matching program are as follows:

A. Data Fields HUD to Share with FEMA

- Co-recipient First Name
- Co-recipient Last Name
- Co-recipient Date of Birth
- Co-recipient Last 4 Digits of SSN
- Recipient First Name

- Recipient Last Name
- Recipient Date of Birth
- Recipient Street Address
- Recipient State
- Recipient City
- Recipient County
- Recipient Address 5 Digit Zip Code
- Recipient Last 4 Digits of SSN
- Recipient Phone Number
- Household Member First Name
- Household Member Last Name
- Household Member Last 4 SSN
- Household Member Date of Birth
- Number of Household Members
- HUD Program Code
- PROGRAM TYPE
- HUD Project Code
- HUD Project Name
- HUD Public Housing Agency (PHA) Code
- HUD Date of Recertification

B. IA Registrant Data Fields FEMA to Share with HUD

- Access and Functional Needs (Y/N)
- Applicant Alternate Phone Number
- Applicant Current Phone Number
- Applicant Date of Birth
- Applicant Email Address
- Applicant Last, First Name
- Applicant Last 4 Digits of SSN
- Applicant Registration Number
- Co-applicant Date of Birth
- Co-applicant Last, First Name
- Co-applicant Last 4 Digits of SSN
- Co-applicant Current Phone Number
- Damaged Address City
- Damaged Address 5 Digit Zip Code
- Damaged Address Zip Code 4 Digit Extension
- Damaged Address County
- Damaged Address Street
- Damaged Address State
- Disaster Number
- Household Member Age (Age range), Under 5 years, 65 and above
- Number of Individuals in Household
- Current Hotel Address
- Current Hotel City
- Current Hotel County
- Current Hotel Name
- Rental Unit Street
- Rental Unit City
- Rental Unit State
- Rental Unit Zip Code
- Current Location Date
- Habitability Repairs Required (HRR)
- Direct Housing First Licensed-in Date (FEMA's authority to allow an applicant to reside in a Direct Housing Unit)
- Last Continued Temporary Housing Assistance Date

C. IA Registrant Data Fields FEMA to Share with HUD

- Alternate Current Contact Phone Number
- SBA Referral Flag (Y/N)
- Co-registrant Date of Birth
- Co-registrant First Name

- Co-registrant Last Name
 - Co-registrant Last 4 Digits of SSN
 - Current Contact Phone Number
 - Current Contact Email Address
 - Current Location
 - Current Mailing 5 Digit Zip Code
 - Current Mailing Address City
 - Current Mailing Address Street
 - Current Mailing State
 - Current Mailing Zip 4 Digit Extension
 - Damaged Dwelling Address County
 - Damaged Dwelling Latitude
 - Damaged Dwelling Longitude
 - Damaged Dwelling Address 5 Digit Zip Code
 - Damaged Dwelling Address City
 - Damaged Dwelling Address Street
 - Damaged Dwelling State
 - Damaged Dwelling Zip Code 4 Digit Extension
 - Dependents (Number in Household)
 - Destroyed Flag (Y/N)
 - Disaster Number
 - FEMA Registration Number
 - Flood Zone
 - Gross Income
 - High Water Mark Location
 - High Water Depth in Inches
 - Inspection Complete (Y/N)
 - Insurance Type (Insurance Code)
 - NCOMP Flag (Y/N)
 - Owner/Renter
 - Personal Property Total FVL Amount (Aggregated for all PERSONAL PROPERTY FVL [one field replaces all fields related to personal property damage])
 - Personal Property Flood Damage FVL Amount
 - Primary Residence RI (Yes/No)
 - Real Property Total FVL Amount (Aggregated for all REAL PROPERTY FVL [one field replaces all fields related to real property damage])
 - Real Property Flood Damage FVL Amount
 - Registrant Date of Birth
 - Registrant First Name
 - Registrant Last 4 Digits of SSN
 - Registrant Last Name
 - Residence Type
 - Temporary Housing Unit (THU)—Latest Currently Licensed-in Date
 - Total Housing Assistance Approved Amount (Aggregated Eligibility Amount)
 - Total Housing Assistance Approved Flood Damage Amount
 - Total Other Assistance Approved Amount (Aggregated Eligibility Amount)
 - Total Other Assistance Flood Damage Approved Amount
 - Total Other Needs Assistance Approved Amount (Aggregated Eligibility Amount)
 - Total Other Needs Assistance Flood Damage Approved Amount
 - Total Personal Property Assistance Amount (Aggregated Eligibility Amount)
 - Total Personal Property Assistance Flood Damage Amount
 - Total Repair Assistance Approved Amount (Aggregated Eligibility Amount)
 - Total Repair Assistance Flood Damage Amount
 - Total Replacement Assistance Approved Amount (Aggregated Eligibility Amount)
 - FEMA Identity Verified (Pass/Fail)
 - FEMA Occupancy Verified (Pass/Fail)
 - FEMA Ownership Verified (Pass/Fail/null)
 - FEMA Inspected Damage Level
 - Habitability Repairs Required (HRR)
- D. NFIP Policyholder Data Fields FEMA To Share With HUD
- Community Number
 - Community Name
 - Policy Effective Date
 - Policy Expiration Date
 - Insured Building Coverage Amount
 - Insured Contents Coverage Amount
 - Policy Number
 - Insurance Company Number
 - Insurance Company Name
 - Policy Holder First Name
 - Policy Holder Last Name
 - Insured Property Address 1
 - Insured Property Address 2
 - Insured Property City
 - Insured Property State
 - Insured Property Zip Code
 - Insured Property Zip Code + 4
 - Occupancy Type
 - Insured Property County
 - Post FIRM
 - Building Type
 - Date of Loss
 - Building Payment
 - Contents Payment
 - ICC Payment
 - Insured Building Longitude
 - Data Fields
 - Insured Building Latitude
 - Geocode Accuracy
 - Repetitive Loss (FMA)
 - Severe Repetitive Loss (FMA)
 - Repetitive Loss (NFIP)
 - Severe Repetitive Loss (NFIP)
 - Repetitive Loss Number
 - Storm ID
 - Storm Name
 - Last Refresh Date
- System(s) of Records**
- DHS/FEMA—008 Disaster Recovery Assistance Files System of Records, 89 FR 73104 (September 9, 2024), as amended.
- DHS/FEMA—003 National Flood Insurance Program Files System of Records Notice, 79 FR 28747 (May

19, 2014), as amended.
Inventory Management System (IMS), also known as the Public and Indian Housing Information Center (IMS/PIC), HUD/PIH.01, 89 FR 1121 (January 9, 2024), as amended by 91 FR 2137 (January 16, 2026) and 91 FR 22845 (April 28, 2026).
Enterprise Income Verification (EIV), HUD/PIH—05, 91 FR 34245 (June 5, 2026).
Tenant Rental Assistance Certification System (TRACS), HUD/HOU—11, 91 FR 22160 (April 24, 2026).

Kimberly Morton,

Acting Chief Privacy Officer.

[FR Doc. 2026–16042 Filed 8–5–26; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516; #O2412–014–004–125222; LLNM922000]

Notice of Proposed Reinstatement of BLM New Mexico Terminated Oil and Gas Lease: NMNM142036

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of oil and gas lease reinstatement.

SUMMARY: In accordance with the Mineral Leasing Act of 1920, as amended, the Bureau of Land Management (BLM) received a petition for reinstatement of terminated competitive oil and gas lease NMNM142036 from Petro-Quest Oil & Gas, LP (lessee). The lessee timely filed a petition for reinstatement of the competitive oil and gas lease located in Eddy County, New Mexico. The lessee paid the required rental accruing from the date of termination. No leases have been issued that affect these lands. The BLM proposes to reinstate the lease.

FOR FURTHER INFORMATION CONTACT: Ross Klein, Natural Resource Specialist, Branch of Fluid Minerals, Bureau of Land Management New Mexico State Office, 301 Dinosaur Trail, Santa Fe, New Mexico 87508, (505) 954–2143, rklein@blm.gov. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: The lessee agrees to new lease terms for rental of \$20 per acre, or fraction thereof, per year, and a royalty rate of 16.67 percent. The lessee agreed to amended lease notices. The lessee paid the required administration fee and has reimbursed the BLM for the cost of publishing this notice.

The lessee meets the requirements for reinstatement of the lease per Sec. 31(d) and (e) of the Mineral Leasing Act of 1920 (30 U.S.C. 188). The BLM is proposing to reinstate lease NMNM142036, effective October 1, 2024, for the remainder of the primary term, subject to: the original terms and conditions of the lease; amended lease notices; increased rental of \$20 per acre; and increased royalty of 16.67 percent.

(Authority: 30 U.S.C. 188 (e)(4) and 43 CFR 3108.23.)

Michael J. Gibson,

Deputy State Director, Minerals.

[FR Doc. 2026–16070 Filed 8–5–26; 8:45 am]

BILLING CODE 4331–23–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516, #O2509–014–004–125222; LLWY920000. L57000000.FI0000. 17XL5017AR]

Proposed Reinstatement of Terminated Oil and Gas Lease WYW179793, Wyoming

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Mineral Leasing Act of 1920, as amended, the Bureau of Land Management (BLM) received a petition for reinstatement of terminated competitive oil and gas lease WYW179793 in Converse County, Wyoming. The lessee filed the petition for reinstatement on time and has met all filing requirements. No leases were issued that affect these lands. The Bureau of Land Management proposes to reinstate the lease.

FOR FURTHER INFORMATION CONTACT: Sandra Blackburn, Branch Chief, Fluid Minerals Adjudication, Bureau of Land Management Wyoming State Office, 5353 Yellowstone Rd., Cheyenne, Wyoming, 82009; phone: 307–775–6176; email: s75black@blm.gov.

Persons who use a telecommunications device for the deaf may call the Federal Relay Service (FRS) at 1–800–877–8339 to contact the above individual during normal business

hours. The FRS is available 24 hours a day, 7 days a week, to leave a message or question with the above individual. You will receive a reply during normal business hours.

SUPPLEMENTARY INFORMATION: The lessees agree to new lease terms for rentals and royalties at rates of \$20 per acre or fraction thereof and 16.67 percent, respectively and to adhere to new or amended lease stipulations to protect the Bozeman and Oregon historic trails in conformance with current management decisions under the approved Resource Management Plan. The lessee has paid the required administrative fee and has reimbursed the Bureau of Land Management for the cost of publishing this Notice.

The lessees met the requirements for reinstatement of the lease as provided in Sections 31(d) and (e) of the Mineral Leasing Act of 1920 (30 U.S.C. 188). The BLM is proposing to reinstate the lease effective July 1, 2019, and an extension for two years from the date the lease is reinstated in accordance with 43 CFR 3108.23(d) subject to:

- Original terms and conditions of the lease;
- Increased rental of \$20 per acre;
- Increased royalty of 16.67 percent;
- Additional stipulation (WY CFO _ CSU BT3) and
- A two-year lease extension.

(Authority: 30 U.S.C. 188 (d) and (e) and 43 CFR 3108.23.)

Sandra M. Blackburn,

Branch Chief, Fluid Minerals Adjudication.

[FR Doc. 2026–16072 Filed 8–5–26; 8:45 am]

BILLING CODE 4331–26–P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE–2026–0166; EEEE500000–256E1700D2–ET1SF0000.EAQ000OMB Control Number 1014–0015]

Agency Information Collection Activities; Unitization

AGENCY: Bureau of Safety and Environmental Enforcement, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Bureau of Safety and Environmental Enforcement (BSEE) proposes to renew an information collection.

DATES: Interested persons are invited to submit comments on or before October 5, 2026.

ADDRESSES: Send your comments on this information collection request (ICR) by either of the following methods listed below:

- Electronically go to <http://www.regulations.gov>. In the Search box, enter BSEE–2026–0166 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.

- Email Kelly.Odom@bsee.gov, or mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Kelly Odom; 45600 Woodland Road, Sterling, VA 20166. Please reference OMB Control Number 1014–0015 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Kelly Odom by email at Kelly.Odom@bsee.gov or by telephone at (703) 787–1775. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at <http://www.reginfo.gov/public/do/PRAMain>.

SUPPLEMENTARY INFORMATION: In accordance with the PRA and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

- (1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;
- (2) The accuracy of our estimate of the burden for this collection of

information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of response.

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

Abstract: BSEE must approve any lessee's proposal to enter an agreement to unitize operations under two or more leases and for modifications when warranted. We use the information to ensure that operations under the proposed unit agreement will result in preventing waste, conserving natural resources, and protecting correlative rights including the government's interests.

Title of Collection: Unitization.

OMB Control Number: 1014-0015.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public:

Potential respondents include Federal Outer Continental Shelf (OCS) oil, gas, and sulfur lessees and/or operators and holders of pipeline rights-of-way.

Total Estimated Number of Annual Respondents: Currently there are approximately 555 Federal OCS oil, gas, and sulfur lessees and holders of pipeline rights-of-way. Not all the potential respondents will submit information in any given year, and some may submit multiple times.

Total Estimated Number of Annual Responses: 79.

Estimated Completion Time per Response: Varies from 1 hour to 300 hours, depending on activity.

Total Estimated Number of Annual Burden Hours: 5,998

Respondent's Obligation: Responses are voluntary, and some are required to obtain or retain benefits.

Frequency of Collection: Submissions are generally on occasion.

Total Estimated Annual Nonhour Burden Cost: \$149,836.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Kirk Malstrom,

Chief, Regulations and Standards Branch.

[FR Doc. 2026-16080 Filed 8-5-26; 8:45 am]

BILLING CODE 4310-VH-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-643 and 731-TA-1493 (Review)]

Small Vertical Shaft Engines From China; Scheduling of Expedited Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to the Tariff Act of 1930 ("the Act") to determine whether revocation of the antidumping and countervailing duty orders on small vertical shaft engines from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

DATES: July 6, 2026.

FOR FURTHER INFORMATION CONTACT: Alec Resch (202-708-1448), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On July 6, 2026, the Commission determined that the domestic interested party group response to its notice of institution (91 FR 16231, April 1, 2026) of the subject five-year reviews was adequate and that

the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act (19 U.S.C. 1675(c)(3)).

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Staff report.—A staff report containing information concerning the subject matter of the reviews has been placed in the nonpublic record and will be made available to persons on the Administrative Protective Order service list for these reviews on September 16, 2026. A public version will be issued thereafter, pursuant to § 207.62(d)(4) of the Commission's rules.

Written submissions.—As provided in § 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the reviews may file written comments with the Secretary on what determination the Commission should reach in the reviews. Comments are due on or before 5:15 p.m. on September 23, 2026, and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by September 23, 2026. However, should the Department of Commerce ("Commerce") extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's website.

² The Commission has found the response submitted on behalf of Briggs & Stratton, LLC, to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination.—The Commission has determined these reviews are extraordinarily complicated and therefore has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: August 4, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–16020 Filed 8–5–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–769–770 and 731–TA–1752–1754 (Final)]

Steel Concrete Reinforcing Bar From Bulgaria, Egypt, and Vietnam; Supplemental Schedule for the Final Phase of the Investigations

AGENCY: United States International Trade Commission.

ACTION: Notice.

DATES: Applicable July 30, 2026.

FOR FURTHER INFORMATION CONTACT: Sharon Fisher ((202) 205–2431), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for

this proceeding may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: Effective December 19, 2025, the Commission established a general schedule for the conduct of the final phase of its investigations on steel concrete reinforcing bar (or “rebar”) from Algeria, Bulgaria, Egypt, and Vietnam (90 FR 61166, December 30, 2025) following a preliminary determination by the U.S. Department of Commerce (“Commerce”) that imports of rebar from Algeria were being sold in the United States at less than fair value (“LTFV”). Commerce's preliminary determinations with respect to rebar from Bulgaria, Egypt, and Vietnam alleged to be sold in the United States at less than fair value and with respect to rebar alleged to be subsidized by the Governments of Algeria, Egypt, and Vietnam were pending at that time. Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** on December 30, 2025 (90 FR 61166). All persons who requested the opportunity were permitted to participate.

On March 6, 2026, Commerce published in the **Federal Register** its final affirmative antidumping determination with respect to rebar from Algeria (91 FR 11035, March 6, 2026). On March 27, 2026, Commerce published in the **Federal Register** its final affirmative countervailing duty determination with respect to rebar from Algeria (91 FR 14808, March 27, 2026). The Commission subsequently issued its final determinations that an industry in the United States was materially injured by reason of imports of rebar from Algeria that were found by Commerce to be sold in the United States at LTFV (91 FR 21510, April 22, 2026). Because the Office of the United States Trade Representative advised the Commission of its determination that Algeria is not a Subsidies Agreement country (90 FR 34334, July 21, 2025), the Commission closed its countervailing duty investigation in connection with rebar from Algeria (91 FR 29504, May 20, 2026).

On July 30, 2026, Commerce published in the **Federal Register** its final affirmative countervailing duty determinations with respect to imports of rebar from Egypt (91 FR 48068) and Vietnam (91 FR 48074) and its final

LTFV determinations with respect to imports of rebar from Bulgaria (91 FR 48084), Egypt (91 FR 48066), and Vietnam (91 FR 48063). Accordingly, the Commission currently is issuing a supplemental schedule for the final phase of its investigations on imports of rebar from Bulgaria, Egypt, and Vietnam.

This supplemental schedule is as follows: the deadline for filing supplemental party comments on Commerce's final antidumping/countervailing duty determinations is 5:15 p.m. on August 12, 2026. Supplemental party comments may address only Commerce's final determinations regarding imports of rebar from Bulgaria, Egypt, and Vietnam. These supplemental final comments may not contain new factual information and may not exceed five (5) pages in length. The supplemental staff report in the final phase of this proceeding will be placed in the nonpublic record on August 19, 2026, and a public version will be issued thereafter.

For further information concerning this proceeding see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Please note the Secretary's Office will accept only electronic filings during this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, <https://edis.usitc.gov>). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

Authority: This proceeding is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

By order of the Commission.

Issued: August 3, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–15922 Filed 8–5–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–654–655 and 731–TA–1529–1532 (Review)]

Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Czechia, Russia, South Korea, and Ukraine; Notice of Commission Determination To Conduct Full Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to the Tariff Act of 1930 to determine whether revocation of the countervailing duty orders on imports of seamless carbon and alloy steel standard, line, and pressure pipe (“SSLP pipe”) from Russia and South Korea and the revocation of the antidumping duty orders on SSLP pipe from Czechia, Russia, South Korea, and Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date.

DATES: June 5, 2026.

FOR FURTHER INFORMATION CONTACT: Julie Duffy (202–708–2579), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for these reviews may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207,

subparts A, D, E, and F (19 CFR part 207).

SUPPLEMENTARY INFORMATION: On June 5, 2026, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)). The Commission found that both the domestic and respondent interested party group responses from Ukraine to its notice of institution (91 FR 10145, March 2, 2026) were adequate, and determined to conduct a full review of the order on imports from Ukraine. The Commission also found that the respondent interested party group responses from Czechia, Russia, and South Korea were inadequate but determined to conduct full reviews of the orders on imports from those countries in order to promote administrative efficiency in light of its determination to conduct a full review of the order with respect to Ukraine. A record of the Commissioners’ votes will be available from the Office of the Secretary and at the Commission’s website.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission’s rules.

By order of the Commission.

Issued: August 3, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–15924 Filed 8–5–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–644 and 731–TA–1494 (Review)]

Non-Refillable Steel Cylinders From China; Scheduling of Expedited Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to the Tariff Act of 1930 (“the Act”) to determine whether revocation of the antidumping and countervailing duty order on non-refillable steel cylinders from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

DATES: July 6, 2026.

FOR FURTHER INFORMATION CONTACT: Alexis Yim (202–708–1446), Office of

Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for this proceeding may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On July 6, 2026, the Commission determined that the domestic interested party group response to its notice of institution (91 FR 16220, April 1, 2026) of the subject five-year reviews was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act (19 U.S.C. 1675(c)(3)).²

For further information concerning the conduct of these reviews and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Staff report.—A staff report containing information concerning the subject matter of the reviews has been placed in the nonpublic record, and will be made available to persons on the Administrative Protective Order service list for these reviews on September 8, 2026. A public version will be issued thereafter, pursuant to § 207.62(d)(4) of the Commission’s rules.

Written submissions.—As provided in § 207.62(d) of the Commission’s rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,³ and any party

¹ A record of the Commissioners’ votes, the Commission’s statement on adequacy, and any individual Commissioner’s statements will be available from the Office of the Secretary and at the Commission’s website.

² Commissioner Johanson voted to conduct full reviews.

³ The Commission has found the response submitted on behalf of Worthington Enterprises, Inc. to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

other than an interested party to the reviews may file written comments with the Secretary on what determination the Commission should reach in the reviews. Comments are due on or before 5:15 p.m. on September 15, 2026 and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by September 15, 2026. However, should the Department of Commerce ("Commerce") extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf, elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination.—The Commission has determined these reviews are extraordinarily complicated and therefore has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: August 3, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–15923 Filed 8–5–26; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Utility Broadband Alliance, Inc.

Notice is hereby given that, on December 19, 2025, pursuant to section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* ("the Act"), Utility Broadband Alliance, Inc. ("UBBA") has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, Thales DIS France SAS, Meudon, FRENCH REPUBLIC; Texas A&M University System, Center Applied Communications & Networks, College Station, TX; Digi International, Hopkins, MN; and SEnet (Lawrence Berkeley National Lab), Berkeley, CA, have been added as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and UBBA intends to file additional written notifications disclosing all changes in membership.

On May 4, 2021, UBBA filed its original notification pursuant to section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to section 6(b) of the Act on June 10, 2021 (86 FR 30981).

The last notification was filed with the Department on October 20, 2025. A notice was published in the **Federal Register** pursuant to section 6(b) of the Act on February 23, 2026 (91 FR 8526).

Suzanne Morris,

Deputy Director Civil Enforcement Operations, Antitrust Division.

[FR Doc. 2026–15935 Filed 8–5–26; 8:45 am]

BILLING CODE P

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[NARA–2026–032]

National Industrial Security Program Policy Advisory Committee (NISPPAC); Meeting

AGENCY: Information Security Oversight Office (ISOO), National Archives and Records Administration (NARA).

ACTION: Notice of Federal Advisory Committee meeting.

SUMMARY: We are announcing an upcoming National Industrial Security Program Policy Advisory Committee (NISPPAC) meeting in accordance with the Federal Advisory Committee Act and implementing regulations.

DATES: The meeting will be on September 2, 2026, 10 a.m.–2 p.m. ET.

ADDRESSES: This meeting will be a hybrid of virtual and in person in Washington, DC in the McGowan Theater at 701 Constitution Ave. NW, Washington, DC 20408. See supplementary procedures below.

FOR FURTHER INFORMATION CONTACT: Heather Harris Pagán, ISOO Program Analyst, by telephone at 301.550–1902 or by email at ISOO@nara.gov. Contact ISOO at ISOO@nara.gov and the NISPPAC at NISPPAC@nara.gov.

SUPPLEMENTARY INFORMATION: This meeting is open to the public in accordance with the Federal Advisory Committee Act (5 U.S.C. app 2) and implementing regulations at 41 CFR 102–3. The Committee will discuss National Industrial Security Program policy matters.

Procedures: Members of the public must register in advance for the meeting through the Zoom for Gov https://www.zoomgov.com/webinar/register/WN_fg_fxvsXQpikxkijxNmgA if they wish to attend.

Merrily Harris,

Committee Management Officer.

[FR Doc. 2026–15930 Filed 8–5–26; 8:45 am]

BILLING CODE 7515–01–P

NUCLEAR REGULATORY COMMISSION

[Docket No. 40–8968–LR; ASLBP No. 26–995–01–MLR–BD01]

NuFuels, Inc.; Establishment of Atomic Safety and Licensing Board

Pursuant to the Commission's regulations, *see, e.g.*, 10 CFR 2.104, 2.105, 2.300, 2.309, 2.313, 2.318, 2.321, notice is hereby given that an Atomic Safety and Licensing Board (Board) is

being established to preside over the following proceeding:

NUFUELS, INC. (Crownpoint Uranium Project In-Situ Recovery Facility)

NuFuels, Inc. (NuFuels) seeks to renew source and byproduct materials license number SUA-1580, which authorizes NuFuels to operate the Crownpoint Uranium Project In-Situ Recovery Facility in McKinley County, New Mexico. If granted, the renewed license would authorize NuFuels to operate the facility, which has not been constructed, for 20 years beyond the date of such approval. In response to a notice filed in the **Federal Register** announcing the opportunity to request a hearing, *see* 91 FR 31,476 (May 27, 2026), the State of New Mexico filed a hearing request on July 27, 2026.

The Board is comprised of the following Administrative Judges:

Michael M. Gibson, Chair, Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001

Dr. David A. Smith, Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001

Dr. Sue H. Abreu, Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001

All correspondence, documents, and other materials shall be filed in accordance with the NRC E-Filing rule. *See* 10 CFR 2.302.

Rockville, Maryland.

Dated: August 3, 2026.

Edward R. Hawkens,

Chief Administrative Judge, Atomic Safety and Licensing Board Panel.

[FR Doc. 2026-15962 Filed 8-5-26; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 52-055; NRC-2025-2161]

Duke Energy Carolinas, LLC; Belews Creek; Notice of Hearing

AGENCY: Nuclear Regulatory Commission.

ACTION: Early site permit application; notice of uncontested hearing.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is providing public notice for an uncontested hearing on NRC staff's review of the early site permit (ESP) application, from Duke Energy Carolinas, LLC, (Duke Energy) for the Belews Creek Site located in Sauratown Township, Stokes County,

and Belews Creek Township, Forsyth County, North Carolina.

DATES: The hearing is scheduled for September 17, 2026, from 5 p.m. to 9 p.m. eastern time (ET) at the Ronald W Reagan Building (Administration Building) 1014 Main Street, Hwy 89, Danbury, NC 27016.

ADDRESSES: Please refer to Docket ID NRC-2025-2161 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-2025-2161. Address questions about Docket IDs in [Regulations.gov](https://www.regulations.gov) to Bridget Curran; telephone: 301-415-1003; email: Bridget.Curran@nrc.gov. For technical questions, contact the individual(s) listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):** You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin ADAMS Public Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, at 301-415-4737, or by email to PDR.Resource@nrc.gov. The Belews Creek ESP application is available in ADAMS under Package Accession No. ML25364A004. A copy of the application is also available for public inspection at <https://www.nrc.gov/reactors/new-reactors/advanced/who-were-working-with/applicant-projects/dukeenergy>.

- **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. ET, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Emmanuel Sayoc, telephone: 301-415-4084; email: Emmanuel.Sayoc@nrc.gov; or Kodaran Anand, telephone: 301-287-0767; email: Kodaran.Anand@nrc.gov. Both are staff of Office of Advanced Reactors at the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

SUPPLEMENTARY INFORMATION:

I. Discussion

By letter dated December 30, 2025 (ADAMS Package Accession No. ML25364A004), Duke Energy submitted to the NRC, the ESP application, in accordance with the requirements contained in part 52 of title 10 of the *Code of Federal Regulations* (10 CFR), "Licenses, Certifications, and Approvals for Nuclear Power Plants," Subpart A, "Early Site Permits." Duke Energy is seeking this ESP to approve the Belews Creek site for the potential deployment of multiple advanced nuclear reactors. Because a specific reactor technology has not yet been selected, the ESP application uses the Plant Parameter Envelope (PPE) approach. The PPE approach combines information from reactor vendors whose technologies are under consideration to define a bounding surrogate facility. It identifies the maximum or minimum values for key plant parameters across the candidate technologies, and these bounding values are used as inputs to the analyses supporting the ESP application, which is currently under NRC review.

Pursuant to Section 189a. of the Atomic Energy Act of 1954, as amended, and the Commission Policy Statement on Mandatory Hearings for Reactor Licensing (published in the **Federal Register** on June 8, 2026, at 91 FR 34661), notice is hereby given that the uncontested (*i.e.*, mandatory) hearing will be held on September 17, 2026, starting at 5 p.m. (ET) in the Ronald W Reagan Building (Administration Building) 1014 Main Street, Hwy 89, Danbury, NC 27016. Members of the public are invited to attend this hearing. There will be an opportunity for members of the public to ask questions and provide feedback on the ESP application. This is not an opportunity to request a contested hearing, where petitioners can file intervention requests that contain the contentions they wish to litigate pursuant to 10 CFR 2.309. The opportunity to request a contested hearing and petition for leave to intervene was noticed on February 9, 2026 (91 FR 5787) and no intervention petitions were received.

An open house will be held before the hearing begins, from 4:30 p.m. to 5 p.m., to give the public an opportunity to speak with the NRC staff. The hearing will then convene at 5 p.m. and begin with a presentation by the NRC staff that will explain the review process and provide a brief overview of the application, followed by a comment period of up to 3 hours. During the comment period, the public will be provided an opportunity to speak on the

record. Each member of the public will be allowed to speak for no more than 5 minutes at a time to ensure that all stakeholders who wish to provide oral comments or ask questions will have the opportunity to do so.

The hearing record for comments will remain open until October 1, 2026. Written comments must be submitted via the following email address: BelewsCreekESP-Hearing@nrc.gov. In order to be included in the hearing record, written comments must be received by October 1, 2026. The NRC staff will not consider comments or questions received via other means or after the deadline of October 1, 2026. The NRC staff will treat any comments or questions received consistent with the Commission Policy Statement on Mandatory Hearings for Reactor Licensing.

(Authority: 42 U.S.C. 2011 *et seq.*)

Dated: August 4, 2026.

For the Nuclear Regulatory Commission.

Michelle Hayes,

*Chief, Advanced Reactor Licensing Branch
2, Division of Advanced Reactor Licensing,
Office of Advance Reactors.*

[FR Doc. 2026–16044 Filed 8–5–26; 8:45 am]

BILLING CODE 7590–01–P

OFFICE OF PERSONNEL MANAGEMENT

[Docket ID: OPM–2024–0004]

Privacy Act of 1974; Re-Established Matching Program

AGENCY: U.S. Office of Personnel Management.

ACTION: Notice of a re-established matching program.

SUMMARY: In accordance with the Privacy Act of 1974, as amended, and Office of Management and Budget (OMB) Circular A–108, the U.S. Office of Personnel Management (OPM) is providing notice of the re-establishment of a matching program between OPM and the Social Security Administration (SSA) under Computer Matching Agreement (CMA) No. 1071. The purpose of this matching program is to enable SSA to disclose Title II Social Security benefit information to OPM for use in determining eligibility for, and computing, Federal Employees Retirement System (FERS) benefits payable to disability annuitants and survivor annuitants as required by law.

DATES: Please submit comments on or before September 8, 2026. The matching program will begin on October 27, 2026, unless OPM receives comments from

interested members of the public that require modification and republication of the notice. The matching program will continue for 18 months from the beginning date and may be extended for an additional 12 months if the respective agency Data Integrity Boards determine that the conditions specified in 5 U.S.C. 552a(o)(D) have been met.

ADDRESSES: You may submit written comments using the Federal eRulemaking Portal at <https://www.regulations.gov>. All submissions received must include the agency name and docket number 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 <https://www.regulations.gov> without change, which will include any personal identifiers submitted with the comments.

FOR FURTHER INFORMATION CONTACT: Lisa Morgan, Retirement Services, by email at Lisa.Morgan@opm.gov or by mail at Lisa Morgan, Retirement Services, Room 6500, Office of Personnel Management, 1900 E Street NW, Washington, DC 20415–0001.

SUPPLEMENTARY INFORMATION: The Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100–503) amended the Privacy Act of 1974 (5 U.S.C. 552a) by establishing procedural safeguards governing agencies' use of computerized matching programs. Section 7201 of the Omnibus Budget Reconciliation Act of 1990 further amended the Privacy Act by strengthening protections for individuals whose records are used in matching programs.

Notice is given of a re-established matching program between OPM and SSA. This matching program, Computer Matching Agreement (CMA) No. 1071, is being re-established to enable SSA to disclose Title II Social Security benefit information to OPM. OPM will compare this information with its retirement records to determine eligibility for, and compute, certain disability and survivor benefits payable under FERS, including statutory offsets required by law.

Participating Agencies

OPM and SSA.

Authority for Conducting the Matching Program

The legal authorities for conducting this matching program are 5 U.S.C. 8442(f), 8443(a), 8452(a)(2)(A), and 8461(h)(1). The legal authority for SSA's disclosures under this agreement is section 1106 of the Social Security Act

(42 U.S.C. 1306) and section 7213(a) of the Intelligence Reform and Terrorism Prevention Act of 2004 (42 U.S.C. 405 note). SSA's disclosures are also in accordance with the Privacy Act (5 U.S.C. 552a(b)(3)).

Purpose(s)

The purpose of this matching program is to enable SSA to disclose Title II Social Security benefit information to OPM for comparison with OPM's records on disability annuitants, child survivor annuitants, and spousal survivor annuitants whose benefits are subject to statutory offset requirements. OPM will compare the benefit information provided by SSA with its retirement records to determine eligibility for, and compute, disability and survivor benefits payable under FERS in accordance with statutory offset requirements.

Categories of Individuals

Individuals whose information is involved in this matching program include: (1) Federal Employees Retirement System (FERS) disability annuitants who may receive Social Security disability insurance benefits; (2) FERS child survivor annuitants who may receive Social Security child's insurance benefits; and (3) FERS surviving spouses who may be eligible for a FERS Supplementary Annuity based on their entitlement to, or eligibility for, certain Title II Social Security benefits. OPM submits identifying information for these individuals to SSA, and compares the returned Title II benefit information with its retirement records to determine eligibility for, and compute, benefits payable under FERS.

Categories of Records

OPM will provide SSA with an (1) individual's full name, (2) Social Security number (SSN), (3) date of birth, and the (4) State Verification and Exchange System (SVES) indicator required to retrieve Title II benefit information from SSA's Master Beneficiary Record (MBR). SSA will verify the SSN using its Enumeration System. When the SSN verifies, SSA will disclose Title II beneficiary status and associated benefit information from the MBR through SVES. When the SSN does not verify, SSA will return a code identifying the reason for the non-match.

System(s) of Records

OPM's system of records involved in this matching program is OPM/Central-1, Civil Service Retirement and Insurance Records, published at 73 FR

15013 (March 20, 2008) and amended at 87 FR 5874 (February 2, 2022). SSA's systems of records involved in this matching program are the Master Files of Social Security Number (SSN) Holders and SSN Applications (Enumeration System), System of Records No. 60–0058, last published at 90 FR 10025 (February 20, 2025), as updated at 90 FR 50879 (November 12, 2025); and the Master Beneficiary Record (MBR), System of Records No. 60–0090, last fully published at 71 FR 1826 (January 11, 2006), as updated at 72 FR 69723 (December 10, 2007), 78 FR 40542 (July 5, 2013), 83 FR 31250–31251 (July 3, 2018), 83 FR 54969 (November 1, 2018), 89 FR 825 (January 5, 2024), and 89 FR 14554 (February 27, 2024).

Signing Statement

The Director of OPM, Scott Kuper, reviewed and approved this document and has authorized the undersigned to electronically sign and submit this document to the Office of the Federal Register for publication.

U.S. Office of Personnel Management.

Jerson Matias,

Federal Register Liaison.

[FR Doc. 2026–15940 Filed 8–5–26; 8:45 am]

BILLING CODE 6325–46–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2026–331 and K2026–326]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission's consideration concerning a negotiated service agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* August 11, 2026.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <https://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT:

David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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- I. Introduction
- II. Public Proceeding(s)
- III. Summary Proceeding(s)

I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.¹

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established. Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's

acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. *See* 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR 3041.405(c)–(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests.

II. Public Proceeding(s)

1. *Docket No(s).*: MC2026–331 and K2026–326; *Filing Title:* USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Contract 120 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* August 3, 2026; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Kenneth Moeller; *Comments Due:* August 11, 2026.

III. Summary Proceeding(s)

None. *See* Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Danielle LeFlore,

Legal Assistant.

[FR Doc. 2026–16011 Filed 8–5–26; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106031; File No. SR–NYSEAMER–2026–69]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Options Regulatory Fee (ORF)

August 3, 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 July 29, 2026, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange

¹ See Docket No. RM2018–3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19–22 (Order No. 4679).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

Commission (the “Commission”) a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE American Options Fee Schedule (“Fee Schedule”) regarding the Options Regulatory Fee (“ORF”). The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange recently adopted a new methodology, effective July 1, 2026, for the assessment and collection of the ORF that assesses ORF only for options transactions that occur on the Exchange and that are cleared in the Customer range at The Options Clearing Corporation (“OCC”), in alignment with other options exchanges.⁴ The purpose of this filing is to amend the Fee Schedule to (1) make non-substantive changes to the rule text describing the new ORF methodology to promote consistency with the language adopted by other options exchanges describing the same, and (2) in connection with the implementation of the new ORF methodology (as described in the ORF Methodology Filing), specify the ORF rate that will be in effect through August

31, 2026, and the rate that will take effect on September 1, 2026.⁵

Background

As a general matter, the Exchange may only use regulatory funds such as the ORF “to fund the legal, regulatory, and surveillance operations” of the Exchange.⁶ More specifically, the ORF is designed to recover a material portion, but not all, of the Exchange’s costs for the supervision and regulation of ATP Holders’ Customer options business, including the Exchange’s regulatory program and legal expenses associated with Customer options regulation, such as the costs related to in-house staff, third-party service providers, and technology that facilitate regulatory functions such as surveillance, investigation, examinations, and enforcement (collectively, the “ORF Costs”). ORF Costs may also include indirect expenses such as human resources and other administrative costs related to the supervision and regulation of Customer activity. The Exchange monitors the amount of ORF collection to ensure that this amount, in combination with other regulatory fees and fines, does not exceed regulatory costs.

All options transactions must clear via a clearing firm, and such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its Customers, *i.e.*, the entering firms. The Exchange notes that the ORF Costs relating to monitoring ATP Holders with respect to Customer trading activity are generally higher than the regulatory costs associated with monitoring ATP Holders that do not engage in Customer trading activity, which tends to be more automated and less labor-intensive. By contrast, regulating ATP Holders that engage in Customer trading activity is generally more labor-intensive and requires a greater expenditure of human and technical resources as the Exchange needs to review not only the trading activity on behalf of Customers, but also the ATP Holder’s relationship with its Customers via more labor-intensive

exam-based programs.⁷ As a result, the ORF Costs associated with administering the Customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the non-Customer component (*e.g.*, ATP Holder proprietary transactions) of its regulatory program.

As set forth in the ORF Methodology Filing, effective July 1, 2026, ORF will be assessed only for executions that occur on the Exchange. Specifically, the ORF will be collected by OCC on behalf of the Exchange from ATP Holders and non-ATP Holders for all Customer transactions executed on the Exchange. ORF will be assessed and collected on all ultimately cleared Customer contracts, taking into account adjustments for CMTA that were provided to the Exchange the same day as the trade.⁸ Further, the Exchange would bill ORF according to the clearing instructions provided on the execution. The Exchange proposes to assess ORF based on the clearing instruction provided on the execution on trade date and would not take into consideration CMTA changes or transfers that occur at OCC.⁹

Because the ORF is based on options transactions volume, the amount of ORF collected is variable. For example, if options transactions reported to OCC in a given month increase, the ORF collected from ATP Holders will likely increase as well. Similarly, if options transactions reported to OCC in a given month decrease, the ORF collected from ATP Holders will likely decrease as well. Accordingly, the Exchange monitors the amount of ORF collected

⁷ The Exchange notes that many of the Exchange’s market surveillance programs require the Exchange to look at and evaluate activity across all options markets, such as surveillance for position limit violations, manipulation, front-running, and contrary exercise advice violations/expiring exercise declarations. The Exchange and other options SROs are parties to a 17d–2 agreement allocating among the SROs regulatory responsibilities relating to compliance by the common members with rules for expiring exercise declarations, position limits, OCC trade adjustments, and Large Option Position Report reviews. *See, e.g.*, Securities Exchange Act Release No. 85097 (February 11, 2019), 84 FR 4871 (February 19, 2019).

⁸ Adjustments to CMTA that occur at OCC would not be taken into account. CMTA transfers that occur at OCC do not necessarily contain reliable information regarding the exchange on which the original transaction occurred, and without specific information as to where such transaction occurred, the Exchange would not be able to accurately account for CMTA transfers that occur at OCC. Accordingly, the Exchange proposes to only account for CMTAs that occur on the Exchange and exclude CMTAs occurring at OCC, consistent with other options exchanges’ proposals.

⁹ Adjustments that were made the same day as the trade on the Exchange will be taken into account.

⁴ *See* Securities Exchange Act Release No. 105071 (March 24, 2026), 91 FR 14884 (March 27, 2026) (SR–NYSEAMER–2026–22) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a New Methodology for Assessment and Collection of the Options Regulatory Fee (ORF)) (the “ORF Methodology Filing”).

⁵ The Exchange originally filed to amend the Fee Schedule to specify the ORF Rate on July 1, 2026 (SR–NYSEAMER–2026–57). SR–NYSEAMER–2026–57 was withdrawn on July 15, 2026 and replaced by SR–NYSEAMER–2026–66. SR–NYSEAMER–2026–66 was withdrawn on July 29, 2026, and replaced with this filing.

⁶ The Exchange considers surveillance operations part of regulatory operations. The limitation on the use of regulatory funds also provides that they shall not be distributed. *See* Thirteenth Amended and Restated Operating Agreement of NYSE American LLC, Article IV, Section 4.05 and Securities Exchange Act Release No. 87993 (January 16, 2020), 85 FR 4050 (January 23, 2020) (SR–NYSEAMER–2020–04).

to ensure that it does not exceed a material portion of ORF Costs. If the Exchange determines the amount of ORF collected exceeds or may exceed a material portion of ORF Costs, the Exchange will, as appropriate, adjust the ORF by submitting a fee change filing to the Securities and Exchange Commission (the "Commission"). The Exchange will provide at least 30 days' notice to ATP Holders of any change to the ORF by Trader Update.

Proposed Rule Change

The Exchange proposes to amend the Fee Schedule to make non-substantive changes to the description of the new ORF methodology to conform with the language used by other options exchanges to describe the same. The Fee Schedule currently includes the following description of the new ORF methodology, as adopted in the ORF Methodology Filing:

The ORF is assessed by the Exchange for options transactions cleared by OCC in the customer range for executions that occur on the Exchange. Specifically, the ORF is collected by OCC on behalf of the Exchange from ATP Holders and non-ATP Holders for all customer transactions executed on the Exchange. The Exchange will notify participants via Trader Update of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

The Exchange proposes to replace that description with the following text:

The per contract ORF is assessed by the Exchange on each side of an options transaction cleared by the OCC in the customer range for executions that occur on the Exchange. The ORF is collected by the OCC on behalf of the Exchange from either an ATP Holder that was the clearing firm for the transaction or a non-ATP Holder that was the clearing firm where an ATP Holder was the executing firm for the transaction.

This proposed change does not propose any substantive change to the methodology itself; it is intended only to promote consistency between the Exchange's Fee Schedule and that of other options exchanges with respect to the description of the new ORF methodology that has been adopted by all options exchanges, to alleviate potential confusion among market participants interpreting the various exchange fee schedules.

The Exchange also proposes to amend the Fee Schedule to set the ORF rate under the new ORF methodology. Prior to the Exchange's initial filing on July 1, 2026, the ORF rate was \$0.0026 per contract. Effective July 1, 2026, in connection with the calculation of ORF pursuant to the new ORF methodology, the Exchange proposed to set the ORF

rate at \$0.0160 per contract.¹⁰ This proposed change was based on the Exchange's review of ORF Costs, ORF collections, and options transaction volume, as well as the Exchange's projections with respect to regulatory costs, ORF collections, and options transaction volume going forward under the new ORF methodology that all options exchanges are adopting for the first time.

Subsequent to its initial filing, the Exchange became aware of a significant reduction in its anticipated regulatory costs due to an internal structural change. As a result, using the criteria noted above, the Exchange has determined that, at this time, a lower rate is more appropriate to ensure that ORF collection does not exceed regulatory costs. Accordingly, the Exchange now proposes to set the ORF rate at \$0.0050, effective September 1, 2026.¹¹

The proposed change to the ORF rate was, and is, based on the Exchange's analysis using the information currently available, but the Exchange cannot predict whether options volumes will remain at these levels going forward and projections for ORF Costs are estimated, preliminary, and may change. The Exchange believes that the proposed change would set the ORF rate at an appropriate level to help ensure that the ORF collection, in combination with other regulatory fees and fines, does not exceed the Exchange's regulatory costs.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)¹² of the Act, in general, and Section 6(b)(4) and (5)¹³ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Exchange believes the proposed change to adopt a description of the new ORF methodology that more closely conforms to that used by other options

exchanges is reasonable, equitable, and not unfairly discriminatory. As noted above, the proposed change is not intended to effect any substantive changes to the methodology itself, as adopted in the ORF Methodology Filing, and is intended only to encourage consistency between the Exchange's Fee Schedule and that of other options exchanges with respect to the description of the new ORF methodology that has been adopted by all options exchanges. The proposed change is designed to help reduce potential confusion from market participants seeking to understand different exchange fee schedules. The Exchange also believes that the proposed change is equitable and not unfairly discriminatory because the revised description of the ORF methodology (like the current description) would continue to apply equally to all similarly situated market participants subject to the ORF.

The Exchange also believes the proposed change to amend the ORF rate in connection with the implementation of the new ORF methodology is reasonable, equitable, and not unfairly discriminatory. The Exchange believes the proposed new ORF rate is reasonable because it is designed to help ensure that collections from the ORF do not exceed a material portion of the Exchange's ORF Costs, based on the Exchange's recent review, analysis, and projections of regulatory costs, ORF collections, and options transaction volume both historically and going forward under the new ORF methodology that all options exchanges are adopting for the first time. As noted above, the proposed change to the ORF rate is based on information currently available to the Exchange. Although the Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future regulatory costs are estimated, preliminary, and may change, the Exchange believes that the proposed change would set the ORF rate at an appropriate level to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange further believes that the proposed new ORF rate is equitable and not unfairly discriminatory because it would apply equally to all similarly situated market participants as described in the ORF Methodology Filing. The Exchange has also provided all ATP Holders with the appropriate 30 days' advance notice of the planned change to the ORF rate.

¹⁰ On June 1, 2026 (which was at least 30 calendar days prior to the July 1, 2026 operative date), the Exchange notified ATP Holders of the change to the ORF methodology and proposed ORF rate via Trader Update to afford market participants sufficient opportunity to configure their systems to account for the upcoming ORF changes. See <https://www.nyse.com/trader-update/history#110000957172>.

¹¹ As it did with the initial fee proposal, the Exchange will provide at least 30 days' notice to ATP Holders of the proposed rate via Trader Update.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(4) and (5).

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the proposed revisions to the description of the new ORF methodology are intended only to conform the language in the Fee Schedule with that used in other options exchanges' fee schedules, to help reduce potential confusion among market participants. The proposed change to the ORF rate also would not impose an undue burden on intramarket competition because, pursuant to the new ORF methodology, the ORF will be collected by OCC on behalf of the Exchange from ATP Holders and non-ATP Holders for all Customer transactions executed on the Exchange, and the proposed ORF rate is designed to help ensure that collections from the ORF do not exceed a material portion of the Exchange's ORF Costs. Because the ORF is charged to all ATP Holders and non-ATP Holders on all of their transactions that clear in the Customer range at the OCC, the amount of ORF imposed is based on the amount of Customer volume transacted.

Intermarket Competition. The proposed change is not designed to address any competitive issues. Rather, the proposed change with respect to the ORF rate is designed to help the Exchange adequately fund its regulatory activities while seeking to ensure that total collections from regulatory fees do not exceed total regulatory costs, and the proposed change with respect to the Fee Schedule language describing the new ORF methodology is intended to promote consistency among the fee schedules of the various options exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁴ and paragraph (f) of Rule

19b-4¹⁵ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEAMER-2026-69 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSEAMER-2026-69. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEAMER-2026-69 and should be submitted on or before August 27, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-15926 Filed 8-5-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0134]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 15c1-7

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("SEC" or "Commission") is submitting to the Office of Management and Budget ("OMB") this request for extension of the proposed collection of information provided for in Rule 15c1-7 (17 CFR 240.15c1-7) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

Rule 15c1-7 states that any act of a broker-dealer designed to effect securities transactions with or for a customer account over which the broker-dealer (directly or through an agent or employee) has discretion will be considered a fraudulent, manipulative, or deceptive practice under the federal securities laws, unless a record is made of the transaction immediately by the broker-dealer. The record must include: (1) the name of the customer, (2) the name, amount, and price of the security, and (3) the date and time when such transaction took place.

The Commission estimates that approximately 325 registered broker-dealers would need to comply with Rule 151-7. The Commission estimates that it takes approximately 5 minutes per transaction to comply with the rule. The Commission estimates that approximately 400,000 transactions are effected in discretionary accounts annually, or approximately 1,231 transactions per respondent (400,000 transactions/325 respondents = 1,230.77 rounded up to 1,231). Thus, the Commission estimates that respondents incur an aggregate annual time burden of approximately 33,333 hours per year

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f).

¹⁶ 17 CFR 200.30-3(a)(12).

(400,000 transactions per year $\times$ 5 minutes per transaction $\times$ 1 hour per 60 minutes) or 103 hours per respondent per year (33,333 total hours/325 respondents) to comply with the rule.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202605-3235-024 or email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice, by September 8, 2026.

Dated: August 3, 2026.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-15933 Filed 8-5-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106029; File No. SR-NYSEARCA-2026-80]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the NYSE Arca Options Fee Schedule To Implement a Market Maker/Lead Market Maker Posting Incentive Program for Certain Non-Penny Issues

August 3, 2026.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”),² and Rule 19b-4 thereunder,³ notice is hereby given that on July 28, 2026, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to modify the NYSE Arca Options Fee Schedule (“Fee Schedule”) to implement a Market Maker (“MM”)/Lead Market Maker (“LMM”) (collectively “Market Makers”) Posting Incentive Program for

certain non-Penny Issues. In addition, the Exchange proposes to eliminate the Customer Against LMM Non-Penny Take Discount on electronic transactions and remove MSCI related Index Options from certain tier discounts and incentive programs.⁴ The Exchange proposes to implement the fee changes effective July 28, 2026. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to modify the Fee Schedule to: (i) implement a Market Maker Posting Incentive Program for electronic non-Penny Issues; (ii) eliminate the Customer Against LMM Non-Penny Take Discount for electronic transactions; and (iii) remove MSCI related Index Options from certain tier discounts and incentive programs.

The Exchange proposes to implement the fee changes effective July 28, 2026.⁵

Market Maker Posting Incentive Program

Currently, LMMs and MMs receive a credit of \$0.40 and \$0.05, respectively, for posting liquidity in non-penny

issues.⁶ In addition, OTP Holders and OTP Firms receive a credit on all executions of non-customer posted interest in non-penny issues. The amount of such credit is outlined in a tier table (\$0.32 to \$0.82) based on the average number of electronic executions per day.⁷

The Exchange proposes to enhance these credits by adopting the “Market Maker Posting Incentive Program for Designated Non-Penny Issues.”⁸ Under the program, the Exchange proposes to provide OTP Holders and OTP Firms, acting as a Market Maker, an additional credit on executions on their posted interest in each Designated Non-Penny Issue. The credit will be \$0.40 per contract if, when added to the credits received for posting liquidity in non-penny issues, noted above, it exceeds the applicable per contract credit it would receive as an OTP Holder or OTP Firm under the Non-Customer, Non-Penny Posting Credit Tiers. If not, Market Makers will receive a credit equal to the latter. The credit will be in effect until the Designated Non-Penny Issue is added to the Penny Interval Program. The Exchange will provide advance notice to Market Makers of additions to the Penny Interval Program via Trader Update.

The credit is intended to address the fact that, while there will be Market Maker engagement in eligible Designated Non-Penny Issues, that engagement is not evenly distributed across trading venues. The Exchange has experienced instances in which its share of trading in a Designated Non-Penny Issue was significantly lower than its overall market share calling into question its competitiveness with rebates and credits offered by other exchanges in newly listed, non-Penny symbols. The proposed program is intended to address this disparity and encourage tighter markets and greater trading interest on the Exchange during this period. The credit will no longer be necessary once the Designated Non-Penny Issue has been moved to the Penny Interval Program, since the

⁶ See Fee Schedule, “NYSE Arca Options: Trade-Related Charges For Standard Options, Transaction Fee For Electronic Executions—Per Contract.”

⁷ See Fee Schedule, “NYSE Arca Options: Trade-Related Charges For Standard Options, Non-Customer, Non-Penny Posting Credit Tiers.”

⁸ See Fee Schedule, proposed Market Maker Posting Incentive Program for Designated Non-Penny Issues. Per proposed Endnote 14, “Designated Non-Penny Issues” include all non-penny issues that trade greater than 1 million contracts in industry volume, as reported by the Options Clearing Corporation (“OCC”) on their first day of listing. For example, Space Exploration Technologies Corp. (symbol: SPCX) would be eligible for the program, having traded 1,727,086 contracts on June 16, 2026, its first day of listing.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ In addition, the Exchange proposes non-substantive changes to: (i) remove reference to Endnote 14 on the section title “NYSE Arca OPTIONS: TRADE-RELATED CHARGES FOR STANDARD OPTIONS;” and (ii) amend Endnote 8 to include the definition of “Exchange System Disruption,” which is being deleted as a result of the elimination of the Customer Against LMM Non-Penny Take Discount.

⁵ The Exchange originally filed to amend the Fee Schedule on July 1, 2026 (SR-NYSEARCA-2026-74). SR-NYSEARCA-2026-74 was withdrawn on July 14, 2026 and replaced by SR-NYSEARCA-2026-78. SR-NYSEARCA-2026-78 was withdrawn on July 28, 2026, and replaced by this filing.

Exchange has found that its existing pricing structure has proven effective in attracting order flow. The incentive is designed specifically to address the competitive disparity that exists during the non-Penny interval timespan, prior to the narrowing of the tick size.

The Exchange is adopting this incentive program to encourage Market Makers to provide robust liquidity in high volume new listings. The aim is to ensure that new issues experiencing significant volume on their first day of trading benefit from Market Maker participation and tighter markets until they transition to the Penny Interval Program.

Customer Against LMM Non-Penny Take Discount

As set forth in the Fee Schedule, there is an \$0.85 fee for Customer electronic executions in non-penny issues.⁹ For Customer executions that take liquidity in a non-Penny class from the trading interest of an LMM (including orders and quotes) a \$0.67 fee is charged if the OTP Holder or OTP Firm entering the Customer's order during the month, (i) executes an average daily volume ("ADV") on the Exchange of at least 15,000 contracts from electronic Customer orders that take liquidity in non-Penny classes or (ii) executes a combined ADV on the Exchange of at least 30,000 contracts in non-Penny classes from electronic Customer orders that take liquidity and affiliated electronic Market Maker orders and quotes that post liquidity in non-Penny classes.¹⁰ In essence, the disparate pricing provides an \$0.18 discount for Customer transactions against an LMM.

The Exchange proposes to remove the separate pricing for Customer electronic transactions against an LMM and its related discount. The purpose of the disparate pricing and discount was to attract additional Customer order flow to the Exchange. However, the discount has not proved effective and has not been achieved by any participants in over two years. Accordingly, the Exchange is removing it and simplifying the Non-Penny Fee schedule.

MSCI Tier Discounts

Currently, the Exchange lists a number of index options for which an MSCI index is the underlying security (*i.e.*, MSCI EAFE Index (MXEA), MSCI Emerging Markets Index (MXEF), MSCI World Index (MXWLD), MSCI ACWI Index (MXACW) add MSCI USA Index

(MXUSA)) (collectively the "MSCI Index Options"). The Exchange has initiated a plan to remove MSCI products from the multiply-listed Arca tier treatment to ultimately create MSCI-specific tiers consistent with Index product-specific tier structures employed at other exchanges, such as CBOE's fee structure regarding Indexes (SPX, VIX, etc.).¹¹

As an initial step in this process, the Exchange proposes to amend Endnote 19 to explicitly exclude transactions in MSCI Index Options from applicable credit tiers and incentive programs (*i.e.*, Non-Customer, Non-Penny Posting Credit Tiers, Customer Incentive Program, Customer Posting Credit Tiers in Non-Penny Issues, Customer Take Fee Discount Tiers, Discount in Take Liquidity Fees For Professional Customer and Non-Customer Liquidity Removing Interest, Discount on Non-Customer Complex Surcharge and Customer Complex Credit Tiers).¹²

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹³ in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,¹⁴ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

As a threshold matter, the Exchange is subject to significant competitive forces in the market for options securities transaction services that constrain its pricing determinations in that market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵

There are currently 18 registered options exchanges competing for order flow. Based on publicly available

information and, excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.¹⁶ Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in May 2026, the Exchange had 10.64% market share of executed volume of multiply-listed equity and ETF options order flow. In such a low concentrated and highly competitive market, no single options exchange possesses significant pricing power in the execution of option order flow.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain options exchange transaction fees. In response to this competitive marketplace, the Exchange has established incentives, such as the Market Maker Posting Incentive Program for Designated Non-Penny Issues, to encourage market maker participation and tighter markets to induce participants to direct order flow in certain products to the Exchange.

The Exchange also believes the proposed Market Maker Posting Incentive Program is an equitable allocation of its fees and credits because the proposed credit is based on the amount and type of business transacted on the Exchange and all Market Makers can try to earn the proposed credit, or not. The Program is intended to encourage Market Makers to provide robust liquidity in high volume new listings so as to ensure that new issues experiencing significant volume on their first day of trading and thereafter to benefit from Market Maker participation and tighter markets until they transition to the Penny Interval Program.

To the extent that the proposed change provides tighter spreads and attracts more activity to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, accordingly, attract more order flow to the Exchange thereby improving

¹¹ See CBOE Fee Schedule at Cboe_FeeSchedule.pdf.

¹² See Fee Schedule proposed Endnote 19.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7-10-04) ("Reg NMS Adopting Release").

¹⁶ The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available at: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

⁹ See Fee Schedule, "NYSE Arca Options: Trade-Related Charges For Standard Options, Transaction Fee For Electronic Executions—Per Contract."

¹⁰ *Id.*

market-wide quality and price discovery.

Additionally, the modifications continue the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between market participants. The proposed changes take into account that the Exchange operates in a highly competitive market and that it must, therefore, continually adjust its fees and rebates to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment.

The Exchange also believes that the Market Maker Posting Incentive Program is not unfairly discriminatory, as it would apply equally to all Market Makers. The Exchange further believes that the proposed incentive available to Market Makers is not unfairly discriminatory to other market participants because it is intended to encourage the role performed by Market Makers in providing robust liquidity and encourage tighter spreads on the Exchange to the benefit of all market participants.

The Exchange also believes that the elimination of the Customer Against LMM Non-Penny Take Discount and removal of MSCI Index Options from certain credit tiers and incentive programs is reasonable, equitable, and not unfairly discriminatory. Their elimination and removal provide for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between OTP Holders and OTP Firms.

Finally, their elimination and removal will apply equally to all affected market participants because it would impact all market participants equally. Moreover, removal from the tiers is designed to facilitate trading and to promote continuity for market participants in MSCI Options. The proposed changes would apply to all similarly situated market participants that trade MSCI Options, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The increase in credits under the proposed Market Maker Posting Incentive Program for Designated Non-Penny Issues are designed to continue to attract order flow to the Exchange by offering Market Makers an incentive to continue to provide robust liquidity in certain products to the benefit of all market participants. The proposed credit enhancement would apply equally to all similarly situated market participants and encourage the important function that market makers serve in providing liquidity and price discovery for all market participants.

In addition, the Exchange believes that the proposed elimination of the Customer Against LMM Non-Penny Take Discount and removal of MSCI Index Options from certain credit tiers and incentive programs would not affect intramarket competition because, as noted above, the Discount has not effectively encouraged increased Customer order flow to the Exchange and both would impact all market participants equally and, therefore, would not impose a disparate burden on competition among market participants on the Exchange.

Finally, the Exchange believes that the proposed alignment of the Fee Schedule with the removal of MSCI Options from the Exchange's tier treatment would not affect intramarket competition because, as noted above, it would impact all market participants equally. Moreover, this change is designed to facilitate trading and to promote continuity for market participants in MSCI Options. The proposed changes would apply to all similarly situated market participants that trade MSCI Options, and, accordingly, the proposed changes would not impose a disparate burden on competition among market participants on the Exchange.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily favor one of the other 17 competing option exchanges if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply listed equity and ETF options trades. Therefore, currently no exchange possesses significant pricing power in the execution of multiply listed equity and ETF options order flow. More

specifically, in May 2026, the Exchange had 10.64% market share of executed volume of multiply listed equity and ETF options order flow.

The proposed credit under the Market Maker Posting Incentive Program for Designated Non-Penny Issues is designed to encourage Market Makers to provide robust liquidity in high volume new listings. The aim is to ensure that new issues experiencing significant volume on their first day of trading benefit from Market Maker participation and tighter markets. To the extent it achieves this and attracts more orders to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for, among other things, order execution. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, as a consequence, improve market-wide quality and price discovery.

In addition, the Exchange believes that the elimination of the Customer Against LMM Non-Penny Take Discount and the removal of the MSCI Index Options from certain tier credits and incentive programs would not affect intermarket competition. As noted above, the Exchange operates in a highly competitive market in which the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive environment because it removes an underutilized program that did not achieve its intended purpose.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)¹⁷ of the Act and subparagraph (f)(2) of Rule 19b-4¹⁸ thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(2).

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) ¹⁹ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2026-80 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.
- All submissions should refer to file number SR-NYSEARCA-2026-80. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEARCA-2026-80 and should be submitted on or before August 27, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-15927 Filed 8-5-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Advisers Act Release No. 6986; File No. 803-00297]

Berkshire Partners LLC

August 4, 2026.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice.

Notice of application for an exemptive order under Section 206A of the Investment Advisers Act of 1940 (the "Act") and rule 206(4)-5 under the Act.

APPLICANT: Berkshire Partners LLC.

SUMMARY OF APPLICATION: The Applicant requests that the Commission issue an order under Section 206A of the Act and rule 206(4)-5(e) under the Act exempting it from rule 206(4)-5(a)(1) under the Act to permit the Applicant to receive compensation from a government entity for investment advisory services provided to the government entity within the two-year period following a contribution by a covered associate of the Applicant to a candidate for state office.

FILING DATES: The application was filed on July 30, 2026.

HEARING OR NOTIFICATION OF HEARING:

An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at Secretarys-Office@sec.gov and serving the Applicant with a copy of the request by email, if an email address is listed for the Applicant below, or personally or by mail, if a physical address is listed for the Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time, on August 31, 2026, and should be accompanied by proof of service on the Applicant in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by emailing the Commission's Secretary.

ADDRESSES: The Commission: Secretarys-Office@sec.gov. The Applicant: Berkshire Partners LLC zpark@cov.com; compliance@berkshirepartners.com.

FOR FURTHER INFORMATION CONTACT: Priscilla Dao, Senior Counsel, or

Matthew Cook, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For the Applicant's representations, legal analysis, and conditions, please refer to the Applicant's application dated July 30, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for the Applicant using the Company name search field, on the SEC's EDGAR system. The SEC's EDGAR system may be searched at <https://www.sec.gov/search-filings>. You may also call the SEC's Office of Investor Education and Assistance at (202) 551-8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-16058 Filed 8-5-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106032; File No. SR-NYSEARCA-2026-81]

Self-Regulatory Organizations; NYSEArca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Options Regulatory Fee (ORF)

August 3, 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 July 29, 2026, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE Arca Options Fee Schedule ("Fee Schedule") regarding the Options Regulatory Fee ("ORF"). The proposed rule change is available on the Exchange's website at www.nyse.com and at the principal office of the Exchange.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

¹⁹ 15 U.S.C. 78s(b)(2)(B).

²⁰ 17 CFR 200.30-3(a)(12).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange recently adopted a new methodology, effective July 1, 2026, for the assessment and collection of the ORF that assesses ORF only for options transactions that occur on the Exchange and that are cleared in the Customer range at The Options Clearing Corporation ("OCC"), in alignment with other options exchanges.⁴ The purpose of this filing is to amend the Fee Schedule to (1) make non-substantive changes to the rule text describing the new ORF methodology to promote consistency with the language adopted by other options exchanges describing the same, and (2) specify the ORF rate that will be in effect through August 31, 2026, and the rate that will take effect on September 1, 2026.⁵

Background

As a general matter, the Exchange may only use regulatory funds such as the ORF "to fund the legal, regulatory, and surveillance operations" of the Exchange.⁶ More specifically, the ORF is designed to recover a material portion, but not all, of the Exchange's costs for the supervision and regulation

of OTP Holders' and OTP Firms' (collectively, "OTP Holders") Customer options business, including the Exchange's regulatory program and legal expenses associated with Customer options regulation, such as the costs related to in-house staff, third-party service providers, and technology that facilitate regulatory functions such as surveillance, investigation, examinations, and enforcement (collectively, the "ORF Costs"). ORF Costs may also include indirect expenses such as human resources and other administrative costs related to the supervision and regulation of Customer activity. The Exchange monitors the amount of ORF collection to ensure that this amount, in combination with other regulatory fees and fines, does not exceed regulatory costs.

All options transactions must clear via a clearing firm, and such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its Customers, *i.e.*, the entering firms. The Exchange notes that the ORF Costs relating to monitoring OTP Holders with respect to Customer trading activity are generally higher than the regulatory costs associated with monitoring OTP Holders that do not engage in Customer trading activity, which tends to be more automated and less labor-intensive. By contrast, regulating OTP Holders that engage in Customer trading activity is generally more labor-intensive and requires a greater expenditure of human and technical resources as the Exchange needs to review not only the trading activity on behalf of Customers, but also the OTP Holder's relationship with its Customers via more labor-intensive exam-based programs.⁷ As a result, the ORF Costs associated with administering the Customer component of the Exchange's overall regulatory program are materially higher than the regulatory costs associated with administering the non-Customer component (e.g., OTP Holder proprietary transactions) of its regulatory program.

⁷ The Exchange notes that many of the Exchange's market surveillance programs require the Exchange to look at and evaluate activity across all options markets, such as surveillance for position limit violations, manipulation, front-running, and contrary exercise advice violations/expiring exercise declarations. The Exchange and other options SROs are parties to a 17d-2 agreement allocating among the SROs regulatory responsibilities relating to compliance by the common members with rules for expiring exercise declarations, position limits, OCC trade adjustments, and Large Option Position Report reviews. *See, e.g.*, Securities Exchange Act Release No. 85097 (February 11, 2019), 84 FR 4871 (February 19, 2019).

As set forth in the ORF Methodology Filing, effective July 1, 2026, ORF will be assessed only for executions that occur on the Exchange. Specifically, the ORF will be collected by OCC on behalf of the Exchange from OTP Holders and non-OTP Holders for all Customer transactions executed on the Exchange. ORF will be assessed and collected on all ultimately cleared Customer contracts, taking into account adjustments for CMTA that were provided to the Exchange the same day as the trade.⁸ Further, the Exchange would bill ORF according to the clearing instructions provided on the execution. The Exchange proposes to assess ORF based on the clearing instruction provided on the execution on trade date and would not take into consideration CMTA changes or transfers that occur at OCC.⁹

Because the ORF is based on options transactions volume, the amount of ORF collected is variable. For example, if options transactions reported to OCC in a given month increase, the ORF collected from OTP Holders will likely increase as well. Similarly, if options transactions reported to OCC in a given month decrease, the ORF collected from OTP Holders will likely decrease as well. Accordingly, the Exchange monitors the amount of ORF collected to ensure that it does not exceed a material portion of ORF Costs. If the Exchange determines the amount of ORF collected exceeds or may exceed a material portion of ORF Costs, the Exchange will, as appropriate, adjust the ORF by submitting a fee change filing to the Securities and Exchange Commission (the "Commission"). The Exchange will provide at least 30 days' notice to OTP Holders of any change to the ORF by Trader Update.

Proposed Rule Change

The Exchange proposes to amend the Fee Schedule to make non-substantive changes to the description of the new ORF methodology to conform with the language used by other options exchanges to describe the same. The Fee Schedule currently includes the following description of the new ORF

⁸ Adjustments to CMTA that occur at OCC would not be taken into account. CMTA transfers that occur at OCC do not necessarily contain reliable information regarding the exchange on which the original transaction occurred, and without specific information as to where such transaction occurred, the Exchange would not be able to accurately account for CMTA transfers that occur at OCC. Accordingly, the Exchange proposes to only account for CMTAs that occur on the Exchange and exclude CMTAs occurring at OCC, consistent with other options exchanges' proposals.

⁹ Adjustments that were made the same day as the trade on the Exchange will be taken into account.

⁴ *See* Securities Exchange Act Release No. 105070 (March 24, 2026), 91 FR 14888 (March 27, 2026) (SR-NYSEARCA-2026-30) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a New Methodology for Assessment and Collection of the Options Regulatory Fee (ORF)) (the "ORF Methodology Filing").

⁵ The Exchange originally filed to amend the Fee Schedule to specify the ORF Rate on July 1, 2026 (SR-NYSEARCA-2026-73). SR-NYSEARCA-2026-73 was withdrawn on July 15, 2026 and replaced by SR-NYSEARCA-2026-79. SR-NYSEARCA-2026-79 was withdrawn on July 29, 2026 and replaced with this filing.

⁶ The Exchange considers surveillance operations part of regulatory operations. The limitation on the use of regulatory funds also provides that they shall not be distributed. *See* Bylaws of NYSE Arca, Inc., Art. II, Sec. 2.03.

methodology, as adopted in the ORF Methodology Filing:

The ORF is assessed by the Exchange for options transactions cleared by OCC in the customer range for executions that occur on the Exchange. Specifically, the ORF is collected by OCC on behalf of the Exchange from OTP Holders and OTP Firms and non-OTP Holders and non-OTP Firm for all customer transactions executed on the Exchange. The Exchange will notify participants via Trader Update of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

The Exchange proposes to replace that description with the following text:

The per contract ORF is assessed by the Exchange on each side of an options transaction cleared by the OCC in the customer range for executions that occur on the Exchange. The ORF is collected by the OCC on behalf of the Exchange from either an OTP Holder or OTP Firm that was the clearing firm for the transaction or a non-OTP Holder or a non-OTP Firm that was the clearing firm where an OTP Holder or OTP Firm was the executing firm for the transaction.

This proposed change does not propose any substantive change to the ORF methodology itself; it is intended only to promote consistency between the Exchange's Fee Schedule and that of other options exchanges with respect to the description of the new ORF methodology that has been adopted by all options exchanges, to alleviate potential confusion among market participants interpreting the various exchange fee schedules.

The Exchange also proposes to amend the Fee Schedule to set the ORF rate under the new ORF methodology. Prior to the Exchange's initial filing on July 1, 2026, the ORF rate was \$0.0026 per contract. Effective July 1, 2026, in connection with the calculation of ORF pursuant to the new ORF methodology, the Exchange proposed to set the ORF rate at \$0.0120 per contract.¹⁰ This proposed change was based on the Exchange's recent review of ORF Costs, ORF collections, and options transaction volume, as well as the Exchange's projections with respect to regulatory costs, ORF collections, and options transaction volume going forward under the new ORF

methodology that all options exchanges are adopting for the first time.

Subsequent to its initial filing, the Exchange became aware of a significant reduction in its anticipated regulatory costs due to an internal structural change. As a result, using the criteria noted above, the Exchange has determined that, at this time, a lower rate is more appropriate to ensure that ORF collection does not exceed regulatory costs. Accordingly, the Exchange now proposes to set the ORF rate at \$0.0080, effective September 1, 2026.¹¹

The proposed change to the ORF rate was, and is, based on the Exchange's analysis using the information currently available, but the Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future ORF Costs are estimated, preliminary, and may change. The Exchange believes that the proposed change would set the ORF rate at an appropriate level to help ensure that the ORF collection, in combination with other regulatory fees and fines, does not exceed the Exchange's regulatory costs.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)¹² of the Act, in general, and Section 6(b)(4) and (5)¹³ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Exchange believes the proposed change to adopt a description of the new ORF methodology that more closely conforms to that used by other options exchanges is reasonable, equitable, and not unfairly discriminatory. As noted above, the proposed change is not intended to effect any substantive changes to the methodology itself, as adopted in the ORF Methodology Filing, and is intended only to encourage consistency between the Exchange's Fee Schedule and that of other options exchanges with respect to the description of the new ORF methodology that has been adopted by all options exchanges. The proposed change is designed to help reduce potential confusion from market participants seeking to understand

different exchange fee schedules. The Exchange also believes that the proposed change is equitable and not unfairly discriminatory because the revised description of the ORF methodology (like the current description) would continue to apply equally to all similarly situated market participants subject to the ORF.

The Exchange also believes the proposed change to amend the ORF rate in connection with the implementation of the new ORF methodology is reasonable, equitable, and not unfairly discriminatory. The Exchange believes the proposed new ORF rate is reasonable because it is designed to help ensure that collections from the ORF do not exceed a material portion of the Exchange's ORF Costs, based on the Exchange's recent review, analysis, and projections of such costs, ORF collections, and options transaction volume both historically and going forward under the new ORF methodology that all options exchanges are adopting for the first time. As noted above, the proposed change to the ORF rate is based on information currently available to the Exchange. Although the Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future ORF Costs are estimated, preliminary, and may change, the Exchange believes that the proposed change would set the ORF rate at an appropriate level to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange further believes that the proposed new ORF rate is equitable and not unfairly discriminatory because it would apply equally to all similarly situated market participants, as described in the ORF Methodology Filing. The Exchange has also provided all OTP Holders with the appropriate 30 days' advance notice of the planned change to the ORF rate.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the proposed revisions to the description of the new ORF methodology are intended only to conform the language in the Fee Schedule with that used in other options exchanges' fee schedules, to help reduce potential confusion among market participants. The proposed

¹⁰ On June 1, 2026 (which was at least 30 calendar days prior to the July 1, 2026 operative date), the Exchange notified OTP Holders of the change to the ORF methodology and proposed ORF rate via Trader Update to afford market participants sufficient opportunity to configure their systems to account for the upcoming ORF changes. See <https://www.nyse.com/trader-update/history#110000957172>.

¹¹ As it did with the initial fee proposal, the Exchange will provide at least 30 days' notice to ATP Holders of the proposed rate via Trader Update.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(4) and (5).

change to the ORF rate also would not impose an undue burden on intramarket competition because, pursuant to the new ORF methodology, the ORF will be collected by OCC on behalf of the Exchange from OTP Holders and non-OTP Holders for all Customer transactions executed on the Exchange, and the proposed ORF rate is designed to help ensure that collections from the ORF do not exceed a material portion of the Exchange's ORF Costs. Because the ORF is charged to all OTP Holders and non-OTP Holders on all of their transactions that clear in the Customer range at the OCC, the amount of ORF imposed is based on the amount of Customer volume transacted.

Intermarket Competition. The proposed change is not designed to address any competitive issues. Rather, the proposed change with respect to the ORF rate is designed to help the Exchange adequately fund its regulatory activities while seeking to ensure that total collections from regulatory fees do not exceed total regulatory costs, and the proposed change with respect to the Fee Schedule language describing the new ORF methodology is intended to promote consistency among the fee schedules of the various options exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁴ and paragraph (f) of Rule 19b-4¹⁵ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and

arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2026-81 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSEARCA-2026-81. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEARCA-2026-81 and should be submitted on or before August 27, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-15925 Filed 8-5-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106030; File No. SR-OCC-2026-005]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change by The Options Clearing Corporation To Amend Its System for Theoretical Analysis and Numerical Simulation Methodology Description To Incorporate Options Implied Interest Rates as an Additional Source of Interest Rates Inputs for Constructing the Interest Rate Discount Curve Used in Options Pricing

August 3, 2026.

I. Introduction

On June 5, 2026, the Options Clearing Corporation ("OCC"), filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend OCC's System for Theoretical Analysis and Numerical Simulation ("STANS") Methodology Description to incorporate options implied interest rates as an additional source of interest rates inputs for constructing the interest rate discount curve used in options pricing (hereinafter "Proposed Rule Change"). The Proposed Rule Change was published for comment in the **Federal Register** on June 23, 2026.³ The Commission did not receive comments regarding the Proposed Rule Change. For the reasons discussed below, the Commission is approving the Proposed Rule Change.

II. Background

OCC is a central counterparty ("CCP"), which means that, as part of its function as a clearing agency, it interposes itself as the buyer to every seller and seller to every buyer for certain financial transactions. As the CCP for the listed options markets in the United States,⁴ as well as for certain futures and stock loans, OCC is exposed to various risks arising from providing clearance and settlement services to its Clearing Members.⁵ Because OCC is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Act Release No. 105712 (Jun. 17, 2026), 91 FR 37461 (Jun. 23, 2026) (File No. SR-OCC-2026-005) ("Notice").

⁴ OCC describes itself as "the sole clearing agency for standardized equity options listed on national securities exchanges registered with the Commission." See Notice, 91 FR at 37462.

⁵ Capitalized terms used but not defined herein have the meanings specified in OCC's Rules and By-

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f).

¹⁶ 17 CFR 200.30-3(a)(12).

obligated to perform on the contracts it clears, one such risk that OCC is exposed to is credit risk, including the risk that OCC would not maintain sufficient financial resources to cover exposures if one of its Clearing Members defaults. OCC manages such credit risk, in part, through financial safeguards, including the collection of margin collateral designed to cover the market risk associated with a Clearing Member's positions during the period that OCC would take to liquidate those positions in the event of a Clearing Member default. OCC employs its proprietary risk management system, STANS, to calculate each Clearing Member's margin requirements.⁶

In the STANS methodology, the interest rate discount curve ("discount curve") is a critical input for OCC's pricing models. OCC constructs the discount curve using industry standard benchmark rates and instruments. Currently, OCC states that it uses only the Secured Overnight Financing Rate ("SOFR") based discount curve.⁷ However, OCC has observed that the SOFR-based discount curve may not always align with the rates implied by the options market, and market participants likewise have reported similar discrepancies in OCC's in-the-money options marks for long-dated SPX option expiries, specifically that the SOFR rates used by OCC are systematically below the options implied interest rates.⁸

To address this misalignment, OCC proposes to amend its STANS Methodology Description to incorporate box rates implied by the SPX options market as an additional input to the discount curve construction used in options pricing.⁹ As a supplement to the current methodology, these market-

derived box rates would allow OCC to incorporate box rates into its theoretical mark calculations and, thus, would increase smoothing output adherence to market quotations.¹⁰ OCC states that it expects the proposed change to improve pricing accuracy for deep-in-the-money options with medium- to long-term expirations, resulting in more realistic margin requirement calculations that more precisely reflect the risk of Clearing Member portfolios.¹¹

A. Overview of Discount Curve Inputs

The STANS methodology utilizes large-scale Monte Carlo simulations to forecast price and volatility movements in determining a Clearing Member's margin requirement.¹² OCC's pricing model within its STANS methodology uses the discount curve, along with dividends and implied volatility, to specify underlying price dynamics. OCC uses this data, along with Exchange-listed option price data, to calibrate the implied borrow cost and implied volatility parameters used in its option pricing models. In general, the discount curve is used to project expected future cash flows for option derivatives and to discount them back to present value.

OCC has observed that a SOFR-based discount curve may not always align with the rates implied by the options market, resulting in pricing discrepancies, particularly for deep-in-the-money options.¹³ OCC states that, according to its analysis, the SOFR rate it uses generally is at a discount compared to the rate implied from put-call parity *i.e.*, box rates, and historical data shows that box rates generally exceed SOFR-based rates by approximately 20 to 40 basis points across tenors, with varied spreads observed at shorter tenors.¹⁴ OCC also states that market participants have reported discrepancies between OCC's end-of-day option marks and observed market prices for deep-in-the-money SPX options with long-dated expiries across all option types.¹⁵

B. Proposal To Incorporate Box Rates

To address these pricing discrepancies, OCC proposes to amend the STANS Methodology Description to incorporate interest rates implied by the SPX options market as inputs for constructing the discount curve. The incorporation of box rates would supplement OCC's current methodology, which uses SOFR rates as the primary input for discount curve modeling.

First, OCC would estimate such implied interest rates by sourcing market quotes for SPX European-style options and calculating their mid-prices from the average of the bid and ask. Then, using these mid-prices, OCC would apply a proprietary regression technique to derive box rates.¹⁶ SPX options typically extend to approximately five years out; as such, OCC would extend the term structure of the discount curve by applying a basis adjustment to longer term SOFR swap rates to create a curve that extends to approximately 50 years.¹⁷ OCC states that this approach would capture the market's cost of capital for equity options, which OCC has observed would typically run 20 to 40 basis points higher than SOFR-based rates.¹⁸

The proposal would revise Section 3.2 in the STANS Methodology Description, which currently provides for three legacy groups of input data available for constructing the U.S. dollar discount curve: (1) cash rates, such as SOFR, (2) contiguous interest rate futures, and (3)

Laws, available at <https://www.theocc.com/company-information/documents-and-archives/by-laws-and-rules>.

⁶ An overview of the STANS methodology is posted on OCC's public website, available at <https://www.theocc.com/Risk-Management/Margin-Methodology>. OCC makes the confidential STANS Methodology Description available to Clearing Members who execute a non-disclosure agreement. See also Exchange Act Release No. 91079 (Feb. 8, 2021), 86 FR 9410 (Feb. 12, 2021) (File No. SR-OCC-2020-016).

⁷ See Notice, 91 FR at 37462, n. 6. See also Exchange Act Release No. 93371 (Oct. 18, 2021), 86 FR 58704, 58705 (Oct. 22, 2021) (SR-OCC-2021-011) (transitioning OCC's discount curve methodology to SOFR-based rates).

⁸ See Notice, 91 FR at 37462.

⁹ Box rates are interest rates derived from box spread trades. A box spread is a delta-neutral options strategy that involves simultaneously holding a bull call spread and a bear put spread with the same strike prices and expiration dates, which essentially creates a synthetic loan with an implied interest rate. See Notice, 91 FR at 37462-63, notes 15-17.

¹⁰ See Notice, 91 FR at 37462, note 8.

("Smoothing refers to OCC's Implied Volatility Smoothing algorithm, which generates implied volatilities for all listed and FLEX options. The discount curve serves as an input to this algorithm and is used in computing forward prices and option valuations throughout the smoothing process.")

¹¹ See Notice, 91 FR at 37462.

¹² See OCC Rule 601.

¹³ See Notice, 91 FR at 37462. OCC states that at-the-money options and out-of-the-money options are relatively less affected because the calibration of implied borrow costs largely absorbs the interest rate differences and it dampens the impact on the calculated implied forwards. *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ OCC states that using mid-prices is consistent with common market practice and produces more stable and reliable results than working directly with bid and ask spreads because midpoint prices provide a neutral estimate of prevailing market value by mitigating the effect of bid-ask spread variability. See Notice, 91 FR at 37463.

¹⁷ See Notice, 91 FR at 37463, note 19. ("The basis adjustment would be calculated as the observed spread between box rates and SOFR rates at the longest available box rate expiry, applied as a constant adjustment to SOFR rates beyond that point.")

¹⁸ See Notice, 91 FR at 37463. As part of SR-OCC-2026-005, OCC filed confidential Exhibit 3C containing data underlying its impact analysis. OCC states that the proposal would result in a modest reduction in the aggregate margin collected, but that individual portfolios may experience varying effects depending on their composition. See Notice, 91 FR at 37463. For example, "a single-day impact assessment for a typical business date in November 2025 indicates a modest total margin reduction of approximately \$141 million, or approximately 0.27% in relative terms." *Id.* OCC states that portfolios with a greater concentration of deep-in-the-money options are likely to see a more pronounced margin impact since the impact of discount rates is higher in such options. *Id.* OCC also states that "[i]n all cases, these adjustments are a consequence of correcting existing mispricing in option prices thereby aligning margin requirements more closely with actual risk." *Id.*

interest rate swaps.¹⁹ The proposal would expand the input data sources by adding a fourth input source to the list, namely, interest rates over the short and medium term implied by market quotes for options and other derivatives. Under the proposal, OCC would be able to use box rates derived from market quotes of standard SPX options, where available. As amended, Section 3.2 also would describe the process of extending the curve beyond available box rates to maintain continuity across the entire term structure, thus allowing OCC to extrapolate beyond the longest available expiration of standard SPX options using adjusted SOFR swap rates.

Further proposed changes to Section 3.2 of the STANS Methodology Description include replacement of specific maturity details with generalized timeframes so that, for example, cash rates would span from “overnight (*i.e.*, one day) to a few months” rather than listing specific tenors. Likewise, under the proposal, the term “contiguous” would be removed from the interest rate futures discussion, as would the last sentence on seamless selection changes. Other changes in Section 3.2 would revise terminology from “yield curve” to “discount curve”, as well as provide additional clarifying context and remove certain references to algorithmic notations. The proposal would eliminate entirely from Section 3.2 the cash instruments subsection, which references legacy instrument-specific details related to the construction of the interest rate curve before OCC transitioned away from LIBOR to SOFR transition.²⁰

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Exchange Act requires the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to the organization.²¹ Under the Commission’s Rules of Practice, the “burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued

thereunder . . . is on the self-regulatory organization [‘SRO’] that proposed the rule change.”²²

After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to OCC. More specifically, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Exchange Act,²³ and Rule 17ad–22(e)(6)(i) thereunder, as described in detail below.²⁴

A. Consistency With Section 17A(b)(3)(F) of the Exchange Act

Section 17A(b)(3)(F) of the Act²⁵ requires, in part, that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.

OCC uses its proprietary risk management system, STANS, to set risk-based margin requirements for its Clearing Members to address the credit risk it faces as a central counterparty in the event of a Clearing Member default. Pricing models outlined in OCC’s STANS Methodology Description help inform the calculation of such margin requirements. The interest rate discount curve is a crucial component of these pricing models and is solely based on the secured overnight financing rate, but OCC and certain Clearing Members have stated the discount curve calculation is misaligned with current markets. They noted that the SOFR rates used by OCC to construct its discount curve are systematically below the options implied interest rates, especially for deep in-the-money SPX options for long-dated expiries across all option types. To address this mispricing and obtain a more accurate modeling of margin requirements, the proposal would incorporate box rates as a supplemental input in the discount curve construction.

Addressing the pricing discrepancies described above would provide a more accurate means of constructing the discount curve as an input to pricing options. More accurate pricing would, in turn, improve OCC’s ability to assess its credit exposures and collect an appropriate amount of margin collateral to address such exposures. Collecting an appropriate amount of margin collateral

would increase the likelihood that OCC is able to risk manage the default of a Clearing Member without recourse to loss mutualization through the use of Clearing Fund assets of non-defaulting Clearing Members, which supports the safeguarding of securities and funds of such non-defaulting members in OCC’s custody or control or for which it is responsible.

Accordingly, the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.²⁶

B. Consistency With Rule 17ad–22(e)(6) Under the Exchange Act

Exchange Act Rule 17Ad–22(e)(6) requires that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, among other things, considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market.²⁷

As stated above, the proposal seeks to address the discrepancy noted by OCC and certain Clearing Members regarding one of the inputs underlying pricing models used to set margin requirements. OCC and its Clearing Members have observed that the SOFR-based discount curve used in margin-setting pricing models may not always align with the rates implied by the options market and that SOFR rates used by OCC are systematically below the options implied rates, particularly impacting deep in-the-money options marks for long-dated SPX option expiries across all option types. To address this misalignment, OCC proposes to supplement the SOFR-based input with box interest rates implied by the SPX options market. Additionally, OCC proposes to establish a process of extending the curve beyond available box rates, which typically extend to approximately five years out, to maintain continuity across the entire term structure, and allow for extrapolation beyond the longest available expirations of standard SPX options using adjusted SOFR swap rates.

The Proposed Rule Change would help improve pricing accuracy, especially for deep-in-the-money options with medium- to long-term expirations by aligning margin requirements and OCC’s credit risk management more closely with the

¹⁹ Not all of these sources are used under the current approach nor would be used under the proposal. See Notice, 91 FR at 37463.

²⁰ The proposal would make non-substantive formatting, grammatical, and other minor updates throughout the methodology document, such as renumbering certain numerical computations to accurately reflect proposed deletions. See Notice, 91 FR at 37463.

²¹ 15 U.S.C. 78s(b)(2)(C).

²² Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

²³ 15 U.S.C. 78q–1(b)(3)(F).

²⁴ 17 CFR 240.17ad–22(e)(6)(i).

²⁵ 15 U.S.C. 78q–1(b)(3)(F).

²⁶ *Id.*

²⁷ 17 CFR 240.17Ad–22(e)(6)(i).

current market. The proposal would, therefore, result in more accurate calculations for margin requirements commensurate with risks and particular attributes of the products it clears.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad–22(e)(6) under the Act.²⁸

IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Exchange Act,²⁹ and Rule 17ad–22(e)(6)(i) thereunder.³⁰ It is therefore ordered pursuant to Section 19(b)(2) of the Exchange Act³¹ that the proposed rule change (SR–OCC–2026–005) be, and hereby is, approved.³²

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026–15928 Filed 8–5–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0548]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 35d–1 Under the Investment Company Act of 1940

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995

(44 U.S.C. § 3501 *et seq.*), the Securities and Exchange Commission (“SEC” or “Commission”) is submitting to the Office of Management and Budget (“OMB”) this request for Extension of the proposed collection of information.

Section 35(d) of the Investment Company Act of 1940 (“Investment Company Act”) ¹ prohibits a registered investment company from adopting as part of the name or title of such company, or of any securities of which it is the issuer, any word or words that the Commission finds are materially deceptive or misleading and authorizes the Commission, by rule, regulation, or order, to define such names or titles as are materially deceptive or misleading.²

Rule 35d–1 under the Investment Company Act defines as “materially deceptive and misleading” for purposes of section 35(d), among other things, a name suggesting that a registered investment company or a business development company (“BDC”), including any series thereof (a “fund”) focuses its investments in a particular type of investment or investments, a particular industry or group of industries, particular countries or geographic regions, or investments that have, or whose issuers have, particular characteristics, unless, among other things, the fund adopts a policy to invest at least 80% of the value of its assets in the type of investment suggested by its name.³ The rule imposes a similar 80% investment policy requirement for funds that have names suggesting that a fund’s distributions are exempt from federal income tax or from both federal and state income tax (“tax-exempt funds”).

Rule 35d–1 requires either that (1) the 80% investment policy be fundamental or, (2) generally in the case of funds other than tax-exempt funds, registered closed-end funds, and BDCs, that the fund has adopted a policy to provide its

shareholders with at least 60 days prior notice of any change in the investment policy, or a change to the fund’s name that accompanies the investment policy change (“notice to shareholders”).⁴ The rule further requires funds that adopt an 80% investment policy to maintain written records documenting their compliance with rule 35d–1, including records of any notice sent to the fund’s shareholders pursuant to the rule.⁵ These records must be retained for no less than six years following the creation of each required record (or, in the case of notices, following the date the notice was sent), the first two years in an easily accessible place.

Rule 35d–1 is designed to address certain broad categories of fund names that, in the Commission’s view, are likely to mislead an investor about a fund’s investments and risks. The rule’s provisions are intended to further that goal. For example, the rule’s notice to shareholders provision is designed to ensure that when shareholders purchase shares in a fund based, at least in part, on its name, and with the expectation that it will follow the investment policy suggested by that name, they will have sufficient time to decide whether to redeem their shares in the event that the fund decides to pursue a different investment policy. The rule’s recordkeeping requirements are designed to help ensure compliance with the rule’s requirements and aid in oversight.

Rule 35d–1’s collection of information requirements include, as detailed in Table 1 below, the notice requirement and recordkeeping requirements for funds that are required to adopt an 80% investment policy. Compliance with these requirements is mandatory. Responses to these requirements will not be kept confidential.

TABLE 1—SUMMARY OF REVISED ANNUAL RESPONSES, BURDEN HOURS, AND MONETIZED ANNUAL TIME BURDEN

	Annual number of responses (funds)			Annual time burden (hours)			Monetized annual time burden (dollars)		
	Currently approved	Revised estimate	Change	Currently approved	Revised estimate	Change	Currently approved	Revised estimate	Change
Rule 35d–1 Notice Requirement.	34	137	3	680	20 hours per notice ² × 37 funds = 740 hours.	60	³ \$289,000	\$750 ⁴ × 20 hours = \$15,000 per fund. \$15,000 × 37 funds = \$555,000.	\$266,000

²⁸ 17 CFR 240.17ad–22(e)(6).

²⁹ 15 U.S.C. 78q–1(b)(3)(F).

³⁰ 17 CFR 240.17ad–22(e)(6)(i).

³¹ 15 U.S.C. 78s(b)(2).

³² In approving the Proposed Rule Change, the Commission considered the proposal’s impact on

efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

³³ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 80a–1 *et seq.*

² 15 U.S.C. 80a–34(d); *see also* Investment Company Names, Investment Company Act Release

No. 35000 (Sept. 20, 2023) [88 FR 70436 (Oct. 27, 2023)] (adopting amendments to rule 35d–1).

³ 17 CFR 270.35d–1. A policy that a fund must adopt under rule 35d–1 is referred to as an “80% investment policy.”

⁴ 17 CFR 270.35d–1(a)(2)(ii), (a)(3)(i), (d), (f).

⁵ 17 CFR 270.35d–1(b)(3).

TABLE 1—SUMMARY OF REVISED ANNUAL RESPONSES, BURDEN HOURS, AND MONETIZED ANNUAL TIME BURDEN—Continued

	Annual number of responses (funds)			Annual time burden (hours)			Monetized annual time burden (dollars)		
	Currently approved	Revised estimate	Change	Currently approved	Revised estimate	Change	Currently approved	Revised estimate	Change
Rule 35d–1 Record-keeping Requirement.	10,291	⁵ 10,855	564	771,825	75 hours per fund ⁶ × 10,855 funds = 814,125 hours.	42,300	⁷ 313,360,950	\$600 ⁸ × 75 hours per fund = \$45,000 per fund. \$45,000 × 10,855 funds = \$488,475,000.	175,114,050
Total Time Burden (hours) and Monetized Annual Time Burden (dollars).	.....	.....	.....	772,505	814,865 hours	42,360	313,649,950	\$489,030,000	175,380,050

¹ The Commission estimates, across approximately 14,282 open-end and closed-end funds registered with the Commission (12,710 open-end management investment companies (Form N–1A filers), 707 closed-end management investment companies (Form N–2 filers not classified as BDCs), 693 UITs (Form N–4, N–6, N–8B–2, and S–6 filers), and 172 BDCs (based on Form 10–K filings and related amendments), as of December 31, 2025) that approximately 76% of these funds, or approximately 10,855 funds, have names that would require an 80% investment policy. The Commission further estimates that 1% of these 10,855 funds, or approximately 109 funds, would within the next three years provide a notice to shareholders pursuant to rule 35d–1. Therefore, over the course of 3 years, the Commission estimates that on average approximately 37 funds per year would provide a notice to shareholders under rule 35d–1.

² The Commission continues to estimate, as under the currently-approved burden, a burden of 20 hours per notice.

³ The currently-approved cost burden was estimated as follows: 20 hours per notice × \$425 (blended rate for attorneys) × 34 funds = \$289,000.

⁴ We estimate \$750 as follows: \$744 rate for an attorney, rounded up for simplicity = \$750. To calculate the occupational hourly rate used in the Commission's current estimates, the Commission uses occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for "Securities, Commodity Contracts, and Other Financial Investments and Related Activities" (NAICS 523). See Occupational Employment and Wage Statistics, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/oes/>; see also Standard Occupational Classification, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/soc/> (describing occupational classification system used by BLS); EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (2022), available at https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is adjusted for changes in the seasonally adjusted employment cost index for private wages and salaries between the data reference period and when the data are released by BLS. See Employment Cost Index, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/eci/>. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis's annual gross output data for NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. See Gross Output by Industry, U.S. BUREAU OF ECONOMIC ANALYSIS, <https://www.bea.gov/data/industries/gross-output-by-industry>; Occupational Employment and Wage Statistics, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/oes/>. The final product is the occupational hourly rate. See generally UPDATED METHODOLOGY FOR CALCULATING OCCUPATIONAL HOURLY RATES (Dec. 19, 2025), available at <https://www.sec.gov/files/method-occupational-hourly-rates.pdf>.

⁵ We estimate that 10,855 funds have names that would require an 80% investment policy. See *supra* footnote 1 to Table 1.

⁶ The Commission continues to estimate, as under the currently-approved burden, an average annual burden of 75 hours associated with recordkeeping under rule 35d–1. This burden would be higher for new funds that would have to establish recordkeeping procedures, and lower for funds whose records (or a significant subset of records) would be able to be automated.

⁷ The currently-approved cost burden was estimated as follows: 75 annual burden hours associated with recordkeeping × \$406 (blended rate for compliance attorney and senior programmer) × 10,291 funds = \$313,649,950.

⁸ We estimate \$600 as follows: blended rate for an attorney (\$744) and a computer programmer (\$416) = \$580, rounded up for simplicity = \$600. See *supra* footnote 4 to Table 1 (discussing calculation of occupational hourly rates used in the Commission's current estimates).

Cost burden is the external cost of services purchased to comply with rule 35d–1, such as for the services of computer programmers, outside counsel, financial printers, and

advertising agencies. The cost burden does not include the cost of the internal hour burden discussed in Table 1 above. We estimate a total annual external cost burden to all respondents of \$5,446,000

(\$18,500 (notice requirement) + \$5,427,500 (recordkeeping requirement)), as detailed in Table 2 below.

TABLE 2—SUMMARY OF REVISED ANNUAL EXTERNAL COST BURDEN [Purchase of services]

	Annual number of responses (funds)			Annual external cost burden (dollars)		
	Currently approved	Revised estimate	Change	Currently approved	Revised estimate	Change
Rule 35d–1 Notice Requirement	34	¹ 37	3	² \$19,210	\$750 ³ × 37 funds = \$27,750	\$8,540
Rule 35d–1 Recordkeeping Requirement.	10,291	⁴ 10,855	564	⁵ 5,814,415	\$750 ⁶ × 10,855 funds = \$8,141,250 ..	2,326,835
Total External Cost Burden (dollars).	.....	.....	.....	5,833,625	\$8,169,000	2,335,375

¹ See *supra* footnote 1 to Table 1.

² The currently-approved annual external cost burden was estimated as follows: \$565 for 1 hour of external legal services × 34 funds = \$19,210.

³ We estimate \$750 as follows: \$744 rate for an attorney, rounded up for simplicity = \$750. See *supra* footnote 4 to Table 1 (discussing calculation of occupational hourly rates used in the Commission's current estimates).

⁴ See *supra* footnote 5 to Table 1.

⁵ The currently-approved annual external cost burden was estimated as follows: \$565 for 1 hour of external legal services × 10,291 funds = \$5,814,415.

⁶ See *supra* footnote 3 to Table 2.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information

unless it displays a currently valid OMB Control Number.

The public may view and comment on this information collection request at: <https://www.reginfo.gov/public/do/>

PRAViewICR?ref_nbr=202605-3235-020 or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by September 8, 2026.

Dated: August 3, 2026.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-15934 Filed 8-5-26; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements under Office of Management and Budget Review

AGENCY: U.S. Small Business Administration.

ACTION: 30-Day notice; request for comments.

SUMMARY: The Small Business Administration (SBA) will submit the information collection described below to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, as amended, on or after the date of publication of this notice. SBA is publishing this notice to allow all interested members of the public an additional 30 days to provide comments on the collection of information.

DATES: Submit comments on or before September 8, 2026.

ADDRESSES: Written comments and recommendations for this information collection request should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain*. Find this particular information collection request by selecting “Small Business Administration”; “Currently Under Review,” then select the “Only Show ICR for Public Comment” checkbox. This information collection can be identified by title and/or OMB Control Number, which are provided below.

FOR FURTHER INFORMATION CONTACT: You may obtain information including a copy of the forms and supporting documents from the Interim Agency Clearance Officer, Shauniece Carter, at (202) 205-6536, or *shauniece.carter@sba.gov*, or from *www.reginfo.gov/public/do/PRAMain*.

SUPPLEMENTARY INFORMATION: Small business owners or advocates who have been nominated for an SBA recognition award submit this information for use in evaluating nominee’s eligibility for an award including business profile,

financial performance, community involvement and SBA assistance. The information is also used to verify the accuracy of information submitted and determining whether there are any actual or potential conflicts of interest. Awards are presented to winners during the Presidentially declared Small Business Week.

Summary of Information Collection

Title: Small Business Week Award Nominations.

OMB Control Number: 3245-0360.

Form Number: 3300-3306.

Description of Respondents:

Nominated Small Business Owners and Nominators.

Estimated Number of Respondents: 500.

Estimated Annual Responses: 500.

Estimated Annual Hour Burden: 750

Solicitation of Public Comments

SBA invites the public to submit comments, including specific and detailed suggestions on ways to improve the collection and reduce the burden on respondents. Commenters should also address (i) whether the information collection is necessary for the proper performance of SBA’s functions, including whether it has any practical utility; (ii) the accuracy of the estimated burdens; (iii) ways to enhance the quality, utility, and clarity of the information to be collected; and (iv) the use of automated collection techniques or other forms of information technology to minimize the information collection burden on those who are required to respond.

Shauniece Carter,

Interim Agency Clearance Officer.

[FR Doc. 2026-16045 Filed 8-5-26; 8:45 am]

BILLING CODE 8026-09-P

DEPARTMENT OF STATE

[Public Notice: 13094]

Certification Under Section 7045(b)(2)(A) of the National Security, Department of State, and Related Programs Appropriations Act, 2026 (Div. F, P.L. 119-75)

By virtue of the authority vested in me by section 7045(b)(2)(A) of the National Security, Department of State, and Related Programs Appropriations Act, 2026 (Div. F, P.L. 119-75) (FY 2026 NSSAA), I hereby certify that the central governments of El Salvador, Guatemala, and Honduras are:

i. Combating corruption and impunity, including investigating and prosecuting government officials,

military personnel, and police officers credibly alleged to be corrupt, and improving strategies to combat money laundering and other global financial crimes;

ii. Implementing reforms, policies, and programs to strengthen the rule of law, including increasing the transparency of public institutions, strengthening the independence of judicial and electoral institutions, and improving the transparency of political campaign and political party financing;

iii. Protecting the rights of human rights defenders, trade unionists, journalists, civil society groups, opposition political parties, and the independence of the media;

iv. Taking demonstrable actions to secure national borders and stem mass migration toward Mexico and the United States, including positive governance related to combating crime and violence, building economic opportunity, improving government services, and protecting human rights;

v. Providing effective and accountable law enforcement and security for its citizens, curtailing the role of the military in public security, and upholding due process of law;

vi. Implementing programs to reduce violence against women and girls;

vii. Implementing policies to reduce poverty and promote economic growth and opportunity, including the implementation of reforms to strengthen educational systems, vocational training programs, and programs for at-risk youth;

viii. Cooperating with the United States to counter drug trafficking, human trafficking and smuggling, and other transnational crime;

ix. Cooperating with the United States and other governments in the region to facilitate the return, repatriation, and reintegration of migrants; and

x. Implementing policies that improve the environment for businesses, including foreign businesses, to operate and invest, including executing tax reform in a transparent manner, ensuring effective legal mechanisms for reimbursements of tax refunds owed to United States businesses, and resolving disputes involving the confiscation of real property of United States entities.

This certification shall be published in the **Federal Register** and, along with the accompanying Memorandum of Justification, shall be reported to Congress.

Dated: July 1, 2026.

Christopher Landau,

Deputy Secretary of State, U.S. Department of State.

[FR Doc. 2026-15949 Filed 8-5-26; 8:45 am]

BILLING CODE 4710-29-P

DEPARTMENT OF STATE**[Public Notice: 13093]****Certification Under Section 7045(b)(2)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 (SFOAA) (Div. F, P.L. 118–47), as carried forward by the Full-Year Continuing Appropriations Act, 2025 (Div. A, P.L. 119–4)**

By virtue of the authority vested in me by section 7045(b)(2)(A) of SFOAA (Div. F, P.L. 118–47) (FY 2024 SFOAA), as carried forward by the Full-Year Continuing Appropriations Act, 2025 (Div. A, P.L. 119–4) (FY 2025 Full-Year CR), I hereby certify that the central governments of El Salvador, Guatemala, and Honduras are:

i. Combating corruption and impunity, including investigating and prosecuting government officials, military personnel, and police officers credibly alleged to be corrupt, and improving strategies to combat money laundering and other global financial crimes;

ii. Implementing reforms, policies, and programs to strengthen the rule of law, including increasing the transparency of public institutions, strengthening the independence of judicial and electoral institutions, and improving the transparency of political campaign and political party financing;

iii. Protecting the rights of human rights defenders, trade unionists, journalists, civil society groups, opposition political parties, and the independence of the media;

iv. Providing effective and accountable law enforcement and security for its citizens, curtailing the role of the military in public security, and upholding due process of law;

v. Implementing programs to reduce violence against women and girls;

vi. Implementing policies to reduce poverty and promote economic growth and opportunity, including the implementation of reforms to strengthen educational systems, vocational training programs, and programs for at-risk youth;

vii. Cooperating with the United States to counter drug trafficking, human trafficking and smuggling, and other transnational crime;

viii. Cooperating with the United States and other governments in the region to facilitate the return, repatriation, and reintegration of migrants;

ix. Taking demonstrable actions to secure national borders and stem mass migration, including by informing its citizens of the dangers of the journey to

the southwest border of the United States and advancing efforts to combat crime and violence, build economic opportunity, improve government services, and protect human rights; and

x. Implementing policies that improve the environment for businesses, including foreign businesses, to operate and invest, including executing tax reform in a transparent manner, ensuring effective legal mechanisms for reimbursements of tax refunds owed to United States businesses, and resolving disputes involving the confiscation of real property of United States entities.

This certification shall be published in the **Federal Register** and, along with the accompanying Memorandum of Justification, shall be reported to Congress.

Dated: July 1, 2026.

Christopher Landau,

Deputy Secretary of State, U.S. Department of State.

[FR Doc. 2026–15950 Filed 8–5–26; 8:45 am]

BILLING CODE 4710–29–M

DEPARTMENT OF STATE**[Delegation of Authority No. 627]****Delegation of Authority to the Assistant Secretary for Emerging Threats**

By virtue of the authority vested in the Secretary of State by the laws of the United States, including the State Department Basic Authorities Act (22 U.S.C. 2651a(a)(4)), I hereby delegate to the Assistant Secretary for Emerging Threats (ET), to the extent authorized by law, the following functions and authorities:

1. The authorities in 22 U.S.C. 2551, 2571, 2573, and 2574 related to the ET's work on cyberspace, outer space, undersea security, critical infrastructure security, artificial intelligence, and quantum technologies;

2. Section 6306 of Public Law 118–31, concurrent with the Ambassador at Large for Cyberspace and Digital Policy (CDP);

3. 22 U.S.C. 10301 (international cyberspace policy), concurrent with CDP and the Chief Information Officer; and

4. Those functions related to the Science and Technology Advisor (STA), as authorized by Section 1000(a)(7) of Public Law 106–113 (Div. B), concurrent with CDP.

The Secretary, Deputy Secretary, and Deputy Secretary for Management and Resources, and Under Secretary for Arms Control and International Security may exercise any function or authority

delegated herein. The authorities delegated herein may be re-delegated to an Officer of the United States, to the extent authorized by law. This delegation of authority does not modify any other delegation of authority currently in effect.

This delegation of authority shall be published in the **Federal Register**.

Dated: March 13, 2026.

Marco A. Rubio,

Secretary of State, U.S. Department of State.

Editorial Note: This document was received for publication by the Office of the Federal Register on August 03, 2026.

[FR Doc. 2026–15919 Filed 8–5–26; 8:45 am]

BILLING CODE 4710–10–M

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****[Docket No. FAA–2026–1255]****Agency Information Collection Activities: Requests for Comments; Clearance of a Renewed Approval of Information Collection: Airport Grants Program**

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 comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The collection involves gathering data from airport sponsors and planning agencies to determine eligibility, ensure compliance with Federal requirements, and ensure proper use of Federal funds and project accomplishments for the Airport Improvement Program. Submission is required to receive funds.

DATES: Written comments should be submitted by October 5, 2026.

ADDRESSES: Please send written comments:

By Electronic Docket:
www.regulations.gov (Enter docket number into search field).

By mail: Kay Ryder, Office of Airports Planning and Programming, APP, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591.

By fax: 202–267–5302.

FOR FURTHER INFORMATION CONTACT:

Kay Ryder by email at: Kay.Ryder@faa.gov; phone: 202–267–8170.

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: 2120-0569.

Title: Airport Grants Program.

Form Numbers: Standard Form 270, Standard Form 271, Standard Form 424, Standard Form 425, Standard Form 425a, Standard Form 1445, DOL 347, 5100-100, 5100-101, 5100-108, 5100-110, 5100-126, 5100-127, 5100-128, 5100-129, 5100-130, 5100-131, 5100-132, 5100-133, 5100-134, 5100-135, 5100-136, 5100-137, 5100-138, 5100-139, 5100-140, 5100-141, 5100-142, 5100-145, 5100-147, 5370-1.

Type of Review: Renewal of an information collection.

Background: Codification of certain U.S. Transportation laws at 49 U.S.C., repealed the Airport and Airway Improvement Act of 1982, as amended, and the Aviation Safety and Noise Abatement Act of 1979, as amended, and re-codified them without substantive change at Title 49 U.S.C., which is referred to as the "Act." The Act provides funding for airport planning and development projects at airports included in the National Plan of Integrated Airport Systems. The Act also authorizes funds for noise compatibility planning and to carry out noise compatibility programs. The information required under this collection is necessary to protect the Federal interest in safety, efficiency, and utility of the Airport. Data is collected to meet report requirements of 2 CFR part 200 for certifications of domestic preferences and representations, financial management and performance measurement.

Respondents: Approximately 21,500 applicants.

Frequency: Information is collected on occasion.

Estimated Average Burden per Response: Approximately 8.5 hours.

Estimated Total Annual Burden: Approximately 181,000 hours.

Issued in Washington, DC, on August 4, 2026.

Kay Ryder,

Manager, FAA Airports AIP Finance Branch, APP-530.

[FR Doc. 2026-16062 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA-2025-2524]

Agency Information Collection Activities: Requests for Comments; Clearance of a Reinstatement Approval of Information Collection: Part 60—Flight Simulation Device Initial and Continuing Qualification and Use

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 comments about our intention to request the Office of Management and Budget (OMB) approval to reinstate an information collection. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on June 2, 2026. The collection involves requirements which are necessary to ensure safety-of-flight by ensuring that complete and adequate training, testing, checking, and experience is obtained and maintained by those who operate under certain parts of FAA's regulations and use flight simulation in lieu of aircraft for these functions. This collection is being reinstated due to delays caused by the government shutdown and changeover of personnel.

DATES: Written comments should be submitted by September 8, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Sandra L. Ray by email at: Sandra.ray@faa.gov; phone: 412-546-7344.

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.

OMB Control Number: 2120-0680.

Title: Part 60—Flight Simulation Device Initial and Continuing Qualification and Use.

Form Numbers: T001A, T002, T004, T011, T011-FD2, T012, T023, T024, T025, T068, T069.

Type of Review: Reinstatement 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 June 2, 2026 (91 FR 33015). Title 49 U.S.C., Section 44702 empowers and requires the Secretary of Transportation to issue operating certificates and to establish minimum safety standards for the operation of air carriers and those to whom such certificates are issued. Also, Title 49 U.S.C., Section 44701 empowers and requires the Administrator of the Federal Aviation Administration (FAA) to prescribe standards applicable to the accomplishment of the mission of the FAA.

Sponsors who wish to maintain certified training centers are mandated to report to this collection. This collection is necessary to ensure that those who must comply with Title 14 CFR part 61, part 63, part 91, part 121, part 135, part 141, and part 142 are able to provide adequate crewmember training and qualification. This collection also helps to ensure safety-of-flight by ensuring those who operate under these parts of the regulation and use flight simulation in lieu of aircraft for these functions, receive and maintain complete and adequate training, testing, checking, and experience. The FAA will use the information it collects and reviews to ensure compliance and adherence to regulations and, where necessary, to take enforcement action on violators of the regulations.

Respondents: 62 Flight Simulation Device Operators, 2 new annually.

Frequency: Annually.

Estimated Average Burden per Response: Varies per Requirement.

Estimated Total Annual Burden: 94,812 Hours.

Issued in Washington, DC, on August 4, 2026.

Sandra L. Ray,

Aviation Safety Inspector, AFS-260.

[FR Doc. 2026-15958 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Denial of Motor Vehicle Defect Petition

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Denial of a petition to open a defect investigation.

SUMMARY: This notice sets forth the reasons for the denial of a petition, DP26-001, submitted by Mr. Christopher Mammarella (the Petitioner) to the Administrator of NHTSA (the "Agency") by a letter dated January 9, 2026, under 49 U.S.C. 30162 and 49 CFR part 552. The Petitioner requests the Agency initiate a safety defect investigation into allegations of a mechanical failure that results in the loss of All Wheel Drive (AWD) in certain Model Year (MY) 2021 to 2023 Acura TLX and MY 2022 to 2023 Acura MDX vehicles (the "Subject Vehicles") equipped with Acura's Super Handling All Wheel Drive (SH-AWD). As a result of the failure, these vehicles permanently lose the ability to transfer drive torque to the rear wheels effectively making them front wheel drive only. NHTSA's Office of Defects Investigation (ODI) has determined that the issues raised in the Petition are not likely to result in a finding that a defect related to motor vehicle safety exists. This determination is based on a technical review by ODI of available information, which included: (1) consumer complaints submitted by the petitioner; (2) consumer complaint information in the agency's databases; and (3) other relevant information in possession of the agency. As a result, further investigation of the issue raised by the Petition is not warranted and the Agency, accordingly, has denied the Petition.

FOR FURTHER INFORMATION CONTACT: Mr. Richard K. Lawrence, Vehicle Defect Division A, Office of Defects Investigation, NHTSA 1200 New Jersey Avenue SE, Washington, DC 20590. Telephone: 202-366-7818. Email: richard.k.lawrence@dot.gov.

SUPPLEMENTARY INFORMATION:

1. Introduction

Any interested person may petition NHTSA to request that the Agency initiate an investigation to determine whether a motor vehicle or item of replacement equipment complies with an applicable motor vehicle safety standard or contains a defect that relates to motor vehicle safety. 49 U.S.C. 30162(a)(2); 49 CFR 552.3. Upon receipt of a properly filed petition, the Agency conducts a technical review of the petition, material submitted with the petition, and any additional information. 49 CFR 552.6. The technical review may consist solely of a review of information already in the possession of the Agency or it may include the collection of information from the motor vehicle manufacturer and/or other sources. *Id.* After conducting the technical review and considering appropriate factors, which may include, but are not limited to, the nature of the complaint, allocation of agency resources, agency priorities, the likelihood of uncovering sufficient evidence to establish the existence of a defect, and the likelihood of success in any necessary enforcement litigation, the agency will grant or deny the petition. *See* 49 U.S.C. 30162(a)(2); 49 CFR 552.8.

2. Defect Petition Summary

In a letter dated January 9, 2026, the Petitioner requested that NHTSA "open a Preliminary Evaluation (PE) to investigate the metallurgy and design of the Power Take-off Unit (PTU) to transaxle splined connection" of the Subject Vehicles, to "review warranty claim data from American Honda Motor Co. for part numbers related to the PTU (Transfer Assembly) and the transaxle output shaft for the 2021-2023 model years," and to "Direct Acura to issue a safety recall to remedy the defect, providing owners with a revised, high-strength component that can withstand the torque requirements of the 2.0L, 3.0L and 3.5L engines." Mr. Mammarella supported his request by citing multiple online complaints in various user forums as well as 48 consumer complaints found on NHTSA's website.

Mr. Mammarella states that a critical mechanical failure occurs at the interface where the transaxle output shaft meets the PTU input shaft. The metal splines on the transaxle and PTU shafts strip or shear completely flat making torque transfer to the rear wheels impossible. Mr. Mammarella states that there is no clear indication to the driver that their vehicle is no longer functioning as an AWD vehicle. Mr.

Mammarella alleges that fluid inspections by technicians frequently reveal "orange/discolored liquid" and metal shavings within the PTU housing. Because the damaged shafts are not available for replacement separately, the complete transaxle and PTU must be replaced when this failure occurs. Mr. Mammarella states that the cost of this repair can range from \$13,000 to \$19,000. NHTSA has based its decision on a review of the material cited by the Petitioner, pertinent information in NHTSA's databases, and other relevant information in possession of the agency.

3. Office of Defects Investigation Analysis

Most traditional AWD systems utilize mechanical and passive measures. These systems have the tendency to distribute torque along the path of least resistance, such as a wheel that has lost contact with the ground or is on a low friction surface such as ice. To compensate for this, many manufacturers use the brake system to redirect torque to the wheels with more traction. However, in this style of AWD system, a failed drive shaft or similar disconnection prior to the brakes often results in drive power being lost to the disconnected component. The consequence of this loss is the inability to maintain speed with surrounding traffic which increases the risks of collisions and injuries to the vehicle occupants.

The Subject Vehicles are built upon a platform that was designed primarily as Front Wheel Drive (FWD). The SH-AWD system functions more as a performance enhancement feature rather than a stability feature. Even if the SH-AWD is nonoperational, the vehicles retain full mobility via FWD. In addition, the Vehicle Stability Assist (VSA) remains functional, ensuring directional stability through traditional engine and brake-based traction control. As a result, although the condition raised by the Petitioner may degrade the vehicle's performance characteristics, there is insufficient information to indicate a potential unreasonable safety risk.

ODI reviewed 62 Vehicle Owner Questionnaires (VOQs) and several TREAD (Transportation Recall Enhancement, Accountability and Documentation) Field Reports alleging the loss of SH-AWD and its impact on the driving dynamics of the subject vehicles. During its analysis, ODI determined that the failure is localized to the mechanical interface between the FWD transaxle and the PTU. Specifically, the failure is the shearing or stripping of the interfacing splined

shafts between the FWD transaxle and the PTU, resulting in a permanent loss of torque transfer to the rear of the vehicle. Upon reviewing the technical details of SH-AWD, ODI has found that this failure does not result in any loss of motive power or lead to a loss of vehicle control.

Several complaints indicated that the operators were unaware of the mechanical fault until encountering a low friction surface or the condition was identified by a technician during routine maintenance. The SH-AWD system lacks any form of direct feedback for monitoring real time torque transfer to the rear wheels. Therefore, the system will continue to display information indicating power is being supplied to the rear wheels even when power is actually only supplied to the front wheels.

ODI's review did not identify sufficient evidence to indicate that the misinformation has presented a safety issue in the field. ODI did not identify any reports of loss of motive power or vehicle control that could be attributed to the loss of SH-AWD. ODI is not aware of any crashes involving the Subject Vehicles that resulted from the loss of SH-AWD.

The Agency has thoroughly assessed the material submitted by the Petitioner, consumer complaint information in NHTSA's databases, and other relevant information already in possession of the Agency. NHTSA does not believe that the issues presented by the Petitioner indicate the likelihood of a safety related defect that would warrant a formal investigation. After full

consideration of the available information, and in view of NHTSA's enforcement priorities, the Petition is denied.

(Authority: 49 U.S.C. 30162(d) and 49 CFR part 552; delegation of authority at 49 CFR 1.95(a).)¹

Eileen Sullivan,

Associate Administrator for Enforcement.

[FR Doc. 2026-16019 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-59-P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

Hazardous Materials: Notice of Applications for New Special Permits

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: List of applications for special permits.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety has received the application described herein.

DATES: Comments must be received on or before September 8, 2026.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration U.S. Department of Transportation Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT:

Donald Burger, Director, Office of Hazardous Materials Safety Special Permits Program, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington, DC 20590-0001, (202) 366-4535.

SUPPLEMENTARY INFORMATION: Each mode of transportation for which a particular special permit is requested is indicated by a number in the "Nature of Application" portion of the table below as follows: (1) Motor vehicle, (2) Rail freight, (3) Cargo vessel, (4) Cargo aircraft only, (5) Passenger-carrying aircraft.

Copies of the applications are available for inspection in the Records Center, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington DC.

This notice of receipt of applications for special permit is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on August 3, 2026.

Andrew David Eckenrode,

Acting Director, Special Permits Program.

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
Special Permits Data			
22341-N	Marathon Petroleum Company LP.	172.200, 172.300, 172.400(a), 172.600, 173.201, 173.202, 173.203.	To authorize the transportation in commerce of residue petroleum crude oil in a non-DOT specification ASME code packaging for pipeline pig launch and extraction operations with certain hazard communication exceptions. (mode 1)
22342-N	Set Environmental, Inc.	172.301(c), 177.848(d)	To authorize the transportation in commerce of certain DOT specification or UN certified packagings containing Division 2.1, 2.2, 2.3, 4.1, 4.2, 4.3, 5.1, 6.1, and Class 3 and 8 materials on the same motor vehicle. (mode 1)
22343-N	Americase, LLC	172.101(j)	To authorize the manufacture, mark, sale and use of packagings used for the transportation of lithium ion batteries that exceed 35kg by cargo-only aircraft. (mode 4)
22346-N	Eve Power Co., Ltd.	173.185(b)(1), 173.185(b)(3)(i)	To authorize the transportation in commerce of lithium cells by motor vehicle and rail freight packaged within a UN50G rigid fiberboard Large Packaging. (modes 1, 2, 3)
22347-N	Audi Aktiengesellschaft	172.101(j)	To authorize the transportation in commerce of lithium ion batteries that exceed 35 kg net weight aboard cargo-only aircraft. (mode 4)
22349-N	Astroforge, Inc.	173.301(g)(1), 173.302(a)(1)	To authorize the transportation in commerce of xenon, compressed in non-DOT specification cylinders without pressure relief devices. (mode 1)
22350-N	DGM Italia Srl	173.185(b)	To authorize the transportation in commerce of lithium ion batteries in large packagings aboard cargo-only aircraft. (mode 4)

¹ The authority to determine whether to approve or deny defect petitions under 49 U.S.C. 30162(d)

and 49 CFR part 552 has been further delegated to the Associate Administrator for Enforcement.

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
22354-N	BMW Ag	173.185(b)(5)	To authorize the transportation in commerce of lithium ion batteries that exceed 35 kg net weight aboard cargo-only aircraft. (mode 4)
22356-N	International Decal Management Corporation.	180.509(i)(2)	To authorize the transportation in commerce of tank cars that have had decals applied to them by a non-certified tank car facility. (mode 2)
22359-N	Outrider Mgt. LLC	172.101(j), 173.302a(a)(1)	To authorize the manufacture, mark, sale and use of non-DOT specification fully wrapped carbon fiber reinforced aluminum lined cylinders, which are manifolded and permanently mounted in a protective frame for the transportation in commerce of the hazardous materials authorized by the special permit. (mode 1, 2, 3, 4)
22360-N	Geogas American Samo Inc. ..	180.407(c), 180.407(e)	To authorize the transportation in commerce of a DOT specification cargo tank motor vehicle with an extension of the internal visual inspection requirement (mode 1)
22361-N	IPG Defense Corporation	172.101(j)	To authorize the transportation in commerce of lithium ion batteries, that exceed 35 kg net weight aboard cargo-only aircraft. (mode 4)
22362-N	Amazon.com, Inc.	172.200, 172.300, 172.600, 173.25, 176.30	To authorize the transportation in commerce of certain limited quantities of hazardous materials without package marking, container markings or shipping papers when transported as mixed inventory in freight containers between Amazon facilities located in the mainland United States and in Hawaii, Puerto Rico and Alaska. (mode 3)
22363-N	Porsche Logistik GmbH	172.101(j)	To authorize the transportation in commerce of lithium ion batteries that exceed 35 kg net weight aboard cargo-only aircraft. (mode 4)
22364-N	G. Staehle GmbH & Co. KG ..	178.33a-1(a)	To authorize the manufacture, mark, sale and use of a non-DOT specification inside container that is a three-piece aerosol with a body wall thickness of 0.17 mm. (modes 1, 2, 3, 4)
22367-N	Pacific Scientific Energetic Materials Company (California).	172.320, 173.54(a), 173.54(j), 173.56(b), 173.57, 173.58, 173.60.	To authorize the transportation in commerce of not more than 5 grams of solid explosive or pyrotechnic material, including waste containing explosives, that has energy density not greater than that of pentaerythritol tetranitrate (PETN), as well as specific explosive article types when packed in a heavy-duty specialized textile bag. (modes 1, 4)
22368-N	Cavalier Logistics	173.199(b)(5)	To authorize the transportation in commerce of 4 liters of UN3373, Biological substance, Category B for vaccine manufacturing aboard cargo-only aircraft. (mode 4)

[FR Doc. 2026-15971 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION**Pipeline and Hazardous Materials Safety Administration****Hazardous Materials: Notice of Applications for Modification to Special Permits**

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: List of applications for modification of special permits.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety

has received the application described herein.

DATES: Comments must be received on or before August 21, 2026.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration U.S. Department of Transportation Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comment(s) is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT: Donald Burger, Director, Office of Hazardous Materials Safety Special Permits Program, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington, DC 20590-0001, (202) 366-4535.

SUPPLEMENTARY INFORMATION: Each mode of transportation for which a particular special permit is requested is indicated by a number in the "Nature of Application" portion of the table below as follows: (1) Motor vehicle, (2) Rail freight, (3) Cargo vessel, (4) Cargo aircraft only, (5) Passenger-carrying aircraft.

Copies of the applications are available for inspection in the Records Center, East Building, PHH-6, 1200 New Jersey Avenue Southeast, Washington DC or at <http://regulations.gov>.

This notice of receipt of applications for special permit is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on August 3, 2026.

Andrew David Eckenrode,
Acting Director, Special Permits Program.

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
Special Permits Data			
15166–M	Papillon Airways, Inc.	172.101(i)	To modify the special permit to authorize the transportation of an additional hazardous material. (mode 4)
16279–M	Daniels Sharpsmart, Inc.	173.196(a)	To modify the special permit to authorize the transportation of UN3549, Medical Waste, Category A, Affecting Humans, solid under the provisions of the special permit. (modes 1, 3)
16485–M	Entegris, Inc.	173.302c(a), 173.302c(i)(5), 180.205(f), 180.205(g).	To modify the special to permit to extend the requalification period for DOT–3AA cylinders used for the transportation in commerce of adsorbed gases from 5 to 10 years. (modes 1, 2, 3)
21212–M	The Boeing Company	173.241	To modify the special permit to authorize an additional Hydraulic Supply System (HSS) Cart model. (mode 1)
21335–M	The Island Packers Corporation.	176.305	To modify the special permit to provide labeling relief for UN1268 and UN1075 retail canisters and to authorize the transportation in commerce of 2 propane cylinders not exceeding 5-gallon water capacity per vessel per trip. (mode 5)
21354–M	Resonac America, Inc.	171.23(a)(1), 171.23(a)(3)	To modify the special permit to authorize the export of used-return cylinders that are not considered residual material and to remove the import cylinder quantity limitation. (modes 1, 3)
21873–M	Tesla, Inc.	173.185(b)	To modify the special permit to authorize an increased maximum permissible gross mass. (modes 1, 2)
22021–M	Koch Fertilizer Dodge City, LLC.	172.203(a), 172.302(b), 172.302(c), 173.315(i)(5).	To modify the special permit to authorize the Metrohm NIR 2060 Analyzer and to update the flow cell model and operating specifications to accommodate a broader range of operating conditions. (modes 1, 2)
22301–M	Cargolux Airlines International, SA.	172.101(j)	To modify the special permit to not explicitly reference a specific special permit number for the articles containing anhydrous ammonia. (mode 4)

[FR Doc. 2026–15972 Filed 8–5–26; 8:45 am]

BILLING CODE 4910–60–P

DEPARTMENT OF TRANSPORTATION**Pipeline and Hazardous Materials Safety Administration****Hazardous Materials: Notice of Actions on Special Permits**

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: Notice of actions on special permit applications.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of

Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety has granted or denied the application described herein.

DATES: Comments must be received on or before September 8, 2026.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT: Donald Burger, Director, Office of Hazardous Materials Safety Special Permits Program, Pipeline and

Hazardous Materials Safety Administration, U.S. Department of Transportation, East Building, PHH–6, 1200 New Jersey Avenue Southeast, Washington, DC 20590–0001, (202) 366–4535.

SUPPLEMENTARY INFORMATION: Copies of the applications are available for inspection in the Records Center, East Building, PHH–6, 1200 New Jersey Avenue Southeast, Washington, DC.

This notice of receipt of applications for special permit is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on August 3, 2026.

Andrew David Eckenrode,
Acting Director, Special Permits Program.

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
Special Permits Data—Granted			
7573–M	Department of Defense (Military Surface Deployment & Distribution Command).	172.1, 175.1	To modify the special permit to authorize fueling operations under certain conditions.
14784–M	Weldship LLC	180.209(a), 180.209(b), 180.209(b)(1)(iv)	To modify the special permit to authorize an additional hazardous material.
20275–M	Helicopter Applicators, Inc	172.101(j)(1), 172.200, 172.300, 172.400, 175.1, 175.33.	To modify the special permit to authorize additional hazardous materials.
21129–M	Northrop Grumman Systems Corp.	173.301, 173.302	To modify the special permit to update it with the new part numbers.
21442–M	CellBlock FCS, LLC	172.200, 172.300, 172.400, 172.700(a), 173.185(c), 173.185(f).	To modify the special permit to specify that lithium ion batteries including those contained in equipment, and packaging that do not conform to the 1,800 Wh limit in paragraph 7.a.(1)(ii)(B) of the special permit are subject to 49 CFR Part 172, Subparts C through H.

Application No.	Applicant	Regulation(s) affected	Nature of the special permits thereof
21739-M	G-Shang Metal Corporation	173.301b(a)	To modify the special permit to authorize the manufacture of an additional new cylinder variant.
22042-M	Jaguar Land Rover Limited	172.101(j)	To modify the special permit to authorize additional lithium ion batteries that exceed 35 kg net weight aboard cargo-only aircraft.
22153-N	Amazon.com, Inc	173.185(c)(3), 173.185(c)(3)(i)(B)	To authorize the transportation of packages bearing a smaller lithium battery mark and hatching which is black in color.
22210-N	Amtec Corporation	172.320, 173.54(a), 173.56(b), 173.58, 175.57	To authorize the transport of solid explosive or pyrotechnic substances or certain articles, with up to a 500 gram TNT equivalency, classed as Division 1.4S when packaged in a DGM Explosafe 500 shipping container.
22220-N	Zhejiang Weihua Can Making Co., Ltd.	173.304(a), 173.304(d)	To authorize the manufacture, mark, sale and use of non-DOT specification, non-refillable containers conforming with all regulations to DOT Specification 2Q for the transportation of the hazardous materials authorized by the special permit.
22240-N	Atlas Chemical Corp	173.56(b)	To authorize the transportation in commerce of Division 1.4S articles approved under EX2021052085 as Division 4.1 flammable solids that qualify for the limited quantity exception in 49 CFR 173.151.
22244-N	Radnostix, Inc	172.200, 172.300, 172.400, 172.500, 172.602(c)(1), 172.604(a)(3).	To authorize the transportation of radioactive hazardous materials across a public road, between manufacturing facilities, without being subject to the hazard communication requirements of Part 172.
22258-N	Veolia ES Technical Solutions, LLC.	172.320, 173.54(a), 173.56(b)	To authorize one-time, one-way transportation in commerce of an unapproved fire extinguisher ball for disposal.
22263-M	Space BD Inc	173.185(a)(1)	To modify the special permit to authorize the transportation in commerce of lithium ion batteries contained in equipment.
22275-N	Anduril Industries, Inc	173.185(a)(1)	To authorize the transportation in commerce of prototype lithium ion batteries pack exceeding 35 kg aboard by cargo-only aircraft.
22315-N	Scandinavian Medical Solutions A/S.	172.101(j), 172.301(c), 173.232(g)(3)	To authorize the transportation in commerce of magnetic resonance imaging (MRI) equipment (classified as UN3538) via cargo-only aircraft.
22325-N	Agito Medical A/S	172.101(j)	To authorize the transportation in commerce of magnetic resonance imaging (MRI) equipment (classified as UN3538) via cargo-only aircraft.
22344-N	Space BD Inc	173.185(a)(1)	To authorize the transportation in commerce of prototype lithium ion batteries contained in equipment (satellite), which have not passed the criteria in Part III, subsection 38.3 of the UN Manual of Tests and Criteria.
Special Permits Data—Denied			
22235-N	Zipline International Inc	172.301(c)	To authorize the transportation of in commerce of UN3556, vehicle, lithium ion battery powered.
22279-N	Arkedge Space Inc	173.185(a)(1)	To authorize transportation in commerce of a prototype lithium ion battery which has not passed UN Manual of Tests and Criteria UN 38.3 testing.
22288-N	Commercial Transport Solutions Ltd.	172.201(a)(2), 172.204(a), 172.606(b), 177.817(a), 177.817(e), 177.817(e)(2)(ii).	To authorize the use of electronic shipping papers in lieu of paper copies for the transportation in commerce of hazardous materials by motor vehicle.
Special Permits Data—Withdrawn			
22326-N	Thaan, LLC	172.101(c), 172.101(d), 172.101(e), 172.101(f), 172.101, 172.504, 173.124.	To authorize the transportation in commerce of UN1362, Carbon, Division 4.2, PG III as not subject to the requirements of the Hazardous Materials Regulations.
22339-N	Wheeling & Lake Erie Railway Company.	174.28(a), 174.28(b)	To authorize the transportation in commerce of hazardous materials with paper train consist information within the regional service area of a Class II Railroad.

[FR Doc. 2026-15973 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-60-P

DEPARTMENT OF TRANSPORTATION

[Docket No. DOT-OST-2003-15623]

Request for Renewal of a Previously Approved Information Collection: Procedures and Evidence Rules for Air Carrier Authority Applications**AGENCY:** Office of the Secretary, OST, Department of Transportation (DOT).**ACTION:** Notice and request for comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below is being forwarded to the Office of Management and Budget (OMB) for review and comments. A **Federal Register** Notice with a 60-day comment period soliciting comments on the following information collection was published on May 21, 2026, Vol.91, No.

98 (Page 30025). No comments were received.

DATES: Comments must be submitted on or before September 8, 2026.**ADDRESSES:** Send comments regarding the burden estimate, including suggestions for reducing the burden, to the Office of Management and Budget, Attention: Desk Officer for the Office of the Secretary of Transportation, 725 17th Street NW, Washington, DC 20503.*Comments are invited on:* (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Department,

including whether the information will have practical utility; (b) the accuracy of the Department's estimate of the burden of the proposed information collection; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

FOR FURTHER INFORMATION CONTACT:

Barbara Snoden at barbara.snoden@dot.gov (Email), Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

Title: Procedures and Evidence Rules for Air Carrier Authority Application: 14 CFR part 201-Air Carrier Authority under Subtitle VII of Title 49 of the United States Code-(Amended); 14 CFR part 291-Cargo Operations in Interstate Air Transportation.

OMB Control Number: 2106-0023.

Type of Request: Renewal of a previously approved collection.

Abstract: To determine the fitness of persons seeking authority to engage in air transportation, the Department collects information from them about their ownership, citizenship, managerial competence, operating proposal, financial condition, and compliance history. The specific information to be filed by respondents is set forth in 14 CFR parts 201 and 204.

Affected Public Respondents: Persons seeking initial or continuing authority to engage in air transportation of persons, property, and/or mail.

Estimated Number of Respondents: 38.

Frequency of Collection: On occasion.

Estimated Number of Responses: 114.

Estimated Total Annual Burden on Respondents: 7,635 hours.

(Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended and 49 CFR 1:48.)

Issued in Washington, DC, on August 4, 2026.

Lauralyn Jean Remo Temprosa,

Associate Director, Air Carrier Fitness Division, Office of Aviation Analysis.

[FR Doc. 2026-16032 Filed 8-5-26; 8:45 am]

BILLING CODE 4910-9X-P

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 April 23, 2026. See **SUPPLEMENTARY INFORMATION** for relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Associate Director for Global Targeting, 202-622-2420; 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 April 23, 2026, OFAC determined that one or more persons identified below meet one or more of the criteria for the imposition of sanctions set forth in section 1(a)-(c) of Executive Order 14059 of December 15, 2021, "Imposing Sanctions on Foreign Persons Involved in the Global Illicit Drug Trade," 86 FR 71549 (E.O. 14059). OFAC has selected to impose blocking sanctions pursuant to section 2(a)(i) of E.O. 14059 on the persons identified below.

OFAC further determined that one or more persons identified below meet one or more of the criteria for sanctions pursuant to Executive Order 13224 of September 23, 2001, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism," 66 FR 49079, as amended by Executive Order 13886 of September 9, 2019, "Modernizing Sanctions To Combat Terrorism," 84 FR 48041 (E.O. 13224, as amended).

As a result, the property and interests in property subject to U.S. jurisdiction of the following persons are blocked under the relevant sanctions authorities listed below.

Individuals

1. ACOSTA HERNANDEZ, Regulo (a.k.a. ACOSTA HERNANDEZ, Regulo Gilberto; a.k.a. "Tobolio"), Sinaloa,

Mexico; DOB 21 Jul 1988; POB Sinaloa, Mexico; nationality Mexico; Gender Male; C.U.R.P. AOHR880721HSLCRG06 (Mexico) (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

2. BARRIENTOS CAMAZ, Jaime Augusto, Villa Canales, Guatemala; DOB 07 Mar 1994; POB Guatemala; nationality Guatemala; Gender Male; NIT # 87457121 (Guatemala); License 2415491320101 (Guatemala) (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

3. CARRILLO TORRES, Karina Guadalupe (a.k.a. "Dora"), Sinaloa, Mexico; DOB 28 Apr 1991; POB Sinaloa, Mexico; nationality Mexico; Gender Female; C.U.R.P. CATK910428MSLRRR08 (Mexico) (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

4. FELIX HERAS, Ramiro Baltazar (a.k.a. "El Guero Reyna"), Sinaloa, Mexico; DOB 28 Oct 1989; POB Sinaloa, Mexico; nationality Mexico; Gender Male; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; C.U.R.P. FEHR891028HSLLRM09 (Mexico) (individual) [SDGT] [ILLICIT-DRUGS-EO14059] (Linked To: SINALOA CARTEL).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Sinaloa Cartel, a sanctioned person pursuant to E.O. 14059.

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, Sinaloa Cartel, a person whose property

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Sanctions Action

AGENCY: Office of Foreign Assets Control, Treasury.

and interests in property are blocked pursuant to E.O. 13224, as amended.

5. MODI, Yuktakumari Ashishkumar, Surat, Gujarat, India; DOB 23 Apr 2000; POB Surat, Gujarat, India; nationality India; Gender Female; Passport T3861551 (India) expires 08 Jul 2029 (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

6. RAMIREZ TORRES, Jose de Jesus, Zapopan, Jalisco, Mexico; DOB 30 Nov 1977; POB Jalisco, Mexico; nationality Mexico; Gender Male; C.U.R.P. RATJ771130HJCMRS09 (Mexico) (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

7. REYNOSO JIMENEZ, Alejandro, Guadalajara, Jalisco, Mexico; DOB 17 Nov 1975; POB Jalisco, Mexico; nationality Mexico; Gender Male; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; C.U.R.P. REJA751117HJCYML08 (Mexico) (individual) [SDGT] [ILLICIT-DRUGS-EO14059] (Linked To: SINALOA CARTEL).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Sinaloa Cartel, a sanctioned person pursuant to E.O. 14059.

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, Sinaloa Cartel, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

8. RUGERIO ARRIAGA, Maria Viridiana, Mexico; DOB 17 Nov 1988; POB Guanajuato, Mexico; nationality Mexico; Gender Female; C.U.R.P. RUAV881117MGTGRR03 (Mexico) (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially

contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

9. SUTARIA, Satishkumar Hareshbhai, Surat, Gujarat, India; DOB 07 Mar 1989; POB Ghonghali, India; nationality India; Gender Male; Passport T2342443 (India) expires 03 Mar 2029 (individual) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

Entities

1. AGRAT CHEMICALS AND PHARMACEUTICALS, Surat, Gujarat, India; Organization Established Date 10 Feb 2023; Organization Type: Chemicals and allied products wholesale; Tax ID No. 24ACAF5723C1Z2 (India) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

2. COMERCIALIZADORA GRUPO CARNER S.A. DE C.V., Cajeme, Sonora, Mexico; Organization Established Date 01 Jul 2021; Organization Type: Wholesale and retail trade; Folio Mercantil No. N-2021046563 (Mexico) [ILLICIT-DRUGS-EO14059] (Linked To: CARRILLO TORRES, Karina Guadalupe).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Karina Guadalupe Carrillo Torres, a sanctioned person pursuant to E.O. 14059.

3. DESARROLLOS CARTOK S.A. DE C.V., Actopan, Hidalgo, Mexico; Organization Established Date 16 Aug 2022; Organization Type: Construction of other civil engineering projects; Folio Mercantil No. N-2022058829 (Mexico) [ILLICIT-DRUGS-EO14059] (Linked To: CARRILLO TORRES, Karina Guadalupe).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Karina Guadalupe Carrillo Torres, a sanctioned person pursuant to E.O. 14059.

4. J AND C IMPORT (a.k.a. J & C IMPORT JAIME AUGUSTO BARRIENTO; a.k.a. "J AND C IMPORTS"; a.k.a. "J&C IMPORTS"), Villa Canales, Guatemala City, Guatemala; Organization Type: Transportation and storage; NIT # 87457121 (Guatemala) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

5. QUIMICA SOLUCIONES Y LOGISTICA INTEGRAL BAJIO, S.A. DE C.V., Leon, Guanajuato, Mexico; Organization Established Date 20 Mar 2025; Organization Type: Chemicals and allied products wholesale; Folio Mercantil No. N-2025021846 (Mexico) [ILLICIT-DRUGS-EO14059] (Linked To: RUGERIO ARRIAGA, Maria Viridiana).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Maria Viridiana Rugerio Arriaga, a sanctioned person pursuant to E.O. 14059.

6. SR CHEMICALS AND PHARMACEUTICALS, Surat, Gujarat, India; Organization Established Date 01 Jul 2017; Organization Type: Chemicals and allied products wholesale; Tax ID No. 24ACSFS6682G1ZI (India) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

7. BOTANICA 2000, Guadalajara, Jalisco, Mexico; Secondary sanctions risk: section 1(b) of Executive Order 13224, as amended by Executive Order 13886; Organization Established Date 01 Nov 1998; Organization Type: Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores [SDGT] [ILLICIT-DRUGS-EO14059] (Linked To: REYNOSO JIMENEZ, Alejandro).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Alejandro Reynoso Jimenez, a sanctioned person pursuant to E.O. 14059.

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, Alejandro Reynoso Jimenez, a person whose property and interests in property are blocked pursuant to E.O. 13224, as amended.

8. ADUAEASY S. DE R.L. DE C.V. (a.k.a. LOGISTICALL, S. DE R.L. DE C.V.), Zamora, Michoacan, Mexico; Organization Established Date 12 May 2015; Organization Type: Transportation and storage; Folio Mercantil No. 18483 (Mexico) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

9. CARGO GLOBAL 3PS, S. DE R.L. DE C.V., Guadalajara, Jalisco, Mexico; Organization Established Date 16 Oct 2019; Organization Type: Transportation and storage; Folio Mercantil No. N-2019089668 (Mexico) [ILLICIT-DRUGS-EO14059] (Linked To: RAMIREZ TORRES, Jose de Jesus).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Jose de Jesus Ramirez Torres, a sanctioned person pursuant to E.O. 14059.

10. CENTRAL LOGISTICA DE SERVICIOS, 7a Avenida A, Zona 13, Colonia Aurora Reina, Guatemala City, Guatemala; website <https://central-logistica-de-servicios.webnode.es>; Organization Type: Transportation and storage [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

11. CORPORATIVO Y ENLACE RAM S.A. DE C.V., Guadalajara, Jalisco, Mexico; Organization Established Date 14 Oct 2015; Organization Type: Transportation and storage; Folio Mercantil No. 93309 (Mexico) [ILLICIT-DRUGS-EO14059] (Linked To: RAMIREZ TORRES, Jose de Jesus).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Jose de Jesus Ramirez Torres, a sanctioned person pursuant to E.O. 14059.

12. ENLACE FORWARDING MEXICO, S. DE R.L. DE C.V., Guadalajara, Jalisco, Mexico; Organization Established Date 05 Oct 2016; Organization Type: Transportation and storage; Folio Mercantil No. N-2016037775 (Mexico) [ILLICIT-DRUGS-EO14059] (Linked To: RAMIREZ TORRES, Jose de Jesus).

Designated pursuant to section 1(b)(iii) of E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Jose de Jesus Ramirez Torres, a sanctioned person pursuant to E.O. 14059.

13. E-RAM GROUP LLC, Miami, FL, United States; Organization Established Date 04 Jan 2023; Tax ID No. 384250775 (United States) [ILLICIT-DRUGS-EO14059] (Linked To: RAMIREZ TORRES, Jose de Jesus).

Identified pursuant to section 2(a)(i) of E.O. 14059 as property in which Jose de Jesus Ramirez Torres, a person whose property and interests in property are blocked pursuant to E.O. 14059, has an interest.

14. REYMA GLOBAL TRADING SA DE CV, Mexico City, Mexico; R.F.C. RGT1707058Q9 (Mexico) [ILLICIT-DRUGS-EO14059].

Designated pursuant to section 1(a)(i) of E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

(Authority: E.O. 14059; E.O. 13224, as amended.)

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026-15996 Filed 8-5-26; 8:45 am]

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FEDERAL REGISTER

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August 6, 2026

Part II

Commodity Futures Trading Commission

17 CFR Parts 1, 37, 38, et al.

Conflicts and Affiliations; Proposed Rule

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1, 37, 38, and 39

RIN 3038–AF76

Conflicts and Affiliations

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commodity Futures Trading Commission (“CFTC” or “Commission”) is proposing new rules and amendments to its existing regulations for futures commission merchants (“FCMs”), swap execution facilities (“SEFs”), designated contract markets (“DCMs”), and derivatives clearing organizations (“DCOs”) (the “Proposal”). The Proposal addresses requirements relating to financial oversight of FCMs by self-regulatory organizations (“SROs”) and designated self-regulatory organizations (“DSROs”), as well as disclosure requirements by FCMs regarding affiliate relationships that an FCM has with a SEF, DCM, or DCO. For SEFs, DCMs, and DCOs, the Proposal would also establish requirements, including conflicts of interest rules, to address those registered entities’ relationships with certain affiliates, such as FCM affiliates and affiliated principal trading firms. The Proposal includes guidance regarding the implementation of safeguards to protect the impartiality of SEFs, DCMs, and DCOs, including where applicable in their role as SROs or performing SRO functions with respect to certain affiliates. The guidance addresses the sharing of resources including staffing, technology, and office space, and limitations on the sharing of non-public information.

DATES: Comments must be in writing and received by October 5, 2026.

ADDRESSES: You may submit comments, identified by “Conflicts and Affiliations” and RIN 3038–AF76, 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 (“APA”) and other applicable laws, and may be accessible under the FOIA.

Pursuant to the APA at 5 U.S.C. 553(b)(4), a plain language summary of the proposed rule is available at *Regulations.gov*.

FOR FURTHER INFORMATION CONTACT:

Stephen Andrews, Deputy General Counsel for Regulation, sdandrews@cftc.gov, 202–418–5000, Office of the General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581; Aaron Levine, alevine@cftc.gov, 646–746–9700, Office of the General Counsel, Commodity Futures Trading Commission, 290 Broadway, New York, NY 10007.

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I. Introduction

A. Background

The Commission proposes new rules and amendments to its existing regulations for SEFs, DCMs, DCOs, and FCMs that would further establish requirements and guidance applicable to those entities' relationships with certain affiliated entities. Exchanges, DCOs, and intermediaries are already subject to requirements addressing conflicts of interest, reporting, and disclosure. However, the Commission preliminarily believes that the regulated entities would benefit from new regulations and amendments to increase the detail and specificity of the existing regulations in order to mitigate potential risks particularly given the increasing number of affiliate relationships among market participants.

In 2023, Commission staff published a request for comment in part in response to growing interest among market participants in affiliated structures (the "Affiliations RFC").¹ From the comments it received, and through its experience, the Commission has observed applicants for SEF, DCM, and DCO registration or designation and existing registered entities changing the traditional market structure of a separately-owned and independently operated exchange, market participant, and clearinghouse to an "affiliated" market structure in which these distinct entities share common ownership. Some forms of affiliate relationships have a long history, such as those between DCMs and DCOs, while other forms of affiliate relationships, such as those between a DCM and an affiliate market maker, are comparatively new.

The Commission preliminarily believes that this market structure may provide benefits to the derivatives markets and market participants. In this regard, the Commission believes that facilitating market structure innovation and competition, subject to appropriate

safeguards, advances the Commission's mission of promoting the integrity, resilience, and vibrancy of the U.S. derivatives markets.² The Commission recognizes, however, that there may be risks as well, including to unaffiliated market participants such as retail customers. One risk that this Proposal seeks to address is conflicts of interest arising in an affiliated market structure. For example, a situation in which an exchange and a market participant (such as a market maker) on that exchange share common ownership presents conflict of interest concerns regarding an exchange's enforcement of its rules for the affiliated participant. Similar concerns arise regarding the oversight and enforcement functions of a clearinghouse that shares common ownership with a clearing member. This Proposal would require registered entities to have procedures in place to mitigate such potential conflicts of interest, including specifically regarding systems, personnel, and office space, and provides guidance regarding appropriate practices in connection with such procedures. This Proposal also would subject DCMs with affiliate principal trading firms to additional requirements, given the heightened conflicts of interest concerns that may arise in that context.

The financial oversight of FCMs is governed by the longstanding principle of self-regulation, in which DCMs and registered futures associations are responsible, in their capacity as SROs, to adopt financial and related reporting requirements for member FCMs, and to periodically examine FCMs for compliance with such requirements. The Commission also permits two or more SROs to enter into an agreement to assign to one of the SROs (the DSRO) the function of examining member FCMs for compliance with minimum capital and related financial reporting obligations. Given the inherent potential conflict of interest that exists when an SRO or a DSRO surveils their affiliate FCM, the Proposal comprises requirements designed to minimize potential risks resulting from the conflict, including a requirement for an SRO with an affiliate FCM to establish a separate reporting line for staff performing self-regulatory functions and a prohibition against an SRO acting as the DSRO for its affiliate FCM. The Proposal also strengthens the disclosure requirements imposed on FCMs pursuant to Regulation 1.55 with respect to such affiliate relationships.

Additionally, the Proposal would allow an FCM to select its DSRO, subject to certain requirements.

In this Proposal, the Commission is drawing on comments from the Commission staff-issued Affiliations RFC, Commission staff's other discussions with market participants (including DCMs, DCOs, FCMs, and market makers), Commission staff's experience in conducting its routine oversight of SEFs, DCMs, and DCOs, including SEF application registration reviews, SEF and DCM rule enforcement reviews, DCO applications for registration, and regular engagement with SEFs, DCMs, and DCOs. The Commission has also consulted with DCMs and the National Futures Association ("NFA"),³ in their role as SROs and DSROs, and reviewed market practices concerning affiliate relationships between DCMs and FCMs.

In developing the Proposal, the Commission has consulted with the Securities and Exchange Commission ("SEC") and the prudential regulators, pursuant to section 712(a)(1) of the Dodd-Frank Act.⁴

B. Regulatory Background

Section 8a(5) of the Commodity Exchange Act ("CEA" or the "Act")⁵ authorizes the Commission "to make and promulgate such rules and regulation as, in the judgment of the Commission, are reasonably necessary to effectuate any of the provisions, or to accomplish any of the purposes, of" the CEA. The Commission preliminarily believes that the Proposal is reasonably necessary to accomplish the purposes of section 3(b) of the CEA which states "[i]t is the purpose of this Act to serve the public interests . . . through a system of *effective self-regulation* of trading facilities, clearing systems [and] market participants" This

³ NFA is currently the only registered futures association.

⁴ 15 U.S.C. 8302 ("Before commencing any rulemaking or issuing an order regarding swaps, swap dealers, major swap participants, swap data repositories, derivatives clearing organizations with regard to swaps, persons associated with a swap dealer or major swap participant, eligible contract participants, or swap execution facilities pursuant to this subtitle, the Commodity Futures Trading Commission shall consult and coordinate to the extent possible with the Securities and Exchange Commission and the prudential regulators for the purposes of assuring regulatory consistency and comparability, to the extent possible.").

⁵ 7 U.S.C. 12a(5).

⁶ 7 U.S.C. 5(b) (emphasis added). As noted above, section 8a(5) of the CEA authorizes the Commission to make and promulgate such rules and regulation as in the Commission's judgment are reasonably necessary to effectuate any of the provisions, or to accomplish any of the purposes, of the CEA. The

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¹ See CFTC Staff of the Divisions of Market Oversight, Clearing and Risk, and Market Participants, "Request for Comment on the Impact of Affiliations on Certain CFTC-Regulated Entities" (Jun. 27, 2023) ("Affiliations RFC").

² CFTC Mission Statement, <https://www.cftc.gov/About/AboutTheCommission#:~:text=The%20mission%20of%20the%20C>.

Proposal addresses critical issues that the Commission believes are necessary for effective self-regulation that have been raised because of affiliations between trading facilities and/or clearing systems and participants in those facilities and/or systems. This Proposal sets out rules and guidance for SEFs and DCMs, which are trading facilities, DCOs, which are clearing systems, and FCMs, which are market participants. In each instance, SEFs, DCMs, and DCOs have self-regulatory obligations.⁷ An affiliation between a SEF, DCM, or DCO and an FCM or other market participant raises questions about the (a) quality of oversight of self-regulation, (b) discretionary decision-making by the DCO, DCM, or SEF, and (c) potential conflicts of interest. The Commission has observed increasing numbers of affiliations in “affiliated” corporate structures of SEFs, DCMs, and DCOs, so the Commission believes it is reasonably necessary to issue this Proposal to specifically address these market structures.

In addition, the Commission, pursuant to section 8a(5) of the CEA, is proposing rules applicable to SEFs, DCMs, DCOs, and FCMs, in order to effectuate the relevant Core Principles and/or provisions of the CEA, as appropriate, for each particular entity. For SEFs, the Commission believes that the Proposal is reasonably necessary to effectuate the Core Principles set out in section 5h(f)(2) (impartial access),⁸ section 5h(f)(10) (reporting),⁹ 5h(f)(12) (conflicts of interest),¹⁰ and section 5h(f)(13) (adequate financial, operational, and managerial resources).¹¹

For DCMs, the Commission believes that the Proposal is reasonably necessary to effectuate the Core Principles in section 5(d)(2) (access requirements),¹² section 5(d)(11) (rules to ensure the financial integrity of any

FCM and the protection of customer funds),¹³ section 5(d)(12) (promote fair and equitable trading),¹⁴ section 5d(16) (conflicts of interest),¹⁵ and section 5(d)(21) (adequate financial, operational and managerial resources).¹⁶

For DCOs, the Commission believes that the Proposal is reasonably necessary to effectuate the Core Principles in CEA section 5b(c)(2)(C) (participant and product eligibility),¹⁷ section 5b(c)(2)(D) (risk management),¹⁸ section 5b(c)(2)(J) (reporting),¹⁹ section 5b(c)(2)(L) (public information),²⁰ and section 5b(c)(2)(P) (conflicts of interest).²¹

With respect to FCMs, the Proposal includes rules for those FCMs that are affiliated with an exchange or DCO. The Commission believes that these rules are reasonably necessary to effectuate Section 4f(b) (Commission authority to adopt regulations imposing minimum financial requirements).²²

Accordingly, the Commission believes that the amendments in this Proposal relating to affiliations of SEFs, DCOs, DCMs, and FCMs are reasonably necessary to implement the purposes and provisions of the CEA. The application of these statutory provisions for each proposed amendment to current Commission regulations is described in detail below.

C. SEF and DCM Statutory and Regulatory Requirements

The Core Principles in parts 37 and 38, and corresponding regulations, are relevant to the proposed regulations in this Proposal. Their applicability is addressed in more detail with respect to each proposed regulation. Below is a summary of relevant Core Principles and regulations.

SEF Core Principle 12 requires a SEF to (a) establish and enforce rules to minimize conflicts of interest in its decision-making process and (b) establish a process for resolving the conflicts of interest.²³ DCM Core Principle 16 likewise provides that a board of trade shall establish and enforce rules: (a) to minimize conflicts of interest in the decision-making process of the contract market and (b) to establish a process for resolving conflicts of interest described in

paragraph (a) of this section.²⁴ Commission Regulation 38.851 refers to the guidance and/or Acceptable Practices in appendix B of part 38 to advise on how DCMs may comply with the Core Principle and implementing regulations.

The part 38 Guidance to Core Principle 16 provides that the means to address conflicts of interest in the DCM’s decision-making should include methods to ascertain the presence of conflicts of interest and to make decisions in the event of such a conflict.²⁵ In addition, the DCM should provide for appropriate limitations on the use or disclosure of material non-public information gained through the performance of official duties by board members, committee members, and contract market employees or gained through an ownership interest in the contract market.²⁶

The Core Principle 16 Acceptable Practices provide additional details to assist DCMs in demonstrating compliance with the Core Principle by outlining specific compliance practices. Among other things, they provide that DCMs “bear special responsibility to regulate effectively, impartially, and with due consideration of the public interest, as provided for in section 3 of the Act.”²⁷ The Acceptable Practices also state that DCMs “should be particularly vigilant for such conflicts between and among any of their self-regulatory responsibilities, their commercial interests, and the several interests of their management, members, owners, customers and market participants, other industry participants, and other constituencies.”²⁸ Additionally, the Acceptable Practices provide several key provisions relating to board composition, the regulatory oversight committee (“ROC”), and disciplinary panels.²⁹

The Commission’s parts 37 and 38 regulations also provide impartial access requirements, which highlight the importance of a SEF’s and a DCM’s responsibility to treat its market participants fairly. Commission Regulation 37.202 requires that a SEF shall provide any eligible contract participant (“ECP”) and any independent software vendor with impartial access to its market(s) and market services, including any indicative quote screens or any similar

Commission is of the view that the best interpretation of section 8a(5) of the CEA is that it delegates to the Commission discretionary authority to establish the proposed rules.

⁷ See 17 CFR 1.3 (definition of “self-regulatory organization”) and CEA sections 5b(c)(2)(A)–(R), 7 U.S.C. 7a–1(c)(2)(A)–(R) (DCO Core Principles). Also, for purposes of section 1.52 of the CEA, only DCMs and registered futures associations are included in the definition of SRO because only DCMs and registered futures associations are required to adopt minimum capital and financial reporting requirements for their member firms. SEFs, DCMs, and DCOs are all subject to requirements under the Act and the Commission’s regulations to supervise the conduct of their members and participants.

⁸ CEA 5h(f)(2), 7 U.S.C. 7b–3(f)(2).

⁹ CEA 5h(f)(10), 7 U.S.C. 7b–3(f)(10).

¹⁰ CEA 5h(f)(12), 7 U.S.C. 7b–3(f)(12).

¹¹ CEA 5h(f)(13), 7 U.S.C. 7b–3(f)(13).

¹² CEA 5(d)(2), 7 U.S.C. 7(d)(2).

¹³ CEA 5(d)(11), 7 U.S.C. 7(d)(11).

¹⁴ CEA 5(d)(12), 7 U.S.C. 7(d)(12).

¹⁵ CEA 5(d)(16), 7 U.S.C. 7(d)(16).

¹⁶ CEA 5(d)(21), 7 U.S.C. 7(d)(21).

¹⁷ CEA 5b(c)(2)(C), 7 U.S.C. 7a–1(c)(2)(C).

¹⁸ CEA 5b(c)(2)(D), 7 U.S.C. 7a–1(c)(2)(D).

¹⁹ CEA 5b(c)(2)(J), 7 U.S.C. 7a–1(c)(2)(J).

²⁰ CEA 5b(c)(2)(L), 7 U.S.C. 7a–1(c)(2)(L).

²¹ CEA 5b(c)(2)(P), 7 U.S.C. 7a–1(c)(2)(P).

²² CEA 4f(b), 7 U.S.C. 6f(b).

²³ 17 CFR 37.1200.

²⁴ 17 CFR 38.850.

²⁵ See 17 CFR part 38, app. B—Guidance on, and Acceptable Practices in, Compliance with Core Principles, Core Principle 16, sec. (B)(a).

²⁶ See *id.*

²⁷ See *id.*

²⁸ See *id.*

²⁹ See *id.*

pricing data displays, provided that the facility has: (1) criteria governing such access that are impartial, transparent, and applied in a fair and nondiscriminatory manner; (2) procedures whereby ECPs provide the SEF with written or electronic confirmation of their status as ECPs; and (3) comparable fee structures for ECPs and independent software vendors receiving comparable access to, or services from, the SEF.³⁰

Similarly, Commission Regulation 38.151 provides that a DCM must provide its members, persons with trading privileges, and independent software vendors with impartial access to its markets and services, including: (1) access criteria that are impartial, transparent, and applied in a non-discriminatory manner; and (2) comparable fee structures for members, persons with trading privileges and independent software vendors receiving equal access to, or services from, the DCM.³¹

Parts 37 and 38 of the Commission's regulations also require SEFs and DCMs to maintain adequate financial, operational, and managerial resources. SEF Core Principle 13 (Financial Resources) provides that a SEF shall have adequate financial, operational, and managerial resources to discharge each responsibility of the SEF.³² It further provides that the financial resources of a SEF shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the SEF to cover the operating costs of the SEF for a one-year period, as calculated on a rolling basis.³³ DCM Core Principle 21 (Financial Resources) provides similar requirements, requiring that a DCM shall have adequate financial, operational, and managerial resources to discharge each of its responsibilities.³⁴ In addition, a DCM's financial resources shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the contract market to cover the operating costs of the contract market for a 1-year period, as calculated on a rolling basis.³⁵

Finally, pursuant to DCM Core Principle 11 (Financial Integrity of Transactions), DCMs are required to establish and enforce rules to: (a) ensure the financial integrity of transactions entered into on or through the facilities

of the contract market and (b) ensure the financial integrity of any FCM or IB.³⁶ In this connection, Commission Regulation 38.602 provides that a DCM must provide for the financial integrity of its transactions by establishing and maintaining appropriate minimum financial standards for its members and non-intermediated market participants.³⁷ In addition, Commission Regulation 38.604 provides that a DCM must monitor its members' compliance with the DCM's minimum financial standards, and therefore, must routinely receive and promptly review financial and related information from its members, as well as continuously monitor the positions of its members and their customers.³⁸

D. FCM Statutory and Regulatory Requirements

One of the chief functions of DCMs and registered futures associations is the financial oversight of their member FCMs. FCMs perform critical functions to facilitate the efficient operation of Commission-regulated exchange-traded derivatives markets.³⁹ In addition to trading for their own accounts and carrying the accounts of their affiliates, FCMs act as market intermediaries, standing between customers trading futures and swaps on one side and DCMs and DCOs on the other side. As market intermediaries, FCMs carry customer accounts and hold customer funds to margin futures and cleared swap transactions. Additionally, FCMs fulfill daily settlement obligations on behalf of customers by posting sufficient funds to DCOs to support their customers' futures and swap positions, including paying mark-to-market losses associated with such positions. FCMs are also essential to the efficient operation of Commission-regulated markets in that they guarantee each customer's financial performance for futures and swap positions to DCOs by agreeing to use their own financial resources to cover any shortfall resulting from a customer default.⁴⁰

The Act established the critical role performed by FCMs and authorizes the Commission to adopt regulations to help ensure that they maintain the necessary

financial resources to properly perform such duties. Section 4f(b) of the CEA authorizes the Commission to adopt regulations imposing minimum capital and financial reporting requirements on FCMs to help ensure that they maintain adequate financial resources to fulfill their obligations.⁴¹ Under this statutory authorization, the Commission adopted regulations requiring FCMs to, among other requirements, maintain a minimum level of regulatory capital,⁴² segregate customer funds from their own funds in specially designated customer accounts,⁴³ and maintain appropriate risk management programs to monitor and manage the risks associated with their activities as FCMs.⁴⁴ FCMs are also required to provide a notice if they experience certain events that could impact their financial condition.⁴⁵ In addition, FCMs are bound by specific public disclosure requirements to promote the protection of customer funds and to minimize the systemic risk posed by certain actions of market participants.⁴⁶

The financial oversight of FCMs and other market intermediaries is primarily performed by the respective DCMs and registered futures associations⁴⁷ in their role as SROs.⁴⁸ In 2000, Congress

⁴¹ Section 4f(b) of the Act provides, in relevant part, that no person shall be registered as an FCM unless such person meets the minimum financial requirements that the Commission may prescribe by regulation as necessary to insure such person meets its obligations as a registrant, and each person registered as an FCM shall at all times continue to meet such prescribed minimum financial requirements. 7 U.S.C. 6f(b).

⁴² 17 CFR 1.17.

⁴³ 17 CFR 1.20; 17 CFR 22.2; 17 CFR 30.7.

⁴⁴ 17 CFR 1.11. FCMs are also subject to a requirement to address certain conflicts of interest within the firm. Specifically, pursuant to section 4d(c) of the Act, the Commission adopted Commission Regulation 1.71, which requires FCMs to adopt and implement written conflicts of interest policies and procedures. 7 U.S.C. 6d(c) and 17 CFR 1.71. Commission Regulation 1.71 focuses on the potential conflicts that could arise between individuals conducting research and analysis, on the one hand, and individuals involved in trading and clearing, on the other hand. The regulation, however, does not more broadly address the sharing of non-public information between FCMs and their affiliates. *Id.*; see also *Swap Dealer and Major Swap Participant Recordkeeping, Reporting, and Duties Rules; Futures Commission Merchant and Introducing Broker Conflicts of Interest Rules; and Chief Compliance Officer Rules for Swap Dealers, Major Swap Participants, and Futures Commission Merchants*, 77 FR 20120 at 20144–20146 (Apr. 3, 2012) and *Implementation of Conflicts of Interest Policies and Procedures by Futures Commission Merchants and Introducing Brokers*, 75 FR 70152 (Nov. 17, 2010).

⁴⁵ 17 CFR 1.12.

⁴⁶ 17 CFR 1.55.

⁴⁷ NFA's financial requirements for FCMs are available at its website, www.nfa.futures.org.

⁴⁸ Section 3(b) of the Act. Commission Regulation 1.3 defines an SRO as a DCM, a registered futures

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³⁶ 17 CFR 38.600.

³⁷ 17 CFR 38.602.

³⁸ 17 CFR 38.604.

³⁹ An FCM is defined in 17 CFR 1.3, in relevant part, as: (i) an entity that is engaged in soliciting or accepting orders for the purchase or sale of any commodity for future delivery or a swap and, in connection with the solicitation and acceptance of such orders, accepts money, securities or property (or extends credit in lieu thereof) to margin, guarantee or secure futures or swaps transactions, or (ii) an entity registered as an FCM.

⁴⁰ 17 CFR 39.16(c)(2)(vi).

³⁰ 17 CFR 37.202.

³¹ 17 CFR 38.151.

³² 17 CFR 37.1300(a).

³³ 17 CFR 37.1300(b).

³⁴ 17 CFR 38.1100.

³⁵ 17 CFR 38.1100(b).

affirmed this regulatory structure of industry self-regulation by amending section 3 of the CEA to state: “It is the purpose of this Act to serve the public interests . . . through a system of effective self-regulation of trading facilities, clearing systems, market participants, and market professionals under the oversight of the Commission.”⁴⁹ Pursuant to such objective, the Act, as further implemented through Commission regulations, requires SROs to adopt financial and related reporting requirements for member FCMs, and to periodically examine FCMs for compliance with such requirements.

Specifically, section 17(p) of the CEA requires a registered futures association to establish and submit for Commission approval rules imposing minimum capital, segregation, and other financial requirements applicable to its members for which such requirements are imposed by the Commission, which must be at least as stringent as those set by the Act or Commission regulations.⁵⁰ Section 17(p) further provides that a registered futures association must implement a program to audit and enforce compliance by its members with the registered futures association’s minimum financial requirements.⁵¹

Similarly, section 5(d)(11)(B) of the Act and Commission Regulation 38.600 require, in relevant part, each DCM to implement rules to ensure the financial integrity of any member FCM and the protection of customer funds.⁵² Pursuant to Commission Regulation 38.602, DCMs must further establish and maintain appropriate minimum financial standards for its members.⁵³ Additionally, Commission Regulations 38.604 and 38.605 require each DCM to be responsible for the financial surveillance of its FCM members. As discussed above, Commission Regulation 38.604 requires each DCM to monitor the FCM members’ compliance

association, or a SEF. For purposes of Commission Regulation 1.52, however, SEFs are excluded from the SRO definition. SEFs are not required to adopt minimum capital and financial reporting requirements for their member firms and, as a result, the oversight program required under Commission Regulation 1.52 is not applicable to SEFs. With respect to the SEF’s obligation to monitor its members for financial soundness, the obligation extends only to a requirement to ensure that the members continue to qualify as ECPs as defined in section 1a(18) of the Act. *See* 78 FR 68506 at 68560.

⁴⁹ Commodity Futures Modernization Act of 2000, Sec. 108, Public Law 106–554, 114 Stat. 2763 (2000).

⁵⁰ CEA 17(p)(2), 7 U.S.C. 21(p)(2).

⁵¹ *See Id.*

⁵² CEA 5(d)(11)(B), 7 U.S.C. 7(d)(11)(B); 17 CFR 38.600.

⁵³ 17 CFR 38.602.

with the DCM’s minimum financial standards.⁵⁴ To that effect, a DCM must review financial and related information from its FCM members and engage in intra-day surveillance by monitoring the positions of its FCM members and their customers.⁵⁵ In connection with the intra-day surveillance requirement, Commission Regulation 38.604 specifies that each DCM must survey the obligations of each FCM created by its customers’ positions and compare such obligations to the financial resources of the FCM.⁵⁶ Pursuant to Commission Regulation 38.604(c), if a DCM, in its professional judgement, determines that the obligations of an FCM member are excessive, the DCM must take appropriate action to protect customer funds, including by contacting the FCM or the FCM’s DSRO.⁵⁷ Commission Regulation 38.605 requires a DCM, in its role as an SRO, to comply with the standards of Commission Regulation 1.52 to ensure the financial integrity of its member FCMs by establishing and carrying out a financial surveillance program.⁵⁸ As further discussed below, Commission Regulation 1.52 sets forth the required elements of SRO supervisory programs and permits one or more SROs to establish, subject to Commission approval, a Joint Audit Plan to provide for the SRO supervision of members of more than one SRO.⁵⁹

Pursuant to Commission Regulation 38.606, DCMs may, but are not obligated to, satisfy their financial surveillance responsibilities under Commission Regulations 38.604 and 38.605 by designating a regulatory service provider (“RSP”) to conduct such financial surveillance, provided that the RSP is a registered futures association or a registered entity,⁶⁰ the DCM ensures that the RSP has the capacity and resources to conduct the necessary financial surveillance and, notwithstanding the use of an RSP, the DCM remains responsible for compliance with its financial surveillance obligations.⁶¹ Pursuant to

⁵⁴ 17 CFR 38.604.

⁵⁵ *Id.* Specifically, Commission Regulation 38.604 further provides that a DCM must: (a) continually surveil the obligations of each FCM created by the positions of its customers, (b) compare those obligations to the resources of the FCM, and (c) take appropriate steps to use this information to protect customer funds.

⁵⁶ 17 CFR 38.604(b).

⁵⁷ *Id.* *See also Core Principles and Other Requirements for Designated Contract Markets*, 77 FR 36612 at 36647 (Jun. 19, 2012).

⁵⁸ 17 CFR 38.605. A DCM’s financial surveillance program must comply with Commission Regulation 1.52, which is discussed below.

⁵⁹ 17 CFR 1.52.

⁶⁰ 17 CFR 1.3.

⁶¹ 17 CFR 38.604 and 38.605. The term “registered entity” is defined in section 1a(40) of

Commission Regulation 38.606, the appointment of an RSP must be governed by a written agreement that specifically documents the services to be performed as well as the capacity and resources of the RSP with respect to the services performed.⁶²

Consistent with the CEA’s purpose of serving the public interest through a system of effective self-regulation, Commission Regulation 1.52 establishes the minimum standards that all SROs must satisfy in conducting FCM financial oversight. Commission Regulation 1.52 directs SROs to adopt rules prescribing minimum financial and related financial reporting requirements for member FCMs that are the same as, or more stringent, than the Commission’s requirements.⁶³ Commission Regulation 1.52 also requires SROs to establish and operate a supervisory program that includes examination of member FCMs to assess whether such FCMs are in compliance with SRO rules and Commission regulations governing, among other requirements, minimum net capital and related financial requirements, the appropriate segregation of customer funds, and financial reporting requirements.⁶⁴ As part of the supervisory program, an SRO must perform ongoing surveillance of FCMs through, among other actions, review and analysis of financial statements and regulatory notices, and must conduct routine periodic on-site examinations.⁶⁵

Commission Regulation 1.52(d) also permits two or more SROs to enter into an agreement to establish a Joint Audit Plan for the purpose of assigning to one of the SROs (the “DSRO”) of the Joint Audit Plan the function of examining member FCMs for compliance with minimum capital and related financial reporting obligations.⁶⁶ The audit plan

the Act and includes DCMs, SEFs, and DCOs. 7 U.S.C. 1a.

⁶² 17 CFR 38.606.

⁶³ 17 CFR 1.52(b)(1). NFA’s FCM capital and financial reporting requirements are set forth in section 1 of the NFA’s Financial Requirements section of its rulebook and may be accessed at NFA’s website: <https://www.nfa.futures.org/rulebook/index.aspx>.

⁶⁴ 17 CFR 1.52(c)(1).

⁶⁵ 17 CFR 1.52(c)(1)(ii) and 17 CFR 1.52(c)(1)(iv)(A).

⁶⁶ The purpose of delegation of financial surveillance to DSROs is to promote an effective and efficient market through applying financial standards for FCMs that are often members of multiple DCMs. The Commission has previously noted the inefficiencies that may be caused by duplicative financial surveillance amongst different SROs over the same FCM, stating that “it may be advantageous for the contract markets to engage in a joint enforcement or audit program to monitor compliance with such uniform minimum financial and related reporting requirements.” *Futures Commission Merchants Financial and Reporting*

must be submitted to the Commission for approval.⁶⁷ Currently all active SROs are members of a Joint Audit Plan that was approved by the Commission on March 18, 2009.⁶⁸ The delegation of primary responsibility for monitoring and examining the financial condition of FCMs that are members of two or more SROs to a DSRO under the Joint Audit Plan allows for a more efficient use of SRO resources, while also reducing burdens that would otherwise be imposed on an FCM from duplicative supervision, including periodic on-site examinations from multiple SROs.⁶⁹

Both SROs and DSROs are required to maintain adequate levels and independence of examination staff.⁷⁰ In this regard, Commission Regulations 1.52(c) and 1.52(d), which govern SROs and DSROs respectively, contain identical language that requires SROs and DSROs to maintain staff of an adequate size, training, and experience to effectively implement a supervisory program.⁷¹ In addition, staff “must maintain independent judgment and its actions must not impair its independence nor appear to impair its independence in matters related to the supervisory program.”⁷² This language is consistent with the longstanding guidance to SROs contained in the Financial and Segregation Interpretation No. 4–1 (Advisory Interpretation for Self-Regulatory Organization Surveillance Over Members’ Compliance with Minimum Financial, Segregation, Reporting, and Related Recordkeeping Requirements), and Addendums A and B to Financial and

Segregation Interpretation No. 4–1, and Financial and Segregation Interpretation No. 4–2 (Risk-Based Auditing), which guided the practices of members of the Joint Audit Committee (“JAC”).⁷³ voluntarily operating a Joint Audit Plan that had since been approved by the Commission.⁷⁴ Commission Regulation 1.52 also provides that the members of the JAC must establish, operate and maintain a joint audit program, meeting the requirements specified in Commission Regulation 1.52(d)(2)(ii) (“Joint Audit Program”).⁷⁵ The Joint Audit Program sets forth the policies and procedures to be followed by each DSRO in the conduct of examinations and financial reviews of FCMs.⁷⁶

E. DCO Statutory and Regulatory Requirements

Section 5b(c)(2) of the CEA sets forth Core Principles with which a DCO must comply to be registered and to maintain registration as a DCO,⁷⁷ and part 39 of the Commission’s regulations implements the DCO Core Principles. Under the DCO Core Principles and related Commission regulations, a DCO has extensive responsibilities to manage its risks and supervise the conduct of its members and participants. A DCO’s affiliation with a clearing member may raise questions regarding the impartiality with which these responsibilities will be carried out. For example, an affiliation between a clearing member and a DCO may incentivize the DCO to act with partiality in favor of its affiliate when making decisions regarding the treatment of non-public information or the adequacy of applicable financial resources, with possible anti-competitive effects.

Several existing DCO Core Principles and related regulations target potential risks posed by clearing members generally and partially address some of

the concerns and risks raised by affiliated relationships in the clearing context. For example, Core Principle C (Participant and Product Eligibility) requires a DCO to: (1) establish appropriate admission and continuing eligibility standards (including sufficient financial resources and operational capacity to meet obligations arising from participation in the DCO) for members of, and participants in, the DCO; (2) establish appropriate standards for determining eligibility of agreements, contracts, or transactions submitted to the DCO for clearing; and (3) establish and implement procedures to verify, on an ongoing basis, compliance with the DCO’s participation and membership requirements, which must be objective, be publicly disclosed, and permit fair and open access. Commission Regulation 39.12 implements Core Principle C.

Core Principle D (Risk Management) requires a DCO to, among other things: (1) measure and monitor its credit exposures to each clearing member daily; (2) through margin requirements and other risk control mechanisms, limit its exposure to potential losses from a clearing member default; and (3) require sufficient margin from its clearing members to cover potential exposures in normal market conditions. Commission Regulation 39.13 implements Core Principle D and, among other things, requires that a DCO: (1) have an appropriate risk management framework that, at a minimum, clearly identifies and documents the range of risks to which the DCO is exposed, addresses the monitoring and management of the entirety of those risks, and provides a mechanism for internal audits; (2) measure and monitor its credit exposure to each clearing member on a daily basis; (3) limit its exposure to potential losses from defaults by its clearing members; and (4) have rules that require its clearing members to maintain current written risk management policies and procedures, which address the risks that such clearing members may pose to the DCO.

Furthermore, Core Principle L (Public Information) requires a DCO to provide market participants with sufficient information to enable them to identify and evaluate accurately the risks and costs associated with using the DCO’s services, and to publicly disclose, among other items, any information relevant to participation in the DCO’s settlement and clearing activities. Commission Regulation 39.21 implements Core Principle L and, among other things, requires a DCO to

Requirements, 41 FR 45705 at 45706 (Oct. 15, 1976). In addition, the Commission, in proposing to authorize the delegation of financial surveillance responsibilities to DSROs, highlighted the efficiencies of such delegation, noting that it would benefit both FCMs and SROs. *Minimum Financial Requirements*, 42 FR 39032 at 39037 (Aug. 1, 1977).

⁶⁷ 17 CFR 1.52(d)(3) and 1.52(h).

⁶⁸ The original signatories of the Joint Audit Plan approved on March 18, 2009 are as follows: Board of Trade of the City of Chicago, Inc.; Board of Trade of Kansas City; CBOE Futures Exchange, LLC; Chicago Climate Futures Exchange, L.L.C.; Chicago Mercantile Exchange Inc.; Commodity Exchange, Inc.; ELX Futures, L.P.; HedgeStreet, Inc.; ICE Futures U.S., Inc.; INET Futures Exchange, L.L.C.; Minneapolis Grain Exchange; NASDAQ OMX Futures Exchange; NFA; New York Mercantile Exchange, Inc.; NYSE Liffe US, L.L.C.; and One Chicago, L.L.C. The Joint Audit Plan is available at <https://www.cftc.gov/jdc/groups/public/@lrfederalregister/documents/frcomment/08-007b001.pdf>. The current signatories (DCMs, and one registered futures association) are listed on the JAC website, available at: <http://www.jacfutures.com/jac/default.aspx>.

⁶⁹ See *Financial Surveillance Examination Program Requirements for Self-Regulatory Organizations*, 84 FR 12882 at 12883 (Apr. 3, 2019).

⁷⁰ 17 CFR 1.52(c)(1)(i) and 1.52(d)(2)(ii)(C).

⁷¹ *Id.*

⁷² *Id.*

⁷³ The JAC is a voluntary, cooperative organization comprised of representatives of the financial surveillance staff of DCMs and NFA, formed for the purpose of coordinating the monitoring and examination of common FCM members of such entities.

⁷⁴ See *Joint Audit Committee Operating Agreement*, 73 FR 52832 (Sept. 11, 2008) (requesting comments prior to the Commission’s approval of the most recent JAC agreement, which was granted on Mar. 18, 2009).

⁷⁵ Commission staff letters are available on the Commission’s website, www.cftc.gov.

⁷⁶ 17 CFR 1.52(d)(2)(i). See also *Enhancing Protections Afforded Customers and Customer Funds Held by Futures Commission Merchants and Derivatives Clearing Organizations*, 78 FR 68506 at 68580 (Nov. 14, 2013) and *Enhancing Protections Afforded Customers and Customer Funds Held by Futures Commission Merchants and Derivatives Clearing Organizations*, 77 FR 67866 at 67892 (Nov. 14, 2012).

⁷⁷ CEA 5b(c)(2), 7 U.S.C. 7a–1(c)(2).

make certain information readily available to the general public by posting it on its website. Core Principle N (Antitrust Considerations) requires a DCO to avoid, unless necessary or appropriate to achieve the purposes of the CEA, adopting any rule or taking any action that results in any unreasonable restraint of trade, or imposing any material anticompetitive burden. Commission Regulation 39.23 codifies Core Principle N. Core Principle P (Conflicts of Interest) requires a DCO to establish and enforce rules to minimize conflicts of interest in the decision-making process of the DCO, and establish a process for resolving such conflicts of interest. Commission Regulation 39.25 implements Core Principle P and further requires the DCO to describe procedures for identifying, addressing, and managing conflicts of interest involving members of the board of directors.

F. Current Affiliated Relationships

i. Current SEF and DCM Affiliated Relationships

Certain SEFs and DCMs have affiliated relationships, including with entities that trade or facilitate trades on their own markets. The Commission notes that there are 20 SEFs currently registered with the Commission. Some of these SEFs have affiliated relationships with market participants, such as IBs and CTAs, that execute, introduce, or otherwise facilitate trades on the SEFs. Similarly, there are 27 DCMs currently designated by the Commission. The Commission is aware that certain DCMs have affiliated relationships including with market makers, liquidity providers, FCMs, and IBs that execute, introduce, intermediate, or otherwise facilitate trades on the DCMs.

The Commission acknowledges that some SEFs and DCMs already have publicly available rules and disclosures regarding their affiliate relationships. For example, certain SEFs acknowledge affiliate relationships in their rulebooks. Among other things, some DCM rulebooks provide conditions on affiliate participation, including that the affiliate does not have access to the DCM's material non-public information, that the DCM maintains operational independence from the affiliate, and that the affiliate will not receive preferential treatment. Some DCMs also provide website disclosures that identify the affiliated market participant.

Finally, as discussed above, DCMs have self-regulatory responsibilities with respect to their members. In this

regard, while Commission Regulation 1.52 does not expressly prohibit an SRO from acting as a DSRO for its affiliated FCM, to date, no DCM with an affiliate FCM has attempted to act as DSRO for its affiliate FCM. Instead, CME or NFA, the two DSROs under the current Joint Audit Plan, perform the periodic financial surveillance of FCMs that are affiliated with a DCM.⁷⁸

ii. Current DCO Affiliated Relationships

The Commission has also observed various affiliated relationships in the clearing context—historically, DCO-exchange affiliations, and more recently, DCO-clearing member affiliations. There are 24 DCOs currently registered with the Commission; approximately 5 of those DCOs have an affiliated clearing member. The Commission notes that the DCOs with affiliated clearing members have implemented a variety of measures to address potential concerns regarding these relationships. For example, certain of these DCOs provide public disclosure of the affiliated relationships and have rules which prohibit access to non-public information by the affiliated clearing member.

iii. Current Affiliated Market Makers

The Commission has more recently observed a growing number of registered entities, including DCMs, that have affiliated market makers trading on the exchange. There are approximately eight DCMs with affiliated market makers. The Commission understands that this market structure is particularly prominent in prediction markets and that the operators of such markets believe that an affiliated market maker can be especially important in the creation and maintenance of new markets. The Commission notes that the exchanges with affiliated market makers have implemented a variety of measures to address potential concerns regarding these relationships. For example, these measures include public disclosure of affiliate relationships, rules to prohibit access to non-public information by the affiliated market maker, and adjustments to the traditional price-time priority execution method on central limit order books.

As the preceding discussion reflects, a number of SEFs, DCMs, and DCOs have voluntarily adopted measures designed to identify and address the potential conflicts of interest associated with affiliated relationships—including public disclosure of affiliations, information barriers limiting affiliate

access to material non-public information, and requirements that affiliated participants receive no preferential treatment. The Commission recognizes the value of these measures and preliminarily believes that they have contributed to the integrity of these markets and to the confidence of market participants in their fairness.

At the same time, the Commission preliminarily believes that the existing framework of voluntary practices, however constructive, is uneven. As described above and below, various measures have been adopted to differing degrees and stringency, and they are memorialized in disparate forms. Because each measure is adopted at the discretion of the individual entity, it may be narrowed, modified, or discontinued, and such voluntary undertakings are not uniformly subject to the Commission's examination and enforcement processes. Market participants who transact across multiple registered entities therefore cannot presently rely on a consistent baseline of protections, and the public may find it difficult to identify, compare, or verify the safeguards that apply to any particular affiliated relationship.

The Commission preliminarily believes that establishing a consistent regulatory baseline—one that draws on the sound practices responsible registered entities have already developed—would promote the consistency, clarity, and transparency that voluntary measures alone have not achieved. A codified framework would afford registered entities and market participants predictable expectations; help ensure that comparable conflicts are subject to comparable safeguards regardless of the venue on which they arise; and render those safeguards durable and subject to Commission oversight. The Commission preliminarily believes that such a framework would advance the conflict-of-interest, customer-protection, and market-integrity objectives reflected in the Core Principles applicable to SEFs, DCMs, and DCOs discussed above, and that, by doing so, it would reinforce—rather than displace—the practices registered entities have adopted and the confidence those practices have helped to build. The proposed amendments set forth in the following sections are intended to establish that framework.

⁷⁸ A DCM may, in its capacity as an SRO, delegate primary responsibility for monitoring and examining the financial condition of member FCMs to a DSRO.

II. DCM Obligations—Proposed Amendments to Commission Regulations 1.52, 38.604, and 38.606

A. Proposed Amendments to Commission Regulation 1.52—SRO Surveillance of Financial Requirements for Affiliate FCMs

i. Background

DCMs and registered futures associations play a foundational role in the surveillance of FCM's compliance with Commission and SRO financial requirements. Section 5(d)(11)(B) of the CEA requires each DCM to establish and enforce rules to ensure the financial integrity of any FCM that is a member of the contract market and to ensure the protection of customer funds.⁷⁹ Section 17(p) of the CEA imposes parallel obligations on registered futures associations, requiring NFA—the sole such association—to establish, subject to Commission approval, minimum financial requirements applicable to its FCM members and a program to audit and enforce compliance with those requirements.⁸⁰

Commission Regulation 1.52 establishes the minimum standards that all SROs must satisfy in carrying out their financial supervisory programs. Commission Regulation 1.52(c) requires each SRO to establish and operate a supervisory program—including written policies and procedures—for examining its member FCMs for compliance with applicable SRO rules and Commission regulations governing minimum net capital, segregation of customer funds, risk management, financial reporting, recordkeeping, and sales-practice requirements.⁸¹ Commission Regulations 1.52(c)(2)(i) and (d)(2)(ii)(C)(1) further require SROs and DSROs to maintain examination staff of “adequate size, training, and experience” to effectively implement the supervisory program and the Joint Audit Program, respectively, and provide that such staff “must maintain independent judgment” and that their “actions must not impair its independence nor appear to impair its independence in matters related to” those programs.⁸² These existing independence requirements are important, but they do not specifically address the concerns presented when an SRO has an affiliate FCM.

As described above, Commission Regulation 1.52 permits two or more SROs to file with the Commission a plan for delegating to a DSRO, for any FCM

that is a member of more than one such SRO, the function of monitoring and examining that FCM for compliance with minimum financial and related reporting requirements.⁸³ The SROs participating in such a plan form a JAC which establishes and operates a Commission-approved Joint Audit Program and designates the DSRO responsible for the examination of each FCM.⁸⁴ Under this framework, the assignment of a particular FCM to a particular DSRO is made by the JAC pursuant to the plan; the FCM itself plays no role in selecting its DSRO and is notified of the DSRO to which it has been assigned.⁸⁵

There is currently one Joint Audit Program, which has its origins in a Joint Audit Agreement entered into in 1984 by a number of futures exchanges and NFA, under which an FCM that is a member of more than one SRO is assigned a single DSRO primarily responsible for conducting periodic financial examinations, the results of which are shared with the FCM's other SROs.⁸⁶ Although the 1984 Agreement was entered into by NFA and numerous independent futures exchanges, consolidation among the exchanges in the intervening decades has substantially reduced the number of SROs that serve as DSROs.⁸⁷ Today, as a result of the delegations elected by SROs under the Joint Audit Program, CME serves as the DSRO for FCMs that are clearing members of CME, and NFA serves as the DSRO for FCMs that are not CME clearing members.⁸⁸

In October 2024, NFA approved the FCM application of F&O Financial LLC, an FCM jointly owned by CME and an unaffiliated firm.⁸⁹ Accordingly, CME—

which serves as the DSRO for all FCMs that are clearing members of CME—is now affiliated with an FCM, while continuing to serve as the DSRO for FCMs that may compete with that affiliate.⁹⁰

Commission Regulation 1.52(b) requires each SRO to adopt rules prescribing minimum financial and related reporting requirements for its member FCMs that are the same as, or more stringent than, the Commission's requirements.⁹¹ Commission Regulations 1.52(c) and 1.52(d) require an SRO and, where applicable, a DSRO to operate a financial supervisory program that includes routine surveillance through the review and analysis of financial statements and regulatory notices, and periodic on-site examinations of member FCMs.⁹² Both regulations require that examination staff be of adequate size, training, and experience to effectively implement the program, and that such staff “maintain independent judgment” such that the staff's “actions must not impair its independence nor appear to impair its independence in matters related to the supervisory program.”⁹³

Because NFA is the only futures association registered under section 17 of the Act,⁹⁴ and a registered futures association is an SRO for purposes of Commission Regulation 1.52,⁹⁵ every FCM is a member of NFA. NFA does not operate a market, does not trade, and has no affiliate FCMs or other market participants.⁹⁶ Consequently, NFA is, for every FCM, an SRO with no commercial interest in the FCM's trading activity and, but for the current Joint Audit Program and any resource constraints, is available to serve as that FCM's DSRO.

Commission Regulation 1.52 does not currently address SRO oversight of an affiliate FCM expressly, nor does it prohibit an SRO from acting as DSRO for its own affiliate FCM. To date, however, no DCM with an affiliate FCM has acted as DSRO for that affiliate FCM. Instead, in each such case, the

www.cmegroup.com/media-room/press-releases/2024/10/29/cme_group_receivesapprovaltoestablishfuturescommissionmerchant.html.

⁹⁰ CME delegated the DSRO function of its affiliated FCM to NFA to mitigate the potential conflict of interest associated with acting as DSRO for an affiliated FCM.

⁹¹ 17 CFR 1.52(b).

⁹² 17 CFR 1.52(c), (d).

⁹³ 17 CFR 1.52(c)(1)(i), (d)(2)(ii)(C)(1).

⁹⁴ See 7 U.S.C. 21.

⁹⁵ See 17 CFR 1.52(a)(2).

⁹⁶ See Letter from Carol Wooding, SVP, General Counsel and Secretary, on behalf of the NFA to Christopher Kirkpatrick, Sec'y, CFTC at 1 (Sept. 26, 2023) (hereinafter “NFA Comment”). The letter is available on the Commission's website.

⁷⁹ CEA 5(d)(11)(B), 7 U.S.C. 7(d)(11)(B).

⁸⁰ CEA 17(p), 7 U.S.C. 21(p).

⁸¹ 17 CFR 1.52(c)(1).

⁸² 17 CFR 1.52(c)(2)(i), (d)(2)(ii)(C)(1).

⁸³ 17 CFR 1.52(d)(1).

⁸⁴ 17 CFR 1.52(d)(2)(i).

⁸⁵ See 17 CFR 1.52(i)(2).

⁸⁶ See Joint Audit Plan, 49 FR 28906 (July 17, 1984) (approved by Commission letter dated Oct. 10, 1984); 73 FR 52832 (Sept. 11, 2008) (describing the 1984 Agreement and a proposed replacement addressing JAC governance, voting rights, membership criteria, information-sharing arrangements, and DSRO designation criteria); and 78 FR 65806 at 68559 (Nov. 14, 2013) (noting that the Commission approved the Joint Audit Plan on March 18, 2009). The current version of the Joint Audit Agreement, which has been shared with Commission staff and is unchanged in all material respects from the 2009 Joint Audit Agreement, was entered into on September 1, 2017 and is available at: https://www.cftc.gov/media/11981/JACAgreement_2017/download.

⁸⁷ The current signatories to the Joint Audit Agreement are listed on the JAC website, available at: <http://www.jacfutures.com/jac/default.aspx>.

⁸⁸ See Financial Surveillance Examination Program Requirements for Self-Regulatory Organizations, 84 FR 12882, 12884 & n.22 (Apr. 3, 2019).

⁸⁹ See Press Release, CME Group, *CME Group Receives Approval to Establish Futures Commission Merchant* (Oct. 29, 2024), <https://>

DCM has voluntarily requested that NFA perform the DSRO function for the affiliate FCM.⁹⁷

ii. Comments on the Affiliations RFC

The Commission received substantial comment on DSRO oversight of FCMs in response to the 2023 Affiliations RFC.⁹⁸ The relevant comments addressed three distinct questions: (1) whether a DCM should be permitted to serve as the DSRO for its own affiliate FCM; (2) whether a DCM with an affiliate FCM should serve as the DSRO for non-affiliate FCMs that may compete with that affiliate; and (3) what information barriers and structural safeguards should apply to a DSRO's oversight of FCMs. The Commission addresses each in turn.

A DCM serving as DSRO for its own affiliate FCM. The Commission received six comment letters related to the conflicts of interest implications for the self-regulatory framework of SROs and DSROs having an affiliate FCM. All six commenters agreed that a DCM should not act as the DSRO for its affiliate FCM.⁹⁹

NFA—the DSRO for FCMs that are not CME clearing members under the current Joint Audit Plan—observed that although each DCM with an affiliate FCM has to date voluntarily requested that NFA perform the DSRO function, the Commission should nonetheless amend Commission Regulation 1.52 to ensure that a DCM could not be the DSRO for its affiliate FCM in the future.¹⁰⁰ The Futures Industry Association (“FIA”) and Professor Ronald Filler emphasized the centrality of DSRO examination to FCM financial surveillance and the risk of impartial treatment if a DSRO oversees its own affiliate FCM.¹⁰¹ The Global Association of Central Counterparties (“CCP

Global”) expressed support for the existing Commission Regulation 1.52 framework while emphasizing the importance of explicit rules and procedures to ensure that affiliated FCMs are not afforded preferential treatment relative to non-affiliate FCMs.¹⁰²

A DCM with an affiliate FCM serving as DSRO for non-affiliate FCMs. Several commenters separately addressed whether a DCM that has an affiliate FCM should be able to serve as the DSRO for non-affiliate FCMs—that is, the FCMs that may compete with the DCM's own affiliate. Commenters identified this relationship as raising distinct conflict-of-interest and competition concerns arising from the DSRO's access to the confidential information of the FCMs it examines.

NFA characterized this as an issue that SROs and DSROs “have not previously faced” and explained that a DCM with an affiliate FCM serving as DSRO for its non-affiliate FCM members “may raise conflicts and competitive issues that may be heightened by the DSRO's access to its non-affiliate FCMs' confidential information and a perception that actions taken in overseeing its unaffiliated FCM members benefit its affiliate FCM.”¹⁰³ ICE Futures U.S., Inc. (“ICE”) likewise urged the Commission to “consider whether it is appropriate for an entity to be tasked with auditing entities with which it competes” and stated that, at a minimum, robust information barriers should be required “to ensure that information derived from an examination does not flow to the affiliated entity that competes with the firms being audited.”¹⁰⁴ Professor Filler questioned whether a DCM with an affiliate FCM should “even serve as a DSRO . . . for another FCM given the confidential information that each DSRO obtains from the other FCMs” and suggested that “[o]ne possible model would only allow [NFA] . . . to serve as the DSRO for all FCMs, even [CME] clearing member firms, if a DCM becomes affiliated with an FCM.”¹⁰⁵

CME recommended that persons affiliated with an FCM not be permitted to participate in or receive reports from the JAC, “which could include sensitive information pertaining to other unaffiliated FCMs.”¹⁰⁶

Information barriers and structural safeguards. Commenters were broadly

supportive of information barriers and confidentiality safeguards to govern a DSRO's access to and handling of the non-public information of the FCMs it examines. CME, NFA, ICE, and Professor Filler each agreed that appropriate firewalls and information barriers should be in place.¹⁰⁷ NFA emphasized the importance of separate boards of directors, separate key management personnel, information-sharing barriers, and conflicts-of-interest policies.¹⁰⁸ ICE, while supportive of information barriers generally, separately cautioned that information barriers alone “will not mitigate the conflicts of interest” presented by a DSRO's oversight of an affiliate FCM.¹⁰⁹

Commenters that operate affiliated structures described their existing safeguards. MIAX described its rule providing that its affiliate FCM “will not receive preferential treatment in any respect,” a company-wide information-barrier policy, and a representation that affiliates do not share senior compliance and risk-management personnel, such as the CRO or CCO, or physical office space, although certain functions such as cybersecurity and internal audit may be shared.¹¹⁰

Views supporting the existing framework or a principles-based approach. CME, ICE, CCP Global, Cboe, and the World Federation of Exchanges (“WFE”) urged the Commission to retain its principles-based regulatory approach and cautioned against prescriptive structural requirements, even while several of them supported particular targeted measures.¹¹¹

iii. Identified Concerns

After considering these comments, the Commission has identified four sets of concerns regarding SRO and DSRO oversight of FCMs that the Commission

⁹⁷ See NFA Comment, *supra* note 96, at 4–5.

⁹⁸ See Affiliations RFC, *supra* note 1.

⁹⁹ Letter from Jonathan Marcus, Senior Managing Director and General Counsel, on behalf of CME Group Inc., to Christopher Kirkpatrick, Sec'y, CFTC at 14 (Sept. 20, 2023) (hereinafter “CME Comment”); Letter from Kara Dutta, Assistant General Counsel, on behalf of Intercontinental Exchange, Inc., to Christopher Kirkpatrick, Sec'y, CFTC at 2 (Sept. 28, 2023) (hereinafter “ICE Comment”); Letter from Patrick Sexton, EVP, General Counsel & Corporate Secretary, on behalf of Cboe Global Markets, Inc. to Christopher Kirkpatrick, Sec'y, CFTC at 3 (Sept. 28, 2023) (hereinafter “Cboe Comment”); Letter from Ronald H. Filler, Professor Emeritus, New York Law School, to Office of the Secretary, CFTC at 8 (Nov. 3, 2023) (hereinafter “Filler Comment”); See Letter from Allison Lurton, General Counsel & Chief Legal Officer, on behalf of the Futures Industry Association, to Christopher Kirkpatrick, Sec'y, CFTC at 9–10 (Sept. 28, 2023) (hereinafter “FIA Comment”); NFA Comment, *supra* note 96, at 4.

¹⁰⁰ NFA Comment, *supra* note 96, at 4–5.

¹⁰¹ FIA Comment, *supra* note 99, at 9; Filler Comment, at 8.

¹⁰² Letter from The Global Association of Central Counterparties at 2–3 (Sept. 28, 2023) (hereinafter “CCP Global Comment”).

¹⁰³ NFA Comment, *supra* note 96, at 4.

¹⁰⁴ ICE Comment, *supra* note 99, at 2–3.

¹⁰⁵ Filler Comment, *supra* note 99, at 8.

¹⁰⁶ CME Comment, *supra* note 99, at 14.

¹⁰⁷ CME Comment, *supra* note 99, at 14–15; NFA Comment, *supra* note 96, at 3; ICE Comment, *supra* note 99 at 3; Filler Comment, *supra* note 99, at 5.

¹⁰⁸ NFA Comment, *supra* note 96, at 3.

¹⁰⁹ ICE Comment, *supra* note 99, at 2.

¹¹⁰ See Letter from Thomas F. Gallagher, Chairman and CEO, on behalf of Miami International Holdings, Inc. and Mark G. Bagan, President and CEO, on behalf of Minneapolis Grain Exchange, LLC, to Christopher Kirkpatrick, Sec'y, CFTC at 4–7 (Sept. 26, 2023) (hereinafter “MIAX/MGEX Comment”).

¹¹¹ CME Comment, *supra* note 99, at 1–2, 16–17 (cautioning against “comprehensive and prescriptive rules” while supporting a prohibition on an SRO serving as DSRO for its own affiliate); CCP Global Comment, *supra* note 102, at 2 (the Commission should not “deviate from its principles-based approach”); ICE Comment, *supra* note 99, at 1 (expressing support for “the CFTC's principles-based approach”); Cboe Comment, *supra* note 99, at 3; Letter from Charlie Ryder, Regulatory Affairs Manager, on behalf of World Federation of Exchanges, to the CFTC at 3–4 (Sept. 28, 2023) (hereinafter “WFE Comment”).

preliminarily believes the existing Commission Regulation 1.52 framework does not specifically address. The first three concern an SRO's oversight of its own affiliate FCM. The fourth concerns the position of non-affiliate FCMs that are examined by a DSRO whose affiliate FCM competes with them, and the absence of any mechanism by which such an unaffiliated FCM may be subject to examination by an SRO that has no competing commercial interest in its activities.

Impartiality of supervision. An SRO with an affiliate FCM has a commercial interest in that affiliate's success that does not exist with respect to its other, unaffiliated member FCMs. That commercial interest could affect, or appear to affect, the rigor with which the SRO applies its supervisory program to the affiliate FCM, including the timeliness and intensity of any enforcement response to identified deficiencies. Commission Regulations 1.52(c)(2)(i) and (d)(2)(ii)(C)(1) already require that examination staff maintain independent judgment and avoid actions that "impair . . . or appear to impair" their independence.¹¹² The Commission preliminarily believes that, in the affiliate FCM context, additional structural safeguards are warranted to give effect to those existing independence requirements.

Use of non-public information. Through its supervisory program, an SRO acquires non-public information concerning the financial condition, customer activity, risk profile, and proprietary trading of its member FCMs. Access to, or sharing with an affiliate FCM of, non-public information of non-affiliate member FCMs could afford the affiliate FCM a competitive advantage and could disadvantage non-affiliate member FCMs that compete with the affiliate FCM. Reciprocally, the SRO's access to its affiliate FCM's non-public information—outside of what is necessary for the SRO's regulatory functions—could blur the boundary between regulatory and commercial information flows within the affiliated group.

Reporting lines for examination staff. SRO examination staff implementing the supervisory program may report to SRO management that also bears commercial responsibility for the affiliated enterprise. Such reporting relationships could undermine, or appear to undermine, the independent judgment that Commission Regulation 1.52 already requires of supervisory staff.

Oversight of non-affiliate FCMs by a DSRO whose affiliate FCM competes with them. The first three concerns address an SRO's oversight of its own affiliate FCM. A distinct concern arises with respect to the non-affiliate FCMs that a DSRO examines when that DSRO has an affiliate FCM competing in the same markets. In conducting the supervisory program and the on-site examinations required by Commission Regulation 1.52(c) and the Joint Audit Program, a DSRO obtains detailed non-public information—including financial condition, customer activity, positions, and risk profile—concerning each FCM it examines.¹¹³ Where the DSRO has an affiliate FCM, the DSRO acquires this information about firms that compete with its affiliate, giving rise to both a competitive concern—that such information could advantage the affiliate FCM—and a concern that the DSRO's oversight decisions affecting non-affiliate FCMs could be perceived as benefiting its affiliate.

The Commission preliminarily believes that, although the information-barrier and separation safeguards proposed herein mitigate this concern by restricting the flow of non-affiliate FCMs' non-public information to an affiliate FCM, those safeguards operate only as constraints on the DSRO. They do not afford a non-affiliate FCM any means of being subject to examination by an SRO that has no commercial interest in the FCM's activities. Because NFA operates no market and has no affiliate FCM, NFA is, for every FCM, such an SRO. The Commission preliminarily believes that affording each FCM the option to elect NFA as its DSRO would provide a direct, registrant-side response to this concern, complementing the constraints imposed on the DSRO by the safeguards described above.

iv. Proposed Amendments

The Commission preliminarily believes that targeted amendments to Commission Regulation 1.52—calibrated to the specific circumstance of an SRO with an affiliate FCM—would address the concerns identified above while preserving the existing framework for SROs and DSROs that do not have an affiliate FCM. Each element of the proposed amendments is discussed below.

Definitions—Proposed Commission Regulations 1.52(a)(3) and (a)(4).

The Commission proposes to add definitions of "affiliate futures commission merchant," "control," and "non-public information" to

Commission Regulation 1.52(a) in order to effectuate the proposed substantive revisions to Commission Regulation 1.52.

Proposed Commission Regulation 1.52(a)(3) would define "affiliate futures commission merchant" as an FCM (as defined in Commission Regulation 1.3) that directly or indirectly controls, is controlled by, or is under common control with an SRO. The same paragraph would define "control"—including the terms "controlled by" and "under common control with"—to mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise. This control formulation tracks well-established usage under the federal securities laws¹¹⁴ and is intended to capture the range of relationships that give rise to the concerns identified above. The Commission preliminarily believes a control-based definition (rather than a fixed ownership-percentage threshold) is appropriate because the relevant concerns (*i.e.*, commercial alignment, information flow, reporting-line pressure) turn on the ability to direct management and policies rather than on any particular equity stake.

Proposed Commission Regulation 1.52(a)(4) would define "non-public information" as information that has not been disseminated in a manner which makes it generally available to the trading public. This formulation reflects the existing concept of non-public information used in Commission guidance and Acceptable Practices¹¹⁵ and is intended to capture, for example, the categories of financial, operational, customer-position, risk-management, and proprietary-trading information that an SRO acquires through its supervisory program.

Reporting Lines for Examination Staff—Proposed Commission Regulation 1.52(c)(1)(i)(B).

Proposed Commission Regulation 1.52(c)(1)(i)(B) would require that, if an SRO has an affiliate FCM, the examination staff implementing the supervisory program required by Commission Regulation 1.52(c) report directly to the board of directors or other designated committee or officer responsible for regulatory compliance of the SRO. The proposed regulation would further require that, if examination staff report to an officer

¹¹² 17 CFR 1.52(c)(1)(i), (d)(2)(ii)(C)(1).

¹¹³ See 17 CFR 1.52(c)(1), (d)(2)(ii)(C).

¹¹⁴ See, *e.g.*, 17 CFR 230.405 (Securities Act); 17 CFR 240.12b-2 (Exchange Act).

¹¹⁵ See, *e.g.*, 17 CFR part 38, app. B, Core Principle 16(a).

responsible for regulatory compliance of the self-regulatory organization, such officer must, in turn, report directly to the board of directors or other designated committee. The proposal would not displace the existing Commission Regulation 1.52(c)(1)(i) requirement that staff maintain independent judgment. Rather, it would supplement that general independence standard with a specific reporting-line safeguard for the circumstance the Commission has identified as presenting heightened risk to that independence (*i.e.*, the existence of an affiliate relationship). The Commission preliminarily believes that a reporting line that runs to the board (or to a designated committee or officer with regulatory-compliance responsibility) rather than to commercial management, would insulate examination staff from reporting pressures that could affect their independent judgment given the commercial interest at play with respect to an affiliate FCM.

In practice, the Commission preliminarily expects that most DCMs would implement this requirement by having examination staff report directly to its ROC¹¹⁶ or to a chief regulatory officer (“CRO”) or similar officer who, in turn, reports to the ROC, thus preserving a reporting line insulated from commercial pressures. The Commission requests comment on existing SRO reporting lines and its understanding of how SROs would comply with this proposed regulation.

Mandatory Independent Third-Party SRO—Proposed Commission Regulation 1.52(c)(1)(i)(C).

Proposed Commission Regulation 1.52(c)(1)(i)(C) would require an SRO that has an affiliate FCM to designate an independent third-party SRO to conduct the surveillance of the affiliate FCM otherwise required of the SRO under existing Commission Regulation 1.52(c). The SRO with the affiliate FCM would be required to ensure that the third-party SRO implements a supervisory program that satisfies both Commission Regulation 1.52(c) and the RSP requirements of Commission Regulation 38.606. The SRO would at all times remain responsible for compliance with its obligations under the CEA and the Commission’s regulations, and for the third-party SRO’s performance on its behalf—consistent with the existing Commission Regulation 38.606

framework for RSP arrangements.¹¹⁷ The Commission requests comment on whether it is appropriate for the designating SRO to be responsible for the third-party’s performance on its behalf where such designation is mandatory as opposed to voluntary, as in the Commission Regulation 38.606 circumstance. The Commission also requests comment on the appropriate liability standard for the designating SRO.

This proposal would codify—and extend across the full Commission Regulation 1.52(c) supervisory function—the practice that the Commission understands that DCMs with affiliate FCMs already follow on a voluntary basis. The Commission preliminarily believes that codification is appropriate to ensure the practice continues to make the requirement transparent to FCMs and their customers, and to provide an enforceable regulatory baseline against which the Commission can monitor compliance. The Commission also preliminarily believes that such codification would mitigate the inherent conflicts of interest arising out of an SRO fulfilling its regulatory obligations in the context of its affiliate FCM.

Restrictions on Access to and Sharing of Non-Public Information—Proposed Commission Regulation 1.52(c)(1)(i)(D).

Proposed Commission Regulation § 1.52(c)(1)(i)(D) would impose two related restrictions on an SRO that has an affiliate FCM. First, proposed Commission Regulation 1.52(c)(1)(i)(D)(1) would prohibit an SRO from accessing the non-public information of its affiliate FCM, except as necessary to comply with the SRO’s responsibilities and obligations as a DCM under part 38 of the Commission’s Regulations. Second, proposed Commission Regulation 1.52(c)(1)(i)(D)(2) would prohibit an SRO from sharing, directly or indirectly, non-public information obtained from its supervisory program of its non-affiliate member FCMs with its affiliate FCM for any purpose, except as necessary to comply with the SRO’s responsibilities and obligations as an SRO under Commission Regulation 1.52 or as a DCM under part 38 of the Commission’s regulations. The Commission preliminarily believes that an SRO sharing such information with its affiliate FCM would be extremely rare.

The Commission recognizes that a DCM’s compliance with its part 38 obligations—including financial surveillance under Commission

Regulations 38.604 and 38.605 and the trade-practice surveillance and audit-trail functions associated with DCM Core Principles 2, 4, and 11—necessarily entail receipt and use of information that is non-public as to particular member FCMs, including an affiliate FCM. The part 38 compliance carve-out preserves the SRO’s ability to carry out those required functions, while prohibiting the use, access, or sharing of non-public information for any purpose outside those regulatory responsibilities. The “directly or indirectly” language is intended to prevent circumvention by routing non-public information to the affiliate FCM via another affiliated entity. Indirect routing may nevertheless occur—or, at least, appear to occur to market participants. This fact informs the Commission’s preliminary view, as outlined below, that market participants should be able to elect a neutral SRO.

Parallel Amendments to the Joint Audit Plan Provisions—Proposed Commission Regulation 1.52(d)(2)(ii)(C)(1).

The Commission proposes parallel amendments to Commission Regulation 1.52(d)(2)(ii)(C)(1), which governs DSROs operating under the Joint Audit Plan.

Proposed Commission Regulation 1.52(d)(2)(ii)(C)(1)(ii)¹¹⁸ would expressly require that a DSRO that has an affiliate FCM may not perform the function of a DSRO for that affiliate FCM. This proposal codifies the practices currently followed under the Joint Audit Plan, under which NFA performs the DSRO function for an FCM affiliated with a DCM. The Commission preliminarily believes that an express prohibition, codified in the Commission’s regulations, is preferable to continued reliance on voluntary practice for the reasons described above (*i.e.*, conflict of interest risk mitigation and enhanced market integrity), including that, absent a regulatory prohibition, voluntary practice could change thus allowing a surveillance structure that the Commission preliminarily believes results in unmitigable conflicts of interest. The Commission requests comment on whether this proposed regulation should include a similar liability standard as proposed in proposed Commission Regulation 1.52(c)(2)(i)(B).

Proposed Commission Regulation 1.52(d)(2)(ii)(C)(1)(iii) would, consistent with the proposed regulations

¹¹⁶ The Acceptable Practices in app. B to part 38 notes that a ROC must consist only of public directors (*i.e.*, those directors that have no material relationship to the DCM that “reasonably could affect the independent judgment or decision-making of the director”).

¹¹⁷ See 17 CFR 38.606.

¹¹⁸ The text in current Commission Regulation 1.52(d)(2)(C)(1) is proposed to be moved to proposed Commission Regulation 1.52(d)(2)(C)(1)(i) without any changes to the rule text.

applicable to SROs, require that if a DSRO has an affiliate FCM, the examination staff implementing the DSRO's supervisory program must report directly to the board of directors or other designated committee or officer responsible for regulatory compliance of the DSRO. Further, the proposed regulation would require that, if such examination staff report to an officer responsible for regulatory compliance of the DSRO, such officer must, in turn, report directly to the board of directors or other designated committee. The Commission's reasoning is consistent with that provided above; namely, to insulate examination staff from reporting pressures that could affect their independent judgment given the commercial interest at play with respect to an affiliate FCM.

Proposed Commission Regulation 1.52(d)(2)(ii)(C)(1)(iv) would impose on DSROs the same restrictions on access to and sharing of non-public information that the Commission would impose on SROs more generally, with the same carve-out for compliance with part 38 obligations. The Commission preliminarily believes that uniform treatment is appropriate because the DSRO function under the Joint Audit Plan and the broader supervisory program under Commission Regulation 1.52(c) raises materially similar concerns when an affiliate FCM is involved.

FCM Election of a Registered Futures Association as Designated Self-Supervisory Organization—Proposed Commission Regulation 1.52(d)(2)(i)(A).

The safeguards described above operate as constraints on the SRO and the DSRO. They do not, however, afford a non-affiliate FCM any affirmative means of obtaining examination by an SRO that has no commercial interest in its activities, including by virtue of that SRO having an affiliate FCM. Proposed Commission Regulation 1.52(d)(2)(i)(A) would supply that means.¹¹⁹ It would permit an FCM that is a member of a registered futures association to elect, in writing to the JAC, to have such registered futures association serve as its DSRO.¹²⁰ Upon receipt of a valid

election, the JAC would designate NFA as that FCM's DSRO and reflect the designation in the Joint Audit Program.¹²¹ In the absence of an election, the JAC would designate the FCM's DSRO under the existing process. The Proposal would provide expressly that an election does not alter the examination standards applicable to the FCM under the Joint Audit Program and does not relieve any SRO of the residual responsibility it retains under Commission Regulations, including Commission Regulations 1.52(d)(1)(ii) and (i)(2).

The Commission preliminarily believes that affording each FCM this option is warranted for three reasons. First, the election provides the option of a neutral examiner available to every FCM. The safeguards described above reduce the risk that a DSRO's relationship to its affiliate FCM affects its oversight of the non-affiliate FCMs it examines, but they leave the non-affiliate FCMs dependent on the efficacy of those constraints. A non-affiliate FCM that prefers examination by an SRO with no commercial stake in its business has, under the current framework, no means of established process to obtain it (absent abstaining from trading on CME). Because NFA operates no market and has no affiliate FCM or other affiliate market participant, NFA is, for every FCM, an SRO without the same sort of commercial interest in the FCM's trading activity. The election would allow any FCM to obtain examination by such an organization directly, rather than relying solely on constraints imposed on its assigned DSRO.

Second, the Commission preliminarily believes that the election option would introduce a measure of market discipline that supplements, but does not supplant, the Commission's oversight of the self-regulatory framework. Under the current structure, an FCM has no ability to decline examination by an assigned DSRO, so an FCM's continued examination by a particular DSRO conveys no

information about whether the FCM regards that DSRO's oversight as impartial. By making elections observable, the Proposal would allow the degree to which FCMs elect or decline to elect away from a particular DSRO to serve as an indicator—to the Commission and to other market participants—of confidence in that DSRO's application of the Joint Audit Program. A DSRO that retains Commission Regulation 1.52 authority over the FCMs it examines after acquiring an affiliate FCM would have demonstrated such confidence; a significant pattern of elections away from a DSRO would identify a circumstance likely warranting the Commission's attention. For example, this pattern may indicate a "race to the bottom"—FCMs may elect a DSRO based on the perceived "difficulty" of the DSRO's supervisory program. The Commission emphasizes that the election would not permit any FCM to alter the standards under which it is examined, and that the election supplements rather than replaces the Commission's independent supervisory judgment. The Commission further notes that the notice period and minimum-duration provisions described below are designed so that an election reflects a considered determination rather than transient or strategic switching; the Commission preliminarily believes these features would cause election activity to surface durable, rather than ephemeral, assessments of a DSRO's oversight.

Third, the Commission preliminarily believes that a standing and universally available election option would address the relevant concerns without requiring the Commission or the JAC to make case-by-case determinations and would accommodate future changes in market structure. Conditioning the election on a finding that a particular FCM's DSRO is affiliated with a competitor would require contestable determinations regarding affiliation and competition of the kind that may be difficult to draw. A universal election option available to every FCM requires no such triggering determination. It also would ensure that the option is available automatically as affiliate relationships arise in the future—a consideration of practical importance given both the consolidation of DSROs under the Joint Audit Program over the past four decades and the recent emergence of an affiliate FCM at a DSRO. The Commission recognizes that, for an FCM whose DSRO has no affiliate FCM, the election's practical significance is limited; the universal availability of the election rests on the

¹¹⁹ The CEA authorizes a futures association to register with the Commission pursuant to the terms and conditions set out in the Act. CEA sec. 17. The Commission's rules regarding futures associations require a registered futures association to, among other things, demonstrate that it will be able to carry out the purposes of section 17 of the Act. For example, a registered futures association "should be prepared to establish and maintain in accordance with § 1.52 of this chapter, a financial compliance program for those members of the association who are futures commission merchants." 17 CFR 170.1.

¹²⁰ The Commission recognizes that there currently is only one registered futures

association—NFA—and so this proposed regulation would function to allow FCMs that are NFA members to select NFA as their DSRO. The Commission further recognizes that, while today there is only one JAC, Commission Regulation 1.52(d) allows any two (or more) SROs to form a JAC and there could be more than one in the future. To the extent another JAC consistent with Commission regulations, the Commission preliminarily believes that an FCM subject to such JAC should, likewise, be able to elect a registered futures association its DSRO, to the extent this proposal is adopted as proposed.

¹²¹ Such DSRO designations are made public on a monthly basis through the Commission's publication of selected FCM financial data. See Financial Data for FCMs, <https://www.cftc.gov/MarketReports/financialfcmdata/index.htm>.

administrability and forward-looking considerations described here rather than on a present benefit common to all FCMs.

The Commission recognizes that there may be potential drawbacks to this approach. For example, the Commission understands that existing DSROs, including CME, have experience and resources dedicated to fulfilling their roles as DSROs. In this regard, a DSRO and its staff likely have developed significant familiarity with the particular FCMs that it examines, including historical records and observations that may facilitate future examinations. An election option may disrupt this historical knowledge and expertise. The Commission requests feedback with respect to these observations and how they may affect any final rule.

Membership Predicate—Proposed Commission Regulation 1.52(d)(2)(i)(B).

Proposed Commission Regulation 1.52(d)(2)(i)(B) would confirm that no FCM may be designated to, and the JAC may not designate to an FCM, an SRO of which the FCM is not a member, and that nothing in the election provision requires any SRO other than a registered futures association (*i.e.*, NFA) to serve as the DSRO for an FCM that is not its member. Because NFA membership is a practical prerequisite to FCM registration, every FCM may make a valid election of NFA. The membership predicate ensures that the election provision does not disturb the existing arrangement under which an SRO other than NFA serves as DSRO only for FCMs that are its members; the Proposal would create no right to elect an exchange SRO, and any assignment of an FCM to an SRO other than NFA would continue to occur through the JAC's existing designation process and only as to FCMs that are members of that SRO.

Notice Period and Effective Date of Election—Proposed Commission Regulation 1.52(d)(2)(i)(C).

Proposed Commission Regulation 1.52(d)(2)(i)(C) would provide that an election takes effect on the later of the first day of the next examination cycle under Commission Regulation 1.52(d)(2)(ii)(C)(4) or six months after the JAC's receipt of the election, and that an election does not interrupt or shorten an examination then in progress. The Proposal would further authorize the JAC, where it determines that elections received within a common period would, if given immediate effect, impair a DSRO's ability to maintain examination staff of adequate size, training, and experience as required under Commission

Regulation 1.52(d)(2)(ii)(C)(1), to establish a reasonable schedule phasing in the effective dates of such elections, provided that no election is delayed beyond twelve months after its receipt.

The Commission preliminarily believes that a defined notice period, together with the phasing authority, is necessary to ensure that a DSRO receiving elected FCMs has sufficient time to recruit, train, and deploy qualified examination staff, and to prevent a concentration of elections within a short period from compromising examination quality.

Minimum Duration of Election—Proposed Commission Regulation 1.52(d)(2)(i)(D).

Proposed Commission Regulation 1.52(d)(2)(i)(D) would require an FCM, following the effective date of an election, to retain its elected DSRO for not fewer than three complete examination cycles under Commission Regulation 1.52(d)(2)(ii)(C)(4) before electing a different DSRO or revoking its election.

The Commission preliminarily believes a minimum-duration requirement is warranted to prevent repeated switching that would impose recurring transition burdens on DSROs and complicate continuity of examination, and to support the staffing investment that a DSRO must make to absorb electing FCMs. The proposed three-examination-cycle period—corresponding to approximately four and one-half years—reflects the Commission's preliminary judgment as to the period necessary to balance these continuity and staffing interests against an FCM's interest in its ability to revisit its election. In this regard, the Commission preliminarily believes that a shorter period of time would hinder a DSRO's ability to manage its resources effectively, develop expertise and deepen its understanding of the FCMs it examines. The minimum-duration requirement would not affect an FCM's obligations, or any SRO's residual responsibilities, including under Commission Regulations 1.52(d)(1)(ii) and (i)(2). As noted below, the Commission requests comment on the appropriate length of these cycles.

Conforming Amendment to the Member-Notification Provision—Proposed Commission Regulation 1.52(i)(2).

The Commission proposes a conforming amendment to Commission Regulation 1.52(i)(2), which requires a delegating SRO to notify each affected member of the identity of the DSRO to which the member has been assigned. The amendment would provide that this notification includes, where applicable,

a registered futures association where the member has elected such registered futures association as its DSRO under proposed Commission Regulation 1.52(d)(2)(i)(A). This conforming change ensures that the existing notification mechanism accurately reflects an elected, rather than solely an assigned, DSRO.

v. Statutory Authority

The Commission proposes the amendments to Commission Regulation 1.52 pursuant to section 8a(5) of the Act, which authorizes the Commission to promulgate such rules and regulations as, in its judgment, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the Act.¹²² The Commission's authority to prescribe minimum financial-surveillance standards for SROs, and to establish the framework for delegated financial oversight of FCMs through the Joint Audit Program, is longstanding: Commission Regulation 1.52 has been in effect since 1978, and the Commission last comprehensively revised the Commission Regulation 1.52 framework in 2013.¹²³ The proposed amendments do not expand the scope of that authority; rather, they calibrate the existing framework to address a specific circumstance—an SRO's oversight of an affiliate FCM, and a DSRO's oversight of non-affiliate FCMs that compete with its affiliate—that the current framework does not address.

The proposed FCM option to elect a registered futures association as DSRO rests on the same section 8a(5) authority, supplemented by section 17 of the Act, which vests the Commission with oversight authority over registered futures associations,¹²⁴ and section 4f(b) of the Act, under which registered futures association membership is a practical prerequisite to FCM registration.¹²⁵ The Commission preliminarily believes that section 8a(5)—read together with sections 17 and 4f(b)—and the Commission's existing approval-and-conditioning authority over Joint Audit Plans under § 1.52(d)(1) and (h)—supplies sufficient authority to require a registered futures association, including NFA, to accept an FCM's election in the circumstance addressed by the proposal.

¹²² CEA 8a(5), 7 U.S.C. 12a(5).

¹²³ *Enhancing Protections Afforded Customers and Customer Funds Held by Futures Commission Merchants and Derivatives Clearing Organizations*, 78 FR 68506 (Nov. 14, 2013).

¹²⁴ CEA 17, 7 U.S.C. 21.

¹²⁵ CEA 4f(b), 7 U.S.C. 6f(b).

vi. Alternatives Considered

The Commission considered, and requests comment on, several alternative approaches to the issues addressed by the proposed amendments to Commission Regulation 1.52.

1. Reliance on Existing Voluntary Practice

The Commission considered relying on the current voluntary practice—under which NFA performs DSRO functions for FCMs affiliated with DCMs—without codification. The Commission preliminarily concluded that relying on this voluntary practice is untenable, given the increasing number of DCMs with affiliate FCMs and the possibility that such voluntary practice could change. In this regard, the Commission preliminarily determined that codification is preferable to ensure continuity of that voluntary practice, to extend safeguards beyond the DSRO context to the broader Commission Regulation 1.52(c) supervisory function, and to make the requirements transparent to market participants. The Commission requests comment on whether reliance on existing voluntary practice is sufficient.

2. Independent DSRO for All Member FCMs

The Commission considered, as suggested by Professor Filler and reflected in part in NFA's comment, requiring that NFA (or another independent third-party SRO) serve as DSRO for *all* member FCMs of an SRO that has an affiliate FCM—not only for the affiliate FCM itself.¹²⁶ The rationale for this alternative is that an SRO's access to non-public information of *non-affiliate* FCMs—which may compete with the affiliate FCM—raises competitive concerns even when the SRO does not directly examine the affiliate FCM. The Commission preliminarily declines to take this approach for two reasons. First, the Commission understands that FCM examinations provide valuable information to DSROs that also operate an exchange, and that such information may bear on risk management decisions made by the exchange. In this regard, removing FCM examination authority from such DSROs may result in blind spots that increase systemic risk. Second, the Commission preliminarily concludes that the proposed approach is sufficient to address the relevant competitive concerns while enabling market forces to show revealed preferences. The Commission requests

comment on this alternative, including whether the proposed access and sharing restrictions adequately mitigate the competitive concerns that this alternative would address.

3. Prescriptive Separation Requirements

The Commission considered prescriptive separation requirements—including physical office separation, technical specifications for information barriers, and dual-hatting prohibitions for senior officers—for SRO personnel involved in the supervisory program of an affiliate FCM. The Commission notes that a DCM with an affiliate FCM would be subject to the Commission's proposed conflicts-of-interest-procedures rule described below, and that the Commission's proposed acceptable practices in implementing such procedures likewise would apply. As described below, the Commission preliminarily believes that a principles-based rule, together with detailed acceptable practices, provides the market with appropriate guidance regarding the Commission's expectations, while allowing for some flexibility in approaches. The Commission, therefore, preliminarily concludes that the targeted requirements in the current proposal—combined with the existing Commission Regulation 1.52 independence-of-staff standards and the aforementioned proposed conflicts procedures rule—are sufficient to address the concerns identified. The Commission requests comment on this preliminary conclusion.

vii. Request for Comment

The Commission requests comment on all aspects of the proposed amendments to Commission Regulation 1.52, including:

(1) Whether the proposed definition of “affiliate futures commission merchant”—and the related “control” formulation—captures the appropriate scope of relationships. Should the definition encompass partial ownership interests that do not rise to the level of “control”? If so, at what threshold or under what criteria?

(2) Whether the proposed definition of “non-public information” is appropriately scoped. Should this concept be expressed in terms of materiality, enumerated categories of information (e.g., customer positions, financial condition, risk-management policies), as proposed, or based on some other criteria?

(3) Whether the Commission should adopt the alternative under which an SRO with an affiliate FCM would be required to designate an independent

third-party DSRO for examination of all of its member FCMs, rather than only for the affiliate FCM.

(4) Whether, in circumstances where the Proposal would mandate delegation of SRO or DSRO functions under Commission Regulations 1.52(c) or (d), it is reasonable for the delegating SRO to be responsible and liable for the third-party's performance on its behalf. Should the delegating SRO be subject to a strict liability standard such that any examination failure on the part of the third-party SRO is the responsibility of the delegating SRO, or, alternatively, should the delegating SRO be liable only if it is negligent in its selection of the third-party SRO?

(5) Whether the part 38 carve-out, which would allow an SRO or DSRO to access or share certain non-public information to comply with part 38 obligations, is appropriately scoped, including whether additional specificity is warranted regarding the categories of non-public information access and sharing permitted under the carve-out.

(6) Whether the reporting-line requirements, which would require examination staff to be insulated from commercial pressures, is appropriately calibrated, including whether the Commission should specify the level of the board or committee to which examination staff must report.

(7) Whether the proposed Commission Regulation 1.52 amendments should apply to SRO oversight of affiliated entities other than FCMs (e.g., IBs or market makers).

(8) Whether the Commission should afford FCMs an election of a registered futures association as DSRO at all, and whether the information-access, reporting-line, and prohibition safeguards proposed above—together with the conflicts-of-interest framework proposed elsewhere in this Proposal—would adequately address the concerns regarding a DSRO's oversight of non-affiliate FCMs that compete with its affiliate, without an election option.

(9) Whether the election provision should be limited to a registered futures association, as proposed, or should instead permit an FCM to elect any SRO of which it is a member; and if an open election was permitted, what conditions should apply, including how the membership predicate and examination-standard consistency would be preserved.

(10) Whether the proposed six-month minimum notice period provides an appropriate balance between an electing FCM's interest in a timely transition and a receiving DSRO's need to recruit, train, and deploy qualified examination

¹²⁶ Filler Comment, *supra* note 99, at 8; *see also* NFA Comment, *supra* note 96, at 4–5.

staff; and whether a shorter or longer period would be preferable.

(11) Whether the authority of the JAC to phase in clustered elections, subject to the proposed twelve-month outer limit, is appropriately calibrated to protect examination quality and DSRO staffing; whether the outer limit should be shorter or longer; and what criteria the JAC should apply in determining that a phase-in schedule is warranted.

(12) Whether the proposed three-cycle minimum-duration requirement appropriately balances continuity of examination and DSRO staffing stability against an FCM's interest in revisiting its election; and whether a shorter or longer minimum duration would be preferable.

(13) Whether an FCM that has elected a registered futures association should be permitted to revoke its election before the minimum duration elapses in defined circumstances, for example, upon a change in the FCM's clearing membership or upon a material change in the circumstances that prompted the election, and, if so, what circumstances should qualify.

(14) Whether the proposed election option could result in unintended consequences to a DSRO that also operates an exchange including, for example, with respect to risk management activities. For example, could the election option result in a DSRO that loses the ability to examine an FCM as a result of an election revising its DCM or DCO rulebook to require similar examinations to ensure that it receives risk management information regarding its member FCMs, ultimately resulting in duplicative examinations and surveillance?

(15) Whether the proposed election option would have effects on the resources, staffing, or funding of NFA or of any other DSRO that the Commission should consider, including, whether a substantial volume of elections could affect the cost or quality of examinations; and the Commission specifically requests that NFA, CME, and any other SRO, DSRO, FCM, or market participant with relevant information describe the anticipated operational and cost effects of the proposed election option.

(16) The Commission understands that DCOs conduct examinations of their clearing members apart from the obligations imposed by Commission Regulation 1.52. Will the election mechanism result in clearing members becoming subject to duplicative examinations—one by the DCO and one by a registered futures association?

The Commission specifically requests that SROs and DSROs with an affiliate

FCM—and any other SRO, DSRO, FCM, or market participant with relevant information—describe:

(17) The arrangements currently in place for the financial surveillance and DSRO oversight of any affiliate FCM, including the identity of the third-party SRO performing those functions and the terms (including cost) of the arrangement.

(18) The reporting lines through which examination staff implementing the Commission Regulation 1.52(c) supervisory program currently report, including the highest organizational level at which that reporting line terminates and the independence of that level from commercial management of the SRO and the affiliate FCM. Whether the reporting-line requirements are consistent with existing reporting structures at SROs and DSROs.

(19) The existing policies, procedures, information barriers, or technological controls governing an SRO's access to non-public information of an affiliate FCM and the SRO's sharing of non-public information obtained from the Commission Regulation 1.52(c) supervisory program with the affiliate FCM, including any exceptions for compliance with part 38 obligations.

(20) The nature and estimated incremental cost of any change to existing arrangements that would be required to comply with the proposed Commission Regulation 1.52 amendments.

(21) Whether the proposed definitions of “affiliate futures commission merchant,” “control,” and “non-public information” would capture relationships or categories of information that differ in any material respect from those addressed by existing arrangements.

B. Proposed Amendments to Commission Regulations 38.604 and 38.606—DCM Financial Surveillance of Members and Third-Party Regulatory Service Providers

i. Background

DCMs bear responsibility for the financial surveillance of their member FCMs under DCM Core Principle 11 (Financial Integrity of Transactions) and Commission Regulations 38.602, 38.604, and 38.605.¹²⁷ In particular, Commission Regulation 38.604 requires that a DCM “monitor members’ compliance with the [DCM’s] minimum financial standards” by, among other things, routinely receiving and promptly reviewing financial and related information from its members,

“continuously monitor[ing] the positions of members and their customers,”¹²⁸ continually surveying the obligations of each FCM created by the positions of its customers, comparing those obligations to the financial resources of the FCM as appropriate, and taking appropriate steps to use this information to protect customer funds.¹²⁹ Commission Regulation 38.605 requires a DCM to comply with the standards of Commission Regulation 1.52 in carrying out this financial surveillance program.¹³⁰

Commission Regulation 38.606 currently permits—but does not require—a DCM to comply with the requirements of Commission Regulations 38.604 and 38.605 through the regulatory services of an RSP.¹³¹ Where a DCM elects to engage an RSP, Commission Regulation 38.606 requires the DCM to ensure that the RSP has the capacity and resources necessary to provide timely and effective regulatory services, including adequate staff and surveillance systems; to enter into a written agreement that specifically documents the services to be performed; and to retain ultimate responsibility for compliance with its obligations under the CEA and the Commission’s regulations.¹³²

In administering Commission Regulation 38.604, Commission staff has fielded interpretative questions regarding the frequency at which a DCM must monitor positions and survey FCM obligations. The phrases “continuously monitor the positions of members and their customers” and “continually survey the obligations of each [FCM]” in current Commission Regulation 38.604 could be read to require literal real-time monitoring of trading activity. The Commission’s intent in adopting those phrases was to direct DCMs to perform risk-based, intra-day assessments of the positions carried by each FCM throughout the trading day—not to impose a continuous real-time monitoring obligation.¹³³

ii. Comments on the Affiliations RFC

The Commission sought comment on whether and how a DCM with an affiliate FCM may carry out its financial surveillance obligations under Commission Regulation 38.604

¹²⁸ 17 CFR 38.604.

¹²⁹ 17 CFR 38.604(a)–(c).

¹³⁰ 17 CFR 38.605.

¹³¹ 17 CFR 38.606.

¹³² *Id.*

¹³³ See *Core Principles and Other Requirements for Designated Contract Markets*, 77 FR 36612 (June 19, 2012) (adopting Commission Regulation 38.604).

¹²⁷ CEA 5(d)(11), 7 U.S.C. 7(d)(11); 17 CFR 38.602, 38.604, 38.605.

consistent with its impartiality responsibilities, what mitigants and safeguards might be appropriate, and whether existing regulations are sufficient.¹³⁴ Commenters' views fell into three categories:

Acknowledgment of potential conflicts. A number of commenters acknowledged that a DCM's financial surveillance of an affiliate FCM presents potential conflict-of-interest concerns. As described above, CME, NFA, ICE, Cboe, FIA, and Professor Filler each indicated that a DCM should not be permitted to act as DSRO for its affiliate FCM.¹³⁵ Although these comments are most directly relevant to the proposed Commission Regulation 1.52 amendments described above—which would govern the periodic supervisory and examination program—the underlying concern about partiality in supervision of an affiliated FCM applies as well to the intra-day financial surveillance required by Commission Regulation 38.604.

Views on mitigants. Commenters offered a range of views on how potential conflicts in DCM financial surveillance of an affiliate FCM might be mitigated. Several commenters supported information barriers and confidentiality controls. CME, NFA, ICE, and Professor Filler each agreed that appropriate firewalls and information barriers should be in place between a DCM and its affiliate FCM.¹³⁶ NFA emphasized the importance of separate boards of directors, separate key management personnel, information-sharing barriers, and conflict-of-interest policies.¹³⁷

Other commenters addressed personnel and resource separations in the surveillance context. CME stated that “sufficient separation between DCM or SEF personnel performing surveillance, investigation and enforcement duties and an affiliated intermediary should be implemented and conflicts of interest policies maintained,” but cautioned against “overly prescriptive rules” given the obligations that DCMs already have under the existing Core Principles to enforce rules, treat members impartially, and minimize conflicts of interest in decision-making.¹³⁸ MIAX commented

that DCM and SEF affiliates should not share senior compliance and risk management personnel—including the CRO and CCO—although certain functional roles, such as cybersecurity, physical security, internal audit, and information security, present no conflicts of interest and may be shared.¹³⁹ AEGIS described its existing approach, under which its SEF compliance and surveillance staff are dedicated to the SEF and not shared with any affiliate, and the SEF's staff is segregated into separate physical office space, although certain marketing, treasury, and technology functions are shared with affiliates pursuant to a shared-services agreement.¹⁴⁰ CCP Global emphasized that there should be separation of resources, including key personnel and offices, between affiliated entities.¹⁴¹

Views supporting the existing framework. Several commenters viewed the existing principles-based framework as sufficient to address concerns about a DCM's financial surveillance of an affiliate FCM. Coinbase did not believe that the affiliation between a DCM and an FCM by itself would affect financial surveillance, citing the requirements for the ROC under DCM Core Principle 16 and existing financial-oversight regulations such as Commission Regulation 38.553 applicable to FCMs and NFA.¹⁴² MIAX described its existing internal controls—including a compliance manual that disallows treating affiliates differently than other members and an Audits and Investigations department that reports directly to the CRO, who in turn reports directly to the ROC—as a means of ensuring equal treatment of affiliated and unaffiliated participants.¹⁴³ MGEX commented that, so long as an affiliate FCM can demonstrate that it meets the applicable regulatory financial-resources requirements without access to the affiliated entity's funds, affiliation with a DCM should not pose a problem.¹⁴⁴ Cboe did not support new regulations limiting the sharing of personnel or office space and encouraged the Commission to continue a principles-based approach that allows

for the flexibility necessary to address particular facts and circumstances rather than developing an entirely new framework.¹⁴⁵

The Commission notes that none of the commenters specifically recommended that the Commission mandate use of an RSP under Commission Regulation 38.606 for a DCM's surveillance of its affiliate FCM. Commenters who addressed mitigation generally emphasized information barriers, personnel separations, and other structural safeguards as appropriate means of addressing the potential conflict, rather than mandatory third-party outsourcing of the intra-day financial surveillance function.

iii. Identified Concerns

After considering the comments, the Commission preliminarily believes that a DCM's financial surveillance of an affiliate FCM under Commission Regulation 38.604 presents potential conflicts of interest that warrant attention beyond those addressed by existing regulations.

Specifically, in monitoring the positions of an affiliate FCM, comparing those positions to the FCM's financial resources, and determining the appropriate steps to protect customer funds, a DCM exercises judgment that may be influenced—or appear to be influenced—by its commercial interest in the affiliate FCM. The decision to escalate concerns regarding the affiliate FCM's financial condition (including by contacting the FCM, the FCM's DSRO, or Commission staff under Commission Regulation 38.604(c)) is similarly subject to potential conflict or appearance of a conflict. Although the proposed amendments to Commission Regulation 1.52 described above address the periodic supervisory and examination program that an SRO conducts under Commission Regulation 1.52(c) and the Joint Audit Plan under Commission Regulation 1.52(d), the intra-day financial surveillance required by Commission Regulation 38.604 is distinct as it involves the intraday monitoring of positions and obligations and may require intraday judgment calls about the financial integrity of FCMs and the protection of customer funds that are not present in the Commission Regulation 1.52 context.

Separately, the Commission preliminarily believes that the existing “continuously monitor” and “continually survey” language in Commission Regulation 38.604 would benefit from specifically reflecting the

¹³⁴ See Affiliations RFC, *supra* note 1.

¹³⁵ CME Comment, *supra* note 99, at 14; NFA Comment, *supra* note 96, at 4; ICE Comment, *supra* note 99, at 2–3; Cboe Comment, *supra* note 99, at 3; FIA Comment, *supra* note 99, at 9–10; Filler Comment, *supra* note 99, at 8.

¹³⁶ CME Comment, *supra* note 99, at 14–15; NFA Comment, *supra* note 96, at 3; ICE Comment, *supra* note 99, at 3; Filler Comment, *supra* note 99, at 5.

¹³⁷ NFA Comment, *supra* note 96, at 3.

¹³⁸ CME Comment, *supra* note 99, at 16–17.

¹³⁹ MIAX/MGEX Comment, *supra* note 110, at 4, 7.

¹⁴⁰ Letter from Andrew Furman, Chief Compliance Officer, on behalf of AEGIS SEF, LLC, to CFTC at 3–4 (Sep. 28, 2023) (“AEGIS Comment”).

¹⁴¹ CCP Global Comment, *supra* note 102, at 3.

¹⁴² Letter from Faryar Shirzad, Chief Policy Officer, and Gregory Compa, Senior Director, Head of Institutional Compliance, on behalf of Coinbase Global, Inc., to CFTC, (Sep. 28, 2023) at 3, 7–8 (“Coinbase Comment”).

¹⁴³ MIAX/MGEX Comment, *supra* note 110, at 5.

¹⁴⁴ *Id.*

¹⁴⁵ Cboe Comment, *supra* note 99, at 3.

Commission's intent that the surveillance obligation is risk-based and intra-day, not continuous in a literal real-time sense.

iv. Proposed Amendments

The Commission proposes two sets of amendments to address the concerns identified above.

Clarifying Amendments to Commission Regulation 38.604.

The Commission proposes to amend Commission Regulation 38.604 regarding the frequency of the financial surveillance obligation. As proposed, Commission Regulation 38.604(a) would retain the existing requirement that a DCM monitor its members' compliance with the DCM's minimum financial standards and routinely receive and promptly review financial and related information from its members but would remove the word "continuously" from the requirement to monitor the positions of members and their customers. Instead, proposed Commission Regulation 38.604(a) would require the DCM to (1) monitor the obligations of each FCM created by the positions of its customers "throughout the day"; (2) as appropriate, compare those obligations to the financial resources of the FCM; and (3) take appropriate steps to use this information to protect customer funds.

These amendments are intended to confirm that the surveillance obligation requires intra-day, risk-based monitoring—taking into account factors such as the size of an FCM and its customers' positions, the margin required on open positions, market volatility, the capital levels of an FCM, and the amount of excess segregated funds held by the FCM—rather than literal real-time monitoring of every trade. The Commission preliminarily believes that this clarification codifies existing Commission expectations and market practices and is appropriate independent of the affiliate-FCM context, although it has practical importance for that context as well.

New Conflicts Procedures Requirements—Proposed amendments to Commission Regulation 38.606.

The Commission proposes to amend Commission Regulation 38.606 to add a new paragraph providing that a DCM that has an affiliate FCM (as defined in proposed Commission Regulation 1.52(a)(3)) may comply with the requirements of Commission Regulation 38.604 by designating an independent third-party RSP, and that if such a DCM does not engage an independent third-party RSP, the DCM must have procedures for identifying, addressing, and managing conflicts of interests

involving its affiliate FCM that may arise in connection with the DCM's obligations under Commission Regulation 38.604. The amendments would further provide that such procedures must address, at a minimum: (1) applications and systems, such that a DCM's applications and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate FCM; (2) personnel, such that a DCM does not share staff with any affiliate FCM, except with respect to administrative functions; (3) office space, such that a DCM maintains office space for itself that is separate from the office space of any affiliate FCM; (4) documentation, such that a DCM documents all conflicts of interest that arise with respect to an affiliate FCM and how any such conflict of interest is resolved; and (5) disclosures, such that a DCM provides disclosure of the existence of an affiliate FCM in its rulebook and in a clear, prominent, and readily available manner on its website and any other application portal or similar means through which a DCM directly or indirectly connects electronically with its market participants.

This Proposal would not require a DCM with an affiliate FCM to engage an RSP for Commission Regulation 38.604 purposes. The Commission preliminarily believes—in part based on the comments described above—that a principles-based conflicts mitigation requirement, leaving the DCM with the choice between (i) outsourcing Commission regulation 38.604 surveillance to an independent third-party RSP and (ii) implementing procedures to address the conflicts arising from in-house Commission Regulation 38.604 surveillance of an affiliate FCM, would appropriately accommodate the range of arrangements that DCMs may adopt to satisfy DCM Core Principle 11 with respect to affiliated FCMs. This approach is consistent with the principles-based posture recommended by Cboe and is informed by the structural-safeguard recommendations of CME, NFA, MIAX, AEGIS, and CCP Global.

The proposed approach is intended to operate alongside, rather than duplicate, the proposed Commission Regulation 1.52 requirements described above. The proposed Commission Regulation 1.52 changes would require an SRO with an affiliate FCM to designate an independent third-party SRO to conduct the periodic supervisory program and prohibit the SRO from acting as DSRO for the affiliate FCM. The proposed Commission Regulation 38.606

amendment, by contrast, would govern the distinct intra-day financial surveillance function under Commission Regulation 38.604 and would leave the DCM with discretion to determine how best to address the related conflicts.

The Commission also is proposing to amend Appendix B to part 38 to provide DCMs with guidance regarding the Commission's views concerning acceptable practices for conflict-of-interest procedures. The current guidance provided with respect to Core Principle 16 (conflicts of interest) in Appendix B to part 38 notes that DCMs "bear special responsibility to regulate effectively, impartially, and with due consideration of the public interest" and that they "should be particularly vigilant for such conflicts between and among any of their self-regulatory responsibilities, their commercial interests, and the several interests of their management, members, owners, customers and market participants, other industry participants, and other constituencies."¹⁴⁶ The Appendix provides various acceptable practices to manage conflicts of interest. This proposal would add guidance regarding appropriate separations between a DCM and an affiliate market participant (described below and including an affiliate FCM) as follows:

Separate systems. The guidance would provide that a DCM's applications and systems should be maintained and operated in a manner that prevents the sharing of non-public information with any affiliate FCM, with a carveout to allow such sharing if the DCM shares such non-public information with all of the DCM's market participants or if the information relates only to the affiliate FCM or the affiliate FCM's customers. The guidance would provide further color on appropriate systems separations including that a DCM should: (1) keep logically separate its trading platform, surveillance systems and recordkeeping systems from an affiliate FCM's applications and systems; (2) apply controls across all other applications, information and systems to prevent improper sharing of non-public information with an affiliate FCM; and (3) monitor for instances where an affiliate FCM has gained access to the DCM's applications, information, or systems.

Separate personnel. The guidance would provide that a DCM should not share staff with an affiliate FCM, with the exception of administrative staff (for example, accounting, human resources

¹⁴⁶ CFR 17 part 38, app. B.

and payroll staff) and technology staff responsible for Core Principle 20 (Systems Safeguards) functions.

Separate office space. In order to prevent the inappropriate sharing of non-public information, the guidance would provide that a DCM should establish office space for itself that is separate from the office space of any affiliate FCM, and that the separation should include physical barriers and the ability of the DCM to monitor for any instances where an affiliate FCM has gained physical access to the DCM.

The Commission preliminarily believes that this guidance sets out best practices with respect to mitigating conflicts of interest between affiliates. The core of the proposed guidance, together with the proposed rule amendments, recommends physical separations between affiliates' systems, personnel, and offices. The Commission preliminarily believes that such separations will reduce the possibility of affiliates and their personnel from inappropriately sharing non-public information. Furthermore, the Commission preliminarily believes that such separations will provide other market participants with confidence regarding the DCM's ability to manage conflicts.

The Commission requests comment on all aspects of the proposed guidance. The Commission specifically requests comment on whether each aspect of the proposed guidance is adequate or, instead, should be modified or removed, and if the Commission should provide specific guidance with respect to any other aspects of a conflicts of interest program.

v. Statutory Authority

The Commission proposes the amendments to Commission Regulations 38.604 and 38.606 pursuant to section 8a(5) of the Act, which authorizes the Commission to promulgate such rules and regulations as, in its judgment, are reasonably necessary to effectuate any of the provisions of the Act¹⁴⁷ and DCM Core Principles 11 (Financial Integrity of Transactions) and 16 (Conflicts of Interest). Core Principle 11 requires each DCM to establish and enforce rules and procedures for ensuring the financial integrity of transactions entered into on or through the facilities of the contract market and for the protection of customer and member property. Core Principle 16, in turn, requires each DCM to "establish and enforce rules to minimize conflicts of

interest in the decision-making process of the contract market and establish a process for resolving [such] conflicts of interest." Under section 5(d)(1)(B) of the Act, as amended by section 735(b) of the Dodd-Frank Act, a DCM has reasonable discretion in establishing the manner in which it complies with the Core Principles "unless otherwise determined by the Commission by rule or regulation."¹⁴⁸ That reservation supplies the affirmative authority for the Commission to specify particular means of compliance where a specific circumstance not adequately addressed by the general Core Principle formulation warrants targeted regulation. Section 5c(a)(1) of the Act further authorizes the Commission to issue interpretations of the DCM Core Principles to describe acceptable business practices, on a non-exclusive basis.¹⁴⁹

The proposed amendments exercise those authorities to address a discrete conflict of interest—a DCM's financial surveillance of an affiliate FCM—that the general Core Principle 11 framework, and the current §§ 38.604 and 38.606 implementing regulations, do not specifically address. The Commission preliminarily believes that the proposed amendments neither displace the DCM's reasonable discretion in complying with the Core Principles nor exceed the Commission's statutory authority under section 8a(5) and section 5(d).

vi. Alternatives Considered

The Commission considered, and requests comment on, two alternatives to the proposed approach.

1. Mandatory Independent Third-Party RSP for Affiliated-FCM Surveillance

The Commission considered requiring a DCM with an affiliate FCM to designate an independent third-party RSP to perform Commission Regulation 38.604 financial surveillance of that affiliate FCM. The Commission preliminarily concluded that the principles-based approach reflected in proposed amendments to Commission Regulation 38.606—combined with the proposed Appendix B guidance—would be sufficient to address the identified concerns at lower cost and is consistent with the principles-based mitigation approach favored by many commenters. The Commission requests comment on whether a mandatory independent third-party RSP requirement for Commission Regulation 38.604

compliance purposes is necessary or appropriate.

2. Prescriptive Separation Requirements in Rule Text

The Commission considered further codifying in rule text the specific separations that the Commission considers appropriate for a DCM that performs Commission Regulation 38.604 surveillance of an affiliate FCM in-house. This approach would give effect to the structural-separation recommendations of certain commenters,¹⁵⁰ but would not accommodate the principles-based flexibility favored by others.¹⁵¹ The Commission preliminarily concluded that adding Appendix B guidance, rather than new rule text, provides DCMs with appropriate flexibility to design conflicts of interest procedures suited to their specific organizational structures and operational arrangements while providing market participants with information on what the Commission considers to be appropriate conflicts of interest procedures. The Commission requests comment on whether some or all of the Appendix B content should be codified in rule text instead.

vii. Request for Comment

The Commission requests comment on all aspects of the proposed amendments to Commission Regulations 38.604 and 38.606 including:

(22) Whether the clarifying amendments to Commission Regulation 38.604—including the removal of the word "continuously" and the substitution of "throughout the day"—appropriately capture the Commission's intent regarding the frequency and risk-based nature of the intra-day financial surveillance requirement.

(23) Whether the principles-based approach in proposed Commission Regulation 38.606 is appropriately calibrated, including whether the proposed regulation should specify additional procedural elements that a DCM electing to conduct in-house Commission Regulation 38.604 surveillance of an affiliate FCM must

¹⁵⁰ See, e.g., MIAX/MGEX Comment, *supra* note 110, at 4, 7 (no shared senior compliance or risk personnel); AEGIS Comment, *supra* note 140, at 3–4 (separate physical office space); CCP Global Comment, *supra* note 102, at 3 (separation of resources including key personnel and offices); NFA Comment, *supra* note 96, at 3 (separate boards and key management personnel).

¹⁵¹ See, e.g., Cboe Comment, *supra* note 99, at 3; CME Comment, *supra* note 99, at 16–17 (urging the Commission not to implement overly prescriptive rules).

¹⁴⁷ CEA 8a(5), 7 U.S.C. 12a(5).

¹⁴⁸ CEA 5(d)(1)(B), 7 U.S.C. 7(d)(1)(B).

¹⁴⁹ CEA 5c(a)(1), 7 U.S.C. 7a–2(a)(1)–(2).

include in its conflicts of interest procedures.

(24) Whether the Commission should adopt the alternative under which a DCM with an affiliate FCM would be required to designate an independent third-party RSP for Commission Regulation 38.604 surveillance of the affiliate FCM.

(25) Whether the Commission should adopt the alternative under which additional separation requirements would be codified in the rule text.

The Commission also specifically requests that DCMs with an affiliate FCM—and any other DCM, FCM, or market participant with relevant information—describe:

(26) Whether the DCM currently engages an RSP for Commission Regulation 38.604 purposes (including for surveillance of an affiliate FCM); and if so, the identity of the RSP and the terms (including cost) of the arrangement;

(27) Where the DCM conducts Commission Regulation 38.604 surveillance in-house, the policies, procedures, organization separations, and other measures currently in place to address potential conflicts of interest arising from financial surveillance of an affiliate FCM;

(28) The nature and estimated incremental cost of any change to existing arrangements that would be required to comply with Commission Regulation 38.606 as proposed; and

(29) The nature and estimated incremental cost of complying with the mandatory independent third-party RSP alternative described above, including any market-capacity considerations that would arise if additional DCMs were required to engage NFA or another RSP for Commission Regulation 38.604 surveillance of affiliate FCMs.

III. Exchange-Related Conflicts Mitigation

DCM Core Principle 16 and SEF Core Principle 12 each require an exchange to establish and enforce rules to minimize conflicts of interest in its decision-making process.¹⁵² This section of the Proposal addresses conflicts of interest that arise when a DCM or SEF is affiliated with a market participant that directly or indirectly executes, introduces, or otherwise facilitates trades on that exchange. Two distinct kinds of affiliation are at issue, and the distinction between them is central to the regulatory approach the Commission proposes. The first is an affiliation

between an exchange and an intermediary—such as an FCM or IB—that acts on behalf of customers. The second is an affiliation between an exchange and a principal trading firm, such as a hedge fund or market maker, that trades for its own account on the exchange. As discussed below, an affiliated intermediary acts as agent for customers, whereas an affiliate principal trading firm trades as principal; every transaction the latter executes against an unaffiliated participant implicates the exchange's own economic interests directly. The Commission preliminarily believes these two affiliations present conflicts that differ in kind and proposes to address them through two distinct mechanisms: a principles-based conflicts-of-interest framework applicable to any affiliate market participant, and, for an affiliate principal trading firm, a more prescriptive set of requirements. This section of the Proposal also addresses conflicts of interest matters related to DCM board composition, ROCs, and disciplinary panels.

A. Proposed New Commission Regulations 38.852 and 37.1201—Conflicts of Interest Involving an Affiliate Market Participant

i. Background

DCM Core Principle 16 directs each DCM to establish and enforce rules to minimize conflicts of interest in its decision-making process and to establish a process for resolving such conflicts of interest.¹⁵³ The Commission's guidance and acceptable practices for Core Principle 16 appear in Appendix B to part 38.¹⁵⁴ SEF Core Principle 12 imposes a parallel obligation on each SEF to minimize conflicts of interest in its decision-making process and to establish a process for resolving them.¹⁵⁵ Both Core Principles are principles based: the exchange must minimize conflicts in its decision-making and have a process to resolve them, but the manner in which it does so is left to the exchange's reasonable discretion, subject to the Commission's rules and informed by Commission guidance and acceptable practices.¹⁵⁶

Neither Core Principle, however, specifically addresses the conflicts of

interest that arise when the exchange is affiliated with one of its own market participants. Appendix B to part 38 speaks to conflicts between a DCM's self-regulatory responsibilities and its commercial interests generally, but neither the part 38 regulations nor the part 38 guidance specifically addresses conflicts arising from an exchange's affiliation with an FCM, IB, or principal trading firm participating on its market.

ii. Comments on the Affiliations RFC

The Commission received substantial comment in response to the 2023 Affiliations RFC on conflicts arising from an exchange's affiliation with a market participant.¹⁵⁷ Commenters generally agreed that affiliations between an exchange and a market participant can create conflicts of interest warranting management, but a substantial majority favored addressing those conflicts through a principles-based framework rather than prescriptive structural requirements or an outright prohibition.

Views supporting a principles-based framework. Commenters that operate exchanges with affiliated intermediaries trading on their markets and others urged the Commission to address potential conflicts through a principles-based approach with accompanying guidance rather than prescriptive rules. AEGIS, which operates a SEF affiliated with a CTA and IB that executes transactions on the SEF, described the existing combination of regulations and the registration process as “effective in avoiding conflicts of interest.”¹⁵⁸ The Wholesale Markets Brokers' Association, Americas (“WMBAA”), whose members operate SEFs with affiliated IBs, similarly commented that the matters raised in the RFC “are addressed by current CFTC regulations and current market practices” and cautioned that an “overly prescriptive implementation of the Core Principles” could “dissuade future entrants into the swaps market and reduce competition.”¹⁵⁹

Cboe, which operates DCMs, a SEF, and DCO, commented that “existing CFTC regulations provide an appropriate, principles-based framework” for evaluating and disclosing the risks associated with intermediary affiliations and urged the Commission to “continue embracing a principles-based approach that allows for necessary flexibility to address

¹⁵³ CEA 5(d)(16), 7 U.S.C. 7(d)(16) (DCM Core Principle 16).

¹⁵⁴ 17 CFR part 38, app. B, Core Principle 16. app. B currently does not provide any guidance with respect to compliance with Core Principle 16.

¹⁵⁵ CEA 5h(f)(12), 7 U.S.C. 7b–3(f)(12) (SEF Core Principle 12); 17 CFR part 37.2.

¹⁵⁶ See CEA 5(d)(1)(B), 7 U.S.C. 7(d)(1)(B) (DCM reasonable discretion); CEA 5h(f)(1)(B), 7 U.S.C. 7b–3(f)(1)(B) (SEF reasonable discretion).

¹⁵⁷ Affiliations RFC, *supra* note 1.

¹⁵⁸ AEGIS Comment, *supra* note 140, at 1.

¹⁵⁹ Letter from Shawn Bernardo, on behalf of WMBAA, to CFTC at 2 (Sep. 28, 2023) (“WMBAA Comment”).

¹⁵² CEA 5(d)(16), 7 U.S.C. 7(d)(16) (DCM Core Principle 16); CEA 5h(f)(12), 7 U.S.C. 7b–3(f)(12) (SEF Core Principle 12).

particular facts and circumstances rather than develop an entirely new framework.”¹⁶⁰ Coinbase observed that existing law and regulations already “prohibit DCMs from engaging in anticompetitive behavior and require them to maintain impartial access to their market, enforce their rulebooks consistently across participants, maintain adequate staffing, safeguard confidential information and manage conflicts of interest” and encouraged the Commission to revise existing provisions “only to the extent that” a gap is identified, rather than adopt “overly prescriptive regulations.”¹⁶¹ CCP Global, while stating that it “does not believe that the CFTC should deviate from its principles-based approach,” suggested it “could be beneficial” for the Commission to provide additional guidance—for example, “an illustrative list of conflicts to be mitigated, managed, and/or disclosed and a list of tools that entities may use to mitigate these conflicts.”¹⁶² CME, while cautioning the Commission “against adopting comprehensive and prescriptive rules” and emphasizing that the existing principles-based approach “has worked well” supported “requiring a marketplace SRO that is affiliate with an FCM (or other CFTC registrant) to adopt and implement rules, policies, and/or procedures to assure that its operations and those of the CFTC registrant are sufficiently separated.”¹⁶³

Views on specific mitigants and disclosures. Some commenters described the specific separations, safeguards, and disclosures they viewed as appropriate, and many reported that such measures are already standard market practice. AEGIS described an approach under which staff responsible for compliance and surveillance are “dedicated to the SEF and not shared with any affiliate” and are “segregated into separate physical” office space, with certain marketing, treasury, and technology functions shared with affiliates only pursuant to a CFTC-reviewed shared-services agreement; it also described independent governance through a SEF board and regulatory oversight committee with public directors, the use of a third-party RSP for trade-practice surveillance, and public disclosure of its affiliated broker firm.¹⁶⁴ WMBAA reported that its members’ SEFs manage affiliated-intermediary conflicts through

“rulebooks, distinct and transparent governance structures and operational policies,” a third-party RSP, and “data separation barriers,” while emphasizing the cost and efficiency benefits of “properly segmented” shared resources.¹⁶⁵ CCP Global emphasized that an affiliate FCM should “neither be afforded preferential treatment, nor be disadvantaged or subject to more restrictive treatment” relative to unaffiliated FCMs, and should be subject to the “same access criteria and rules as non-affiliated” members “in areas including, but not limited to, fees, surveillance, and disciplinary processes”; it further supported “separation of resources, including key personnel, offices, and information systems” and robust information barriers.¹⁶⁶

MIAX identified a “well-conceived, thorough, and rigorously enforced” information-barrier policy; a prohibition on affiliates sharing “senior compliance and risk management personnel, such as the Chief Risk Officer, the Chief Compliance Officer, and the Chief Regulatory Officer”; physically and logically separate information-technology systems and separate office space; and a public rule that the affiliate “will not receive preferential treatment in any respect” disclosed on its website.¹⁶⁷ It identified cybersecurity, physical security, internal audit, and information security as functions that may be shared without conflict.¹⁶⁸ CME recommended that an affiliated registrant’s operations be “sufficiently separated” from the exchange’s and agreed that the exchange should adopt firewalls and internal procedures to prevent the affiliate from accessing confidential information held by exchange staff.¹⁶⁹

Regarding disclosure, MIAX and AEGIS each described public disclosure of the affiliate relationship as their existing practice, and CCP Global, Cboe, and Coinbase each treated transparency regarding the affiliation as an element of an adequate conflicts framework.¹⁷⁰

Views opposing affiliation. Public Citizen and Better Markets opposed permitting exchange-affiliate relationships, with Public Citizen taking the view that the conflicts “cannot be

successfully mitigated” and that the Commission “must therefore establish rules prohibiting” such affiliations, and Better Markets opposing affiliation structures generally while recommending robust disclosure and conflicts-of-interest requirements if the Commission permits such structures.¹⁷¹

Views distinguishing agents from principals. Finally, several commenters distinguished an affiliated intermediary that acts as an agent for customers from an affiliated firm that trades on a proprietary basis on the exchange. CME distinguished between an affiliate FCM that “acts solely on an agency basis” and a trading firm that “trades on a proprietary basis on the DCM,” observing that the latter “raises conflict of interest concerns of a very different type and magnitude.”¹⁷² Cboe questioned whether a DCM or SEF should be permitted to have an affiliated liquidity provider trade on its market.¹⁷³ And Coinbase observed that the degree of conflict “varies depending on whether the trader is trading on behalf of others . . . or whether the trader is solely trading for its own profit.”¹⁷⁴

iii. Identified Concerns

After considering the comments described above, the Commission preliminarily identifies the following concerns with respect to an exchange’s affiliation with a market participant.

First, an exchange exercises substantial discretion across functions that bear directly on the competitive position of its market participants. That discretion includes market and trade-practice surveillance, investigations and rule enforcement, product listing decisions, and fee and incentive arrangements. Where the exchange is affiliated with a market participant, the structural incentive to exercise that discretion in a manner that favors the affiliate, or that disadvantages the affiliate’s competitors, can compromise the exchange’s role as a neutral, self-regulatory operator of the market.

Second, an exchange acquires non-public information about its market participants—including regarding order flow and positions, and, through its surveillance and examination functions, financial and risk information. Affiliation creates the risk that such

¹⁶⁵ WMBAA Comment, *supra* note 159, at 4–5.

¹⁶⁶ CCP Global Comment, *supra* note 102, at 3.

¹⁶⁷ MIAX/MGEX Comment, *supra* note 110, at 4, 15.

¹⁶⁸ *Id.*

¹⁶⁹ CME Comment, *supra* note 99, at 4, 15.

¹⁷⁰ MIAX/MGEX Comment, *supra* note 110, at 5 & n.13; AEGIS Comment, *supra* note 140, at 1; CCP Global Comment, *supra* note 102, at 2–3; Cboe Comment, *supra* note 99, at 2; Coinbase Comment, *supra* note 142, at 2.

¹⁷¹ See Letter from Tyson Slocum, Energy Program Director, on behalf of Public Citizen, Inc., to the CFTC at 1–2 (Sep. 28, 2023) (hereinafter “Public Citizen Comment”); Letter from Cantrell Dumas, Director of Derivatives Policy, on behalf of Better Markets, Inc., to the CFTC at 1, 4 (Sep. 28, 2023) (hereinafter “Better Markets Comment”).

¹⁷² CME Comment, *supra* note 99, at 3, 5.

¹⁷³ Cboe Comment, *supra* note 99, at 3.

¹⁷⁴ Coinbase Comment, *supra* note 142, at 7.

¹⁶⁰ Cboe Comment, *supra* note 99, at 2.

¹⁶¹ Coinbase Comment, *supra* note 142, at 2.

¹⁶² CCP Global, *supra* note 102, at 2.

¹⁶³ CME Comment, *supra* note 99, at 1, 4.

¹⁶⁴ AEGIS Comment, *supra* note 140, at 1.

information could be shared with, or used to benefit, the exchange's affiliate. As several commenters recognized, robust information barriers between the exchange and its affiliate are a principal safeguard against this risk; unaffiliated participants may be reluctant to provide non-public information to an exchange if they perceive that it could reach a competitor.

Third, even where an exchange in fact treats its affiliate on an arms-length basis, the Commission believes that the perception of preferential treatment can itself have anti-competitive effects and understands that many market participants share this concern. Unaffiliated participants may conclude that they are systematically disadvantaged in surveillance, enforcement, listing, trading or fee decisions, and may direct activity away from the venue, undermining the integrity of the exchange as a market-neutral operator. It is possible that unaffiliated participants may decide not to trade due to perceived unfairness, which could have a negative impact on liquidity, or that non-affiliate participants may have to trade on certain venues—in some cases due to a lack of viable alternatives—despite these concerns.

The Commission preliminarily believes these concerns warrant Commission action and that the Commission's existing regulations and guidance are not sufficient. At the same time, the Commission is preliminarily persuaded by the substantial body of comment indicating that exchanges with affiliated market participants generally already maintain the kinds of governance separations, information barriers, and disclosures that mitigate these concerns. The Commission's proposed approach, described below, is calibrated accordingly.¹⁷⁵

iv. Proposed Amendments

The Commission proposes to add a new Commission Regulation 38.852 to part 38 and a parallel new Commission Regulation 37.1201 to part 37, each establishing a principles-based requirement that an exchange with an affiliate market participant maintain

procedures to identify, address, and manage the related conflicts of interest, together with conforming acceptable practices in Appendix B to each part.

Definition of "affiliate market participant"—Proposed Commission Regulations 38.852(a), 37.1201(a).

Proposed Commission Regulation 38.852(a) would define "affiliate market participant" as any person (including any affiliate FCM or affiliate principal trading firm) that (i) directly or indirectly executes, introduces, or otherwise facilitates trades on or subject to the rules of the DCM, and (ii) directly or indirectly controls, is controlled by, or is under common control with the DCM. Proposed Commission Regulation 37.1201(a) would adopt a parallel definition for SEFs that additionally enumerates an affiliate introducing broker, reflecting the central role of introducing brokers in the SEF market structure. Each definition uses the same "control"-based formulation the Commission proposes to use for the parallel definitions of "affiliate futures commission merchant" and "affiliate clearing member".¹⁷⁶

The Commission preliminarily believes that a control-based definition, rather than a fixed ownership-percentage threshold, is appropriate because the relevant conflicts turn on the power to direct management and policies rather than on any particular equity stake, and that consistency across the parallel definitions will promote clarity and ease of compliance for corporate groups with multiple CFTC-registered entities.¹⁷⁷ The Commission solicits comment on the proposed definition.

Principles-based conflicts requirement—Proposed Commission Regulations 38.852(b), 37.1201(b).

Proposed Commission Regulation 38.852(b)(1) would require that a DCM have procedures for identifying,

addressing, and managing conflicts of interest involving an affiliate market participant. The proposed regulation would further require that such procedures address, at a minimum, applications and systems, personnel, office space, documentation of conflicts, and disclosures. Proposed Commission Regulation 37.1201(b) would impose the identical requirement on a SEF. This formulation parallels the requirement the Commission proposes below for DCOs in proposed Commission Regulation 39.25(d) and the existing procedures-based formulation in Commission Regulation 39.25(c).¹⁷⁸

The Commission preliminarily believes a principles-based requirement is preferable to prescriptive structural separation rules in this context. Whether an exchange has an affiliate market participant is an objective inquiry, as is whether the exchange maintains procedures to identify, address, and manage the associated conflicts, including with respect to the specifically enumerated categories. The Commission can examine for compliance, and the requirement places the burden on the exchange to design and implement procedures suited to its particular structure and risk profile. This approach is consistent with the principles-based posture favored by most commenters and is informed by the specific safeguards that exchanges with affiliated participants report already maintaining.

Acceptable practices—Appendix B to parts 37 and 38.

The Commission proposes to add conforming acceptable practices to Appendix B of both parts 37 and 38, identifying the separations the Commission would consider appropriate for an exchange with an affiliate market participant. This Proposal would add guidance regarding appropriate separations between a DCM or a SEF and an affiliate market participant as follows:

Separate systems. The guidance would provide that a DCM's or SEF's applications and systems should be maintained and operated in a manner that prevents the sharing of non-public information with any affiliate market participant, with a carveout to allow such sharing if the DCM or SEF shares such non-public information with all of the DCM's or SEF's market participants or if the information relates only to the affiliate market participant or the affiliate market participant's customer's. The guidance would provide further color on appropriate systems separations including that a DCM or

¹⁷⁵ The mission of the Commodity Futures Trading Commission is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation. See Mission Statement, available at <https://www.cftc.gov/About/AboutTheCommission>. See also Chairman Michael Selig's April 1, 2026 public statement that "regulators must be disciplined enough to administer the minimum effective dose of regulation, otherwise innovation moves elsewhere and our nation suffers the consequences," available at <https://www.cftc.gov/PressRoom/SpeechesTestimony/seligstatement040126>.

¹⁷⁶ See *supra* Sec. II.A.iv.a, *infra* Sec. IV.D.

¹⁷⁷ The terms "affiliate" and "affiliated" are consistent with how the Commission has defined such terms elsewhere in its regulations, including Commission Regulations 49.2 and 23.23(a)(1). The Commission also believes that its definition is generally consistent with how SEFs and DCMs have defined the term "affiliate" in their rulebooks. See, e.g., LedgerX LLC (d/b/a MIA X Derivatives Exchange) (defining affiliate as "a Person who, directly or indirectly, controls, is controlled by, or is under common control with another Person"); Kalshi LLC (defining affiliate as, with respect to any Person, any Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person"); AEGIS SEF (defining affiliate as "a Person who directly or indirectly, controls, is controlled by, or is under common control with another Person"); BGC SEF (defining Affiliate as any other Person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.").

¹⁷⁸ See *infra* Sec. IV.D.

SEF should: (1) keep logically separate its trading platform, surveillance systems and recordkeeping systems from an affiliate market participant's applications and systems; (2) apply controls across all other applications and systems to prevent improper sharing of non-public information with an affiliate market participant; and (3) monitor for instances where an affiliate market participant has gained access to the DCM's applications, information, or systems.

Separate personnel. The guidance would provide that a DCM or SEF should not share staff with an affiliate market participant, with the exception of administrative staff (for example, accounting, human resources, and payroll staff) and technology staff responsible for Core Principle 20 (or 14, with respect to SEFs) (Systems Safeguards) functions. The Commission preliminarily believes that legal and compliance personnel do not constitute administrative staff for these purposes, such that a DCM or a SEF would not be able to share such personnel with an affiliate market participant. The Commission requests comment on the appropriate classification of legal and compliance staff.

Separate office space. In order to prevent the inappropriate sharing of non-public information, the guidance would provide that a DCM or SEF should establish office space for itself that is separate from the office space of any affiliate market participant, and that the separation should include physical barriers and the ability of the DCM or SEF to monitor for any instances where an affiliate market participant has gained physical access to the DCM or SEF.

As described above, the Commission preliminarily believes that this guidance sets out best practices with respect to mitigating conflicts of interest between an exchange and an affiliate market participant. The core of the proposed guidance recommends physical separations between affiliates' systems, personnel, and offices. The Commission preliminarily believes that such separations will reduce the possibility of affiliates and their personnel from inappropriately sharing non-public information of an unaffiliated market participant, which the Commission understands to be a core concern of such unaffiliated market participants. Furthermore, the Commission preliminarily believes that such separations will provide unaffiliated market participants with confidence regarding a DCM's or SEF's ability to manage conflicts.

The Commission preliminarily believes that placing these additional details in acceptable practices, rather than in rule text, gives exchanges clear notice of the Commission's expectations and appropriate flexibility to design conflicts procedures suited to their own structures.

v. Statutory Authority

The Commission proposes Commission Regulations 38.852 and 37.1201 pursuant to its authority under DCM Core Principle 16 and SEF Core Principle 12, respectively—each of which directs the exchange to “establish and enforce rules to minimize conflicts of interest in [its] decision-making process” and “establish a process for resolving such conflicts of interest”—and its general rulemaking authority under CEA section 8a(5) to “make and promulgate such rules and regulations as, in the judgment of the Commission, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this Act.”¹⁷⁹ The conflicts of interest addressed by proposed Commission Regulations 38.852 and 37.1201 also implicate additional Core Principle obligations under which the Commission has authority to regulate: DCM Core Principle 12 and SEF Core Principle 3 direct exchanges to establish and enforce rules to protect markets and market participants from abusive practices and to promote fair and equitable trading, and DCM Core Principle 9 directs each contract market to provide a competitive, open, and efficient market.¹⁸⁰ The exchange's exercise of surveillance, listing, and fee authority in a manner that favors an affiliated intermediary bears directly on each of these obligations, and the proposed conflicts framework supports the exchange's compliance with all of them.

Additionally, the Core Principles establish that, “[u]nless otherwise determined by the Commission by rule or regulation,” each exchange has “reasonable discretion in establishing the manner” in which it complies.¹⁸¹ The reasonable-discretion clause expressly contemplates that the Commission may specify the manner of compliance by rule or regulation, and thereby authorizes proposed Commission Regulations 38.852 and 37.1201, which require the exchange to maintain

¹⁷⁹ CEA 5(d)(16), 7 U.S.C. 7(d)(16); CEA 5h(f)(12), 7 U.S.C. 7b–3(f)(12); CEA 8a(5), 7 U.S.C. 12a(5).

¹⁸⁰ CEA 5(d)(12), 7 U.S.C. 7(d)(12); CEA 5(d)(9), 7 U.S.C. 7(d)(9); CEA 5h(f)(2), 7 U.S.C. 7b–3(f)(2).

¹⁸¹ CEA 5(d)(1)(B), 7 U.S.C. 7(d)(1)(B); CEA 5h(f)(1)(B), 7 U.S.C. 7b–3(f)(1)(B).

conflicts procedures without dictating their content.

vi. Alternatives Considered

The Commission considered, and requests comment on, several alternatives to the proposed principles-based approach.

1. Additional Prescriptive Separation Requirements in Rule Text

The Commission considered codifying additional specific separation requirements—including dedicated systems, dedicated staff, and separate physical locations—in rule text rather than as guidance regarding acceptable practices. The Commission preliminarily declines to adopt it, principally because the record indicates that exchanges with affiliated participants already maintain such separations and that a prescriptive mandate could impose costs (such as restricting firms from taking reasonable approaches that vary from those set out in the acceptable practices) without corresponding benefit and deter entry and competition. Moreover, the Commission understands that it regulates an evolving industry with unique market structures and it wants to support innovation. The Commission requests comment on whether some or all of the acceptable practices should instead be codified in rule text.

2. Prohibition

The Commission considered, but preliminarily declines to propose, a prohibition on exchange-affiliate relationships. The Commission preliminarily concludes that affiliations involving an intermediary can produce efficiencies and competitive benefits, including with respect to market access and liquidity, that the CEA does not bar them, and that conflicts procedures and disclosure as provided in the proposed Acceptable Practices adequately mitigate the relevant risks. The Commission requests comment on this alternative.

vii. Request for Comment

The Commission requests comment on all aspects of proposed Commission Regulations 38.852 and 37.1201 and the conforming acceptable practices, including:

(30) This Proposal generally applies to FCM and IB intermediaries, as well as market participants such as principal trading firms, market makers, and liquidity providers. Should the scope be expanded to specifically refer to any other types of entities? If so, please identify and explain.

(31) Whether the proposed definition of “affiliate market participant”—and the related “control” formulation—captures the appropriate scope of relationships. Should the definition reach partial ownership interests that do not rise to “control”? Should the SEF definition’s express inclusion of an affiliate introducing broker be mirrored in the DCM definition?

(32) Whether the principles-based formulation in proposed Commission Regulations 38.852(b)(1) and 37.1201(b) is appropriately calibrated, or whether the rule text should instead enumerate additional specific procedures an exchange must adopt. If applicable, please specify which Acceptable Practices should be moved to regulation text.

(33) Whether the proposed Acceptable Practices are complete and appropriately scoped.

(34) Whether DCMs and SEFs should be able to share legal and compliance staff with an affiliate market participant.

(35) Whether any additional disclosures should be required. If so, please specify the nature of such additional proposed disclosure.

(36) Whether the proposed approach should differ as between a DCM and a SEF, and whether the SEF context in particular warrants any distinct treatment given the nature of the market participants typically active on a SEF versus those on a DCM. Conversely, given that retail participation is prevalent on some DCMs, does the nature of such participants warrant any distinct treatment?

(37) The Commission preliminarily understands that the proposed requirements are consistent with existing practice at exchanges that have an affiliate market participant. The Commission requests comment on whether this understanding is correct, and requests that such exchanges describe the policies, procedures, governance separations, information barriers, and disclosures currently in place, and the nature and estimated incremental cost of any change required to comply with the Proposal as drafted.

(38) Are there benefits of affiliations between exchanges and market participants, such as enhanced liquidity, broader market options for customers, resource efficiencies, and increased competition and innovation that the Commission has not described in this Proposal? If so, please describe.

B. Proposed New Commission Regulations 38.852(b) and (c)—Prohibition on Affiliate Principal Trading Firms and Conditional Affiliate Market Maker Exception

i. Background

DCM Core Principle 16 requires each DCM to establish and enforce rules to minimize conflicts of interest in its decision-making process and to establish a process for resolving them.¹⁸² DCM Core Principle 12 separately requires a DCM to establish and enforce rules to protect the market and market participants from abusive practices and to promote fair and equitable trading.¹⁸³ Each Core Principle is principles-based, and a DCM ordinarily has reasonable discretion in establishing the manner in which it complies.¹⁸⁴ That discretion applies, however, only “[u]nless otherwise determined by the Commission by rule or regulation.”¹⁸⁵ The Commission may therefore prescribe by rule the manner in which a DCM complies with Core Principles 12 and 16 where it determines that general exchange discretion would not adequately address a particular conflict.¹⁸⁶

Section III.A addressed, through a principles-based framework, the conflicts that arise when a DCM is affiliated with a market participant generally. An affiliate that trades as principal for its own account on an affiliated exchange presents a conflict that differs in kind. An affiliated FCM or IB acts as agent and stands between the exchange and its customers that trade on an exchange; an affiliate principal trading firm is itself a trading counterparty on the exchange. Each transaction it executes against an unaffiliated market participant situates the exchange’s own affiliate as a counterparty to a trade with a participant the exchange is simultaneously obligated to, among other things, treat impartially.

In the response to the Affiliations RFC, CME characterized an exchange’s affiliation with a proprietary trading firm as presenting the “most acute” risks and as an “inherent and stark conflict arising from a firm trading its own account on its affiliated

exchange.”¹⁸⁷ CME accordingly urged the Commission to consider “stringent restrictions and heightened supervisory obligations” on a DCM that permits an affiliate to trade for its own account.¹⁸⁸ Cboe questioned whether there is any need to permit an affiliate liquidity provider to trade on an exchange on an ongoing basis, observing that an exchange can instead incentivize unaffiliated liquidity providers through incentive-program rule filings.¹⁸⁹

Neither Core Principles 12 and 16, nor the existing Acceptable Practices in Appendix B to part 38, specifically address the conflict presented by an affiliate that trades as principal on an affiliated exchange.

This conflict has acquired practical significance with the emergence of affiliated structures, particularly in prediction markets. In these markets, the affiliate principal trading firm may serve as a significant source of liquidity on the affiliated exchange. In such a structure, the exchange’s commercial dependence on its affiliate’s trading is structural rather than incidental, and unaffiliated liquidity providers may decline to trade or quote on a venue where they perceive that an affiliate trades on advantaged terms. The Commission preliminarily understands that at least six DCMs currently permit an affiliate to trade as principal on their markets, though due to constantly evolving market structure, this estimation could change.

For the reasons set out in the Identified Concerns section below, the Commission preliminarily determines that the principles-based procedures proposed in Section III.A, while sufficient to address conflicts arising from an affiliated intermediary, do not adequately minimize the conflicts presented by an affiliate principal trading firm. Exercising its authority to prescribe the manner of compliance with Core Principles 12 and 16, and under its authority under Section 8a(5) of the Act, the Commission proposes in this section to allow an affiliate principal trading firm to trade for its own account, subject to certain safeguards to ensure the affiliated exchange treats such firm on equal footing to non-affiliates. In this way, any benefits of affiliation are preserved while striking a balance with goals of market integrity and fairness.

The Commission notes that this section of the Proposal applies only to DCMs, not to SEFs. It is the Commission’s understanding that

¹⁸² CEA 5(d)(16), 7 U.S.C. 7(d)(16).

¹⁸³ CEA 5(d)(12), 7 U.S.C. 7(d)(12).

¹⁸⁴ CEA 5(d)(1)(B), 7 U.S.C. 7(d)(1)(B).

¹⁸⁵ CEA 5(d)(1)(A)–(B), 7 U.S.C. 7(d)(1)(A)–(B) (discretion limited by Commission rule or regulation).

¹⁸⁶ Part 38 already contains many implementing regulations. See e.g. Commission Regulations 38.151–38.159, and 38.251–38.258.

¹⁸⁷ CME Comment, *supra* note 99, at 4, 12, 20.

¹⁸⁸ *Id.* at 4, 12.

¹⁸⁹ Cboe Comment, *supra* note 99, at 3.

market makers and liquidity providers are not as prevalent on SEFs, and therefore the proposed requirements related to affiliate principal trading should not apply to SEFs at this time. The Commission requests comment on the scope limitation to DCMs.

ii. Identified Concerns

After considering the comments described above and the nature of the affiliate principal trading relationship, the Commission preliminarily identifies the following concerns, which it preliminarily believes differ in kind from those presented by an affiliated intermediary addressed in Section III.A. The defining feature of an affiliate principal trading firm is that it trades as principal for its own account, with the result that the exchange and its affiliate through direct or indirect corporate affiliations, via a parent entity or otherwise, may ultimately share the affiliate's profits from trading on the exchange. The conflict therefore does not arise merely in the exchange's decision-making process, where it might be managed through procedures and disclosures; it inheres in the exchange's economic position and persists, however scrupulously the exchange administers its conflicts procedures.

First, an exchange controls the operational terms on which participants trade—including ability to trade on the market, generally, the latency and market-data access afforded to participants, the priority accorded to competing orders at the same price, and the fees and incentives available to liquidity providers. An affiliation gives the exchange a direct financial incentive to set those terms to advantage its affiliate. Because the affiliate trades as principal, any such advantage converts directly into trading gains in which the exchange ultimately could share, at the expense of the unaffiliated market participants on the other side of those trades. Matching priority, market-data and connectivity arrangements, and market-maker incentive programs are ordinary features of exchange operation, and the Commission preliminarily believes that an exchange administering them for the benefit of an affiliate counterparty would compromise its obligation under Core Principle 16 to minimize conflicts and its obligation under Core Principle 12 to protect market participants from unfair treatment.¹⁹⁰

Second, an exchange acquires non-public information about its participants—for example, order flow and resting order-book information—

that would be of substantial value to a firm trading for its own account. An affiliation creates both the means and the incentive to share that information with, or exploit it for the benefit of, the affiliate. The affiliate's status as a principal trader is what makes the information particularly valuable: unlike an intermediary executing customer orders, a principal trader can convert an informational advantage directly into proprietary profit through its own positions. The Commission preliminarily believes that the conflicts of interest procedures, discussed in Section III.A, reduce this risk but may not be sufficient in the context of an affiliate principal trading firm because the exchange's incentive to tolerate leakage runs in the same direction as the affiliate's incentive to exploit it.

Third, and most fundamentally, the exchange's self-regulatory functions run directly against its commercial interest in the affiliate's trading. A DCM is responsible for conducting market and trade-practice surveillance of activity on its market and for investigating and disciplining misconduct.¹⁹¹ Where the firm under surveillance is the exchange's own affiliate and a potential profit center, the exchange is asked to investigate and, if warranted, discipline the source of its own revenue.¹⁹² The concern is compounded in an affiliated structure in which the exchange is also affiliated with the organization that clears its trades, which adds discretion over margin, auto-liquidation, and default management that could be exercised to favor the affiliate. The Commission is concerned that an exchange cannot credibly perform these self-regulatory functions in the context of an affiliate upon which it may be dependent for profits, and that the mitigants cited by commenters—equal-treatment and impartial-access requirements, ROC review, and Commission examination—ultimately depend on the exchange's policing its own conduct in the face of a significant conflict of interest. This concern is most acute where the affiliate is the exchange's dominant or sole source of liquidity, such that the exchange's continued viability depends on the

affiliate's activity precisely when impartial enforcement matters most.

Taken together, the Commission preliminarily concludes that the conflicts presented by an affiliate principal trading firm are inherent in the relationship and are not adequately minimized by conflicts procedures and disclosure alone, as they would be for an affiliated intermediary. Consistent with the comment record, the Commission views this as the most acute of the affiliation conflicts.

The Commission does not, however, preliminarily propose to bar affiliate principal trading altogether. Instead, the Commission proposes to distinguish bona fide market making from directional proprietary trading. Such a bona fide market maker would be a firm that is contractually obligated to maintain continuous two-sided quotations, that is filled only after unaffiliated members at every price level (even where such affiliate placed its bids or offers prior to such unaffiliated members), and that may not establish directional positions other than in connection with its obligation to maintain two-sided quotations. The harms identified above turn on the affiliate's ability to convert operational and information advantages into proprietary profit, and on the exchange's stake in the affiliate's directional gains; the Commission preliminarily believes that confining such an affiliate to bona fide market making removes the principal mechanisms by which those harms are realized.

The Commission also preliminarily credits an affirmative rationale for permitting a bona fide affiliate market maker. A new exchange faces a coordination problem—unaffiliated market makers are reluctant to commit capital and bear the fixed costs of participation until a market demonstrates sufficient volume to make participation worthwhile, yet volume is difficult to attract without quoted liquidity—and an affiliate principal trading firm aligned with the venue's success may supply that initial liquidity when independent firms will not. The Commission preliminarily understands this dynamic to be especially pronounced in prediction markets, which characteristically list a large and continually refreshed population of individual small, short-lived, and idiosyncratic contracts; unaffiliated market makers will rationally concentrate on the few deepest contracts and decline to quote the long tail, so that much of a venue's listed contracts may lack liquidity unless an affiliate provides it. Because contracts of this

¹⁹¹ See CEA 5(d)(2), 7 U.S.C. 7(d)(2) (Core Principle 2); CEA 5(d)(4), 7 U.S.C. 7(d)(4) (Core Principle 4).

¹⁹² The Commission recognizes that an affiliated FCM or IB also could be a source of revenue for an affiliated exchange. However, the Commission preliminarily understands that the value proposition of an affiliated FCM or IB stems more from its ability to connect customers to the exchange rather than through trading profits. The Commission welcomes comment, including any relevant data, on this understanding.

¹⁹⁰ CEA 5(d)(12), (16), 7 U.S.C. 7(d)(12), (16).

kind are listed continuously, the Commission preliminarily views the need as recurring rather than confined to a venue's initial launch, which informs its preliminary decision to propose a standing exception rather than one-time accommodation. The Commission recognizes that an exchange may instead seek to attract unaffiliated liquidity providers through incentive-program rule filings¹⁹³ but preliminarily believes that incentive programs and affiliate market making are not perfect substitutes for an unproven venue or across a broad and thin contract universe.

The order-priority subordination condition described below operates, in light of this rationale, as a self-adjusting limit on the affiliate's role. Because the affiliate market maker would be filled only after unaffiliated members at each price level (regardless of time priority), it supplies liquidity when no competing liquidity exists but recedes to a residual role as unaffiliated market makers arrive and quote competitively—without any administratively complex phase-out, and while earning correspondingly less revenue and thereby reducing the exchange's reliance on its activity. The Commission emphasizes that this rationale justifies permitting an affiliate to make markets; it does not justify permitting the affiliate to do so on terms more favorable than those available to unaffiliated members, which is why the exception would be available only on the conditions set out below.

For these reasons, the Commission preliminarily concludes that a narrow, conditioned exception for a bona fide affiliate market maker, with compliance verified by an independent RSP, is a more calibrated response than a flat prohibition. The Commission requests comment generally, as well as on a prohibition without any market-maker exception and on whether the exception should instead be time-limited or subject to a cap that tightens as unaffiliated liquidity develops as alternatives.

¹⁹³ The Commission stated in the part 40 adopting release that registered entities must submit all incentive programs as proposed rules under Commission Regulations 40.5 or 40.6. 76 FR at 44777. As the Commission explained, such filings allow staff “to ensure that, among other things, [the proposed incentive programs] do not incentivize manipulative activities, unreasonably restrain competition on or between exchanges, or otherwise interfere with the fair and efficient functioning of the marketplace.” *Id.* at 44777–78. To this end, the Division of Market Oversight has consistently required that incentive program filings contain complete terms in five categories to review for compliance with the Act and Commission regulations: (1) participation eligibility, (2) product scope, (3) obligations, (4) incentives, and (5) duration.

iii. Proposed Amendments

The Commission proposes to implement the prohibition and conditioned exception described above through additions to Commission Regulation 38.852: two new definitions in paragraph (a), an incentive-parity requirement in paragraph (b)(2), and the prohibition, exception, and associated conditions in paragraph (c). Each is discussed below. As explained above, the Commission's authority to prescribe these requirements derives from its authority under section 5(d)(1)(B) of the Act¹⁹⁴ to determine by rule the manner in which a DCM complies with the Core Principles, together with the specific Core Principles identified for each provisions and the Commission's general rulemaking authority under section 8a(5) of the Act.

Definitions—Proposed Commission Regulation 38.852(a).

In addition to the definition of “affiliate market participant” discussed above, the Commission proposes two additional definitions. An “affiliate principal trading firm” would be a member of a DCM that is under common control with the exchange—using the same control formulation as the parallel definitions elsewhere in this proposal—and that trades on a principal basis for its own account on that exchange as a market maker,¹⁹⁵ liquidity provider,¹⁹⁶

¹⁹⁴ CEA 5(d)(1)(B), 7 U.S.C. 7(d)(1)(B).

¹⁹⁵ As defined in the CFTC's Futures Glossary, available at: <https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CFTCGlossary/index.htm>, a market maker is a professional securities dealer or person with trading privileges on an exchange who has an obligation to buy when there is an excess of sell orders and to sell when there is an excess of buy orders. By maintaining an offering price sufficiently higher than their buying price, these firms are compensated for the risk involved in allowing their inventory of securities to act as a buffer against temporary order imbalances. In the futures industry, this term is sometimes loosely used to refer to a floor trader or local who, in speculating for his own account, provides a market for commercial users of the market. Occasionally a futures exchange will compensate a person with exchange trading privileges to take on the obligations of a market maker to enhance liquidity in a newly listed or lightly traded futures contract.

¹⁹⁶ FIA Principal Traders Group has described liquidity providers as follows: “Liquidity providers can be on either side of a transaction, as buyer or seller. By entering and holding positions they bridge the gap between market participants. In this way, they quite literally make a market for an asset. This allows long-term investors to buy or sell stock whenever they want to, without having to wait for another long-term investor looking to do the opposite; it allows farmers to hedge against a drop in crop prices and food production companies to hedge against a rise in the cost of ingredients. Liquidity provision is commonly understood as acting as an intermediary by continually trading in and out of relatively short-term positions. Liquidity providers tend to send orders to the marketplace at prices that reflect available information regarding asset prices including the risk associated with transacting and holding that asset. The hallmark of

or otherwise. While the proposed regulatory text specifically includes market makers and liquidity providers, the Commission includes “or otherwise” as a catchall category in order to elevate substance over form and cautions that the rule text should be interpreted to include market maker and liquidity provider-equivalent entities, as well as any other DCM affiliate that trades on a principal basis. Regardless of what those entities are called under exchange rules or in any other context, if they are acting as a market maker or liquidity provider, or otherwise engaging in proprietary trading, this section of the Proposal applies.

An “affiliate market maker” would be an affiliate principal trading firm that satisfies the conditions in paragraph (c) of proposed Commission Regulation 38.852; the defined term thus identifies the affiliate that qualifies for the exception and would be permitted to trade on the DCM. In this regard, the Commission notes that an entity that only acts as a market maker for certain products would be subject to the requirements of proposed Commission Regulation 38.852 with respect to all of its trading activity and not just its market making activity. The Commission solicits comment on whether some or all of the requirements should apply only with respect to such an entity's market making activity.

The Commission preliminarily believes that defining the qualifying affiliate by reference to continuing satisfaction of the conditions, rather than by one-time status, appropriately ties the exception to ongoing compliance: an affiliate principal trading firm that ceases to satisfy any condition ceases to be an “affiliate market maker” and would not be authorized to trade on the DCM.

Incentive parity—Proposed Commission Regulation 38.852(b)(2).

Proposed Commission Regulation 38.852(b)(2) would require a DCM that offers an incentive or similar program that applies to affiliate principal trading firms to ensure that unaffiliated members can participate on terms no less favorable than those offered to an affiliate principal trading firm. This requirement complements the principles-based procedures requirement in proposed Commission Regulation 38.852(b)(1) by closing a specific channel through which an

liquidity providers is that they continually provide liquidity in all market conditions, not just when they desire to accumulate or close-out longer term investment positions.” See FIA PTG, *What is a liquidity provider?* (Mar. 3, 2017), available at: <https://www.fia.org/ptg/articles/what-liquidity-provider>.

exchange could advantage its affiliate. While the Proposal is a new conflict of interest regulation, the Commission considers additional CEA provisions, including Core Principle 2 (Compliance with Rules), which addresses access requirements—including the impartial access requirement—and Core Principle 9 (Execution of Transactions) to serve as legal authority for this proposed regulation as well.¹⁹⁷

Permitted affiliate market makers—Proposed Commission Regulation 38.852(c)(1).

Proposed Commission Regulation 38.852(c)(1) would set the conditions pursuant to which a DCM may permit an affiliate market maker to trade on the DCM. Under no other conditions would an affiliate principal trading firm be permitted trade on an affiliated DCM and, if any of the conditions in proposed Commission Regulation 38.852(c)(1) cease to be satisfied, the affiliate principal trading firm would be required to cease trading activity on the DCM. The Commission proposes this requirement under Core Principles 12 and 16.¹⁹⁸ The Commission requests comment on whether the proposed rules should explicitly state that the affiliate must stop trading if the conditions cease to be satisfied. If so, the Commission requests comment on how such cessation should be operationalized; for example, should the affiliate market maker be required to close out its open positions immediately, and should there be limitations on when the affiliate should be able to restart market making activity once the conditions are satisfied?

Condition 1: Order-priority subordination—Proposed Regulation 38.852(c)(1)(i).

Proposed Commission Regulation 38.852(c)(1)(i) would require the exchange to ensure that its trade-matching system, including any price/time priority matching algorithm, does not favor the affiliate market maker. Specifically, a DCM's trade matching system must fill the bid or offer of any unaffiliated member before the bid or offer of the affiliate market maker at the same price, without regard to the time priority of the affiliate market maker's order, such that the bids and offers of the affiliate market maker are filled last at every price level.

As discussed above, subordination both protects unaffiliated members and operates as a self-adjusting limit on the affiliate's role, permitting it to supply liquidity where none competes while ceding priority to unaffiliated liquidity

as it develops. The Commission proposes this condition principally under Core Principle 9 (Execution of Transactions), Core Principle 2 (Compliance with Rules), and Core Principle 16.¹⁹⁹ Because subordination has effect only where unaffiliated orders are present at a price, where the affiliate is the sole source of liquidity the remaining conditions in proposed Commission Regulation 38.852(c)(1) are the operative protections; the Commission requests comment on whether they are sufficient in that circumstance.

The Commission is also aware that a DCM may operate a trade matching system other than a central limit order book ("CLOB") (for example, by offering a request for quote ("RFQ") mechanism).²⁰⁰ The Commission requests comment on whether the proposed subordination provision adequately addresses circumstances where a DCM's trade matching system is other than a CLOB. In this regard, the Commission requests comment on whether the proposed subordination provision would be effective if market making activity occurs through other execution methods, such as block trades.

Condition 2: Market Making and Incentive Agreement Requirements—Proposed Commission Regulation 38.852(c)(1)(ii).

Proposed Commission Regulation 38.852(c)(1)(ii) would require a DCM to ensure that any market maker or incentive program filed under part 40 that applies to the affiliate market maker enumerates the affiliate market maker's market making or liquidity providing obligations, the performance standards applicable to those obligations, and the consequences of any failure to satisfy them, on terms no less favorable to the DCM than those offered to unaffiliated members participating in the same or a comparable program. The proposed rule would require that such program must also: (A) require an affiliate market maker to maintain continuous two-sided quotations in each product in which it is obligated to make a market; (B) specify the minimum number of trading hours in the relevant trading period during which the affiliate market maker is subject to such obligation; (C) specify limitations on permissible bid-ask spreads; and (D) ensure that the trading of the affiliate market maker on the DCM is reasonably calculated to contribute to the maintenance of a fair and orderly market, and the affiliate

market maker does not make bids or offers, or enter into transactions, inconsistent with that purpose, including by taking directional proprietary positions other than in connection with its obligation to maintain two-sided quotations. The Commission proposes these under Core Principles 12 and 16.²⁰¹

The Commission considered whether to specify in the rule text the minimum trading hours requirement and the bid-ask spread limitations. The Commission preliminarily believes that a single fixed set of parameters may not suit the heterogeneous products to which the requirements would apply and that a better approach would be to allow DCMs to set such parameters, subject to Commission review and oversight through the part 40 process. The Commission requests comment on whether to specify these parameters in rule text, to set minimum standards while requiring the market maker agreement to fix product-specific parameters, or to take another approach, and on the appropriate values in each case.

The Commission also considered whether to require a market-making program to set restrictions on an affiliate market maker's ability to end a particular trading period with a net position in any particular contract exceeding a particular threshold on the basis that such a requirement would ensure that a market making firm, consistent with the Commission's understanding of the typical trading practices of such firms, ended such trading period "flat" (or near "flat") rather than with a material directional position. The Commission preliminarily declines to include such a requirement in the Proposal since the Commission expects that this requirement could vary across products and also that a firm may be engaging in market making activity—rather than directional trading—even if it holds a net directional position under some circumstances. The Commission requests comment on whether the rule should include such a limitation or any alternatives that could help to ensure that affiliate market makers only engage in bona fide market making activities.

The Commission also considered whether to include a capital independence condition, which would require that no capital underlying the affiliate market maker's trading on the DCM originates, directly or indirectly, from that affiliated DCM. The Commission preliminarily believes that, while it has the authority to impose such a requirement under Core

¹⁹⁷ CEA 5(d)(2), (9), 7 U.S.C. 7(d)(2), (9).

¹⁹⁸ CEA 5(d)(12), (16), 7 U.S.C. 7(d)(12), (16).

¹⁹⁹ CEA 5(d)(2), (9), (16), 7 U.S.C. 7(d)(2), (9), (16).

²⁰⁰ See, e.g., <https://help.kalshi.com/en/articles/13823820-combos>.

²⁰¹ CEA 5(d)(12), (16), 7 U.S.C. 7(d)(12), (16).

Principle 11 (Financial Integrity of Transactions),²⁰² a DCM may face challenges in complying with such requirement, given the likelihood of a parent entity supplying capital to both the DCM and the affiliate market maker. The Commission requests comment on whether the rule should include a capital independence standard. The Commission also requests comment on whether DCM Core Principle 21 (Financial Resources),²⁰³ which generally requires a DCM to have adequate financial, operational, and managerial resources to discharge its responsibilities, is adequate in this regard.

Independent verification and certification—Proposed Regulation 38.852(c)(2).

Proposed Commission Regulation 38.852(c)(2) would require a DCM that permits an affiliate market maker to trade to designate an independent third-party RSP to (i) conduct financial surveillance of the affiliate market maker under Commission Regulation 38.604 as if it were an FCM (except to the extent Commission Regulation 38.604 applies with respect to customers); (ii) review and monitor the exchange's compliance with its conflicts-of-interest procedures under paragraph (b)(1); and (iii) certify to the Commission and the DCM's board of directors or other designated committee or officer responsible for regulatory compliance annually that the affiliate market maker satisfies the affiliate market maker conditions in proposed paragraph (c)(1) and the DCM is operating in compliance with its conflicts of interest procedures as required under proposed Commission Regulation 38.852(b)(1). The certification would be required to include the submission of appropriate written documentation and analysis to support such certification. The DCM would remain responsible for compliance and for the RSP's performance.

Proposed Commission Regulation 38.852(c)(2)(i) builds on the RSP framework in Commission Regulation 38.606 as discussed in Section II.B, but, unlike the optional engagement contemplated there for surveillance of an affiliate FCM, 38.852(c)(2)(i) would require an independent provider, because the affiliate market maker has the potential to, directly or indirectly, financially benefit the exchange and the Commission has preliminarily determined that an exchange cannot credibly verify its own compliance in

these circumstances. The Commission proposes this requirement under Core Principles 11 and 16.²⁰⁴

Commission Regulation 38.604 is directed to a DCM's financial surveillance of its member FCMs and to the protection of customer funds; an affiliate market maker trades for its own account and carries no customer funds. The cross-reference is intended to require an RSP to monitor the affiliate market maker's compliance with the DCM's minimum financial standards by routinely receiving and promptly reviewing financial and related information from the affiliate, and by continuously monitoring the positions of affiliate. The proposed rule carves out any aspect of Commission Regulation 38.604 that would apply with respect to FCM customers. The Commission requests comment on whether Commission Regulation 38.604 is the appropriate vehicle or whether a tailored financial-resources standard would be more effective.

As noted, proposed Commission Regulation 38.852(c)(2)(ii) would require an RSP to review and monitor the DCM's compliance with its conflicts of interest procedures regarding affiliate market participants, including in connection with affiliate principal trading firms. Given the conflicts of interest concerns described above, the Commission preliminarily believes that independent oversight of conflicts policies in this context is reasonable and necessary. In this regard, the Commission understands that independent oversight will provide other, unaffiliated market participants with confidence that the DCM is appropriately managing conflicts arising from its relationship with an affiliate market maker, thus supporting market liquidity, competition, and innovation. The Commission requests comment on whether such independent oversight is appropriate and whether the Commission should further specify what such independent oversight would entail. Additionally, the Commission requests comment on whether the Commission should address circumstances in which the DCM's CRO or ROC may disagree with the RSP regarding the DCM's conflicts of interest program.

Finally, proposed Commission Regulation 38.852(c)(2)(iii) would require the RSP to annually certify to the Commission, as well as the board of directors or other designated committee or officer responsible for regulatory compliance, that an affiliate market maker satisfies the conditions set forth

in proposed Commission Regulation 38.852(c) and that the DCM is operating in compliance with its conflicts of interest procedures. The Commission preliminarily believes that such certification, along with supporting documentation and analysis, will help to ensure, on a periodic and predictable basis, that a DCM and its affiliate market maker are in compliance with the Commission's regulations in this regard. The Commission requests comment on the certification requirement, generally, the certification frequency, and whether the Commission should further specify standards with respect to the certification requirement. In addition, the Commission preliminarily intends that an affiliate market maker for which the required certification is not provided, or for which the DCM or RSP determines at any other point is no longer in compliance with the requirements of Commission Regulation 38.852(c), will immediately cease to qualify as an affiliate market maker eligible to trade on the DCM.

Additional disclosures—Commission Regulation 38.852(c)(3).

Proposed Commission Regulation 38.852(c)(3) would require that a DCM must disclose to any party trading on the DCM, on a per-session basis and prior to that party entering any orders, the existence of, and the DCM's relationship with, an affiliate market maker. The disclosure would have to be presented in a clear and conspicuous manner, in plain language reasonably understandable to a non-specialist, and in full rather than through a reference or link to another disclosure. The disclosure also would have to disclose the conditions and limitations imposed on the affiliate market maker, including the order subordination condition. The DCM would be required to establish a rule that its intermediary participants, and any other operator of an electronic order-entry interface that provides access to the DCM, deliver the notice as well. The Commission proposes this requirement under Core Principles 12 (Protection of Markets and Market Participants) and 9 (Execution of Transactions)²⁰⁵ and believes that this disclosure is necessary to ensure that unaffiliated market participants are made aware of the existence of an affiliate market maker prior to trading.

The Commission requests comment on the delivery mechanism. A DCM can require delivery by its members through its rules but reaches non-member interfaces operators only indirectly; the Commission is considering, as an alternative, requiring the DCM to deliver

²⁰² CEA 5(d)(11), 7 U.S.C. 7(d)(11).

²⁰³ CEA 5(d)(21), 7 U.S.C. 7(d)(21).

²⁰⁴ CEA 5(d)(11), (16), 7 U.S.C. 7(d)(11), (16).

²⁰⁵ CEA 5(d)(9), (12), 7 U.S.C. 7(d)(9), (12).

the notice directly for direct-access orders while placing the delivery obligations for intermediated orders on the FCM or other interface operator, coordinating with the disclosure obligations addressed in Section V. The Commission also requests comment on the operational burdens of an interruptive, affirmatively acknowledged notice and on whether the obligation should attach per product, per session, or otherwise.

iv. Statutory Authority

The Commission proposes the amendments in this Section III.B pursuant to section 8a(5) of the Act, which authorizes the Commission to promulgate such rules and regulations as, in its judgment, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the Act,²⁰⁶ as well as under several DCM Core Principles. The conflict that an affiliate market maker presents implicates, most directly, DCM Core Principle 16, which requires a DCM to establish and enforce rules to minimize conflicts of interest in its decision-making process and to establish a process for resolving them.²⁰⁷ It also implicates DCM Core Principle 12, which requires the exchange to protect markets and market participants from abusive practices and to promote fair and equitable trading; DCM Core Principle 9, which requires the exchange to provide a competitive, open, and efficient market and mechanisms for executing transactions that protects the price discovery process; and DCM Core Principle 2, which requires the exchange to establish, monitor, and enforce compliance with its rules, including the obligation to provide impartial access to its market.²⁰⁸ Each proposed condition is directed at one or more of these obligations: the order-priority subordination condition and the incentive-parity requirement protect the competitive neutrality of execution and access under Core Principles 9 and 2, while the market-making-agreement, independent-verification, and disclosure conditions address the conflict-of-interest and market-protection concerns under Core Principle 16 and 12.

The Commission's authority to prescribe these requirements by rule derives from two sources that operate together. First, although a DCM ordinarily "shall have reasonable

discretion in establishing the manner in which" it complies with the Core Principles, that discretion applies only "[u]nless otherwise determined by the Commission by rule or regulation."²⁰⁹ The Commission may therefore determine, by rule, the manner in which a DCM complies with Core Principles 16, 12, 9, and 2 where it concludes that general exchange discretion would not adequately address the conflict, as the Commission preliminarily concludes with respect to the conditions set out in proposed Commission Regulation 38.852(c). Second the Commission's general rulemaking authority under section 8a(5) of the Act authorizes it to promulgate such rules as are reasonably necessary to effectuate the provisions, or to accomplish the purposes, of the Act.²¹⁰ The Commission preliminarily believes that the conditions in proposed Commission Regulation 38.852(c)(1)—which, in effect, bar an affiliate principal trading firm from trading on an affiliated DCM unless it satisfies the affiliate market maker conditions—is best understood as an exercise of this general rulemaking authority in service of Core Principles 12 and 9, rather than solely as a specification of the "manner of compliance." A default prohibition subject to a conditioned exception is reasonably necessary to accomplish the market-protection and competitive-execution objectives those Core Principles embody in circumstances where procedural safeguards alone would leave the underlying conflict unaddressed.

These authorities are reinforced by, and the proposed requirements are designed to further, the purposes of the Act. Section 3 of the Act provides that it is the purpose of the Act to serve the public interest, including by deterring and preventing disruptions to market integrity, by protecting market participants from abusive practices, and by promoting fair competition among boards of trade, other markets, and market participants.²¹¹ The proposed conditions advance those purposes by preserving an affiliate market maker's ability to supply liquidity while ensuring that it does so on terms no more favorable than those available to unaffiliated members, thereby protecting the integrity of the market and the competitive position of unaffiliated participants.

v. Alternatives Considered

The Commission considered, and requests comment on, the following alternatives to the proposed approach.

1. Permitting Affiliate Principal Trading Firms Subject Only to Conflicts Procedures and Disclosure

The Commission considered permitting an affiliate principal trading firm to trade for its own account subject only to the principles-based conflicts procedures and disclosure that would apply to any affiliate market participant, without the additional requirements, including with respect to order-priority subordination and independent verification, proposed here. The Commission preliminarily believes that this more principles-based approach would impose lower costs and would treat the affiliate principal trading conflict like other affiliation conflicts addressed in this Proposal.

For the reasons given above, however, the Commission preliminarily concluded that procedures and disclosure alone cannot adequately minimize a conflict that arises from a DCM's economic stake in its affiliate's proprietary trading. The Commission requests comment on whether the principles-based approach would suffice and, if so, what additional procedural elements, if any, should be required.

2. Prohibiting Affiliate Principal Trading With No Exception for Market Makers

The Commission considered prohibiting an affiliate principal trading firm from trading for its own account on an affiliated exchange altogether, with no exception for a bona fide affiliate market maker.

The Commission preliminarily declined to propose a flat prohibition because, as discussed above, a bona fide market maker can supply liquidity that unaffiliated firms may not, particularly across the broad and continually refreshed contract universes characteristic of prediction markets. A flat prohibition would also be the most disruptive to existing market structure. The Commission requests comment on whether it should instead adopt a prohibition on affiliate principal trading firms with no exception.

3. A Volume- or Value-Based Cap on Affiliate Market Maker Activity, Including a Phased or Sunset Cap

The Commission considered limiting an affiliate market maker's activity through a cap on its share of volume or value in a product, an end-of-day net-position limit, as well as a phased or

²⁰⁶ CEA 8a(5), 7 U.S.C. 12a(5).

²⁰⁷ CEA 5(d)(16), 7 U.S.C. 7(d)(16).

²⁰⁸ CEA 5(d)(12), 7 U.S.C. 7(d)(12); CEA 5(d)(9), 7 U.S.C. 7(d)(9); CEA 5(d)(2), 7 U.S.C. 7(d)(2).

²⁰⁹ CEA 5(d)(1)(B), 7 U.S.C. 7(d)(1)(B).

²¹⁰ CEA 8a(5), 7 U.S.C. 12a(5).

²¹¹ CEA 3(b), 7 U.S.C. 5(b).

“sunset” cap that would be more permissive at a product’s or venue’s launch and tighten as unaffiliated liquidity develops.

The Commission preliminarily believes that order-priority subordination operates as a self-adjusting limit—the affiliate supplies liquidity when none competes and recedes as unaffiliated members provide liquidity—and accomplishes much of what a phased cap would, without the administrative complexity of measuring and enforcing a moving threshold. The Commission requests comment on whether a volume- or value-based cap, fixed or phased, should be adopted in addition to subordination requirement, particularly where the affiliate is the sole source of liquidity and subordination has no competing orders to which to defer.

4. Splitting Delivery of the Point-of-Transaction Disclosure by Access Path

The Commission considered requiring the DCM to deliver the point-of-transaction notice directly for orders entered through direct access, while placing the delivery obligation for intermediated orders on the FCM or other operator of the order-entry interface. This approach would address the limits on a DCM’s ability to compel delivery by non-member interface operators and would coordinate the notice with the customer-disclosure obligations addressed below in Section V. The Commission requests comment on whether to adopt this split-delivery approach in place of the mechanism in proposed Commission Regulation 38.852(c)(3).

5. Relying on General Disclosure in Place of a Per-Trading-Session Notice

The Commission considered a lighter disclosure regime that would not require the interruptive, affirmatively acknowledged point-of-transaction notice in proposed Commission Regulation 38.852(c)(3). Under this alternative, a DCM that permits an affiliate market maker to trade would instead be required to disclose publicly—for example, on its website and in its rulebook—the existence of the affiliate relationship and the conditions and limitations imposed on the affiliate under this section, including order-priority subordination, and to provide that disclosure to each customer once, at account opening or before the customer first trades on the exchange, rather than prior to the start of any trading session. This approach could substantially reduce the operational burden of building and maintaining the required

disclosure infrastructure and also could reduce friction at the point of trading.

The Commission preliminarily proposed the additional disclosure requirements instead because the information that the venue’s affiliate may be the counterparty, and is filled only after unaffiliated members at the same price, is most salient to a customer at the moment of trading, and a standing public or one-time disclosure may not reach a customer when such information is most relevant.

vi. Request for Comment

The Commission requests comment on all aspects of the proposed Commission Regulation 38.852(c), and on the related definitions and incentive-parity requirement, including the following:

(39) Whether the principles-based framework of Section III.A, without the conditions proposed here, would adequately minimize conflicts, and if not, what additional procedural elements should be required.

(40) Whether the Commission should instead prohibit affiliate principal trading altogether with no market-maker exception.

(41) Whether the requirements should apply uniformly to all affiliate principal trading activity or be limited—for example, by market access (for example, to markets accessible to customers who are not ECPs), by a measure of the affiliate’s significance in a product, or by other criteria—and how any such threshold should be defined and monitored.

(42) Whether the Commission’s proposed definitions of “control” and “affiliate” are appropriately scoped.

(43) Whether and how the prohibition and exception should extend to affiliate principal trading on SEFs, including whether order-priority subordination is compatible with SEF execution methods and whether the per-trading-session notice is appropriate for markets limited to ECPs.

(44) Whether quantitative parameters—for example, a minimum percentage of trading hours quoted, a maximum spread, a minimum size, and an end-of-day net-position limit—should be fixed in Commission rule text rather than established in the market maker or incentive agreement subject to Commission review, as proposed, and what values or standards are appropriate across prediction-market products with differing characteristics.

(45) Whether order-priority subordination is technically and operationally feasible across the matching systems in use, and whether it should be required, replaced by a

volume- or value-based cap, or supplemented by such a cap, including a phased or sunset cap. Could an exchange or market maker circumvent the spirit of the requirement by switching to pro rata caps?

(46) Where an affiliate is the sole source of liquidity in a product and the affiliate’s orders face no competing orders against which to be subordinated, whether the remaining conditions adequately protect customers or whether additional protections should apply.

(47) What other conditions the Commission could set to mitigate the potential conflicts present with an affiliate market maker trading on exchange while preserving the ability for exchanges to use affiliate market makers for bootstrapping purposes.

(48) Whether a capital-independence condition should be applied and, if so, how it can be implemented and verified where a common parent funds both the exchange and the affiliate. Is it possible for the DCM to determine whether the trading affiliate is independently funded? How would it do so? Is it possible for any trading affiliate to actually be financially independent from an affiliated exchange?

(49) Whether Commission Regulation 38.604 is the appropriate vehicle for financial surveillance of an affiliate market maker, which carries no customer funds, or whether a tailored financial-resources standard would be preferable.

(50) Whether the standard, scope, and frequency of the certification required by proposed Commission Regulation 38.852(c)(2)(iii) is appropriate, and whether the rule should state expressly that an affiliate market maker for which the certification is not provided ceases to qualify as an affiliate eligible to trade on the DCM.

(51) How “independent” should be defined for the third-party RSP, and whether the framework in Commission Regulation 38.606 affords sufficient capacity for this function.

(52) Whether the interruptive, affirmatively acknowledged per-trading-session notice in proposed Commission Regulation 38.852(c)(3) is warranted, or whether a lighter regime—public disclosure together with a one-time disclosure at account opening or before a customer first trades—would adequately protect customers at lower cost, and whether the two approaches should be combined.

(53) Whether the notice should be delivered by members under exchange rule or split so that the exchange delivers directly for direct-access orders while the FCM or other interface

operator delivers for intermediated orders.

(54) Whether the notice should attach the first time a customer trades a product in which an affiliate market maker is active or on another basis—rather than on a per-session basis—and the operational burden of each alternative approach.

(55) The Commission requests that DCMs on which an affiliate market maker trades, and any other market participant with relevant information describe:

i. The number and identity of DCMs on which an affiliate currently trades for its own account, the products involved, and the affiliate's share of liquidity or volume in those products.

ii. The terms on which any such affiliate currently trades, including any market maker or liquidity provider agreement, quoting obligations, position limits, and the source of the affiliate's capital.

iii. The nature and estimated cost of modifying trade-matching systems to implement order-priority subordination.

iv. The nature and estimated cost of engaging an independent third-party RSP to perform the surveillance, monitoring, and certification required by proposed Commission Regulation 38.852(c)(2), including any market-capacity considerations. Please identify who are the most likely entities to perform this independent third-party RSP role. Would it most likely be NFA? Would other entities enter the market in this capacity?

v. The nature and estimated cost of implementing the per-trading-session disclosure across members and non-member order-entry interfaces, and of any lighter disclosure alternatives.

vi. The Commission requests comment on the time DCMs, SEFs and applicable affiliates would need to comply, and on whether the rule should provide a transition period for affiliate trading arrangements in existence on the effective date.

C. Proposed New Commission Regulation 38.853—Board Composition, Regulatory Oversight Committee, and Disciplinary Panels

i. Background

As described above, the current acceptable practices for Core Principle 16 compliance for DCMs note that DCMs “bear special responsibility to regulate effectively, impartially, and with due consideration of the public interest” and that DCMs “should be particularly vigilant for such conflicts between and among any of their self-regulatory responsibilities, their

commercial interests, and the several interests of their management, members, owners, customers and market participants, other industry participants, and other constituencies.” The current Appendix B language provides that acceptable practices for minimizing conflicts of interest include the following:

Board composition. At least 35% of a DCM's board of directors should be public directors and at least 35% of any executive committees or similarly empowered bodies should likewise be public.²¹² To qualify as a public director, an individual must be found by the DCM's board of directors to have no “material relationship” with the DCM, which is defined as a relationship that “reasonably could affect the independent judgment or decision-making of the director.”²¹³

The acceptable practices enumerate specific scenarios that would constitute a material relationship, including: (1) the director is an officer or employee of the DCM or an affiliate;²¹⁴ (2) the director is a member (as defined in section 1a(34) of the Act and Commission Regulation 1.3) of the DCM, or an officer or director of a member;²¹⁵ (3) the director, or a firm with which the director is an officer, director, or partner, receives more than \$100,000 in combined annual payments from the DCM or any affiliate for legal, accounting, or consulting services, but excluding compensation for services as a director to the DCM or an affiliate, or deferred compensation for services prior to becoming a director, so long as such compensation is not contingent, conditioned, or revocable;²¹⁶ or (4) any of the aforementioned relationships apply to a member of a director's immediate family.²¹⁷ These circumstances are subject to a one-year look back period.²¹⁸ The acceptable practices further provide that a public director may also serve as a director of a DCM's affiliate if the director otherwise meets the public director definition.²¹⁹ A DCM must also disclose to the Commission which members of its board are public directors and the basis for those determinations.²²⁰

Regulatory Oversight Committee. The acceptable practices provide that a DCM shall establish a ROC as a standing

committee, consisting of only public directors, to assist it in minimizing actual and potential conflicts of interest.²²¹ The ROC also is tasked with overseeing the DCM's regulatory program on behalf of the board and the acceptable practices require the board to delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the ROC to fulfill its mandate.²²²

The acceptable practices enumerate certain responsibilities that a ROC should have, including: (1) monitoring the DCM's regulatory program for sufficiency, effectiveness, and independence;²²³ (2) overseeing all facets of the program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to member firms (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;²²⁴ (3) reviewing the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;²²⁵ (4) supervising the CRO, who reports directly to the ROC;²²⁶ (5) preparing an annual report assessing the DCM's self-regulatory program for the board and the Commission, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;²²⁷ (6) recommending changes that would ensure fair, vigorous, and effective regulation;²²⁸ and (7) reviewing regulatory proposals and advising the board as to whether and how such changes may impact regulation.²²⁹

Disciplinary panels. The acceptable practices also require that a DCM minimize conflicts of interest in their disciplinary processes through disciplinary panel composition rules that preclude any group or class of industry participants from dominating or exercising disproportionate influence on such panels.²³⁰ A DCM can further minimize conflicts by including in all disciplinary panels at least one person who would qualify as a public director,

²¹² 17 CFR, part 38, app. B, Core Principle 16 (B)(1).

²¹³ *Id.* Core Principle 16 (B)(2)(i).

²¹⁴ *Id.* Core Principle 16 (B)(2)(ii)(A).

²¹⁵ *Id.* Core Principle 16 (B)(2)(ii)(B).

²¹⁶ *Id.* Core Principle 16 (B)(2)(ii)(C).

²¹⁷ *Id.* Core Principle 16 (B)(2)(ii)(D).

²¹⁸ *Id.* B, Core Principle 16 (B)(2)(iii).

²¹⁹ *Id.* Core Principle 16 (B)(2)(iv).

²²⁰ *Id.* Core Principle 16 (B)(2)(v).

²²¹ *Id.* Core Principle 16 (B)(3)(i).

²²² *Id.*

²²³ *Id.* Core Principle 16 (B)(3)(ii)(A).

²²⁴ *Id.* Core Principle 16 (B)(3)(ii)(B).

²²⁵ *Id.* Core Principle 16 (B)(3)(ii)(C).

²²⁶ *Id.* Core Principle 16 (B)(3)(ii)(D).

²²⁷ *Id.* Core Principle 16 (B)(3)(ii)(E).

²²⁸ *Id.* Core Principle 16 (B)(3)(ii)(F).

²²⁹ *Id.* Core Principle 16 (B)(3)(ii)(G).

²³⁰ *Id.* Core Principle 16 (B)(4).

subject to limited exceptions.²³¹ The acceptable practices further provide that if DCM rules provide for appeal to the board of directors, or to a committee of the board, then that appellate body shall also include at least one person who would qualify as a public director.²³²

ii. Identified Concerns

The Commission preliminarily understands that compliance with these acceptable practices is common across DCMs. In this regard, the Commission believes that codification will provide additional clarity and certainty regarding the Commission's expectations for DCMs and applicants for designation. Furthermore, the rising number of affiliate relationships between DCMs and market participants has increased the potential for conflicts of interest and, therefore, the necessity of safeguards and other mitigants.

iii. Proposed Amendments

The Commission proposes to codify these existing acceptable practices into rule text within part 38 of the Commission's regulations without material changes. The Commission specifically proposes the following rules:

Board composition—Proposed Commission Regulation 38.853(a), (b).

Proposed Commission Regulation 38.853(a) would codify the requirement for a DCM's board to have at least 35% public directors and for any executive committees (or similar bodies) to likewise consist of at least 35% public directors. Proposed Commission Regulation 38.853(b) would codify the standard for who qualifies as a public director, the types of relationships that are considered "material relationships," and the requirement for a DCM to disclose to the Commission the individuals who are public directors and the bases for those determinations, consistent with the existing acceptable practices.

Regulatory Oversight Committee—Proposed Commission Regulation 38.853(c).

Proposed Commission Regulation 38.853(c) would codify the requirement for a DCM to have a ROC composed of public directors and would further codify the ROC's obligations as currently set forth in the acceptable practices. Proposed Commission Regulation 38.853(c)(2)(iv) would clarify that the ROC supervises the DCM's CRO or other officer responsible for regulatory compliance—the current

acceptable practices only reference a CRO.

Disciplinary panels—Proposed Commission Regulation 38.853(d).

Proposed Commission Regulation 38.853(d) would codify the requirement for a DCM to minimize conflicts of interest in its disciplinary processes. While the existing acceptable practices provide that a DCM "can" further minimize conflicts of interest by including in all disciplinary panels at least one person who would qualify as a public director, proposed Commission Regulation 38.853(d)(2) would require all disciplinary panels to include at least one public director, subject to the same exceptions provided for in the existing acceptable practices.

As noted, the Commission preliminarily understands that most, if not all, DCMs, already comply with the acceptable practices and so codification should not result in significant costs. And the Commission preliminarily believes that compliance with these acceptable practices has mitigated conflicts of interest. For example, the Commission believes that having public directors on a DCM's board, together with other practices put in place to comply with Core Principle 17 (which requires a DCM to have governance arrangements that permit consideration of the views of market participants), results in the DCM considering the views of individuals who are independent of the commercial interests of the DCM. The Commission further understands that the requirement for a ROC to consist only of public directors helps to ensure that oversight of a DCM's regulatory compliance program likewise is insulated from commercial pressures. The Commission also believes that including public directors on disciplinary panels helps to ensure fairness in such proceedings. The Commission requests comment on its understanding of how DCMs currently comply with the acceptable practices, the proposed codification, and whether there should be any changes to the proposed requirements.

iv. Statutory Authority

The Commission proposes the amendments in this Section III.C pursuant to section 8a(5) of the Act, which authorizes the Commission to promulgate such rules and regulations as, in its judgment, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the Act,²³³ as well as under several DCM Principles. This proposed rule implicates DCM Core

Principle 16, which requires a DCM to establish and enforce rules to minimize conflicts of interest in its decision-making process and to establish a process for resolving them.²³⁴ Given current market practice and the Commission's growing concerns regarding conflicts of interest, the Commission preliminarily believes that these proposed rules are reasonably necessary to ensure DCM's effectively manage conflicts of interest.

v. Alternatives Considered

The Commission considered keeping the board composition, ROC, and disciplinary panel acceptable practices as guidance withing Appendix B rather than proposing to codify them as requirements in rule text. The Commission preliminarily declines to take this approach given, as described above, the expected benefits of codification and the Commission's understanding that the costs of compliance should be minimal.

vi. Request for Comment

The Commission requests comment on all aspects of proposed Commission Regulation 38.853 including the following:

(56) Whether the Commission's understanding that most, if not all, DCMs already comply with the acceptable practices is correct.

(57) Whether the Commission's estimation that costs of compliance are likely to be minimal is correct. Will costs be different for new registrants as compared to currently registered DCMs?

(58) Whether any of the requirements that the Commission proposes to codify should be modified.

(59) Whether any additional requirements should apply with respect to a DCM's board of directors or ROC.

IV. DCO-Affiliate Clearing Member—Proposed Amendments to Commission Regulations 39.2, 39.21, and 39.25

A. Background

Section 5b(c)(2)(P) of the CEA—DCO Core Principle P—requires each DCO to "establish and enforce rules to minimize conflicts of interest in the decision-making process of the [DCO]." ²³⁵ The Commission has implemented Core Principle P through Commission Regulation 39.25.²³⁶ As currently in effect, Commission Regulation 39.25 requires a DCO to: (a) establish and enforce rules to minimize conflicts of interest in the DCO's decision-making

²³¹ *Id.*

²³² *Id.*

²³³ CEA 8a(5), 7 U.S.C. 12a(5).

²³⁴ CEA 5(d)(16), 7 U.S.C. 7(d)(16).

²³⁵ CEA 5b(c)(2)(P)(i)–(ii), 7 U.S.C. 7a–1(c)(2)(P)(i)–(ii).

²³⁶ 17 CFR 39.25.

process; (b) establish a process for resolving such conflicts of interest; and (c) have procedures for identifying, addressing, and managing conflicts of interest involving members of the board of directors.²³⁷ Commission Regulation 39.25 does not currently address, in specific terms, conflicts arising from an affiliation between a DCO and one of its clearing members.

Four other DCO Core Principles bear on this part of the Proposal. Core Principle L—set forth at section 5b(c)(2)(L) of the CEA and implemented through Commission Regulation 39.21—requires a DCO to provide market participants with sufficient information to identify and evaluate accurately the risks and costs associated with using the DCO's services and to make specified categories of information readily available to the general public by posting them on the DCO's website.²³⁸ Commission Regulation 39.21(c) enumerates nine categories of information that must be publicly disclosed, ranging from the terms and conditions of cleared contracts to clearing fees, margin-setting methodology, the financial resource package available in the event of a clearing member default, daily settlement data, the DCO's rulebook, the current list of clearing members, the list of swaps accepted for clearing, and a residual catch-all covering “[a]ny other information that is relevant to participation in the clearing and settlement activities of the [DCO].”²³⁹ Core Principle C—set forth at section 5b(c)(2)(C) of the CEA and implemented through Commission Regulation 39.12—requires a DCO to establish appropriate admission and continuing eligibility standards for clearing members and participants, including standards that are “objective, publicly disclosed, and permit fair and open access.”²⁴⁰ Core Principle D—set forth at section 5b(c)(2)(D) of the CEA and implemented through Commission Regulation 39.13—requires a DCO to possess the ability to manage the risks associated with discharging its responsibilities through the use of appropriate tools and procedures. Core Principle H—set forth at section 5b(c)(2)(H) of the CEA and implemented through Commission Regulation 39.17—requires a DCO to maintain adequate arrangements for the effective monitoring and enforcement of compliance with its rules and the ability

to discipline a participant due to a violation of any rule.

Part 39 of the Commission's regulations currently contains no definition of “affiliate clearing member.” Of the 24 DCO's currently registered with the Commission, five have an affiliate clearing member. The Commission preliminarily understands that all of these DCOs have, to varying degrees, voluntarily adopted policies, rulebook provisions, and disclosures intended to address the affiliate relationship, including provisions restricting the affiliated clearing member's access to non-public information of the DCO and providing for public disclosure of the affiliation.

B. Comments on the Affiliations RFC

The Commission received substantial comment on these issues in response to the Affiliations RFC.²⁴¹ The RFC posed specific questions concerning whether a DCO's affiliation with a clearing member would affect the DCO's decision-making regarding margin, default rules and procedures, rule enforcement, and risk management; whether such affiliation would affect contagion risk between the DCO and the affiliated clearing member; and what mitigants—including information barriers, personnel and resource separations, governance measures, disclosures, conduct restrictions, volume caps, and additional financial or liquidity resources—would be effective.²⁴²

Views on the adequacy of existing regulations. Several commenters viewed existing regulations as sufficient to address the conflicts of interest presented by a DCO's affiliation with a clearing member. Cboe, ICE, the WMBAA, and FMX each commented that current rules adequately address the relevant concerns.²⁴³ ICE commented that it “is supportive of the CFTC's principles-based approach to regulation and oversight of affiliated entities which fosters growth and innovation for derivatives markets” and that a group's ownership of both an FCM and a DCO “does not raise anti-competitive concerns if the affiliated regulated entities adopt appropriate rules and policies and procedures for managing conflicts.”²⁴⁴ CME also stated that “[t]he CEA wisely does not prohibit

conflicts of interest. Instead, it recognizes that conflicts of interest can and will exist and that they generally can be managed” and that “a DCO should have reasonable discretion for determining how it complies with” relevant regulations and DCO Core Principles.²⁴⁵ The WFE similarly endorsed the Commission's principles-based approach but recognized that “recent developments in the industry whereby a group owns a [FCM] and DCO, DCM, and/or SEF suggest that the Commission should take additional steps to affirm that [conflicts of interest] continue to be managed effectively, as this ownership has not as commonly been observed.”²⁴⁶

Other commenters identified specific concerns with the existing framework. FIA commented that current regulations do not provide adequate insulation between the business interests and SRO functions of a DCO, that common ownership may incentivize a DCO to delay placing an affiliate FCM into default—which raises a number of systemic risk and customer protection issues—and that a DCO may exercise its risk-management discretion (including in setting initial margin levels and in margin calculations) in ways biased in favor of the affiliate FCM and against unaffiliated FCMs.²⁴⁷ FIA observed that its concerns regarding default management were exemplified by Alameda Research's tacit exemption from FTX's auto-liquidation rules.²⁴⁸ FIA also expressed concern that customer perceptions of unfair favoritism by a DCO toward its affiliate FCM could have anti-competitive effects on FCM competition, and that existing regulations do not mitigate the appearance of favoritism.²⁴⁹

ISDA reported divergent views among its members. ISDA stated that “[a]ssuming the Commission does not prohibit affiliation between a DCO and one or FCMs, we would prefer the CFTC to provide new principles-based rules to address these conflicts, with granular guidance on potential ways to satisfy the principles, where appropriate.”²⁵⁰ ISDA further reported, however, that “[s]ome ISDA members disagree that mitigants . . . would address the potential risks and believe that the CFTC should not permitted affiliated

²³⁷ 17 CFR 39.25(a)–(c).

²³⁸ CEA 5b(c)(2)(L), 7 U.S.C. 7a–1(c)(2)(L); 17 CFR 39.21.

²³⁹ 17 CFR 39.21(c)(1)–(9).

²⁴⁰ CEA 5b(c)(2)(C), 7 U.S.C. 7a–1(c)(2)(C); 17 CFR 39.12(a).

²⁴¹ See Affiliations RFC, *supra* note 1.

²⁴² *Id.*

²⁴³ Cboe Comment, *supra* note 99, at 3; ICE Comment, *supra* note 99, at 2; WMBAA Comment, *supra* note 159, at 3–4; Letter from John Steel, Chief Operating Officer, on behalf of FMX Futures Exchange, L.P., to CFTC (Sep. 28, 2023) (hereinafter “FMX”) at 2–3.

²⁴⁴ ICE Comment, *supra* note 99, at 1–2.

²⁴⁵ CME Comment, *supra* note 99, at 8.

²⁴⁶ WFE Comment, *supra* note 111, at 3.

²⁴⁷ FIA Comment, *supra* note 99, at 1, 4–5 & n.13.

²⁴⁸ *Id.* at 4–5 & n.13.

²⁴⁹ *Id.* at 5.

²⁵⁰ Letter from Ulrich Karl, Head of Clearing, on behalf of International Swaps and Derivatives Association, to Christopher Kirkpatrick, Sec'y, CFTC at 2 (Sep. 28, 2023) (“ISDA Comment”).

FCMs in this situation.”²⁵¹ ISDA also noted that “the current regulatory landscape is an ecosystem of checks and balances that should not be undervalued or discarded without careful consideration.”²⁵²

Professor Filler commented that “[i]t is important to recognize that DCMs and DCOs have powers to make determinations . . . effectively unchecked, in a unilateral manner and binding on the entire market, as a result of their rule-making and enforcement powers as SROs,” and that affiliations have the potential to “intensify conflicts of interest and misalignment of incentives in market structure.”²⁵³ Professor Filler pointed to the London Metal Exchange’s 2022 cancellation of trades in its nickel market—undertaken, in Professor Filler’s framing, “in order to prevent its affiliated clearinghouse from having to exercise its default management plan”—as a cautionary example.²⁵⁴

Public Citizen commented in opposition to affiliation structures and stated that the conflicts of interest “cannot be successfully mitigated” and “the CFTC must therefore establish rules prohibiting [DCOs], [DCMs], and [SEF] facilities from operating with affiliates in CFTC-jurisdictional markets.”²⁵⁵ Better Markets similarly took a position generally against affiliation structures but suggested a variety of policies to address the issues that such affiliations present, including disclosure requirements, robust conflicts-of-interest policies with explicit prohibitions on preferential treatment, equal access requirements, regulatory oversight, and whistleblower procedures and protections to allow employees to report suspicions about preferential treatment.²⁵⁶

A number of commenters did not opine specifically on whether existing regulations are adequate but emphasized the importance of robust procedures and rules. CCP Global stated that “well-defined and robust policies, procedures, rules, and disclosures should be implemented at . . . affiliated regulated entities to reduce the risk of conflicts of interest and prevent misuse of material non-public information,” and that the Commission could consider “proposing additional rules establishing expectations for the rules, policies, and/or procedures that the entities of such groups would be expected to maintain

to comply with current applicable CFTC conflicts of interest regulations,” including “an illustrative list of conflicts to be mitigated, managed, and/or disclosed and a list of tools that entities may use to mitigate these conflicts.”²⁵⁷ CCP Global also commented that “FCMs affiliated with a DCM/DCO/SEF [must] neither be afforded preferential treatment, nor be disadvantage or subject to more restrictive treatment,” and that this principle could be effectuated “by a combination of explicit rules, policies, and procedures stating that these affiliated FCMs are subject to and obligated to follow the same access criteria and rules as unaffiliated FCM clearing members in areas including, but not limited to, fees, surveillance, and disciplinary processes.”²⁵⁸ WFE similarly observed that “transparent governance arrangements, independent oversight, disclosure requirements, and compliance frameworks are some of the measures that have been proven to mitigate [conflicts of interest] effectively.”²⁵⁹

MIAX commented that it is imperative that DCOs and other entities establish and rigorously enforce comprehensive rules, policies, and internal processes to help ensure affiliates receive the same treatment as non-affiliates, and that such rules be made public,” and described its own public provisions stating that affiliates will not receive preferential treatment in matters such as clearing member applications, surveillance, rule compliance and disciplinary processes, pricing, and access criteria.²⁶⁰ Cboe, while emphasizing its preference for a principles-based framework generally, specifically “encourage[d] the Commission to extend existing DCO Core Principles to DCO affiliations with FCMs, such as regulation 39.24 on Governance, to ensure that all governance arrangements are (i) written, (ii) clear and transparent, and (iii) place a high priority on safety and efficiency.”²⁶¹

Information Barriers and Personnel Separations. Commenters broadly supported information barriers and personnel separations as means of mitigating the conflicts of interest presented by DCO-clearing-member affiliations. ISDA commented that information barriers between the DCO and an affiliated clearing member “have been applied successfully for decades in

other parts of the financial services sector where conflicts may arise, and are supported by a long history of case law.”²⁶²

Views on additional financial resources and volume caps. Commenters expressed divergent views on whether the Commission should require additional financial resources of a DCO with an affiliated clearing member or impose volume caps. ISDA and Professor Filler supported additional financial resources, with ISDA recommending increased capital, skin-in-the-game, and liquidity resources at both the DCO and the affiliated clearing member, and Professor Filler recommending that an affiliated FCM be subject to heightened net capital, residual interest, and guaranty-fund requirements (including that its guaranty-fund deposit “support loss mutualization before unaffiliated FCMs in the DCO’s default waterfall”).²⁶³ CME and CCP Global disagreed, with CME observing that “requiring a DCO to have supplemental resources when it has an affiliated FCM is unnecessary” and CCP Global stating that “the current cover-1 or cover-2 standards, as applicable under current CFTC regulations, are sufficient.”²⁶⁴ On volume caps, certain ISDA members supported caps on the ground that conflicts increase with the affiliate’s relative size.²⁶⁵ CME, FIA, and MIAX did not support caps, with CME observing that “volume is not representative of risk,” FIA stating that caps would be difficult to enforce, and MIAX proposing in the alternative that the Commission consider minimum thresholds for the number of unaffiliated clearing members.²⁶⁶

Views on disclosure. Commenters generally supported additional disclosure regarding DCO-clearing-member affiliations. ISDA recommended disclosure of “[t]he existence of an affiliated FCM, and a detailed description of the nature of the affiliation,” together with “a description of the measures taken to manage the conflicts.”²⁶⁷ CME stated that it “would not be opposed to a requirement that a DCO publicly disclose its relationships to affiliates.”²⁶⁸ Cboe commented that “[w]hether existing or new DCMs/

²⁶² ISDA Comment, *supra* note 250, at 3.

²⁶³ ISDA Comment, *supra* note 250, at 3–4, 9; Filler Comment, *supra* note 99, at 9.

²⁶⁴ CME Comment, *supra* note 99, at 9; CCP Global Comment, *supra* note 102, at 3.

²⁶⁵ ISDA Comment, *supra* note 250, at 9, 17.

²⁶⁶ CME Comment, *supra* note 99, at 12–13; FIA Comment, *supra* note 99, at 7; MIAX/MGEX Comment, *supra* note 110, at 2.

²⁶⁷ ISDA Comment, *supra* note 250, at 16.

²⁶⁸ CME Comment, *supra* note 99, at 13.

²⁵¹ *Id.* at 2.

²⁵² *Id.* at 2.

²⁵³ Filler Comment, *supra* note 99, at 1, 3.

²⁵⁴ *Id.* at 6.

²⁵⁵ Public Citizen Comment, *supra* note 171, at 1.

²⁵⁶ Better Markets Comment, *supra* note 171, at 2.

²⁵⁷ CCP Global Comment, *supra* note 102, at 2.

²⁵⁸ CCP Global Comment, *supra* note 102, at 3.

²⁵⁹ WFE Comment, *supra* note 111, at 3.

²⁶⁰ MIAX/MGEX Comment, *supra* note 110, at 4.

²⁶¹ Cboe Comment, *supra* note 99, at 3.

DCOs/SEFs propose affiliations with FCMs, it is important that there be full transparency, as well as sufficient assessment and analysis to ensure that the market fully understands the extent of these relationships, how these relationships will be managed, and how all known and potential conflicts are to be mitigated.”²⁶⁹ MIAX described its existing practice of publicly disclosing its affiliates on its website.²⁷⁰ Better Markets and WFE similarly supported transparency regarding affiliate relationships and conflicts-management measures.²⁷¹ Public Citizen recommended that DCOs be required to “produce publicly-accessible affiliate maps that clearly identify all upstream ownership over 5%” and to disclose “LLC agreements of all Commission-jurisdictional entities.”²⁷²

C. Identified Concerns

Following the Commission’s review of the Affiliations RFC record, the Commission preliminarily identifies the following concerns with respect to DCO-clearing-member affiliations.

First, a DCO exercises substantial discretion in carrying out core risk-management functions—including setting margin requirements, determining whether and when a clearing member is in financial distress or default, enforcing the DCO’s rules, and conducting default management. Where the DCO has an affiliate clearing member, the structural incentives to exercise that discretion in a manner that favors the affiliate, or to delay taking action to limit the activities of the affiliate, or to place the affiliate in default, can compromise the DCO’s role as a neutral risk manager. As FIA observed, the consequences of a delayed default of an affiliated clearing member can extend beyond the DCO itself: non-defaulting, unaffiliated clearing members’ guaranty-fund contributions may be drawn upon, and contagion risk may spread to other market participants. The Commission preliminarily believes that this concern is particularly acute because—unlike in the DCM context, where the Acceptable Practices for DCM Core Principle 16 provide a framework for separating regulatory functions from commercial interests—the existing Commission Regulation 39.25 framework contains no comparable structural separation requirement specific to clearing-member affiliations.

Second, even where a DCO does in fact treat its affiliate clearing members on an arms-length basis, the perception of preferential treatment can have anti-competitive effects on unaffiliated clearing members. Market participants may direct clearing activity to the affiliate on the assumption that the DCO will favor it; unaffiliated clearing members may conclude that they are systematically disadvantaged in margin, default, or rule-enforcement decisions; and the integrity of the DCO’s role as a market-neutral risk manager may be undermined.

Third, market participants do not have a specific means of knowing which DCOs have affiliated clearing members or of evaluating how related conflicts are managed. The existing Commission Regulation 39.21 public-disclosure framework requires that DCOs provide “sufficient information to enable the market participants to identify and evaluate accurately the risks and costs associated with using” the DCO, and it requires disclosure of specified categories of information relevant to participation in clearing, but it does not specify affiliate relationships.

The Commission preliminarily believes these concerns warrant Commission action, both because they are not specifically addressed by the existing Commission Regulation 39.25 framework and because the number of DCO-clearing-member affiliations has grown in recent years.²⁷³

D. Proposed Amendments

To address these concerns, the Commission proposes three amendments: (1) a new definition of “affiliate clearing member” in Commission Regulation 39.2; (2) a new principles-based requirement in Commission Regulation 39.25(d) requiring procedures to identify, address, and manage conflicts of interest involving an affiliate clearing member; and (3) a new public-disclosure requirement in Commission Regulation 39.21(c)(9) regarding the existence of, and the DCO’s relationship with, any affiliate clearing member.

Definition of “affiliate clearing member” (Commission Regulation 39.2).

The Commission proposes to define affiliate clearing member to mean a person that: (1) is a clearing member of a derivatives clearing organization; and (2) directly or indirectly controls, is controlled by, or is under common control with, the derivatives clearing organization. As used in the previous

sentence, control (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a derivatives clearing organization or clearing member, whether through the ownership of voting securities, by contract, or otherwise.

This definition uses the same “control”-based formulation that the Commission proposes to use elsewhere in this rulemaking for the parallel definitions of “affiliate futures commission merchant” and “affiliate market participant”.²⁷⁴ The Commission preliminarily believes that consistency across these parallel definitions will promote clarity and ease of compliance for registrants that are part of corporate groups with multiple CFTC-registered entities.

Procedures requirement (proposed Commission Regulation 39.25(d)).

The Commission proposes to add a new paragraph (d) to Commission Regulation 39.25 providing that a DCO shall have procedures for identifying, addressing, and managing conflicts of interest involving an affiliate clearing member. Further, the proposed rule would require such procedures to address, at a minimum: (1) applications and systems, such that a DCO’s applications, information and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate clearing member; (2) personnel, such that a DCO does not share staff with any affiliate clearing member, except with respect to administrative functions; (3) office space, such that a DCO maintains office space for itself that is separate from the office space of any affiliate clearing member; and (4) documentation, such that a DCO documents all conflicts of interest that arise with respect to an affiliate DCO and how any such conflict of interest is resolved. This addition would leave intact Commission Regulations 39.25(a), (b), and (c) and would parallel the structure of Commission Regulation 39.25(c), which addresses board-of-director conflicts. This requirement also would be substantially identical to the conflicts of interest procedures requirements proposed for DCMs and SEFs.²⁷⁵

The Commission preliminarily believes that a principles-based

²⁶⁹ Choe Comment, *supra* note 99, at 3.

²⁷⁰ MIAX/MGEX Comment, *supra* note 110, at 5 n.13.

²⁷¹ Better Markets Comment, *supra* note 171, at 4–5; WFE Comment, *supra* note 111, at 3–4.

²⁷² Public Citizen Comment, *supra* note 171, at 2.

²⁷³ As noted above, the Commission is aware of at least five DCOs that have affiliate clearing members today.

²⁷⁴ See *supra* at III.A.iv, B.iii.

²⁷⁵ The proposed DCM and SEF rules include a disclosure requirement, which also is proposed to be substantially similar for DCOs, but is addressed separately below.

requirement is preferable to prescriptive structural separation rules in this context. DCO discretion is essential to effective risk and default management: a DCO must be able to respond to the particular circumstances of a clearing member in financial distress or default in real time, and overly prescriptive rules constraining how the DCO must structure its operations could impede that response. Moreover, as part of its risk management responsibilities, a DCO needs to have a complete understanding of the risks involved in carrying particular products (and portfolios of products) cleared at that DCO, which makes the DCO particularly well-qualified to carry out its obligations. At the same time, the principles-based formulation in proposed Commission Regulation 39.25(d)—like the parallel formulation already in Commission Regulation 39.25(c)—provides an enforceable baseline. Whether a DCO has an affiliate clearing member is an objective inquiry, as is whether the DCO maintains procedures for identifying, addressing, and managing the associated conflicts of interest. The Commission can examine for compliance objectively, and the requirement places the burden on the DCO to design procedures appropriate to its particular structure and risk profile.

The Commission proposes to provide guidance, in the form of acceptable practices in a new Appendix D to part 39, regarding the procedures that the Commission would consider appropriate in this regard. The Commission proposes that such guidance be substantially identical to the Proposal's guidance regarding appropriate conflicts of interest policies for a DCM or SEF.

However, the Commission recognizes that a DCO is differently situated from an exchange and that it may be beneficial to provide additional guidance. The Commission considered, for example, providing guidance that a DCO's conflict of interest procedures also should address: (i) documentation of decisions affecting the affiliate clearing member, including margin determinations, default-related decisions, and rule-enforcement decisions; (ii) independent governance of decisions affecting the affiliate clearing member, including the role of independent directors and risk management committees; and (iii) treatment of the affiliate clearing member on terms no more favorable than those applicable to non-affiliate clearing members. The Commission requests comment on all aspects of the proposed guidance, including if there

are specific elements of guidance that would be beneficial.

Public disclosure (proposed Commission Regulation 39.21(c)(9)).

The Commission proposes to add a new Commission Regulation 39.21(c)(9) requiring a DCO to disclose the existence of, and the derivatives clearing organization's relationship with, any affiliate clearing member. Existing Commission Regulation 39.21(c)(9), which provides a residual catchall for “[a]ny other information that is relevant to participation in the clearing and settlement activities of the derivatives clearing organization,” would be redesignated as Commission Regulation 39.21(c)(10) without substantive change.

The Commission preliminarily believes that public disclosure of the existence and nature of any affiliate clearing member relationship is an important complement to the procedures requirement in proposed Commission Regulation 39.25(d). Public disclosure permits unaffiliated clearing members, customers, and other market participants to evaluate the DCO's conflicts-management framework, to make informed decisions about where to direct clearing activity, and to monitor whether the DCO is treating affiliate and non-affiliate clearing members on comparable terms. As Cboe observed, “it is important that there be full transparency, as well as sufficient assessment and analysis to ensure that the market fully understands the extent of these relationships, how these relationships will be managed, and how all known and potential conflicts are to be mitigated.”²⁷⁶ CME and other comments likewise stated that they would not object to a disclosure requirement of this kind.²⁷⁷

E. Statutory Authority

The Commission proposes the amendments to Commission Regulations 39.2, 39.21, and 39.25 pursuant to section 8a(5) of the Act²⁷⁸ and DCO Core Principles A (Compliance), C (participant and Product Eligibility), L (Public Information), and P (Conflicts of Interest). Core Principle P—the principal statutory hook—requires each DCO to “establish and enforce rules to minimize conflicts of interest in the decision-making process of the [DCO]” and to “establish a process for resolving such conflicts of interest.”²⁷⁹ Core

²⁷⁶ Cboe Comment, *supra* note 99, at 3.

²⁷⁷ CME Comment, *supra* note 99, at 13; ISDA Comment, *supra* note 250, at 16; WFE Comment, *supra* note 111, at 3–4.

²⁷⁸ CEA 8a(5), 7 U.S.C. 12a(5).

²⁷⁹ 7 U.S.C. 7a–1(c)(2)(L).

Principle L supplies direct statutory authority for the proposed public-disclosure requirement in Commission Regulation 39.21(c)(9). Core Principle C, which requires appropriate participation standards for clearing members, provides supporting authority for a mitigation framework calibrated to the risks presented by a particular category of clearing member.

Core Principle A, as amended by section 725(c) of the Dodd-Frank Act, requires each DCO to comply with the Core Principles set forth in section 5b(c)(2) of the Act “and any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5).”²⁸⁰ Under Core Principle A(ii), a DCO has reasonable discretion in establishing the manner in which it complies with the Core Principles “[u]nless otherwise determined by the Commission by rule or regulation.”²⁸¹ The proposed amendments are a targeted exercise of those authorities: they identify a category of conflicts—those involving an affiliated clearing member—that the existing implementing framework does not specifically reach, prescribe a principles-based procedural requirement in Commission Regulation 39.25(d), and calibrate a related public-disclosure requirement in Commission Regulation 39.21(c)(9). The Commission preliminarily believes that this measured exercise of Core Principle P and section 8a(5) authority is both necessary to address the concerned identified above and appropriately tailored to preserve the DCO discretion that is essential to effective risk and default management.

F. Alternatives Considered

The Commission considered a number of alternatives to the proposed approach, including alternatives suggested by Affiliations RFC commenters. The Commission discusses each below and solicits comments on each.

1. No Additional Rules

Cboe, ICE, and CME each commented that the existing principles-based framework is substantially adequate to address the conflicts of interest presented by DCO-clearing-member affiliations.²⁸² The Commission preliminarily declines to take this approach. Commission Regulation 39.25 in its current form contains no provision specifically addressing affiliate-clearing-

²⁸⁰ 7 U.S.C. 7a–1(c)(2)(A)(i).

²⁸¹ 7 U.S.C. 7a–2(a)(1)–(2).

²⁸² Cboe Comment, *supra* note 99, at 2; ICE Comment, *supra* note 99, at 1–2; CME Comment, *supra* note 99, at 1, 4.

member conflicts, and Commission Regulations 39.25(a) and (b)—which speak generically to minimizing and resolving conflicts in the DCO's decision-making process—do not provide registrants, market participants, or the Commission with a clear framework for evaluating whether a DCO's conflicts-management arrangements with respect to an affiliate clearing member are adequate. The growing prevalence of DCO-clearing-member affiliations and the specific conflicts those affiliations present—particularly with respect to margin discretion, management of a clearing member in financial distress or in default, and rule enforcement—warrant a targeted procedures requirement modeled on the existing Commission Regulation 39.25(c) framework for board-of-director conflicts. The Commission preliminarily believes that the proposed rule does not impose meaningful incremental burdens on registrants that already have appropriate conflicts-management arrangements in place, while providing clear regulatory expectations for new registrants.

2. Prohibition on DCO Affiliations With Clearing Members

Public Citizen commented that the conflicts of interest associated with affiliated structures “cannot be successfully mitigated” and that “the CFTC must therefore establish rules prohibiting [DCOs], [DCMs], and [SEFs] from operating with affiliates in CFTC-jurisdictional markets.”²⁸³ Better Markets similarly opposed affiliated structures as a general matter. And ISDA reported that “[s]ome ISDA members . . . believe that the CFTC should not permit affiliated FCMs in this situation.”²⁸⁴

The Commission preliminarily declines to adopt this alternative. The CEA does not prohibit DCOs from having affiliate clearing members, and DCO affiliations with FCMs have existed for many years under the Commission's principles-based framework. As CME observed, “[t]he CEA wisely does not prohibit conflicts of interest. Instead, it recognizes that conflicts of interest can and will exist and they generally can be managed.”²⁸⁵ The Commission preliminarily agrees that affiliations between DCOs and clearing members can produce efficiencies and competitive benefits, and that a targeted procedures-and-disclosure framework can adequately mitigate the relevant risks without

foreclosing efficiency-enhancing structures. The Commission solicits comment on whether the prohibition urged by various commenters would be more effective than the proposed approach.

3. A Prescriptive Separations Approach

Under this alternative, the Commission would adopt prescriptive rule text—rather than guidance—specifying additional required separations between a DCO and its affiliate clearing member. The Commission has preliminarily declined to adopt this alternative for the reasons described above—principally, that prescriptive requirements could impede the DCO discretion that is essential to effective risk and default management. The Commission solicits comment on whether a prescriptive approach would be preferable and, if so, how it should be calibrated.

4. Supplemental Financial Resources at the DCO

ISDA proposed that a DCO with an affiliate clearing member be required to “reserve[] more capital, SITG [skin-in-the-game] and liquidity resources,”²⁸⁶ and elsewhere proposed that the DCO hold “sufficient supplementary default and liquidity resources to cover (under stress conditions) the default of the affiliate in addition to the DCO's current cover-1 or cover-2 requirements pursuant to, as appropriate, Commission Regulations 39.11(a)(1), 39.11(e)(1)(ii), and 39.33(c).”²⁸⁷ CME and CCP Global, by contrast, opposed supplemental financial-resources requirements. CME observed that “requiring a DCO to have supplemental resources when it has an affiliated FCM is unnecessary,”²⁸⁸ and CCP Global stated that “the current cover-1 or cover-2 standards . . . are sufficient.”²⁸⁹

The Commission preliminarily declines to require supplemental financial resources. The Commission preliminarily agrees with CME and CCP Global that the existing financial-resources requirements applicable to DCOs are appropriate to the risks DCOs face and that imposing additional financial-resources requirements based solely on the existence of an affiliation is unnecessary. The Commission also notes that supplemental financial-resources requirements might create their own conflicts—for example, in stress-test design, as ISDA

acknowledged.²⁹⁰ The Commission solicits comment on whether supplemental financial resources should be required and, if so, how they should be sized, sourced, and stress-tested.

5. Segmented Skin-in-the-Game and Restrictions on Mutualization of Affiliate Clearing Member Losses

Related to but distinct from a general supplemental-resources requirement, ISDA proposed that the Commission “[i]ncrease the tranche of DCO equity in the default waterfall, so called ‘skin-in-the-game’ (‘SITG’), or incorporate a segmented section SITG that applies in the case of losses associated with the affiliated [clearing member].”²⁹¹ ISDA also proposed that “[i]f the DCO would not be allowed to mutualize losses from the default of its affiliated [clearing member], conflicts of interest would reduce significantly. DCOs should have the same reputation risk as bank holding companies have with their subsidiaries, and stand behind these entities.”²⁹²

The Commission preliminarily declines to require either a segmented SITG tranche or a restriction on mutualization of affiliate clearing member losses in this Proposal. It is not apparent that a segmented SITG requirement would be a proportionate means of mitigating any increased risk caused by the affiliation. Moreover, a DCO would have reputational risk linked to the failure of an affiliate clearing member, and this reputational risk may create incentives for the DCO to take sufficient steps to mitigate the risk of the failure of that affiliate. In this regard, as noted, a DCO has discretion with respect to its default management procedures. A DCO with an affiliate clearing member may determine to put more of its own capital into the default waterfall and to prevent loss mutualization for its affiliate clearing member's losses if it determines such procedures are appropriate. Another DCO may decline to take such an approach. In either case, market participants, in determining where to clear transactions, will be aware, through DCO disclosures, of these differences and may make decisions on that basis. For these reasons, the Commission preliminarily believes that a prescriptive approach in this regard is unnecessary. The Commission solicits comment on whether either measure should be proposed and on the merits and operational implications of each.

²⁸³ Public Citizen Comment, *supra* note 171, at 1.

²⁸⁴ ISDA Comment, *supra* note 250, at 2.

²⁸⁵ CME Comment, *supra* note 99, at 8.

²⁸⁶ ISDA Comment, *supra* note 250, at 9.

²⁸⁷ *Id.*

²⁸⁸ CME Comment, *supra* note 99, at 9.

²⁸⁹ CCP Global Comment, *supra* note 102, at 3.

²⁹⁰ ISDA Comment, *supra* note 250, at 10.

²⁹¹ *Id.* at 4.

²⁹² *Id.* at 10.

6. Heightened Capital, Residual Interest, and Guaranty-Fund-Priority Requirements for Affiliate FCMs

Professor Filler proposed a related but distinct alternative directed at the affiliated FCM rather than at the DCO: an affiliated FCM should be subject to (i) adjusted net capital of “two or three times that of other, unaffiliated FCMs”; (ii) enhanced residual interest “higher than the range . . . customarily maintained by unaffiliated FCMs”; and (iii) a minimum guaranty-fund deposit that “should support loss mutualization before unaffiliated FCMs in the DCO’s default waterfall.”²⁹³

The Commission preliminarily declines to adopt these requirements. As noted above, a DCO may, in its discretion, determine to place additional financial requirements on its affiliate FCM. Another DCO may decline to do so and unaffiliated market participants, aware of these policies, will be able to make determinations as to where to clear their transactions. Furthermore, the Commission preliminarily believes that the FCM capital and residual-interest requirements addressed under Commission Regulations 1.17 and 1.22, respectively, are sufficient. Additionally, subordinating an affiliate FCM’s guaranty-fund contribution to unaffiliated members’ contributions in the default waterfall would require an amendment to the default-waterfall provisions of Commission Regulation 39.16 and to each DCO’s rulebook, and would represent a significant departure from the cover-1/cover-2 framework that has historically applied uniformly in this context. Moreover, there does not appear to be evidence to support the conclusion that an enhanced capital, residual, or guaranty fund requirement would be proportionate to, or would reliably mitigate, any increased risk created by the affiliation. Finally, as noted above, the Commission also preliminarily believes it would be inappropriate to impose prescriptive requirements with respect to default management, given the importance of a DCO’s discretionary authority to manage defaults. The Commission solicits comment on whether any of these measures should be proposed.

7. Volume Caps

Certain ISDA members supported capping the share of transactions that a DCO’s affiliate clearing member can clear, on the basis that conflicts increase with the affiliate’s relative size.²⁹⁴ CME, by contrast, observed that “volume is

not representative of risk,”²⁹⁵ and FIA observed that volume caps would be difficult to enforce and that “it is not clear what remedy would be available to the other FCMs if the caps were breached.”²⁹⁶

The Commission preliminarily declines to propose a volume cap. The Commission preliminarily agrees with CME that volume—without more—is not necessarily a reliable proxy for risk, and with FIA that volume caps would present significant administrability concerns. The Commission solicits comment on whether this approach should be reconsidered.

8. Pre-Approval and Heightened-Supervision Alternatives

ISDA proposed that the Commission consider “[p]otential requirement[s] for explicit regulatory approval for use of discretion by the DCO impacting the affiliated [clearing member] (e.g., in default/recovery/resolution)” and “[e]nhanced supervisory focus by the Commission on decisions affecting affiliated entities.”²⁹⁷ CCP Global also supported close Commission supervision.²⁹⁸

The Commission preliminarily declines to require pre-approval of specific DCO decisions affecting an affiliate clearing member in the default management context. Pre-approval requirements could materially impede the DCO’s ability to respond to situations where the affiliate clearing member is in financial distress or default in real time, and the Commission preliminarily believes that the appropriate locus of decision-making for time-sensitive risk-management decisions is the DCO rather than the Commission. Indeed, to the extent that the concern is that the fact of the affiliation would delay the DCO in addressing situations of financial distress or default, a pre-approval requirement would exacerbate rather than mitigate that concern. In any case, the Commission also expects that a DCO managing a clearing member default will be in close communication with the Commission throughout the process.²⁹⁹ The Commission preliminarily intends, however, to focus its supervisory attention on the conflicts-management arrangements of DCOs with affiliate clearing members, consistent with its existing supervisory authority. The Commission solicits comment on whether pre-approval requirements or

other heightened-supervision measures should be incorporated into the Proposal.

9. Stakeholder Complaint Forum

ISDA proposed that the Commission “[e]stablish a forum for stakeholders to bring complaints if they feel that discretion has been misused.”³⁰⁰ The Commission notes that unaffiliated clearing members and other stakeholders may currently bring concerns to the Commission’s attention through existing channels, including the tips, complaints, and referrals process. The Commission preliminarily declines to establish a separate stakeholder complaint forum specific to affiliate-clearing-member conflicts but solicits comment on whether such a forum would be useful.

10. DCO-Adopted Prescriptive Rules Applicable to Affiliate Clearing Members

ISDA proposed that the Commission consider requiring DCOs to “set[] more prescriptive rules for affiliate[] [clearing members], even though additional prescription might restrict the required level of flexibility in managing unforeseen risks. Such increased prescriptiveness needs to be carefully balanced against the flexibility required for prudent risk management.”³⁰¹ Under this alternative, the Commission would not adopt prescriptive rules; rather, the DCO would be required to adopt rules in its rulebook that bind only the affiliate clearing member. The Commission preliminarily believes that proposed Commission Regulation 39.25(d) permits but does not require this approach, and that whether a DCO should adopt such prescriptive rules concerning affiliate clearing members is best left to the DCO’s discretion as part of its conflicts-management procedures. The Commission solicits comment on whether the rule should affirmatively require DCOs to adopt differentiated rules for affiliate clearing members.

11. Codified Non-Preference Principle

ISDA proposed “a principle that the DCO treats all members equally, regardless of affiliation,”³⁰² and CCP Global, MIAx, and Better Markets each emphasized that affiliate clearing members should not receive preferential treatment.³⁰³ The Commission preliminarily believes that the proposed Commission Regulation 39.25(d)

³⁰⁰ ISDA Comment, *supra* note 250, at 4.

³⁰¹ ISDA Comment, *supra* note 250, at 4.

³⁰² *Id.*

³⁰³ CCP Global Comment, *supra* note 102, at 3; MIAx/MGEX Comment, *supra* note 110, at 2–3; Better Markets Comment, *supra* note 171, at 4–5.

²⁹³ Filler Comment, *supra* note 99, at 9.

²⁹⁴ ISDA Comment, *supra* note 250, at 9, 17.

²⁹⁵ CME Comment, *supra* note 99, at 12–13.

²⁹⁶ FIA Comment, *supra* note 99, at 7.

²⁹⁷ ISDA Comment, *supra* note 250, at 3–4.

²⁹⁸ CCP Global, *supra* note 102, Comment at 3.

²⁹⁹ See 17 CFR 39.19(c)(4)(viii).

procedures requirement, combined with existing Commission Regulation 39.12(a)(1) (requiring fair and open access for participant) and the DCO Core Principles regarding fair and open access (Core Principle C) and competition (Core Principle N), provide an adequate framework for non-preference. The Commission solicits comment on whether a non-preference principle should be codified in rule text or addressed in guidance.

12. Codified Independent Reporting Line for DCO Chief Compliance Officer or Chief Risk Officer

Some commenters observed that a DCO's CCO or CRO should have independent reporting lines to protect the compliance function of undue influence from the associated business. For example, FIA recommended that "[w]here registered entities have affiliated entities, CFTC rules should ensure the CRO/CCOs of such registered entities have independent reporting structures that adequately insulate them from commercial pressures which may conflict with their supervisory responsibilities."³⁰⁴

The Commission preliminarily declines to codify a specific independent-reporting-line requirement for the DCO's CCO or CRO in this Proposal. Such a requirement would have implications far beyond the context of a DCO and its affiliate clearing member. In this regard, the Commission preliminarily believes that any such requirement may be better suited to a separate rulemaking process focused on any potential changes and improvements to the existing DCO CCO framework. Furthermore, the Commission recognizes that the Act already requires a DCO's CCO to report directly to the DCO's board or a senior officer. The Commission also notes that another aspect of this rulemaking contemplates that a DCO's CCO annual report will cover the conflicts-of-interest rules described herein, which the Commission preliminarily believes may be sufficient. The Commission solicits comment on whether such a requirement should be added and, if so, how it should be calibrated.

G. Request for Comment

(60) Is the proposed definition of "affiliate clearing member" appropriately calibrated? Should it be broadened or narrowed? Should "control" be defined differently—for example, by reference to a specific ownership threshold or by reference to specific contractual or governance-based

indicia of control? Should the Commission include a presumption of control based on ownership of voting securities at a specified percentage?

(61) Is the principles-based formulation in proposed Commission Regulation 39.25(d) appropriately calibrated? Should the rule text instead enumerate additional specific procedures the DCO must adopt? If so, which procedures, and why?

(62) What elements should the Commission address in guidance accompanying Commission Regulation 39.25(d)? Is the guidance contemplated for DCMs and SEFs and described above sufficient? Should other elements be addressed? Should the guidance address the role of independent directors or independent risk management committees in decisions affecting an affiliate clearing member?

(63) Should the Commission prohibit a DCO from having an affiliate clearing member? If so, should any such prohibition be subject to grandfathering for existing affiliate clearing members?

(64) The Commission has not proposed prescriptive requirements addressing the exercise of DCO discretion in management of situations where an affiliate clearing member is in financial distress or default. Should the rule or guidance address discretion with respect to these situations specifically—for example, by requiring that decisions to declare an affiliate clearing member in default, to grant any exemption from auto-liquidation rules, or to depart from the DCO's default-management playbook with respect to an affiliate clearing member be documented, reviewed by a designated independent committee, and reported to the Commission?

(65) Should the rule or guidance specifically address margin-setting and risk-management discretion with respect to an affiliate clearing member?

(66) Should the Commission require a DCO with an affiliate clearing member to maintain additional financial or liquidity, or have "skin-in-the-game" resources beyond those required of DCOs without an affiliate clearing member, as some commenters have suggested? Should any such requirement be calibrated to the affiliate clearing member's share of the DCO's volume, open interest, or risk exposure? What costs, benefits, and competitive consequences would such a requirement entail?

(67) Should the Commission require that any additional financial resources sourced from the DCO or the affiliate clearing member be allocated to losses arising from a default of the affiliate clearing member before non-affiliate

clearing members' guaranty-fund contributions are drawn upon? Should the affiliate clearing member's guaranty-fund contribution be subordinated in the default waterfall?

(68) Should the Commission impose a cap on the share of a DCO's clearing volume attributable to an affiliate clearing member? If so, how should the cap be calibrated, and how would compliance be administered?

(69) Is the proposed disclosure requirement in Commission Regulation 39.21(c)(9) appropriately calibrated? Should the Commission also require disclosure of (i) the upstream ownership chain of the affiliate clearing member, (ii) the specific conflicts-management measures the DCO has adopted, or (iii) the financial and operational interconnections between the DCO and the affiliate clearing member? Should the Commission expand disclosure to reach partial (non-controlling) ownership relationships?

(70) Do any of the concerns that animate this Proposal change to the extent a DCO is a systemically important derivatives clearing organization ("SIDCO")? For example, are conflict of interest concerns greater with respect to a SIDCO with an affiliate clearing member as compared to a DCO with an affiliate clearing member? If so, should the Commission impose additional safeguards or limitations with respect to SIDCO-affiliate clearing member relationships? Should the Commission consider a prohibition on a SIDCO having an affiliate clearing member?

(71) The Commission requests that DCOs with an affiliate clearing member—and any other DCO, clearing member, FCM, or market participant with relevant information—describe:

(a) The policies, procedures, rulebook provisions, organizational separations, and other measures currently in place to address the conflicts of interest arising from the DCO's affiliation with a clearing member;

(b) The current public disclosures the DCO makes regarding affiliate relationships, the location and prominence of such disclosures, and any additional disclosures the DCO would expect to make to comply with proposed Commission Regulation 39.21(c)(9).

(c) The nature and estimated incremental cost of any change to existing arrangements that would be required to comply with the proposed amendments as currently drafted; and

(d) The nature and estimated incremental cost of complying with each of the alternatives described above.

³⁰⁴ FIA Comment, *supra* note 99, at 10.

V. Public Disclosures by FCMs— Proposed Amendment to Commission Regulation 1.55

A. Background

Commission Regulation 1.55 provides that no FCM may enter into a customer account agreement or first accept funds from a customer, unless the FCM discloses to the customer all information about the FCM, including its business, operations, risk profile, and affiliates, that would be material to the customer's decision to entrust such funds to and otherwise do business with the FCM and that is otherwise necessary for full and fair disclosure.³⁰⁵ In connection with the disclosure, the FCM must provide certain material information to its customers, including information regarding the material risks of entrusting customer funds with an FCM created by the FCM's affiliates.³⁰⁶ The disclosures in Commission Regulation 1.55 are designed to enable customers to make informed judgments regarding the appropriateness of selecting an FCM and to enhance the diligence that a customer can conduct prior to opening an account and on an ongoing basis.³⁰⁷ The disclosure requirements mandated by Commission Regulation 1.55 also are designed to promote the protection of customer funds and to minimize the systemic risk posed by certain actions of market participants. While Commission Regulation 1.55 references affiliate relationships, it does not explicitly require that an FCM disclose an affiliate relationship with a SEF, DCM, or DCO.

B. Comments on the Affiliations RFC

The Affiliations RFC also sought public comment as to whether any additional disclosures should be required regarding an affiliate relationship between a SEF or DCM and an FCM, IB, CPO, or CTA. Better Markets recommended that the Commission mandate clear and comprehensive disclosures by FCMs, IBs, CTAs, and CPOs of their affiliations with DCMs or SEFs and that customers and clients should be informed about affiliations upfront.³⁰⁸ CME noted that existing FCM disclosure obligations ensure that clients are aware of any affiliations between a marketplace and the intermediary firm and that adequate disclosure regarding any such affiliations, including any impacts on the intermediary's product offerings due

to such affiliations, is appropriate.³⁰⁹ WFE noted that disclosure requirements are among the measures that have been proven to mitigate conflicts of interest effectively.³¹⁰ ICE likewise stated that disclosures should be implemented at affiliated regulated entities to reduce risks related to conflicts of interest.³¹¹

C. Proposed Amendments

Commission Regulation 1.55(k)(5)— Public disclosures by FCMs.

The Commission believes it is important for FCMs to disclose to their customers any affiliate relationships it may have with CFTC-regulated entities. Where a DCO, SEF, or DCM is affiliated with an FCM or other market participant, potential concerns may arise, including with respect to conflicts of interest, especially when that entity is responsible for supervising an affiliate. Disclosure can mitigate these risks. The Commission, therefore, considers it necessary that FCMs make customers aware of the FCM's affiliate relationships to enable them to make informed decisions when selecting an FCM. To that effect, the Commission is proposing to amend Commission Regulation 1.55(k) to enhance the disclosures provided to customers and potential customers regarding any affiliate relations that an FCM has with an exchange or a clearing organization. Specifically, the amendment to Commission Regulation 1.55(k)(5) would require that an FCM disclose any affiliate relationship it has with a SEF, DCM, or DCO along with any risks created by such affiliate relationship.

D. Statutory Authority

The Commission proposes the amendment to Commission Regulation 1.55(k)(5) pursuant to its authority to regulate FCMs under the Act, together with its general rulemaking authority. Section 4d of the Act establish the framework governing FCMs, including the registration of FCMs, the treatment of segregation of customer funds, and the Commission's authority to prescribe the terms and conditions under which an FCM may accept and hold customer money, securities, and property.³¹² Section 4f of the Act provides for the registration and regulation of FCMs, including minimum financial and related requirements and the Commission's authority to prescribe rules governing FCM conduct.³¹³ The customer-protection and disclosure

obligations codified in Commission Regulation 1.55 were adopted under this authority.³¹⁴

The Commission's general rulemaking authority under section 8a(5) of the Act separately authorizes the Commission to promulgate such rules and regulations as are reasonably necessary to effectuate the provisions, or to accomplish the purposes, of the Act.³¹⁵ The proposed amendment to Commission Regulation 1.55(k)(5) is a direct extension of the existing 1.55(k)(5) obligation to disclose affiliate-related risks and of the Regulation's broader purpose of enabling customers to make informed judgments about entrusting funds to, and doing business with, a particular FCM. The Commission preliminarily believes that requiring disclosure of an FCM's affiliation with a registered exchange or clearing organization is reasonably necessary to accomplish that customer-protection purpose, particularly where such an affiliation may bear on the conflicts of interest and other risks a customer assumes in selecting the FCM, and that the proposed amendment is therefore authorized under sections 4d, 4f, and 8a(5) of the Act.

E. Alternatives Considered

The Commission considered whether to prescribe the disclosures that an FCM must provide to its customers regarding any affiliate relationship it has with a SEF, DCM, or DCO. Other aspects of Commission Regulation 1.55 prescribe FCM disclosures in this manner. Commission Regulation 1.55(a), for example, provides that no FCM can open a customer account, subject to certain exceptions, unless it furnishes to the customer the written disclosure statement provided in Commission Regulation 1.55(b). The Commission preliminarily declines to adopt a prescriptive disclosure requirement in connection with an FCM's affiliate relationships. The relevant contours of any individual FCM-affiliate relationship may differ and the Commission believes that FCMs should tailor their disclosure to match their particular circumstances. In this regard, the Commission preliminarily determines that adding a disclosure requirement, consistent with the existing Commission Regulation 1.55(k) requirement for FCMs to disclose material information regarding certain enumerate topics, is appropriate.

The Commission solicits comment on whether the prescriptive disclosure alternative is preferable.

³⁰⁵ 17 CFR 1.55(i).

³⁰⁶ 17 CFR 1.55(k)(5).

³⁰⁷ 78 FR 68506 at 68564 (Nov. 14, 2013).

³⁰⁸ Better Markets Comment, *supra* note 171, at 7.

³⁰⁹ CME Comment, *supra* note 99, at 20.

³¹⁰ WFE Comment, *supra* note 111, at 3.

³¹¹ ICE Comment, *supra* note 99, at 2.

³¹² CEA 4d, 7 U.S.C. 6d.

³¹³ CEA 4f, 7 U.S.C. 6f.

³¹⁴ 17 CFR 1.55(i), (k)(5).

³¹⁵ CEA 8a(5), 7 U.S.C. 12a(5).

F. Request for Comment

(72) Is the proposed revision to Commission Regulation 1.55(k) appropriate? Will the proposed revision result in sufficient FCM disclosures regarding affiliate relationships?

(73) Should the Commission instead draft and require FCMs to provide their customers with specific affiliate relationship disclosure materials? If so, what should that disclosure say? Should it differ depending on whether the affiliate is a SEF, DCM or DCO?

(74) Are there any other disclosures that an FCM should be required to make to customers regarding its affiliate relationships?

VI. Compliance Responsibility

The Commission's regulations require FCMs, SEFs, and DCOs to have a CCO responsible for the overall compliance program of the registered entity. Among other responsibilities, a CCO must submit an annual report to the Commission discussing the registered entity's compliance program, including any material noncompliance issues. Furthermore, the CCO or CEO of the registered entity must certify, under penalty of law, that the report is accurate and complete in all material respects. While a DCM is not required to have a CCO, Appendix B to part 38 of the Commission's regulations contemplates a DCM having a ROC and CRO. The Commission understands that ROCs and CROs are common among DCMs and that they play a substantially similar role at a DCM that a CCO plays at an FCM, SEF, or DCO.

The Commission expects that the CCO or CRO of a registered entity will ensure reasonable compliance with the rules set forth in this Proposal, including, among other things, that the CCO or CRO report for each such entity will address any material noncompliance issues.

The Commission considered proposing to amend its rules specifically to require a CCO report to address compliance with this Proposal. For example, the Commission considered proposing to amend Commission Regulation 3.3 to ensure a CCO is responsible for compliance with the regulations set forth in this Proposal, including that the CCO Annual Report addresses any areas for improvement or other changes to the registered entity's compliance program with respect to the conflicts of interest requirements set forth in the Proposal. The Commission preliminarily concluded that no changes to existing regulations are required given the general nature of the CCO's obligations and the content already

required to be included by regulation in the CCO Annual Report. Nevertheless, the Commission solicits comments in this regard. Specifically:

(75) Should the Commission amend its rules regarding the CCO's obligations or the CCO Annual report?

(76) Are there any other measures the Commission should take to ensure registered entities comply with the regulations set forth in this Proposal?

(77) Should the Commission codify the DCM ROC and CRO requirements or otherwise subject a DCM to the same CCO requirements to which other registered entities are subject?

VII. Related Matters

A. Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA")³¹⁶ requires Federal agencies, in promulgating regulations, to consider the impact of those regulations on small businesses. The Commission has previously established certain definitions of "small entities" to be used by the Commission in evaluating the impact of its regulations on small entities in accordance with the RFA.³¹⁷ The proposed regulations would affect futures commission merchants ("FCMs"), designated contract markets ("DCMs"), derivatives clearing organizations ("DCOs"), and swap execution facilities ("SEFs").

The Commission has previously determined that FCMs, DCMs, and DCOs are not small entities for purposes of the RFA.³¹⁸ Likewise, the Commission previously concluded that SEFs are not small entities for the purpose of the RFA.³¹⁹ The Commission has also previously stated its belief in the context of relevant rulemakings that SEFs' market participants, which are all required to be eligible contract participants (ECPs)³²⁰ as defined in section 1a(18) of the CEA,³²¹ are not small entities for purposes of the RFA.³²² As a result, the Commission does not expect the regulations, as proposed herein, to have a significant economic impact on a substantial number of small entities. Accordingly, the Chairman, on behalf of the

Commission, hereby certifies, pursuant to 5 U.S.C. 605(b), that the proposed regulations will not have a significant economic impact on a substantial number of small entities. This document serves as notification to the Small Business Administration of the agency's certification of no effect.

B. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 ("PRA")³²³ imposes certain requirements on federal agencies, including the Commission, in connection with conducting or sponsoring any "collection of information," as defined by the PRA. Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number from the Office of Management and budget ("OMB").³²⁴ The PRA is intended, in part, to minimize the paperwork burden created for individuals, businesses, and other persons as a result of the collection of information by federal agencies, and to ensure the greatest possible benefit and utility of information created, collected, maintained, used, shared, and disseminated by or for the Federal Government.³²⁵ The PRA applies to all information, regardless of form or format, whenever the Federal Government is obtaining, causing to be obtained, or soliciting information, and includes required disclosure to third parties or the public, of facts or opinions, when the information collection calls for answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons.³²⁶

This proposed rulemaking would result in new collection of information requirements within the meaning of the PRA. The Commission is therefore submitting this proposal to the Office of Management and Budget (OMB) for review. The title for this collection of information is "Requirements for Designated Contract Markets, Swap Execution Facilities, Derivatives Clearing Organizations, and Intermediaries Regarding Affiliated Relationships." OMB has not yet assigned this collection a control number. The Commission therefore is submitting this proposal to the OMB for

³¹⁶ 5 U.S.C. 601 *et seq.*

³¹⁷ 47 FR 18618–21 (Apr. 30, 1982).

³¹⁸ 47 FR 18618, 18619 (Apr. 30, 1982) (discussing contract markets); 66 FR 45604, 45609 (Aug. 29, 2001) (discussing DCOs); 67 FR 53146, 53171 (Aug. 14, 2002). (discussing clearing organizations and FCMs).

³¹⁹ 78 FR 33476, 33548 (June 4, 2013) (discussing SEFs).

³²⁰ 17 CFR 37.703.

³²¹ 7 U.S.C. 1(a)(18).

³²² 66 FR 20740, 20743 (Apr. 25, 2001) (stating that ECPs by the nature of their definition in the CEA should not be considered small entities).

³²³ 44 U.S.C. 3501 *et seq.*

³²⁴ See 44 U.S.C. 3507(a)(3); 5 CFR 1320.5(a)(3).

³²⁵ See 44 U.S.C. 3501.

³²⁶ See 44 U.S.C. 3502(3).

its review in accordance with the PRA.³²⁷

If the proposed regulations are adopted, responses to this collection of information would be mandatory. The Commission will protect any proprietary information according to the Freedom of Information Act and part 145 of the Commission's regulations.³²⁸ In addition, section 8(a)(1) of the CEA strictly prohibits the Commission, unless specifically authorized by the CEA, from making public any "data and information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers."³²⁹ Finally, the Commission is also required to protect certain information contained in a government system of records according to the Privacy Act of 1974.³³⁰

1. Information Collection Requirements

The proposed regulations would require registered entities with covered affiliate relationships to provide disclosures necessary to prevent potential conflicts of interest and, with respect to DCMs with an affiliate principal trading firm, make certifications to the Commission regarding compliance with required conflicts of interest procedures. For purposes of the PRA, the term "burden" means the "time, effort, or financial resources expended by persons to generate, maintain, or provide information to or for a Federal Agency."³³¹ This total includes the anticipated burden associated with the disclosure and reporting obligations contained in the proposed rules.³³²

As of July 2026, the Commission estimates that there are 142 covered entities that would become subject to the proposed rules, including 20 SEFs, 27 DCMs, 24 DCOs, and 71 FCMs. The

estimated burden associated with the proposed information collections is calculated as follows:³³³

A. Information Collections

Disclosure Requirements

Proposed Commission Regulation 1.52 would require that a SEF disclose the existence of affiliate market participants in both its rulebook and in a clear, prominent, and readily available manner on its website and on any application portal or similar means by which a DCM directly or indirectly connects electronically with its market participants. The Commission anticipates that this disclosure requirement will entail limited additional costs for registered SEFs with affiliate market participants. To comply, SEFs will be required to include this information in their rulebooks and to update their websites to reflect the affiliate relationships.

Commission Regulation 37.201, and related part 37 requirements already require SEFs to establish and provide access to their rulebooks and, based on existing practice, SEFs regularly provide information on their websites regarding changes to their rulebooks and post such information on their website. Accordingly, the Commission anticipates that the proposed amendments will add minimal burden for SEFs with affiliates. The Commission does not have specific data establishing how many SEFs have covered affiliate relationships, so for purposes of its PRA analysis, the Commission is estimating that an

estimated 5 SEFs will have such relationships.

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 5.
Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 5.

Estimated annual burden hours per response: 1 hour.

Estimated total annual burden hours per respondent: 1.

Estimated total annual burden hours for all respondents: 5.

Estimated total annual labor costs for all respondents: \$1,250.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. Affected market participants already have in place systems and processes for updating their rulebooks and their websites or any similar application portals to update any information required in the normal course of business. Accordingly, the Commission anticipates that affected market participants can leverage these existing systems and processes and will not be required to purchase new systems or undertake other capital improvements to comply with this disclosure requirement. Proposed Commission Regulations 1.52(d)(2)(i)(A) would require an FCM that chooses to elect NFA as its self-regulatory organization to make such an election in writing and provide that election to the Joint Audit Committee. The Commission anticipates that the proposed amendments would entail only minimal burden for FCMs that choose to elect NFA as their SRO. The Commission has not mandated the format or content of such an election, leaving substantial flexibility to DCMs. Instead, the proposal would merely require a simple written election. Accordingly, the Commission estimates that the burden associated with preparing the written election will total only about 1 hour.

The Commission has estimated that approximately 10 FCMs will have qualifying affiliate relationships that may make them subject to the proposed amendments. Assuming for the purposes of this analysis that all 10 DCMs may elect NFA as their SRO (an assumption that may overstate the number of FCMs subject to this obligation), the Commission estimates that the burden associated with this requirement will total 5 burden hours (5

³²⁷ See 44 U.S.C. 3507(d); see also 5 CFR 1320.11.

³²⁸ See 5 U.S.C. 552; see also 17 CFR part 145 (Commission Records and Information).

³²⁹ 7 U.S.C. 12(a)(1).

³³⁰ 5 U.S.C. 552a.

³³¹ 44 U.S.C. 3502(2).

³³² In addition to the requirements described below, the proposed amendments include a principles-based framework under which the affected entities are called upon to establish appropriate processes and procedures to ensure compliance with the rules' substantive obligations. This principles-based framework does not prescribe the format or content of any necessary policies and procedures but instead affords affected entities substantial discretion in formulating their internal policies to ensure compliance. Accordingly, each entity's means of complying will vary according to its size, complexity, the nature and scope of its activities, and the sensitivity of the information involved. As a result, the discretionary balancing of factors and circumstances that is involved here does constitute a response to "identical questions" or constitute a covered information collection for purposes of the PRA. See 44 U.S.C. 3502(3)(A).

³³³ For these requirements, the Commission is adopting a blended rate using estimated industry-specific wages for Financial Specialists, Lawyers, and Paralegals. Per the U.S. Bureau of Labor Statistics, national industry-specific occupational employment and wage estimates with data collected from employers in the securities, commodity contracts, and other financial investments and related activities provides that the mean hourly wage for Paralegal and Legal Assistants (occupation code 23–2011) is \$47.95, Financial Specialist (occupation code 13–2000) is \$73.94, and Lawyer (occupation code 23–1011) is \$131.91. See Department of Labor's Bureau of Labor Statistics' May 2025 National Occupational Employment and Wage Estimates, United States, available at: <https://data.bls.gov/oes/#/industry/523000/2025>. For requirements information systems, the Commission is using a wage rate based on industry-specific wages for Database Architects in the securities, commodity contracts, and other financial investments and related activities is \$100. See *id.* The Commission also notes that it took the foregoing data and then increased its hourly wage estimate in recognition of the fact that some respondents may be large financial institutions whose employees' salaries may exceed the mean wage. In addition, the Commission applied a multiplier of 2.5 to for additional costs such as overhead and other benefits, including office space, pension benefits, health care, IT support, and HR support. This yields a total hourly labor cost of \$250 per hour.

FCMs $\times$ 1 response $\times$ 1 hour per response).

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 10.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 10.

Estimated annual burden hours per response: 1.

Estimated total annual burden hours per respondent: 1.

Estimated total annual burden hours for all respondents: 10.

Estimated total annual labor costs for all respondents: \$2,500.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. The Commission does not expect that affected FCMs will be required to undertake additional capital expenditures to draft the required election.

The proposed amendments to Commission Regulation 1.55 would require FCMs to disclose the existence of any affiliate relationships with SEFs, DCMs, or DCOs and the material risks associated with such relationships. To comply, FCMs will be required to assess the material risks associated with covered affiliate relationships in the public disclosure materials they already prepare to comply with Commission Regulation 1.55.³³⁴ The Commission anticipates that the proposed amendments will add only minimal burden to these existing requirements for the limited number of FCMs with affiliates, who are already subject to requirements to disclose material risks. Accordingly, the Commission is adopting new burden estimates to address the potential burden associated with disclosing material risks related to affiliates.

The Commission does not have definitive data on the number of FCMs with covered affiliate relationship, but estimates for purposes of its PRA analysis, that 10 FCMs have such relationships and would be subject to this requirement. As noted, these FCMs are already required to disclose material

risks pursuant to Commission Regulation 1.55. Nonetheless, to ensure it is adequately accounting for the potential burden of the proposed amendments, the Commission estimates that covered FCMs will likely expend some limited additional time to provide the additional disclosures.

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 10.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 10.

Estimated annual burden hours per response: 2.

Estimated total annual burden hours per respondent: 2.

Estimated total annual burden hours for all respondents: 20.

Estimated total annual labor costs for all respondents: \$5,000.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. Affected market participants already have in place systems and processes for updating their rulebooks and their websites and any similar application portals to update any information required in the normal course of business. Accordingly, the Commission anticipates that affected market participants can leverage these existing systems and processes and will not be required to purchase new systems or undertake other capital improvements to comply with this disclosure requirement.

Proposed Commission Regulation 38.852(b)(1)(v) would require that a DCM disclose the existence of affiliate market participants in both its rulebook and in a clear, prominent, and readily available manner on its website and on any application portal or similar means by which a DCM directly or indirectly connects electronically with its market participants. The Commission anticipates that this disclosure requirement will entail limited additional costs for registered DCMs with affiliate market participants. To comply, DCMs will be required to include this information in their rulebooks and to update their websites to reflect the affiliate relationships.

Commission Regulations 38.401(c) and (d), 17 CFR 38.401(c), (d), already require a DCM to provide information on their websites regarding changes to their rulebooks and to post such information on its website concurrent with the filing of such information or

submission to the Commission, and to ensure that the rulebook posted on its website is accurate, complete, current and readily accessible to the public.³³⁵ The Commission anticipates that the proposed amendments will add minimal burden for DCMs with affiliates who must already comply with these existing disclosure requirements. The Commission does not have specific data establishing how many DCMs have covered affiliate relationships, so for purposes of its PRA analysis, the Commission is estimating that an estimated 5 DCMs will have such relationships.

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 5.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 5.

Estimated annual burden hours per response: 1 hour.

Estimated total annual burden hours per respondent: 1.

Estimated total annual burden hours for all respondents: 5.

Estimated total annual labor costs for all respondents: \$1,250.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. Affected market participants already have in place systems and processes for updating their rulebooks and their websites and any similar application portals to update any information required in the normal course of business. Accordingly, the Commission anticipates that affected market participants can leverage these existing systems and processes and will not be required to purchase new systems or undertake other capital improvements to comply with this disclosure requirement.

³³⁵ The Commission has previously estimated that the requirement for website publication requirement for rule and product filings entails an estimated 34 burden hours (21 respondents $\times$ 95 annual response per respondent $\times$ 1.6 burden hours per response = 34 burden hours (rounded)). The associated labor costs total an estimated \$3,024 (21 respondents $\times$ 1.6 burden hours per response $\times$ \$90 per hour labor cost). Likewise, the Commission estimated that the website publication requirement for rulebook updates entails an additional 34 burden hours (21 respondents $\times$ 95 annual response per respondent $\times$ 1.6 minutes per response = 34 burden hours (rounded)). The associated labor costs total an estimated \$3,024 (21 respondents $\times$ 1.6 burden hours per response $\times$ \$90 per hour labor cost). For information, see OMB Control No. 3038-0052, ICR Ref. No: 202503-3038-001 (concluded Sep. 5, 2025).

³³⁴ Section 1.55, 17 CFR 1.55, already requires an FCM to provide public disclosures of material risks to its customers. The Commission has previously estimated that these public disclosure requirements entail an estimated 1,180 burden hours (59 respondents $\times$ 1 annual response per respondent $\times$ 20 burden hours per response = 1,180 burden hours (rounded)). The associated labor costs total an estimated \$1,180 (59 respondents $\times$ 20 burden hours per response $\times$ \$100 per hour labor costs.)

Proposed Commission Regulation 38.852(c)(3) would require that, where a DCM permits an affiliate principal trading firm to trade on the DCM, the DCM must disclose, on a per-session basis, the existence of, and the DCM's relationship with, the affiliate principal trading firm. The notice would disclose the affiliate relationship and the conditions imposed on the affiliate, including that the affiliate's orders are filled after those of unaffiliated members at the same price.

The Commission anticipates that this proposed amendment will require covered DCMs with affiliate principal trading firms to expend time to prepare such notices as well as to ensure the automated delivery of the required disclosures. Specifically, the proposed rule would require that covered DCMs deliver these notices at the beginning of each trading session. The Commission anticipates that an estimated 5 covered DCMs with covered affiliate relationships will incur a one-time cost to draft such notices and modify their systems to deliver the notices, yielding a one-time initial burden of 100 hours. This estimate is derived based on an estimate that 10 hours will be required for internal review and development of a compliant notice and an additional 10 hours will be required to modify systems to deliver the notices. The Commission estimates that the total associated labor cost will total \$25,000 (100 hours $\times$ \$250 hour per burden hour).

Accordingly, if adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 5.
Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 12.

Estimated annual burden hours per response: 20.

Estimated total annual burden hours per respondent: 20.

Estimated total annual burden hours for all respondents: 100.

Estimated total annual labor costs for all respondents: \$25,000.

In addition, the Commission anticipates that covered DCMs will incur costs associated with the delivery of individual disclosures. The Commission anticipates that the burden associated with each notice will be minimal, or no more than 5 seconds per notice, because such notices will be highly automated. Given the requirement that affiliated DCMs deliver an automated click-through disclosure

notice about its affiliate relationships each time a customer begins a trading session, the Commission anticipates that covered DCMs will be required to deliver a large volume of notices. The Commission anticipates that covered DCMs may be required to deliver on average 250,000 notices annually. The Commission estimates that this will yield an overall burden of 1,736 hours (5 DCMs $\times$ 250,000 notices annually $\times$ 5 seconds per notice). The Commission estimates that the total associated labor cost will total \$434,000 (1,736 hours $\times$ \$250 hour per burden hour).

Estimated number of respondents: 5.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 250,000.

Estimated number of annual responses for all respondents: 1,250,000.

Estimated annual burden hours per response: 5 seconds.

Estimated total annual burden hours per respondent: 347 hours.

Estimated total annual burden hours for all respondents: 1,736 hours.

Estimated total annual labor costs for all respondents: \$434,000.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. DCMs already have in place sophisticated automated systems to comply with required disclosures and perform trading functions. Accordingly, the Commission anticipates that affected market participants can leverage these existing systems and processes and will not be required to purchase new systems or undertake other capital improvements to comply with this disclosure requirement.

The Commission proposes to add a new Commission Regulation 39.21(c)(9) requiring a DCO to make publicly available on its website the existence of, and the DCO's relationship with, any affiliate clearing member. The Commission anticipates that this requirement will entail only limited burden for DCOs with affiliate clearing members. The information required to be posted will be readily known to covered DCOs and such entities already have in place websites and means to provide other required disclosures to their customers via their websites. Accordingly, the Commission anticipates the burden associated with this required disclosure will be small.

The Commission does not possess definitive data estimating the total number of DCOs with affiliate clearing members. Accordingly, for purposes of its PRA analysis, the Commission estimates that 6 DCOs will be subject to

these disclosure requirements relating to affiliate clearing members. The Commission estimates that these 6 DCOs will be required to expend approximately 2 hours to update their websites to provide the required disclosures. This yields an overall burden estimate of 12 annual burden hours (6 respondents $\times$ 1 response per respondent $\times$ 2 hours per response = 24 burden hours).

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 6.

Estimated frequency/timing of responses: On occasion.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 6.

Estimated annual burden hours per response: 2.

Estimated total annual burden hours per respondent: 2.

Estimated total annual burden hours for all respondents: 12.

Estimated total annual labor costs for all respondents: \$3,000.

Reporting Requirements

Proposed Commission Regulation 38.852(c)(2)(iii) would require DCMs to annually certify to the Commission that the affiliate principal trading firm satisfies the conditions specified in proposed Commission Regulation 38.852(c)(1), including that the DCM ensures that its trading matching system, including any price/time priority matching algorithm, does not favor the affiliate principal trading firm, and that any market maker or incentive program filed under part 40 that applies to the affiliate principal trading firm enumerates the affiliate principal trading firm's market making or liquidity providing obligations, the performance standards applicable to those obligations, and the consequences of any failure to satisfy them, on terms no less favorable to the DCM than those offered to unaffiliated members participating in a comparable program.

The Commission anticipates that preparation of the required annual certifications will require an estimated 5 DCMs with qualifying affiliate relationships to expend an estimated 20 hours to review and prepare the required certifications. This estimate includes the time necessary to review and confirm the accuracy of its certification and to complete and submit the required certification. Accordingly, the Commission estimates the associated burden will entail an annual burden of 100 hours (5 DCMs $\times$ 1 annual response $\times$ 20 hours).

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 5.

Estimated frequency/timing of responses: Annual.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 1.

Estimated annual burden hours per response: 20 hours.

Estimated total annual burden hours per respondent: 20.

Estimated total annual burden hours for all respondents: 100.

Estimated total annual labor costs for all respondents: \$25,000.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. The Commission does not expect that affected market participants will be required to put in place any specific information systems or make other capital expenditures to facilitate the preparation of the required certifications.

Proposed Commission Regulation 38.853(b)(5) would require DCMs to report to the Commission which members of their board of directors are public directors and the basis for those determinations. This reporting obligation encompasses all associated activities necessary to prepare the required disclosure, including reviewing director qualifications against the material relationship criteria set forth in proposed Commission Regulation 38.853(b)(2), applying the one-year look-back requirement under proposed Commission Regulation 38.853(b)(3), and compiling and transmitting the required information to the Commission.

The Commission anticipates that preparation of the required disclosures will require an estimated 27 DCMs to expend an estimated 2 hours annually to review and prepare the required disclosures. DCMs are sophisticated organizations that routinely maintain corporate governance records—including documentation of director qualifications and independence determinations—in the ordinary course of their business operations. As a result, the Commission anticipates that much of the underlying information necessary to satisfy this reporting requirement will already be assembled and current, and the incremental burden associated with preparing the required report is expected to be limited primarily to reviewing, organizing, and transmitting existing information rather than conducting new or extensive research.

Accordingly, the Commission estimates the associated burden will entail an annual burden of 54 hours (27 DCMs $\times$ 1 annual response $\times$ 2 hours).

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 27.

Estimated frequency/timing of responses: Annual.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 27.

Estimated annual burden hours per response: 2 hours.

Estimated total annual burden hours per respondent: 2.

Estimated total annual burden hours for all respondents: 54.

Estimated total annual labor costs for all respondents: \$13,500.

The Commission does not anticipate that the proposed amendments will result in additional capital and start-up or operations and maintenance costs. The Commission does not expect that affected market participants will be required to put in place any specific information systems or make other capital expenditures to facilitate the preparation of the required disclosures. Proposed Commission Regulation 38.853(c)(2)(v) would require the ROC of each DCM to prepare an annual report assessing the DCM's self-regulatory program for the board of directors and the Commission. The required annual report must set forth the regulatory program's expenses, describe its staffing and structure, catalogue disciplinary actions taken during the year, and review the performance of disciplinary committees and panels.

The Commission anticipates that preparation of the required annual report will require an estimated 27 DCMs to expend an estimated 20 hours annually to compile, review, and prepare the required report. This estimate reflects the anticipated time necessary to prepare the annual report, including gathering and organizing data on regulatory program expenses, staffing, and structure; compiling records of disciplinary actions taken during the year; and reviewing and assessing the performance of disciplinary committees and panels. This estimate is tempered by the recognition that DCMs are sophisticated organizations that maintain regulatory program records, budgetary information, disciplinary action logs, and related documentation in the ordinary course of their business operations. As a result, much of the underlying information necessary to prepare the annual report

will already be available, and the primary burden associated with the requirement is expected to consist of organizing, synthesizing, and presenting existing information in the form of the required report rather than conducting new or extensive data collection.

Accordingly, the Commission estimates the associated burden will entail an annual burden of 540 hours (27 DCMs $\times$ 1 annual response $\times$ 20 hours).

If adopted, the Commission estimates the annual burden associated with the proposed regulation as follows:

Estimated number of respondents: 27.

Estimated frequency/timing of responses: Annual.

Estimated number of annual responses per respondent: 1.

Estimated number of annual responses for all respondents: 27.

Estimated annual burden hours per response: 20 hours.

Estimated total annual burden hours per respondent: 20.

Estimated total annual burden hours for all respondents: 540.

Estimated total annual labor costs for all respondents: \$135,000.

The Commission does not anticipate that the proposed amendment will result in additional capital and start-up or operations and maintenance costs. The Commission does not expect that affected market participants will be required to put in place any specific information systems or make other capital expenditures to facilitate the preparation of the required annual reports.

2. Request for Comment

The Commission invites the public and other federal agencies to comment on any aspect of the information collection burdens discussed above. Pursuant to 44 U.S.C. 3506(c)(2)(B), the Commission will consider public comments on this proposed collection of information in:

(1) Evaluating whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;

(2) Evaluating the accuracy of the Commission's estimate of the burden of the proposed collection of information, including the degree to which the methodology and the assumptions that the Commission employed were valid;

(3) Enhancing the quality, utility, and clarity of the information proposed to be collected; and

(4) Mitigating the burden of the collection of information on covered entities, including through the use of appropriate automated, electronic,

mechanical, or other technological information collection techniques, *e.g.*, permitting electronic submission of responses.

A copy of the supporting statements for the collections of information discussed above are available from the CFTC Clearance Officer, 1155 21st Street NW, Washington, DC 20581, 202-418-5714, or from <https://www.RegInfo.gov>. Organizations and individuals desiring to submit comments on the proposed information collection requirements should send those comments to:

- The Office of Information and Regulatory Affairs, Office of Management and Building, New Executive Office Building, Washington, DC 20503, Attn: Desk Officer of the Commodity Futures Trading Commission;
- Submit comments electronically via www.RegInfo.gov by searching for the relevant OMB control number to locate the information collection request associated with this rulemaking.
- Please provide the Commission with a copy of submitted comments so that all comments can be summarized and addressed in the final rulemaking. Please refer to the **ADDRESSES** section of this notice of proposed rulemaking for comment submission instructions to the Commission. OMB is required to decide concerning the collection of information between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment is best assured of receiving full consideration if OMB (and the Commission) receives it within 30 calendar days of publication of this notice. Nothing in the foregoing affects the deadline enumerated above for public comment to the Commission on the proposed rule.

C. Consideration of Costs and Benefits

i. Introduction

Section 15(a) of the CEA requires the Commission to consider the costs and benefits of its discretionary actions before promulgating a regulation under the CEA or issuing certain orders. Section 15(a) further specifies that the costs and benefits shall be evaluated considering five broad areas of market and public concern: (1) protection of market participants and the public; (2) efficiency, competitiveness, and financial integrity of futures markets; (3) price discovery; (4) sound risk management practices; and (5) other public interest considerations.

The Commission considers the five enumerated areas of concern, and may, in its discretion, determine that,

notwithstanding its costs, a particular rule is necessary or appropriate to protect the public interest, or to effectuate any of the provisions, or to accomplish any of the purposes of the CEA. The Commission begins by assessing both a regulatory baseline and a status quo baseline. The regulatory baseline reflects current conditions based only on existing regulatory requirements. The status quo baseline reflects actual industry practice—including voluntary actions of market participants not currently required by regulations—as best the Commission can determine it. The Commission then considers the costs and benefits resulting from its discretionary determinations with respect to the section 15(a) factors relative to the status quo baseline.

Some aspects of this assessment require the Commission to consider the relative costs and benefits of competing relevant factors. For example, sharing systems, personnel and/or office space likely afford affiliates the benefit of operational efficiencies (which in turn could enhance competitiveness). Such sharing, however, can incur the cost of compromised market integrity and unfairly impair competitors if shared information is used to disadvantage an unaffiliated entity vis-a-vis an affiliate. As another example, an entity seeking to gain entry as a new exchange or clearinghouse could benefit from access to information regarding an affiliate FCM's clients, potentially allowing that entity to offer products or services in a way that better competes with incumbents. But such an affiliation could pose a significant risk to market participants and the public, market financial integrity, and sound risk management if the affiliate is favored in a margin-setting or default management situation. For reasons discussed previously and expanded upon below, the Commission preliminarily views the rules and guidance anticipated in this Proposal as making appropriate tradeoffs between opposing interests: they would install stronger, targeted protections against potential harms without imposing unduly stringent restraints on affiliation.

The Commission has endeavored to assess the expected costs and benefits of the proposed amendments, including PRA-related costs, in quantitative terms where possible. Two chief reasons make it difficult, and in some cases wholly impracticable, for the Commission to quantify many of these benefits and costs. First, while the Commission knows of many of the affiliate relationships that could be impacted by this Proposal, it may not be aware of the

full universe of existing affiliate relationships—or the extent of those relationships—that may fall within the ambit of the proposed regulations. For example, affiliate principal trading firms typically need not register with the Commission, and thus the scope of certain affiliate relationships may not be readily apparent to the Commission. The Commission invites comments about any sources of information the Commission could use to better estimate the number of existing affiliate relationships that the Proposal may impact.

Second, the details of how registered entities manage conflicts vary from each other and over time. For example, while DCMs, DCOs, and SEFs provide the Commission with information about staffing, systems, and physical office space arrangements for registration and oversight purposes, these arrangements (particularly concerning systems sharing) are unique to each registered entity and its affiliated enterprise. Across the universe of potentially impacted registered entities and registrants, these varying arrangements are complex and subject to change—conditions antithetical to generalized assumptions and estimates.

Notwithstanding these difficulties, the Commission, where feasible, has employed cost benchmarks to illustrate costs under hypothetical scenarios and invites comment on their applicability for affected registered entities and registrants, along with all other aspects of these cost-benefit considerations.

The other non-compliance costs and benefits considered here—*e.g.*, those concerning competition, risk management, transparency—are ill-suited to quantification because metrics for doing so in this particular and forward-looking context are either inapplicable or not known by the Commission to exist. In situations where the Commission is unable to quantify the costs and benefits, the Commission identifies and considers the costs and benefits of the applicable provisions in qualitative terms. The Commission also invites comment to the extent that the public is aware of any data, studies, reports, or other information that would enhance the Commission's ability to identify and quantify such costs and benefits.

The consideration of costs and benefits below is based on the understanding that the derivatives market regulated by the Commission functions internationally, with many transactions involving U.S. covered entities taking place across international boundaries. Additionally, some covered entities are organized outside of the U.S.

or conduct operations both within and outside the U.S. but follow substantially similar business practices wherever located. Where the Commission does not specifically refer to matters of location, the discussion of costs and benefits below refers to the effects of this Proposal on all activity subject to the Proposal, whether by virtue of the activity's physical location in the United States or by virtue of the activity's connection with or effect on U.S. commerce under CEA section 2(i).³³⁶

ii. Overall Regulatory Baseline

For purposes of evaluating the potential costs and benefits of the amendments under consideration, the Commission identifies the current legal framework and current market conditions as its baseline. Specifically, this cost-benefit considerations section proceeds on the understanding that neither the CEA nor the Commission's regulations prohibit vertical integration between Commission registrants and other market participants. Indeed, as described throughout, affiliated structures have existed for years and, in some cases, decades.³³⁷ In this regard, firms have sought registration with the Commission for the explicit intention of creating affiliated structures and the Commission has granted licenses on that basis.³³⁸ Instead of prohibiting affiliated structures, the Commission's existing rules impose certain requirements on firms, primarily, though not exclusively, through the application of the Core Principles to DCOs, DCMs, and SEFs. Those regulations have been described above and, as noted, are also discussed, as relevant, in each section below.

iii. Proposed Amendments

The cost and benefit considerations relevant to the Commission's proposed amendments are organized in the same order as in sections II through V above: proposed regulatory changes relevant to (1) DCMs with affiliate FCMs, (2) DCMs and SEFs with affiliate market participants (including affiliate principal trading firms), (3) DCOs with affiliate clearing members, and (4) the public disclosure requirements of FCMs with affiliate relationship. Each

subsection states regulatory and status quo baselines. Then, the proposed regulations are discussed with costs and benefits considered relative to the status quo baseline. Next, alternatives to the proposed amendments at issue are discussed relative to the status quo baseline, after which any relevant topics on which the Commission is requesting comments are listed. Finally, a summary of how the Commission assesses the proposed changes under the factors of section 15(a) of the CEA concludes each subsection.

(1) Proposed Amendments to § 1.52: SRO Surveillance of Financial Requirements for Affiliate FCMs

(a) Regulatory Baseline

As discussed above,³³⁹ section 5(d)(11)(B) of the CEA requires each DCM to establish and enforce rules to ensure the financial integrity of any FCM that is a member of the contract market and to ensure the protection of customer funds.³⁴⁰ Section 17(p) of the CEA imposes parallel obligations on registered futures associations, requiring them to establish, subject to Commission approval, minimum financial requirements applicable to its FCM members and a program to audit and enforce compliance with those requirements.³⁴¹ Commission Regulation 1.52 effectuates these provisions of the Act by establishing the minimum standards that all SROs must satisfy in carrying out their financial supervisory programs. Among other things, Commission Regulation 1.52 requires each SRO to establish and operate a supervisory program for examining its FCMs for compliance with SRO and Commission regulations and maintain examination staff to effectively implement the supervisory program. Commission Regulation 1.52 also permits SROs to delegate to a DSRO the function of monitoring and examining that FCM for compliance with relatively little financial and related reporting requirements.

(b) Status Quo Baseline

Commission Regulation 1.52 does not currently address SRO oversight of an affiliate FCM expressly. Likewise, neither § 1.52 nor any other regulation prohibits an SRO from acting as DSRO for its own affiliate FCM. To date, however, no DCM with an affiliate FCM has acted as DSRO for that affiliate FCM. Instead, in each such case, the DCM has voluntarily requested that a third party (specifically, NFA or CME)

perform the DSRO function for the affiliate FCM³⁴²—though there is no regulatory requirement that they continue to do so in the future.³⁴³ Nevertheless, the Commission is aware of at least one DCM that is affiliated with an FCM which also serves as a DSRO for FCM(s) that are clearing members of its DCO, even though these FCM(s) compete with its affiliate FCM.

(c) Proposal

The proposed amendments to Commission Regulation 1.52 are intended to address conflicts of interest concerns present when an SRO or DSRO, respectively, has supervisory authority for an affiliate FCM. As detailed in Section II.A.iv. above, the proposed amendments would: (1) require an SRO with an affiliate FCM to ensure that its examination staff report directly to the board of directors or other designated committee or officer responsible for regulatory compliance of the SRO; (2) require an SRO that has an affiliate FCM to designate an independent third-party SRO to conduct the surveillance of the affiliate FCM otherwise required of the SRO under existing Commission Regulation 1.52(c); (3) prohibit an SRO from accessing the non-public information of its affiliate FCM, except as necessary to comply with the SRO's responsibilities and obligations as a DCM under part 38 of the Commission's Regulations and prohibit an SRO from sharing, directly or indirectly, non-public information obtained from its supervisory program of its non-affiliate member FCMs with its affiliate FCM for any purpose, except as necessary to comply with the SRO's responsibilities and obligations as an SRO under Commission Regulation 1.52 or as a DCM under part 38 of the Commission's regulations; (4) apply substantially the same requirements to DSROs; and (5) create a process through which an FCM could elect NFA as its DSRO.

(d) Benefits

By codifying explicit, enforceable requirements that SROs or DSROs must take to help ensure the independence of their financial examination and financial surveillance of affiliate FCMs, the proposed amendments to Commission Regulation 1.52 would

³³⁶ CEA 2(i), 7 U.S.C. 2(i).

³³⁷ For example, CME first established a clearinghouse in 1919.

³³⁸ See Rostin Benham, Chairman, CFTC, *Statement in Support of the Bitnomial Clearinghouse LLC Application for Registration as a DCO* (Dec. 18, 2023) (specifically noting "vertically integrated DCOs are not novel structures for the Commission"), available at: <https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement121823>.

³³⁹ See discussion *supra* Sections I.D, II.A.i.

³⁴⁰ CEA 5(d)(11)(B), 7 U.S.C. 7(d)(11)(B).

³⁴¹ CEA 17(p), 7 U.S.C. 21(p).

³⁴² See NFA Comment, *supra* note 96, at 4–5.

³⁴³ The Commission is aware of four SROs with Affiliate FCMs: Coinbase Derivatives, LLC; ForecastEx LLC; Bitnomial Exchange, LLC; and MIAX Futures Exchange, LLC. F&O Financial, an affiliate of CME Group, has recently received NFA approval to launch an FCM. Each of these entities is a signatory to the JAC agreement. See *supra* note 68.

better protect against the damage to fair competition and trust in market integrity, noted above, that could occur if an SRO's or DSRO's duties under the CEA are subordinated to the competing interests of their affiliate FCM. If this damage were to occur (or circumstances supported a perception that it could occur), the potential knock-on effects—including liquidity drainage, compromised price discovery and reduced risk-management utility—could impact registered entities, market participants, and the public generally, perhaps significantly.

Accordingly, the proposed amendments to Commission Regulation 1.52 would provide safeguards including new financial examination-staff reporting lines to mitigate potential conflicts; requiring designation and appointment of an independent, third-party SRO to conduct financial surveillance of the affiliate FCM; and prohibiting non-public information access and sharing. These safeguards should enhance support for the same beneficial interests that are at risk if SRO/DSRO affiliations with member FCMs are not checked. That is, the Commission preliminarily believes that the proposed amendments to Commission Regulation 1.52 would benefit the interests of market participants and the public, fair FCM competition, financial market integrity, price discovery, and sound risk management by providing stronger protections for them than now exists. The Commission is not aware of a ready means to monetize or otherwise quantify these benefits but welcomes comment on any practical means of doing so.

To the extent SROs with an FCM that could qualify as an affiliate FCM to date have requested NFA act as the DSRO for the affiliate FCM, the benefits of the proposed amendments to Commission Regulation 1.52 are somewhat, but not completely, reduced. The current surveillance arrangements do not implement all components of the Proposal. First, SROs are currently not subject to formal examination staff reporting line requirements and non-public information sharing prohibitions. Second, while SROs with an affiliate FCM have voluntarily designated NFA or CME as the DSRO for their affiliate, absent regulation, there is no assurance that the practice will continue in the future. By providing this assurance, as well as additional protections beyond those provided by the current arrangements, the Commission preliminarily believes that the proposed amendments to Commission Regulation 1.52 would provide significant benefits.

The Commission also preliminarily believes that the FCM DSRO election proposal will provide significant benefits to the derivatives markets. In particular, the election would provide a measure of market discipline that supplements, and does not supplant, the Commission's oversight of the self-regulatory framework, as it affords FCMs the ability to decline examination by an assigned DSRO, including in circumstances where the FCM may believe that the DSRO cannot be fully impartial or effective in fulfilling its duties. In this regard, the election proposal will provide the Commission and market participants with an indicator of FCMs' confidence in a DSRO to apply the Joint Audit Program.

(e) Costs

The SROs (and DSRO) with an FCM that could qualify as an affiliate FCM may incur costs in the form of administrative time related to analyzing the compliance of their existing procedures regarding lines of reporting and non-public information with the proposed requirements and implementing changes as necessary. They would not, however, incur additional costs for the periodic surveillance required under Commission Regulation 1.52, as SROs with an affiliate FCM have already arranged to designate an independent DSRO to oversee their affiliate FCM.

The SROs that do not have affiliate FCMs currently should incur no additional costs for surveillance. If in the future an existing SRO admits an affiliate FCM or a new SRO with an affiliate FCM enters the market, the Commission expects it may incur costs associated with hiring an independent third-party DSRO to conduct the necessary surveillance. An FCM that uses or explores the DSRO election option may also incur costs. While the cost of the election itself should be minimal (consisting just of a written election), there may be administrative costs associated with interfacing with a new DSRO. While the Commission Regulation 1.52 examination standards will not change, DSROs may vary in how they perform their examination duties. The Commission estimates the disclosure costs in the PRA section for § 1.52(d) at \$2,500. The Commission is not aware of a ready means to monetize or otherwise quantify other costs but welcomes comment on any practical means of doing so.

(f) Alternative(s)

(1) *Reliance on existing voluntary practice.* The Commission considered relying on the current voluntary

practice—under which CME and NFA perform DSRO functions for FCMs affiliated with DCM SROs—without codification. This is the status quo baseline; therefore, relative to the status quo there would be no costs and benefits. However, the benefits of codifying the voluntary practice—as described above—would be foregone. Additionally, existing voluntary practice does not allow FCMs to elect their DSRO and so the costs and benefits of that proposal—also described above—would not apply.

(2) *Independent DSRO for all member FCMs.* The Commission considered requiring that NFA (or another independent third-party SRO) serve as DSRO for *all* member FCMs of an SRO that has an affiliate FCM—not only for the affiliate FCM itself.³⁴⁴ The rationale for this alternative is that an SRO's access to non-public information of *non-affiliate* member FCMs—which compete with the affiliate FCM—raises competitive concerns even when the SRO does not directly examine the affiliate FCM. The Commission understands that FCM examinations provide valuable information to DSROs that also operate an exchange, and that such information may bear on risk management decisions made by the exchange. In this regard, removing FCM examination authority from such DSROs may result in blind spots that increase systemic risk. The Commission is not aware of any method to quantify the costs associated with this risk but takes seriously any potential actions that could increase systemic risk. Additionally, the Commission notes that requiring the use of an independent third-party SRO would impose certain direct costs on FCMs. In particular, according to its website, NFA assesses an annual fee of \$5,625 per FCM to be that FCM's DSRO.³⁴⁵

(3) *Prescriptive separation requirements.* The Commission considered prescriptive separation requirements—including physical office separation, technical specifications for information barriers, and dual-hatting prohibitions for senior officers—for SRO personnel involved in the supervisory program of an affiliate FCM. The Commission preliminarily believes that the benefit of this approach over the proposed approach would be to ensure that the Commission's desired separations are in place at all affected registered entities. However, this benefit

³⁴⁴ Filler Comment, *supra* note 99, at 8; see also NFA Comment, *supra* note 96, at 4–5.

³⁴⁵ See the NFA website at <https://www.nfa.futures.org/registration-membership/dues-revenue-structure.html> for schedule of dues and assessments.

likely is limited in practice given the Commission's understanding of the existing status quo baseline and its expectation that registered entities likely will conform to the acceptable practices set forth by the Commission in guidance. Furthermore, the Commission sees substantial costs to this approach. For example, codified, prescriptive requirements would leave firms without flexibility, meaning that they may not be able to adopt new practices or procedures that may be more effective, without the Commission revising its rules or granting an exemption.

(g) Request for Comments

(1) How can the Commission better quantify the costs and benefits of its proposed amendments to Commission Regulation 1.52 as well as the alternatives discussed?

(2) Would NFA performing examinations for FCMs harm DCM's ability to conduct market surveillance to prevent market manipulation (or other disorderly trading)?

(3) Further, would NFA performing examinations hamper DCMs and the Commission from conducting investigations of potential market manipulation?

(h) Section 15(a) Considerations

Protection of Market Participants and the Public

The Commission preliminarily believes, subject to consideration of comments, that the amendments it is proposing for Commission Regulation 1.52 of its regulations will enhance protections for market participants and the public in important ways.

Proposed Commission Regulations 1.52(c) and (d) would better ensure the impartiality of FCM supervision and that FCM supervision is not a conduit for sharing of non-public information and that FCM affiliations are publicly disclosed. More specifically, this Proposal—in combination with other proposed changes—would guard against an unaffiliated entity such as an FCM (and its customers) being competitively disadvantaged because a DCM inappropriately favored its affiliate FCM by: (a) sharing non-public information with it, and/or (b) discriminating in the exercise of its supervisory oversight of participants/members.

As such, by helping to ensure a level and competitive playing field at the exchange, these regulations directly benefit the unaffiliated market participants—and their customers—who trade on exchanges against the affiliate FCM or its customers. Further, by safeguarding against conflicts of

interests skewing supervisory oversight decisions to unduly favor affiliate FCMs, the proposed regulations likewise safeguard against harmful market events (e.g., market manipulation) that could result from such compromised oversight. As such, the proposed regulations also better protect market participants and the public—both those most immediately impacted because, for example, a trade was cancelled, as well as a wider group that could be impacted if the event erodes confidence in market integrity sufficiently to degrade liquidity (with, in a potential worst case, systemic negative ramifications). This wider group of beneficiaries would include (1) market participants generally who may look to exchange prices more broadly to manage risks and inform their trading strategies, and (2) the public that benefits generally from more efficient, accurate pricing that liquidity fosters, and that could suffer economic harm if a systemic event occurs.

Efficiency, Competitiveness, and Financial Integrity of Futures Markets

The Commission preliminarily believes, subject to consideration of comments, that the amendments it is proposing for § 1.52 of its regulations will impact efficiency, competitiveness and financial integrity of the derivatives markets in multiple, overall positive, ways. Negative impacts, to a limited degree, are possible in certain respects but are, in the Commission's view, warranted by the import of the overall positive impacts.

The Commission expects overall market efficiency to be better served by the Proposal's suite of regulatory amendments. This expectation is grounded in the view that the suite of amendments in the Proposal, working together, will bolster market participants' and the public's faith in the integrity of the U.S. derivatives markets—faith essential to sustain and promote market participant's willingness to engage in the markets. Increased market participation and trading volumes, in turn, are likely to improve market liquidity, rendering the markets more efficient.

Regarding competitiveness, the Commission designed the Proposal to enhance guardrails against the potential that FCMs that were not affiliated with an exchange could be competitively disadvantaged because an exchange either shared competitively significant non-public information with its affiliate FCM or disfavored these unaffiliated intermediaries through other operational avenues, including SRO supervision and oversight. By proposing

provisions to better seal off the avenues through which this type of anticompetitive behavior could occur, the Commission, for reasons discussed in the sections above,³⁴⁶ preliminarily believes the Proposal provides necessary support for the interest of fair and vibrant horizontal competition among market intermediaries, including FCMs.

The Proposal's protections to preserve and energize fair market intermediary-level competition, as reflected in the proposed changes to Commission Regulation 1.52 and elsewhere, should likewise support the financial integrity of the derivatives markets. This is because intermediary-level competition tainted (actually or potentially) by conflicts-of-interests to favor an affiliate FCM would likewise undermine financial market integrity. This undermining, as previously discussed,³⁴⁷ could occur in any number of ways. For example, an affiliate FCM's use of non-public information to gain an anticompetitive trading advantage on an exchange would not only financially damage the unaffiliated market participants (and customers of the unaffiliated market participants) on the exchange but could also likely shake faith in the system's fairness, potentially spiraling into lost market liquidity with a concordant drop in market utility. This similar pattern (i.e., anticompetitive financial loss, leading to lost trust, leading to lost market liquidity and utility) can be expected to play out in any number of scenarios in which a DCM favored its affiliate FCM by facilitating access to non-public information. The Proposal would provide conflicts-of-interest guardrails to prevent financial market integrity being drained in this way.

Price Discovery

The Commission preliminarily believes, subject to consideration of comments, that the proposed amendments should provide a positive, indirect influence on price discovery. To the extent that the members of the public are unwilling, or have reduced participation, in financial markets due to perceived conflicts-of-interest driven favoritism for affiliate FCMs, proposed amendments to Commission Regulation 1.52(c) and (d) may mitigate these negative perceptions and thus increase participation in derivatives markets. Increased trading activity and volume by the public has the potential to improve price discovery in financial markets. Secondly, the integrity of

³⁴⁶ See Sections II.B.iv. and III.A.iv, above.

³⁴⁷ *Id.*

prices that result from exchange trading is affected by an affiliate FCM's anticompetitive access to non-public information or other favored treatment by their affiliated DCM may be compromised. Accordingly, the guardrails the Proposal seeks to erect to prevent this from occurring should serve the interest of high-quality price discovery.

Sound Risk Management Practices

The Commission preliminarily believes, subject to consideration of comments, that the Proposal enhances support for sound risk management practices. Conflicted SRO staff may choose to prioritize the commercial interests of the affiliate FCM over the self-regulatory obligations of the exchange, including obligations regarding financial resource sufficiency, at the cost of weakening the risk management practices of the exchange. The proposed amendments to Commission Regulation 1.52 add safeguards to mitigate this conflict and strengthen risk management practices of DCMs by adding guardrails to strengthen the enforcement of financial resource obligations of the DCM.

(2) Proposed Amendments to §§ 38.604 and 38.606: DCM Financial Surveillance of Affiliate FCMs

(a) Regulatory Baseline

As described in Section II.B, DCMs bear responsibility for the financial surveillance of their member FCMs under DCM Core Principle 11 (Financial Integrity of Transactions) and Commission Regulations 38.602, 38.604, and 38.605. In particular, Commission Regulation 38.604 requires that a DCM "monitor members' compliance with the [DCM's] minimum financial standards" by, among other things, routinely receiving and promptly reviewing financial and related information from its members, "continuously monitor[ing] the positions of members and their customers," continually surveying the obligations of each FCM created by the positions of its customers, comparing those obligations to the financial resources of the FCM as appropriate, and taking appropriate steps to use this information to protect customer funds. Commission Regulation 38.605 requires the DCM to comply with the standards of Commission Regulation 1.52 in carrying out this financial surveillance program.

Commission Regulation 38.606 currently permits—but does not require—a DCM to comply with the requirements of Commission Regulations 38.604 and 38.605 through

the regulatory services of an RSP. Where a DCM elects to engage an RSP, Commission Regulation 38.606 requires the DCM to ensure that the RSP has the capacity and resources necessary to provide timely and effective regulatory services, including adequate staff and surveillance systems; to enter into a written agreement that specifically documents the services to be performed; and to retain ultimate responsibility for compliance with its obligations under the CEA and the Commission's regulations.

(b) Status Quo Baseline

The status quo baseline appears to be the regulatory baseline. That is, the Commission is not aware of any voluntary practices or other behavior by regulated entities that are meaningfully different from what Commission regulations require.

(c) Proposal

The Commission is proposing a clarifying amendment to Commission Regulation 38.604(a). As proposed, the regulation would retain the existing requirement that a DCM monitor its members' compliance with the DCM's minimum financial standards and routinely receive and promptly review financial and related information from its members but would remove the word "continuously" from the requirement to monitor the positions of members and their customers. Instead, proposed Commission Regulation 38.604(b) would require the DCM to (1) monitor the obligations of each FCM created by the positions of its customers "throughout the day"; (2) as appropriate, compare those obligations to the financial resources of the FCM; and (3) take appropriate steps to use this information to protect customer funds. These changes are intended to confirm that the surveillance obligation requires intra-day, risk-based monitoring rather than literal real-time monitoring of every trade, consistent with existing Commission expectations and its understanding of market practice. In this regard, as discussed below, the Commission preliminarily does not expect there to be significant costs associated with this proposed change.

The Commission also proposes to amend Commission Regulation 38.606 to add a new paragraph providing that a DCM that has an affiliate FCM may comply with the requirements of Commission Regulation 38.604 by designating an independent third-party RSP, and that if such a DCM does not engage an independent third-party RSP, the DCM must have procedures for identifying, addressing, and managing

conflicts of interests involving its affiliate FCM that may arise in connection with the DCM's obligations under Commission Regulation 38.604. Such procedures shall address, at a minimum:

(1) Applications and systems, such that a DCM's applications, information and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate FCM;

(2) Personnel, such that a DCM does not share staff with any affiliate FCM, except with respect to administrative functions;

(3) Office space, such that a DCM maintains office space for itself that is separate from the office space of any affiliate FCM;

(4) Documentation, such that a DCM documents all conflicts of interest that arise with respect to an affiliate FCM and how any such conflict of interest is resolved; and

(5) Disclosures, such that a DCM provides disclosure of the existence of an affiliate FCM in its rulebook and in a clear, prominent, and readily available manner on its website and any other application portal or similar means through which a DCM directly or indirectly connects electronically with its market participants.

Finally, the Commission is proposing to amend Appendix B to part 38 to provide DCMs with guidance regarding the Commission's views regarding acceptable practices for conflict-of-interest procedures.

(d) Benefits

The Commission preliminarily believes the proposed amendments to Commission Regulations 38.604 will provide benefits primarily in the form of conforming the regulatory text with the Commission's expectations and existing market practice. In this regard, the Commission believes that the benefits of this proposed amendment will accrue primarily to DCMs. Such benefits likely will consist of reduced costs. For example, a DCM need not expend resources interfacing with the Commission to confirm its understanding of the scope of Commission Regulation 38.604. In addition, a DCM will benefit from increased confidence that its financial surveillance capabilities are appropriately scoped and that it need not, for example, expand those capabilities solely to attempt to comply with a "continuous" monitoring standard.

The Commission preliminarily believes the proposed amendments to Commission Regulation 38.606 will

better protect against the damage to fair competition and trust in market integrity that could occur if a DCM's duties under the CEA are subordinated to the competing interests of their affiliate FCM. Such damage could be mitigated either through the use of an independent, third-party RSP or through conflicts of interest procedures specific to the DCM-affiliate FCM relationship. If this damage were to occur (or circumstances supported a perception that it could occur), the potential knock-on effects—including liquidity drainage, compromised price discovery and reduced risk-management utility—could impact registered entities, market participants, and the public generally, perhaps significantly.

The Commission also believes there will be significant benefits for DCMs and other market participants stemming from the proposed conflicts of interest procedures in Commission Regulation 38.606. For example, such procedures requirements will put DCMs on notice of the Commission's expectations and will also inform other market participants of the types of conflict mitigants that the Commission expects to be in place. Such information could provide the market with increased confidence that a DCM is appropriately managing potential conflicts. The Commission also believes conflicts of interest procedures required by rule text provide greater benefits with respect to the protection of market participants and the financial integrity of futures markets when compared with guidance as they are easier to enforce.

The Commission is not aware of any information that would allow these benefits to readily be quantified but welcomes any comments that may assist the Commission in doing so.

(e) Costs

The Commission preliminarily believes that there will not be material costs associated with the proposed changes to Commission Regulation 38.604. As discussed above, these proposed changes serve to conform the regulatory text to the Commission's existing understanding of the financial surveillance requirement as it has applied to DCMs. In this regard, a DCM that is in compliance with its Commission Regulation 38.604 obligations today should not be subject to increased costs under the Proposal.

The Commission also preliminarily believes that the costs associated with the proposed changes to Commission Regulation 38.606 will be negligible for most of the affected registered entities. First, the Commission understands that many, if not most, DCMs with an

affiliate FCM today already use NFA as a regulatory service provider for intra-day financial surveillance. For those firms, the proposed amendments would not result in any additional costs, as the proposed changes are consistent with such market practice. Second, the Commission also understands that most, if not all, DCMs with affiliate FCMs, have in place procedures intended to manage and mitigate potential conflicts of interest. For such firms, the Commission preliminarily expects that costs to comply with proposed Commission Regulation 38.604(a) to be small. Such DCMs may incur costs in the form of administrative time related to analyzing their existing procedures for compliance with the Commission's proposed procedures on acceptable practices. The Commission acknowledges there may be costs associated with this prescriptive approach as compared with issuing guidance, primarily by limiting firms' ability to take approaches that differ from the proposed procedures rule text. Of course, DCMs that do not have an affiliate FCM should incur no additional costs in this regard.

A DCM with an affiliate FCM that does not currently engage a third-party RSP and does not have in place conflicts-of-interest policies (or a DCM that newly has an affiliate FCM) will incur the most costs under these proposed changes. Such a DCM may incur direct costs by choosing to hire an independent third-party RSP to conduct intra-day financial surveillance. The Commission is unable to quantify these costs as they would vary based on the business of the affiliate FCM, including its trading volume on the affiliated DCM, as well as the terms, including price, assessed by the RSP for performing the service. The Commission seeks public feedback on these costs.

Such a DCM may, alternatively, incur costs by conducting financial surveillance in-house and having procedures to manage its conflicts of interest. Keeping information systems separated between affiliates reduces conflicts of interest and mitigates conferring a competitive advantage to affiliates over its unaffiliated competitors. Unfortunately, these costs are challenging to quantify without specific data about the information systems and arrangements involved, but the Commission preliminarily believes that these would be minor relative to the status quo (although some DCMs and affiliate FCMs might have to purchase new hardware and software to accomplish the needed separation). Data segmentation requires management of data security from the DCM to make

sure that the affiliate FCM does not have access to any inappropriate non-public information. Cost will vary by the complexity of the affiliated entity, making such costs impractical to quantify.

Requiring that personnel are not shared between the DCM and affiliate FCM helps to maintain information firewalls. However, it may impose costs if personnel are being shared at present. For instance, new personnel may need to be onboarded to perform separate tasks for the affiliate FCM or the DCM. Similarly, requiring physical separation between employees performing the functions of the affiliate FCM and the DCM helps to mitigate information being shared. It will impose costs relative to the status quo if they are not currently separated. At the extremes, this may require new office space or require personnel to be located on separate floors or might only require a lock being installed between offices of relevant personnel. Without specific information about the arrangements and personnel at issue, however, the Commission cannot effectively quantify the costs of a DCM and affiliate FCM not sharing and physically separating personnel.

Requiring the disclosure of an affiliate FCM in DCM rulebooks, web pages, and marketing materials will inform market participants of potential conflicts of interest so that they can assess the situation properly and make appropriate decisions. The Commission preliminarily believes that these costs should be minor.

Requiring the disclosure of conflicts of interest policies and procedures and how any such conflict of interest are resolved between the DCM and affiliate FCM will help inform other market participants of conflicts and provided needed transparency to keep parties publicly accountable. This requirement will impose costs if policy and procedures are not properly developed and they need review and reworking. Further, when a conflict has been resolved, it will impose costs to disseminate it to the public. The Commission lacks adequate specific information to effectively quantify these costs but preliminarily believes they will be minor.

The Commission seeks public feedback on these costs. In particular, the Commission seeks feedback on the costs associated with creating, maintaining, and implementing conflict-of-interest procedures consistent with proposed Commission Regulation 38.606. Specifically, what are the costs associated with a DCM: (1) maintaining and operating applications, information,

and systems in a manner that prevents the sharing of non-public information with any affiliate market participant; (2) not sharing certain staff with an affiliate; (3) maintaining separate office space; (4) disclosing affiliate relationships; and (5) documenting conflicts and how they are resolved?

(f) Alternative(s)

(1) *Mandatory third-party RSP for affiliated-FCM surveillance.* The Commission is considering requiring, rather than allowing, a DCM with an affiliate FCM to designate an independent third-party RSP to perform § 38.604 financial surveillance of that affiliate FCM.

The Commission preliminarily believes the benefits of this alternative are not substantially different from the Proposal. Relative to the baseline, this alternative would impose direct costs on DCMs that have an affiliate FCM but do not currently employ an independent third-party RSP for financial surveillance. As noted, the Commission is unable to quantify these costs as they would vary based on the business of the affiliate FCM. The Commission believes there could be benefits to this approach, particularly by limiting the possible harms stemming from conflicts of interest that could arise from a DCM surveilling its affiliate. As noted, the Commission believes these harms can be adequately mitigated through procedures, but requests comment on the potential costs and benefits of this alternative approach.

(2) *Guidance rather than rule text regarding separation.* Under this alternative, the Commission would only amend Appendix B to part 38 to adopt guidance—rather than providing rule text—specifying desired separations between a DCM and its affiliate FCM, including with respect to information barriers, personnel, physical separation of office space, documentation, disclosures, and systems. The Commission preliminarily believes that, although guidance might afford more flexibility to the DCM, rules will provide better protection of market participants and the public and the financial integrity of derivatives markets. Further, the Commission preliminarily believes that the costs of any guidance on separation requirements would be comparable to those of the prescriptive separation rules.

(g) Request for Comments

(4) Has the Commission accounted for the costs of the proposed amendments to Commission Regulations 38.604 and 38.606 rule adequately? Is there

additional information the Commission could use to quantify those costs?

(5) Are there other costs related to contracting with an independent third-party RSP for intra-day financial surveillance for which the Commission has not accounted?

(6) What are the costs associated with a DCM: (1) maintaining and operating applications, information, and systems in a manner that prevents the sharing of non-public information with any affiliate market participant; (2) not sharing certain staff with an affiliate; (3) maintaining separate office space; (4) disclosing affiliate relationships; and (5) documenting conflicts and how they are resolved?

(h) Section 15(a) Considerations

Protection of Market Participants and the Public

The Commission preliminarily believes, subject to consideration of comments, that the amendments it is proposing for Commission Regulations 38.604 and 38.606, along with the proposed changes to Appendix B in part 38, will enhance protections for market participants and the public in important ways.

By requiring DCMs to publicly disclose participant/member affiliates and adopt conflict-of-interest policies and procedures specifically addressed to participant/member affiliates, the proposed regulations reduce the likelihood that market participants and the public will be harmed because a DCM subordinated its core principle obligations to its affiliate commercial interests.

As discussed with regard to the changes to Commission Regulation 1.52, such changes would guard against an unaffiliated participant/member such as an FCM (and that unaffiliated participant's/member's customers) being competitively disadvantaged because a DCM inappropriately favored its affiliate FCM.

Efficiency, Competitiveness, and Financial Integrity of Futures Markets

The Commission preliminarily believes, subject to consideration of comments, that these amendments it is proposing for parts 38 of its regulations will impact efficiency, competitiveness and financial integrity of the derivatives markets in multiple, overall positive, ways. Negative impacts, to a limited degree, are possible in certain respects but are, in the Commission's view, warranted by the importance of the overall positive impacts.

As discussed with regard to the proposed amendments to Commission

Regulation 1.52, the Commission expects overall market efficiency to be better served by the Proposal's suite of regulatory amendments because such changes will bolster market participants' and the public's faith in the integrity of the U.S. derivatives markets.

Regarding competitiveness, the Commission designed and aimed these changes to enhance guardrails against the potential that FCMs that were not affiliated with an exchange could be competitively disadvantaged because an exchange compromised its financial surveillance obligations vis-à-vis its affiliate FCM. In this regard, the proposed changes should enhance market integrity by helping to ensure that FCM financial surveillance is consistent across unaffiliated and affiliate FCMs.

Price Discovery

As already discussed with regard to the amendments to Commission Regulation 1.52, to the extent that the members of the public are unwilling, or have reduced participation, in financial markets due to perceived conflicts-of-interest driven favoritism or affiliate FCMs—or concern that an affiliate FCM is not being subject to appropriate financial surveillance, the proposed changes have the potential to aid price discovery by increasing market participation and liquidity.

Sound Risk Management Practices

As with the amendments to Commission Regulation 1.52, the Commission preliminarily believes, subject to consideration of comments, that the Proposal's proposed amendments to Commission Regulations 38.604 and 38.606 and to Appendix B to part 38 would enhance support for sound risk management practices by adding safeguards to mitigate conflicts of interest and strengthen risk management practices of DCMs by adding guardrails around its financial surveillance obligations with respect to an affiliate FCM.

(3) Proposed New Commission Regulations 38.852 and 37.1201—Conflicts of Interest Involving an Affiliate Market Participant Generally

(a) Regulatory Baseline

DCM Core Principle 16 stipulates that DCMs establish and enforce rules to minimize conflicts of interest in their decision-making process and to establish a process for resolving them.³⁴⁸ SEF Core Principle 12 imposes a parallel obligation on each SEF to minimize conflicts of interest in its

³⁴⁸ CEA 5(d)(16), 7 U.S.C. 7(d)(16).

decision-making process and to establish a process for resolving them.³⁴⁹ Separately, DCM Core Principle 12 requires DCMs to establish and enforce rules to protect the market and market participants from abusive practices and to promote fair and equitable trading.³⁵⁰ SEF Core Principle 2 likewise requires SEFs to establish rules to, among other things, prohibit abusive trading practices.³⁵¹ Appendix B to part 37 and Appendix B to part 38 both provide guidance, to SEFs and DCMs, respectively, regarding compliance with the Core Principles. Neither the Core Principles nor the guidance specifically address conflicts of interest that may arise in affiliated structures.

(b) Status Quo Baseline

The Commission is aware of approximately eight DCMs that currently have affiliate market participants and that certain SEFs operate affiliates as well (including IBs and CTAs). The Commission believes that certain DCMs and SEFs already have public disclosures and conflict of interest policies compliant with those that would be required by the Commission's Proposal.

(c) Proposal

The Commission proposes new regulations regarding conflicts of interest involving an affiliate market participant and a DCM or SEF. The rules regarding DCMs are proposed as additions to Commission Regulation 38.852(b)(1) and (2), including regarding conflict-of-interest policies and related disclosures. The Commission also would make parallel procedures and disclosure requirements for SEFs through additions to Commission Regulation 37.1201. For SEFs and DCMs, the Commission also proposed related changes to the acceptable practices in Appendix B to part 37 and Appendix B to part 38.

(d) Benefits

The Commission assesses costs and benefits relative to the status quo baseline. As noted, the Commission understands that DCMs and SEFs with affiliate market participants generally provide disclosures of such relationships and have procedures to manage conflicts of interest. In this regard, the benefits of the Proposal are twofold: First, the Proposal would codify existing practice, which will help

to ensure that current and future DCMs and SEFs continue to adhere to their voluntary practices. Second, the Proposal would establish the Commission's requirements regarding conflicts of interest procedures, which the Commission believes will benefit DCMs and SEFs in assessing the adequacy of their procedures.

(e) Costs

Because the Proposal in this regard codifies existing practices, the Commission does not expect substantial costs associated with compliance as compared to the status quo baseline. It is possible that some firms may incur administrative costs in reviewing or updating their conflicts of interest procedures. The Commission is unable to quantify such costs, given the differences in market practice, but expects preliminarily any such costs to be low. The Commission estimates the disclosure cost to SEFs under 37.1201(b)(5) to be \$1,250, and the cost of updating DCM rulebooks under 38.852(b)(2) at \$1,250 in the PRA section.

(f) Alternative

(1) Guidance rather than rule text regarding separation. Under this alternative, the Commission would only amend Appendix B to part 37 and Appendix B to part 38 to adopt guidance—rather than providing rule text—specifying desired separations between a DCM or SEF and its affiliate market participants, including with respect to information barriers, personnel, physical separation of office space, and systems. The Commission preliminarily believes that, although guidance might afford more flexibility to the regulated entities, regulations would provide better protection of market participants and the public and the financial integrity of derivatives markets. Further, the Commission preliminarily believes that the costs and benefits of any guidance on separation requirements would be comparable to those of the prescriptive separation and allow for easier enforcement of physical separation.

(g) Request for Comments

(7) Has the Commission accounted for the costs and benefits of these proposed regulations adequately?

(8) Are there other costs or benefits for which the Commission has not accounted?

(h) Section 15(a) Considerations

Protection of Market Participants and the Public

The Commission preliminarily believes, subject to consideration of comments, that the proposed Commission Regulations will enhance protections for market participants and the public in important ways. The Commission believes that public disclosure of affiliate relationships will help to ensure that market participants and the public are aware of such relationships and can make decisions, including with respect to where to trade and which market intermediaries to use, with such information available to them. The Commission also believes that conflicts of interest procedures will protect market participants and the public by ensuring that DCMs and SEFs have systems to monitor for, mitigate, and address conflicts, including those that could result in a DCM or SEF benefiting its affiliate at the expense of market participants.

Efficiency, Competitiveness, and Financial Integrity of Futures Markets

The Commission preliminarily believes, subject to consideration of comments, that the proposed Commission Regulations will impact efficiency, competitiveness and financial integrity of the derivatives markets in multiple, overall positive, ways. The proposed disclosure rules will enhance competitiveness by ensuring that market participants are aware of affiliate relationships before they make decisions as to where to trade and which market intermediaries to employ. The conflicts of interest procedures requirement will, in particular, support financial integrity of futures markets by ensuring that DCMs and SEFs have systems to monitor for, mitigate, and address conflicts, including those that could result in a DCM or SEF benefiting its affiliate at the expense of other market participants.

Price Discovery

The Commission preliminarily believes, subject to consideration of comments, that the proposed amendments should provide a positive, indirect influence on price discovery. Disclosure and conflict of interest procedures requirements should provide unaffiliated market participants with increased confidence that trading on a DCM or SEF with an affiliate will not expose them to unfair disadvantages vis-à-vis an affiliate market participant, and such confidence may increase market participants' likelihood to trade,

³⁴⁹ CEA 5h(f)(12), 7 U.S.C. 7b-3(f)(12) (SEF Core Principle 12); 17 CFR 37.1200.

³⁵⁰ CEA 5(d)(12), 7 U.S.C. 7(d)(12).

³⁵¹ 17 CFR 37.203(a).

thus benefiting market volume, liquidity, and price discovery.

Sound Risk Management Practices

The Commission preliminarily believes, subject to consideration of comments, that the Proposal enhances support for sound risk management practices. The Commission believes that clear disclosure of important information is a core risk management practice. In this regard, the proposed requirement for DCMs and SEFs to disclose affiliate market participant relationships will result in such DCMs and SEFs engaging in such sound risk management. The Commission further believes that procedures and systems to mitigate conflicts of interest represent another core risk management practice, and so mandating that DCMs and SEFs have such procedures will further support sound risk management practices.

(4) Proposed New Commission Regulations 38.852(b) and (c): Affiliate Principal Trading Firms

(a) Regulatory Baseline

DCM Core Principle 16 stipulates that DCMs establish and enforce rules to minimize conflicts of interest in their decision-making process and to establish a process for resolving them. Separately, DCM Core Principle 12 requires DCMs to establish and enforce rules to protect the market and market participants from abusive practices and to promote fair and equitable trading. Neither these Core Principles, nor the existing acceptable practices in Appendix B of part 38, specifically address the conflict presented by an affiliate that trades as principal on an affiliated exchange. At the same time, neither the CEA nor the Commission's Regulations prohibit affiliate principal trading firms.

(b) Status Quo Baseline

The Commission is aware of approximately eight DCMs that currently have affiliate market participants, some of which the Commission understands are affiliate principal trading firms. The Commission is also aware of at least one DCM that imposes an order-priority subordination requirement on its affiliate principal trading firm, *i.e.*, where the affiliate's limit orders rest behind all other limit orders at a price tick regardless of time priority. In this regard, the Commission believes that certain DCMs already impose conditions on affiliate principal trading firms that are comparable, in some respects to those in proposed Commission Regulation 38.852(c).

(c) Proposal

The Commission proposes to implement the prohibition and conditioned exception discussed in section III.B above through additions to Commission Regulation 38.852: two new definitions in paragraph (a), an incentive-parity requirement in paragraph (b)(2), and the prohibition, exception, and associated conditions themselves in paragraph (c)(1). Paragraphs (c)(2) and (3), respectively, impose an independent verification requirement and an additional disclosure requirement on DCMs that have an affiliate principal trading firm.

Through these proposals, the Commission would limit conflicts of interest by prohibiting a DCM's affiliate principal trading firm from trading on that DCM unless it complies with certain conditions. These conditions include order-priority subordination in paragraph (c)(1)(i) and the market-making agreement requirements in paragraph (c)(1)(ii).

Additionally, paragraph (c)(2) of the proposed regulation would require a DCM permitting an affiliate principal trading firm to trade to designate an independent third-party RSP to conduct financial surveillance of the affiliate principal trading firm, review and monitor the exchange's conflict-of-interest procedures under paragraph (b), and to annually certify to the Commission that an affiliate principal trading firm satisfies the conditions set forth in proposed Commission Regulation 38.852(c).

Finally, paragraph (c)(3) of the proposed regulation would require a DCM to disclose to any party trading on the DCM, on a per-session basis and prior to that party entering any orders, the existence of, and the DCM's relationship with, the affiliate principal trading firm. The DCM would be required to establish a rule that its intermediary participants, and any other operator of an electronic order-entry interface that provides access to the DCM, deliver the notice.

(d) Benefits

Proposed Commission Regulation 38.852(b)(2) requires that an exchange does not advantage an affiliate principal trading firm by requiring the DCM to offer to the non-affiliates the same, or better, incentive or similar programs offered to affiliate principal trading firms. This proposal complements proposed Commission Regulation 38.852(b)(1), discussed previously, which requires a DCM with an affiliate principal trading firm to have conflicts of interest procedures. The Commission

preliminarily believes that requiring incentive parity will protect against the harm to fair competition and enhance trust in market integrity. The Commission believes that if market integrity and trust in derivatives markets were to erode, its impact could result in significant reduction of major risk-management functions in financial markets and in compromised price discovery, resulting in adverse impacts to market participants, registered entities, and the public.

The Commission believes incentive parity also will improve competitiveness in financial markets, leading to better trading efficiency and improved price discovery, since non-affiliate principal trading firms will have access to the same, if not better, incentives that are offered to the affiliate principal trading firm by a DCM. The Commission further believes requiring incentive parity, combined with the paragraph (c) requirements, will incentivize non-affiliate principal trading firms to provide liquidity on DCMs, ultimately improving competition, enhancing price discovery, and providing opportunities to market participants for improved risk management practices. The Commission preliminarily expects increased competition and liquidity to also shrink the bid-ask spread in the affected markets, resulting in a reduction in transaction costs for market participants.

Proposed Commission Regulation 38.852(c)(1) would set the conditions under which a DCM may permit an affiliate principal trading firm to trade on the DCM. Given the large number of markets DCMs would like to make available to market participants, the Commission recognizes the challenges DCMs would face in attracting non-affiliate principal trading firms willing to provide liquidity in at least certain of those markets. Without affiliate principal trading firms, the Commission expects many markets to face liquidity challenges or trading to cease to exist in extreme cases, ultimately harming price discovery function that those markets bring to the public. Additionally, absent affiliate principal trading firms providing market making services, market participants would find it challenging to use these illiquid markets for risk management purposes.³⁵²

The Commission believes these adverse effects will be averted, partially

³⁵² Rebecca Baird-Remba, *Liquidity on Kalshi, Polymarket 'too thin' for institutional use*, Risk.net (Jun. 11, 2026), available at <https://www.risk.net/markets/7963633/liquidity-on-kalshi-polymarket-%E2%80%98too-thin%E2%80%99-for-institutional-use>.

or fully, by allowing for the affiliate principal trading firm exception for market makers, subject to the conditions described above.

By prohibiting DCMs from having an affiliate principal trading firm trade in its markets unless the affiliate meets the proposed stringent conditions, the prohibition would protect against the harm to fair competition and trust in market integrity, as described above. If market integrity and trust in derivatives markets were to erode, its impact could result in significant harm to the risk-management functions of financial markets, as well as in compromised price discovery. This would have adverse impact on market participants, registered entities, and the public.

As mentioned above in Section II.B, the Commission preliminarily expects affiliate principal trading firms to be the initial liquidity providers in many markets, especially in new markets that may otherwise have thin liquidity. This allows for initial price discovery to take place in these markets and provides risk management opportunities for market participants. Order-priority subordination allows an affiliate principal trading firm to provide liquidity when non-affiliate principal trading firms are not present in the market, while allowing non-affiliate principal trading firms to have confidence in their ability to profitably engage on these DCMs because they get filled first when they have orders in the limit order book at the same price level as the affiliate. The Commission preliminarily believes this condition will encourage non-affiliate principal trading firms to find it advantageous to provide liquidity in more markets, improving overall competition, liquidity, and price discovery. In addition, the Commission expects improved liquidity to lower transaction costs for market participants, in the form of lower bid-ask spreads.

Similarly, the conditions outlined in paragraph (c)(1)(ii) would confine the affiliate principal trading firm to bona fide market making, rather than allowing it to trade in a speculative or directional manner. The requirement to provide continuous two-sided quotes for a minimum amount of trading hours would ensure that there is ample liquidity during the trading hours most relevant to a market, helping price discovery and allowing for effective risk management by market participants. Similarly, the Commission believes specifying limitations on permissible bid-ask spreads would ensure the affiliate principal trading firm provides liquidity at reasonable prices on both sides of the market, such that the

liquidity they provide is useful to market participants. If the bid-ask spreads were to be too large, the Commission believes market participants would not find those prices favorable to trade at, and market liquidity would be adversely affected. The last prong of the market making agreement requirement would ensure that the affiliate principal trading firm contributes to the maintenance of a fair and orderly market, also improving liquidity in the market so the market participants and the public can benefit from efficient risk management opportunities, as well as price discovery.

Proposed Commission Regulation 38.852(c)(2) would require a DCM that permits trading by an affiliate principal trading firm to designate an independent third-party RSP to conduct financial surveillance of the affiliate principal trading firm; review and monitor the exchange's compliance with its conflicts-of-interest procedures under paragraph (b); and annually certify to the Commission that the affiliate principal trading firm satisfies the conditions in paragraph (c)(1). Requiring the RSP to be independent of the DCM and its affiliate principal trading firm would protect the financial integrity of the market. If market integrity and trust in derivatives markets were to erode, its impact could impede the risk-management function of financial markets and result in compromised price discovery. The Commission expects the third-party RSP to ensure the financial soundness of the affiliate principal trading firm, as well as to confirm that the conditions outlined in paragraph (c)(1) are met. The certification requirement would help to ensure that the affiliate principal trading firm conditions continue to be met, such that the benefits of the affiliate's trading continue to accrue to the market. The Commission believes this would foster liquidity and price discovery.

Proposed Commission Regulation 38.852(c)(3) would require that customers are made aware that an affiliate principal trading firm is trading in the market in which they may want to trade. This disclosure would include the conditions and limitations imposed on the affiliate principal trading firm. The Commission believes this requirement is in the interest of market participants, allowing them the choice of trading in a market with an active affiliate principal trading firm, or not.

(e) Costs

The Commission expects there to be no burdens or costs associated with the relevant definitions in proposed

Commission Regulation 38.852(a) as those definitions themselves do not impose obligations, merely clarify the meaning of the other proposed provisions.

The proposed incentive parity requirement of 38.852(b)(2) would likely impose limited, if any, direct costs because, as the Commission preliminarily understands, DCMs generally already offer similar incentives or similar programs to every market maker. While an incentive parity requirement may reduce the flexibility of a DCM with an affiliate principal trading firm in terms of the incentive programs the DCM offers, the Commission believes the cost associated with this reduction in flexibility to be de minimis. The Commission, however, requests public feedback on whether the Commission's understanding that DCMs offer similar incentives or programs to most, if not all market makers is not accurate, and that more substantial costs should be considered.

Because proposed Commission Regulation 38.852(c)(1) sets conditions under which a DCM can permit an affiliate principal trading firm to trade on the DCM, the Commission preliminarily expects there to be costs to the affiliate principal trading firms and DCMs

Specifically, to the extent that currently there are affiliate principal trading firms trading in markets offered by their affiliate DCM, they would be required to cease trading in these markets if they choose not to comply—or cannot comply—with the conditions in proposed paragraph (c)(1). The Commission preliminarily expects the main cost for these affiliate principal trading firms to be the loss of trading profits, or hedging protections, they would forego as a result. The Commission also preliminarily expects the main costs to the DCMs to be the loss of liquidity in certain markets (and perhaps the loss in the ability to maintain or launch certain markets), which could result in lower revenues.

The Commission preliminarily expects an affiliate principal trading firm today to be trading derivatives for hedging purposes, for speculation purposes, market making purposes, or combination. If for hedging purposes, the Commission expects the affiliate principal trading firm would lose access to risk management vehicles offered by the derivatives markets if the firm had to cease trading. The affiliate principal trading firm then might have to find potentially more costly methods to put on their hedge, or to have an unhedged position if that is not feasible. If the affiliate principal trading firm is trading

for speculative purposes, then they would have to forego the potential profits they would have made while trading in the markets offered by their affiliated DCM. The Commission does not have information about the trading motives of affiliate principal trading firms and as a result is not able to quantify the costs associated with the prohibition. The Commission requests public feedback on these trading motives and would welcome data on the costs associated with the prohibition to these affiliate principal trading firms.

If the DCM and its affiliate principal trading firm instead choose to comply with the conditions in proposed paragraph (c)(1), there will be separate costs associated with these conditions. For example, the Commission expects order-priority subordination will impose costs for the affiliate principal trading firm. When there is an unaffiliated market maker active in the market at the same price levels, their limit orders will be executed before those of the affiliate principal trading firm. The Commission believes this restriction could cause the affiliate principal trading firm to trade against informed market participants since unaffiliated market makers can choose to enter the market and trade with uninformed market participants ahead of the affiliate at any time.

In economic terms, this leads to adverse selection concerns for the affiliate principal trading firm because they are trading with a participant who could possess better observations or analysis. While it is hard to quantify such costs, the Commission preliminarily believes the methodology described in a 1985 *Econometrica* article by A.S. Kyle can be used to create a proxy for these two costs.³⁵³ The measurement, known as Kyle's lambda in the literature, gauges how much prices move because of net taker trading volume in the market. This price movement captures the new information being incorporated into prices through trading.

The Commission has used Kyle's lambda to estimate the order-priority subordination cost that would be imposed on affiliate principal trading firms by the conditions of proposed paragraph (c)(1). To do so, the Commission used the Kyle's lambda estimate from a 2026 working paper by Robert Bartlett and Maureen O'Hara because they provide the most comprehensive estimate recently

reported in the literature.³⁵⁴ Bartlett and O'Hara report their Kyle's lambda estimate for markets traded on Kalshi Exchange to be 0.001.³⁵⁵ Combining this with internal Commission data from one of the most liquid Kalshi Exchange markets,³⁵⁶ the 15-minute Bitcoin prediction markets, between March 1, 2026 and June 15, 2026, the Commission estimates the per-minute average net taker trading volume for that market and period to be 520 contracts. This suggests the average daily cost of adverse selection in the 15-minute Bitcoin prediction markets to be \$750 if the affiliate principal trading firm were active in the 15-minute Bitcoin prediction market every minute of the day and was predominantly trading with informed market participants.³⁵⁷

The Commission preliminarily believes this \$750 daily average cost is a useful estimate of the order-priority subordination cost. The Commission realizes this is a coarse estimate and that the estimate can change considerably depending on the market, the composition of market participants, and the trading intensity in the market. The Commission requests public feedback on the methodology used to capture the order-priority subordination cost.

Additionally, DCMs that currently have any affiliate principal trading firms trading in their markets would need to subject their affiliate principal trading firm to the order-priority subordination condition described in paragraph (c)(1)(i).³⁵⁸ The Commission expects doing so would reduce the number of affiliate principal trading firms trading in those DCMs' markets, potentially reducing the profits a DCM collects from transactions in their markets. This cost to the DCM would depend on the number of the affiliate principal trading firms they currently have, the number of these firms' transactions, as well as how frequently non-affiliate principal trading firms are active in the market. The Commission lacks this relevant information and is unable to reliably

estimate the costs for these DCMs. The Commission requests public feedback, or data, on these costs. For DCMs with no affiliate principal trading firms, the Commission does not expect there to be costs associated with paragraph (c)(1)(i).

The Commission does not expect there to be any substantive costs to DCMs associated with the market maker or liquidity provider agreement enumerating the affiliate's obligations, performance standards, and consequences of non-performance, on terms no less favorable to the exchange than those offered to unaffiliated members in a comparable program under proposed Commission Regulation 38.852(c)(1)(ii). The Commission preliminarily believes that DCMs already have such agreements in place with their designated market makers and anticipates that the terms of these agreements to be similar for every market maker, including an affiliate principal trading firm. The Commission, however, expects that some DCMs may need to update their programs to account for the proposed regulations, and requests public feedback, generally, on the Commission's expectations, and on whether DCMs have such agreements in place and if those agreements are the same for every market maker.

The Commission realizes that the market maker or incentive provider program specifications listed in clauses (A) through (D) under proposed Commission Regulation 38.852(c)(1)(ii) are not defined in detail in the rule. The Commission believes any cost associated with proposed Commission Regulation 38.852(c)(1)(ii) can be mitigated since every DCM can define the details of these specifications in the most efficient way possible, provided requirements of 38.852(c)(1)(ii) are satisfied. The Commission preliminarily does not expect DCMs to specify these details in a different manner than how they specify them for their current designated market makers.

For example, the Commission is aware that certain exchanges implement designated market maker programs with conditions similar to any details the Commission might specify.³⁵⁹ Hence, the Commission expects costs associated with conditions described in proposed paragraph (c)(1)(ii) to be lower if an affiliate principal trading firm is already complying with similar requirements due to being an existing designated market maker for the exchange. The Commission requests

³⁵⁴ Robert Bartlett, Maureen O'Hara, *Adverse Selection in Prediction Markets: Evidence from Kalshi* (Apr. 16, 2026) ("Bartlett and O'Hara"), available at <https://ssrn.com/abstract=6615739>.

³⁵⁵ *Id.*, Table 2.

³⁵⁶ In order to estimate dollar cost of adverse selection, the Commission needs net taker trading volume (also known as order flow). Because Bartlett and O'Hara do not provide that in their study, the Commission used this internal data.

³⁵⁷ The Commission notes that adverse selection cost is only a small piece of a market maker's profit and loss calculation. Bartlett and O'Hara show in Table 5 that on average market makers make around \$300 for single-name markets and \$70 for broad-based markets on Kalshi Exchange.

³⁵⁸ The Commission is aware of at least one DCM that already implements order-priority subordination for its affiliate principal trading firm.

³⁵³ A.S. Kyle, *Continuous auctions and insider trading*, *Econometrica* 53(6), 1315–35 (1985) ("Kyle").

³⁵⁹ See, e.g., ForecastEx LLC Rulebook (May 20, 2026), Rule 416, available at https://data.forecastex.com/regulatory/ForecastEx_LLC_Rulebook.pdf.

feedback on the types of market maker conditions required by DCMs, whether they are different for affiliated and unaffiliated principal trading firms. The Commission would also like feedback on the costs associated with affiliated market maker programs, if they are different than unaffiliated ones.

Proposed Commission Regulation 38.852(c)(2) requires a designated third-party RSP to conduct financial surveillance of the affiliate principal trading firm and review and monitor the exchange's compliance with its conflicts-of-interest procedures under paragraph (b). Designated third-party RSPs will certify to the Commission that the affiliate market maker satisfies the conditions in proposed paragraphs (c)(1)(i) and (c)(1)(ii).

The Commission preliminarily believes that many DCMs already have contractual relationships with NFA, which can be extended to provide financial surveillance of the affiliate principal trading firm as well as review and monitor the exchange's compliance with its conflicts-of-interest procedures under paragraph (b). Direct costs of implementing financial surveillance of a DCM's affiliate principal trading firms would vary based on the number of such affiliates, and the details of the surveillance service performed. The Commission believes review and monitoring of a DCM's conflict-of-interest procedures will be less burdensome. If these services were outsourced to NFA, a DCM's annual fee assessment would be \$150,000 for contract market members with a transaction volume of more than 20 percent of aggregate contract market transaction volume, and \$100,000 for contract market members with less than 20 percent of aggregate contract market transaction volume under the current NFA fee structure.³⁶⁰ However, it is probable that these fees would be adjusted to reflect the kinds of services the DCM would request from NFA. The Commission seeks public feedback on these costs. For instance, what are appropriate fees for NFA to charge for these services? How would these fees change if a DCM chose to outsource these services to a provider other than NFA?

In addition, proposed paragraph (c)(2)(iii) requires certification to the Commission annually that the affiliate principal trading firm satisfied

conditions in proposed paragraph (c)(1). The Commission preliminarily believes that certifying order-priority subordination, as well as the requirements listed in a market maker agreement by a third-party RSP, would require message and transaction data at a high-frequency from every market in which an affiliate market maker is active. The Commission expects the data to identify the bids and offers of the affiliate principal trading firm, as well as many details such as price levels and timestamps associated with those bids and offers.

While the Commission does not have direct cost estimates associated with such data-intensive certification process, the Commission staff expects these costs to be in the form of implementation, software, and cloud costs for raw data. While actual costs will depend on the number of markets an affiliate principal trading firm is active in, and the frequency of activity in those markets, the Commission staff preliminarily expects implementation cost to be around \$500,000, software cost to be around \$1,000,000 and cloud costs to be around \$700,000, on an annual basis. The Commission expects these costs to be mitigated if the third-party RSP already has cloud connectivity or possesses relevant software for the required data analysis. The Commission seeks public feedback on the types of costs that would be associated with satisfying the requirements listed in proposed paragraph (c)(2)(iii) and the dollar estimates associated with them.

Proposed Commission Regulation 38.852(c)(3) requires that a DCM disclose to any party trading on the DCM, on a per-session basis and prior to that party entering any orders, the existence of, and the DCM's relationship with, the affiliate principal trading firm. Additionally, the DCM would be required to establish a rule that its intermediary participants, and any other operator of an electronic order-entry interface that provides access to the DCM, deliver the notice. The Commission expects DCMs to already have built-in systems that allow them to push notifications to their customers.³⁶¹ As such, the Commission expects the cost of modifying these systems to disclose the affiliate relationship to be negligible. The Commission estimates in the PRA section the costs associated

with a DCM establishing a rule that its intermediary delivers the notice to be \$25,000 since DCMs establish similar rules frequently. Similarly, the Commission does not expect the costs to the intermediary to be substantial either, since many intermediaries already push notifications to their customers. The Commission estimates the associated costs with proposed Commission Regulation 38.852(c)(3) in the PRA section at \$434,000 for all DCMs combined.

(f) Alternative(s)

(1) *Permitting affiliate principal trading subject only to conflicts procedures and disclosure.* The Commission considered permitting an affiliate principal trading firm to trade for its own account subject only to the principles-based conflicts procedures and disclosure. This is a less restrictive approach, and should, therefore, result in lower costs compared to the proposed requirements.

However, the Commission preliminarily believes that procedures and disclosure alone do not adequately mitigate conflicts that arise from the exchange's economic stake in its affiliate's proprietary trading and the economic benefits associated with avoidance of conflict of interest would be lost. The Commission requests comment on how the cost savings associated with principles-based approach would compare to the costs associated with conflict of interest, as described above.

(2) *Prohibiting affiliate principal trading with no exceptions.* The Commission considered not providing a bona fide affiliate market maker exception and prohibiting an affiliated principal trading firm from trading on an affiliated DCM altogether. The Commission realizes that the liquidity supplied by a bona fide market maker is important for price discovery and for providing risk management opportunities to market participants, and that in newly introduced markets this service may not be provided by unaffiliated market makers. The Commission believes the conflict of interest between a DCM and an affiliated market maker would be substantially reduced by the Proposal and the additional benefits of not providing a market maker exception would be small. The Commission requests comment on whether the costs and benefits of not providing bona fide affiliate market maker exception are different than what is considered here.

(3) *A volume- or value-based cap on affiliate market maker activity, including a phased or sunset cap.* The

³⁶⁰ See NFA Rulebook, Bylaw 1301(a) (schedule of dues and assessments for contract markets), available at [https://www.nfa.futures.org/rulebooksql/rules.aspx?Section=3&RuleID=BYLAW%201301#~:text=\(a\)%20Contract%20Markets,for%20purposes%20of%20the%20computation](https://www.nfa.futures.org/rulebooksql/rules.aspx?Section=3&RuleID=BYLAW%201301#~:text=(a)%20Contract%20Markets,for%20purposes%20of%20the%20computation).

³⁶¹ The Commission notes that Commission Regulations 38.401(c) and (d) (17 CFR 38.401(c), (d)) already require a DCM to provide information on their websites regarding changes to their rulebooks and to post such information on its website concurrent with the filing of such information or submission to the Commission.

Commission considered limiting an affiliate principal trading firm's activity through a cap on its share of volume or value in a product, an end-of-day net-position limit, as well as a phased or "sunset" cap that would be more permissive at a product's or venue's launch and tighten as unaffiliated liquidity develops.

The Commission preliminarily believes the proposed order-priority subordination already provides the benefit of the affiliate principal trading providing liquidity when no other market maker is active at a particular price level. The alternative of being subject to volume- or value-based cap, as opposed to order-priority subordination, may not be enough to attract unaffiliated market makers, may be difficult to set in practice given the number and variation of markets, and may eventually hurt overall liquidity and harm price discovery and potential hedging.

The Commission requests comment on whether a volume- or value-based cap, fixed or phased, would be costly for the affiliated market maker, as well as market participants.

(4) *Prescriptive separation requirements in rule text.* The Commission considered requiring specific separations, including dual-hatted staffing prohibitions, physical office separations, and technical separations for information barriers, between DCMs and affiliated market makers. As discussed in other sections, the relevant costs and benefits of such an approach would be difficult to discuss without additional information.

(6) *Relying on general disclosure in place of per-trading-session notice.* The Commission considered a lighter disclosure regime that would not require disclosures on a per-trading-session basis and prior to that party entering any orders as proposed Commission Regulation 38.852(c)(3). Under this alternative, a DCM that permits an affiliate principal trading firm to trade would instead be required to disclose publicly—for example, on its website and in its rulebook—the existence of the affiliate relationship and the conditions and limitations imposed on the affiliate under this section, including order-priority subordination, and to provide that disclosure to each customer once, at account opening or before the customer first trades on the exchange, rather than at per-trading-session frequency.

This approach would substantially reduce the cost associated with building and maintaining a per-trading-session notice. However, the Commission realizes that the information regarding

whether liquidity in a market is provided solely by an affiliate, or whether there are unaffiliated market makers and the order-priority subordination rule applies, is beneficial for a customer at the point of trading. The benefit of this information is even more salient since the firm that provides liquidity in a market is a dynamic situation and could change depending on when the customer arrives at the market to trade and the conditions in the market at that time. The Commission requests comment on the costs and benefits associated with this alternative.

(g) Request for Comments

(9) Has the Commission accounted for the costs of the proposed Commission Regulation 38.852(c) adequately?

(10) Are there other costs related to prohibiting affiliated principal trading firm from trading, while allowing for bona fide market making exceptions, for which the Commission has not accounted?

(11) Is the Commission correct that DCMs offer similar incentives or programs to most, if not all market makers?

(12) What are the trading motives of affiliate principal trading firms and how common is each motive?

(13) Does the Commission's methodology accurately capture the order-priority subordination cost of affiliate principal trading firms complying with the conditions of proposed Commission Regulation 38.852(c)(1)?

(14) How many affiliate principal trading firms do DCMs currently have, how many transactions do they engage in, and how frequently are non-affiliate principal trading firms active in these markets?

(15) The Commission is aware that a DCM may operate a trade matching system other than a central limit order book. Would the costs of the order-priority subordination provision of proposed Commission Regulation 38.852(c)(1)(i) apply in a similar manner to a DCM operating a different trade matching system?

(16) Do DCMs already have agreements with affiliate principal trading firms enumerating the affiliate's obligations, performance standards, and consequences of non-performance? If so, are those agreements the same for every firm?

(17) What the types of market maker conditions are currently required by DCMs? Do they differ for affiliated and unaffiliated principal trading firms?

(18) What costs are typically associated with a DCM's affiliated

market maker programs? Do these costs differ from those of unaffiliated market maker programs?

(19) What would be appropriate fees for NFA to charge for financial surveillance of a DCM's affiliate market maker as well as review and monitor the exchange's compliance with its conflicts-of-interest procedures? How would these fees change if a DCM chose to outsource these services to a designated third-party regulatory service provider other than NFA?

(20) What costs would be associated with satisfying the certification requirements listed in proposed Commission Regulation 38.852(c)(2)(iii)?

(21) What costs would be required to satisfy the proposed disclosure and notification requirement of proposed Commission Regulation 38.852(c)(3)?

(22) What costs and benefits would be associated with the alternatives discussed?

(23) Are there any other costs or benefits associated with this aspect of the Proposal that the Commission should consider?

(h) Section 15(a) Considerations

Protection of Market Participants and the Public

The Commission preliminarily believes, subject to consideration of comments, that proposed Commission Regulation 38.852(c) and related proposals will enhance protections for market participants and the public in important ways.

The incentive parity of proposed Commission Regulation 38.852(b)(2) will require a DCM to offer the same incentives and programs to non-affiliate principal trading firms on no less favorable terms than what is offered to an affiliate principal trading firm. This proposal closes down the channel through which an exchange could advantage its affiliate and guard market participants—and their customers—from being competitively disadvantaged.

By prohibiting a DCM from permitting an affiliate principal trading firm to trade on its own account, unless subject to the bona fide market making exception, the Commission is protecting market participants from being disadvantaged in a market where a DCM may inappropriately share non-public information with its affiliate principal trading firm. The proposed regulations also better protect market participants and the public where both groups could be impacted if an inappropriate non-public information sharing event erodes confidence in market integrity.

sufficiently to degrade liquidity. This would adversely affect market participants and the public who benefit from efficient and accurate pricing that liquidity fosters.

The Commission believes that benefiting market participants and the public through efficient and accurate pricing also is achieved through required incentive parity, as well as through the conditions permitting affiliate principal trading firms to trade on an affiliated DCM. As outlined in the proposed rule, incentive parity would attract unaffiliated market participants to be active in making markets, fostering liquidity and price discovery. Similarly, the Commission believes that conditions listed in proposed Commission Regulation 38.852(c)(1)(i) will entice non-affiliate principal trading firms to trade and provide liquidity on the DCM. Additionally, conditions listed in proposed Commission Regulation 38.852(c)(1)(ii) will also require the affiliate principal trading firm to contribute to the maintenance of a fair and orderly market by actively making markets. The Commission believes that these proposed regulations will protect market participants and the public by providing them with efficient and accurate prices.

Proposed Commission Regulation 38.852(c)(2) would require a DCM that permits an affiliate market maker to designate an independent third-party regulatory service provider to conduct financial surveillance; review and monitor the exchange's compliance with its conflicts-of-interest procedures under paragraph (b); and certify to the Commission, at least annually, that the affiliate market maker satisfies the conditions in paragraphs (c)(1)(i) and (c)(1)(ii). This requirement minimizes the likelihood that market participants and the public will be harmed in the unlikely event that the requirements of the affiliate principal trading firm exception are not met. This would protect market participants and the public through improved market integrity.

Proposed Commission Regulation 38.852(c)(3) would require that customers are made aware of, on a per-session basis and prior to customers entering any orders, that the affiliate principal trading firm is active in the market they want to trade in. This requirement protects market participants from unknowingly trading in a market where liquidity is provided by an affiliate principal trading firm since every trader may not choose to enter into transactions against an affiliate principal trading firm.

Efficiency, Competitiveness, and Financial Integrity of Futures Markets

The Commission preliminarily believes, subject to consideration of comments, that proposed Commission Regulation 38.852(c) will impact efficiency, competitiveness and financial integrity of the derivatives markets in multiple, overall positive, ways.

By closing down the channel through which an exchange could advantage its affiliate, Proposed Regulation 38.852(b)(2) will enhance market competitiveness and financial integrity through requiring incentive parity, which would lead more market participants to be active in the market.

The bona fide market maker exception in the proposed Commission Regulation 38.852(c)(1) also including order-priority subordination, as well as market making requirements. The Commission preliminarily believes these requirements will improve competitiveness and financial integrity of derivatives markets by attracting more non-affiliate firms and customers who would be willing to trade in a market with affiliate principal trading firms, given the protections afforded by these requirements. As a result, the Commission expects efficiency and competitiveness in the market to improve.

The Commission preliminarily believes that the independent verification requirement would also help with the financial integrity of the derivatives markets since market participants and the public would be able to trust that an independent third-party RSP would be conducting financial surveillance of the affiliate principal trading firm, reviewing and monitoring exchange's its conflicts-of-interest procedures under paragraph (b) and certifying that the affiliate satisfies conditions listed in paragraphs (c)(1)(i) and (c)(1)(ii). The Commission also believes financial integrity will be enhanced through the additional disclosure requirements listed in paragraph (c)(3).

Price Discovery

The Commission preliminarily believes, subject to consideration of comments, that the proposed amendments should provide a positive, indirect influence on price discovery.

Proposed Commission Regulation 38.852(b)(2) would ensure that non-affiliate principal trading firms participate in the market at the same terms, if not better, as the affiliate members. The Commission preliminarily believes this will improve price discovery in the market by

increasing the total amount of information embedded in prices through better participation in trading.

While limiting affiliate principal trading firms from trading on their own account could have an adverse effect on price discovery, the Commission preliminarily believes this will be mitigated through the market maker exception. First, some affiliate principal trading firms may choose to comply with the conditions and increase their participation in the market. Second, having bona fide market makers who are subject to the conditions outlined in paragraphs (c)(1)(i) and (c)(1)(ii) will likely entice other market participants, both customers and market makers, to trade in that market. The Commission expects this to help price discovery in the market. The Commission also notes that without the bona fide market maker exception, several of the newly introduced markets may have no market makers, and hence no price discovery. Proposed Commission Regulation 38.852(c) will likely provide early price discovery to most, if not all, of those newly introduced markets.

The Commission also preliminarily believes that to the extent proposed Commission Regulation 38.852(c)(2) and 38.852(c)(3) improve customer confidence in the market, it is likely to increase price discovery through improved trading participation.

Sound Risk Management Practices

The Commission preliminarily believes, subject to consideration of comments, that the Proposal enhances support for sound risk management practices.

Proposed Commission Regulation 38.852(b)(2) would require incentive parity, which would increase liquidity and price discovery in the market as described above. The Commission believes the risk management needs of market participants can be better met when markets are more liquid and that prices reflect the relevant fundamental information. The Commission also believes that similar benefits to risk management practices will come from the proposed bona fide market making exception, which will likely enhance liquidity and price discovery in existing markets, as well as provide initial liquidity in newly introduced markets.

The Commission also preliminarily believes that to the extent Commission Regulation 38.852(c)(2) and 38.852(c)(3) improve customer confidence in the market, it will motivate increased participation in the market, which is likely to enhance risk management practices by market participants.

(5) Proposed New Commission Regulation 38.853: Board Composition, Regulatory Oversight Committee, and Disciplinary Panels

(a) Regulatory Baseline

DCM Core Principle 16 stipulates that DCMs establish and enforce rules to minimize conflicts of interest in their decision-making process and to establish a process for resolving them. DCM Core Principle 15 sets certain governance standards for DCMs and requires that a DCM must establish and enforce appropriate fitness standards for directors and members of any disciplinary committees. Core Principle 17 regards the composition of the governing boards of DCMs and requires that the governance arrangements of a DCM be designed to permit consideration of the views of market participants.

(b) Status Quo Baseline

The acceptable practices for Core Principle 16 in Appendix B to Part 38 currently contain guidance that is substantially identical to proposed Commission Regulation 38.853. It is the Commission's preliminary understanding that all registered DCMs today substantially comply with those acceptable practices.

(c) Proposal

The Commission proposes to codify the existing acceptable practices into rule text. Specifically, proposed Commission Regulation 38.853(a) would codify the public director requirement for boards of directors and proposed Commission Regulation 38.853(b) would codify the conditions for an individual to qualify as a public director. Proposed Commission Regulation 38.853(c) would codify the requirement for a DCM to have a Regulatory Oversight Committee (ROC), as well as the ROC's obligations. Proposed Commission Regulation 38.853(d) would codify the requirement for disciplinary panels to include public directors.

(d) Benefits

The Commission is proposing to codify existing guidance to ensure compliance with practices that the Commission believes are beneficial with respect to mitigating conflicts of interest. A core benefit of this aspect of the Proposal is to minimize the potential for slippage (non-compliance with the existing acceptable practices) by existing DCMs or potential applicants for designation. This aspect of the Proposal should serve to protect market participants and the public in a

number of ways, including by ensuring that DCM boards include independent voices, regulatory compliance is overseen by individuals who are insulated from commercial pressures, and disciplinary panels have independent voices as well.

(e) Costs

There would be costs in connection with this aspect of the Proposal as compared to the regulatory baseline. While, as noted, certain Core Principles are relevant to board composition, Part 38 does not include the specific requirements that are now being proposed (since those currently exist in guidance). Certain aspects can be quantified—as described above the Commission expects costs associated with the two proposed Commission reporting requirements. However, the Commission is not aware of a way to quantify the costs associated with DCMs complying with the obligations to have public directors, constitute a ROC, and have public directors on disciplinary panels. Given the Commission's understanding of current market practice, the Commission does not expect there to be material costs as compared to the status quo baseline.

(f) Alternative

(1) *Keep the acceptable practices as guidance.* The Commission considered keeping the acceptable practices as guidance in Appendix B. However, the Commission preliminarily believes that codification would provide the benefits described above and that the costs would be minor to market participants given its understanding of the status quo baseline.

(g) Request for Comments

(24) Has the Commission accounted for the costs of the proposed Commission Regulation 38.853 adequately?

(25) The Commission preliminarily believes that DCMs are for the most part already complying with these requirements. Is this belief correct or is there some slippage; that is, some aspects of this Proposal for which DCMs do not currently comply?

(26) Does potential slippage justify codifying the guidance into rule text?

(h) Section 15(a) Considerations

The Commission preliminarily believes that one 15(a) factor primarily is affected by this rulemaking.

Protection of Market Participants and the Public

The Commission preliminarily believes, subject to consideration of

comments, that proposed Commission Regulation 38.853 and related proposals will enhance protections for market participants and the public through the having DCM boards making fairer decisions, disciplinary panels have an independent voice, and the requirement for DCMs to establish ROCs consisting only of public directors that protects market participants from favoritism or bias that may arise due to conflicts of interest.

(6) Proposed Amendments to Commission Regulations 39.2, 39.21, and 39.25—DCO-Affiliate Clearing Members

(a) Regulatory Baseline

Under the CEA and the Commission's regulations promulgated thereunder, a DCO has extensive responsibilities to manage its business and the risks associated with it. These responsibilities manifest in the DCO Core Principles. While the Core Principles do not specifically reference affiliated structures, they are generally applicable to DCOs, including those that have an affiliated clearing member, such as an FCM or an affiliate market maker. Of particular importance to this Proposal is Core Principle P, which requires a DCO to establish and enforce rules to minimize conflicts of interest in the decision-making process of the DCO and to establish a process for resolving such conflicts of interest.³⁶²

In addition, Core Principle D generally requires a DCO to ensure that it possesses the ability to manage the risks as associated with discharging the responsibilities of the DCO through the use of appropriate tools and procedures.³⁶³ This Core Principle specifically requires a DCO to set and collect margin that is sufficient to cover potential exposures in normal market conditions.³⁶⁴ Relatedly, Core Principle B requires a DCO to have adequate financial, operational, and managerial resources, as determined by the Commission, to discharge each of its responsibilities.³⁶⁵

Some of a DCO's risk management responsibilities under the Core Principles relate to a DCO's relationships with individual clearing members (including any affiliate clearing members) and require a DCO to exercise discretion in fulfilling them. For example, Core Principle C(i)(I)³⁶⁶

³⁶² CEA 5b(c)(2)(P), 7 U.S.C. 7a-1(c)(2)(P). Commission Regulation 39.25 restates the requirements of Core Principle P.

³⁶³ CEA 5b(c)(2)(D)(i), 7 U.S.C. 7a-1(c)(2)(D)(i).

³⁶⁴ *Id.*

³⁶⁵ CEA 5b(c)(2)(B), 7 U.S.C. 7a-1(c)(2)(B).

³⁶⁶ CEA 5b(c)(2)(C)(i)(I), 7 U.S.C. 7a-1(c)(2)(C)(i)(I).

requires a DCO to establish “appropriate admission and continuing eligibility standards . . . for members of, and participants in,” the DCO; and Core Principle H requires a DCO to maintain adequate arrangements and resources for “the effective monitoring and enforcement of compliance” with its rules, and “the authority and ability to discipline . . . a member or participant due to a violation . . . of any rule of the [DCO].”³⁶⁷

In other cases, the DCO’s exercise of discretion arises from either the Commission’s regulations implementing the Core Principles or from specific circumstances. For example, Commission Regulation 39.13(h)(5)(iii)³⁶⁸ requires a DCO to “review the risk management policies, procedures, and practices of each of its clearing members, which address the risks that such clearing members may pose to the [DCO, and] take appropriate action to address concerns identified in such reviews.” Similarly, while many of the margin requirements addressed in Commission Regulation 39.13(g) will be objective (that is, margin requirements are set based on parameters that are applied uniformly to all clearing members, without the exercise of discretion vis-à-vis individual clearing members), some margin setting may be tailored to specific portfolios. In other cases, the DCO may have discretion to increase margin requirements for a particular clearing member due to, *e.g.*, concerns about the member’s financial condition.

Part 39³⁶⁹ of the Commission’s regulations sets out a DCO’s responsibilities to monitor (and to enforce) a clearing member’s compliance with DCO rules and to manage the risk of clearing members. The relevant provisions of part 39 where DCO staff may exercise discretion include: Commission Regulations 39.12(a)(4) (verify compliance of clearing members with DCO participation requirements), 39.12(a)(6) (enforce compliance with DCO participation requirements and suspend/remove non-compliant members), 39.13(g) (margin requirements), 39.13(h)(1) (risk limits on clearing members), 39.13(h)(5)(ii) (review the risk management policies of clearing members and take appropriate action), 39.13(h)(6) (additional actions with respect to particular clearing members), 39.16 (default rules and

procedures), and 39.17 (rule enforcement).

The Core Principles also impose certain disclosure requirements on DCOs. DCO Core Principle L requires a DCO to provide to market participants sufficient information to enable the market participants to identify and evaluate accurately the risks and costs associated with using the services of the DCO.³⁷⁰ The Core Principle further requires a DCO to make information concerning the rules and operating and default procedures governing the clearing and settlement systems of the DCO available to market participants.³⁷¹ Additionally, a DCO must disclose publicly and to the Commission information concerning any matter relevant to participation in the settlement and clearing activities of the DCO.³⁷²

(b) Status Quo Baseline

The Commission preliminarily believes that the status quo baseline is consistent with the regulatory baseline. That is, the registered DCOs that have affiliate clearing members today generally comply with the DCO Core Principles as they apply to such affiliate clearing members. In particular, the Commission understands that certain such DCOs have policies and procedures in place that specifically concern their affiliate clearing members. These policies and procedures address potential conflicts of interest and how to mitigate them, including through information barriers and separations between personnel and offices.

(c) Proposal

The Proposal would provide a definition for “affiliate clearing member,” add a new principle-based requirement in Commission Regulation 39.25(d) requiring procedures to identify, address, and manage conflicts of interest involving an affiliate clearing member, and require a DCO to disclose affiliate clearing member relationships. As with other categories of affiliated entities, the Commission is also proposing to require DCOs to have procedures to manage conflicts of interest with affiliate clearing members, including by maintaining separations between a DCO and its affiliated clearing members through information barriers, not sharing personnel, physical separation of office space, and systems. Such procedures would also require DCOs to make certain disclosures.

(d) Benefits

The Commission believes that the proposed amendments applicable to DCOs with affiliate clearing members will provide benefits to registered entities, market participants, and the derivatives markets overall. A DCO’s disclosure of any affiliate clearing members will provide other market participants, including unaffiliated clearing members in particular, with notice of such relationships. Unaffiliated clearing members will, therefore, be on notice, of such relationships and can make decisions—for example, on where to clear their transactions—accordingly. Requiring a DCO with an affiliate clearing member to have procedures regarding conflicts of interest will likewise provide benefits, including by mitigating actual conflicts, as well as the negative impacts that the perception of a conflict could create.

The Commission preliminarily believes that procedures requiring separation between affiliate clearing members and DCOs would improve the protection of market participants and the public and the financial integrity of derivatives markets and provide potentially better enforcement than guidance.

(e) Costs

The Commission preliminarily believes that the proposed DCO rule amendments would not result in substantial costs to DCOs, particularly as compared to the status quo baseline. As noted, the Commission understands that DCOs with affiliate clearing members today already have procedures to mitigate conflicts of interest and provide disclosure of such relationships. To the extent a DCO does not have such procedures, or determines to update such procedures in light of the Commission’s rules and guidance, the Commission believes that there will be direct costs associated with creating and then maintaining and implementing such procedures. As noted above, the Commission does not believe it is possible to quantify these costs, given the differences between DCOs and the approaches they may take with respect to such policies. To the extent a DCO does not provide the proposed disclosure, the Commission estimates these costs at \$3,000 for all DCO in the PRA section.

The Commission notes that physically separating affiliate clearing members and DCOs will be costly if these entities are not currently separated. New personnel may need to be onboarded if employees are dual-hatted. New office

³⁶⁷ CEA 5b(c)(2)(H)(i)(I), (ii), 7 U.S.C. 7a–1(c)(2)(H)(i)(I), (ii).

³⁶⁸ 17 CFR 39.13(h)(5)(iii).

³⁶⁹ 17 CFR part 39.

³⁷⁰ CEA 5b(c)(2)(L)(i), 7 U.S.C. 7a–1(c)(2)(L)(i).

³⁷¹ CEA 5b(c)(2)(L)(ii), 7 U.S.C. 7a–1(c)(2)(L)(ii).

³⁷² CEA 5b(c)(2)(L)(iii)(V), 7 U.S.C. 7a–1(c)(2)(L)(iii)(V).

space may need to be rented or acquired. Computer software may need to be updated to ensure logical separation, too. Without more details on DCOs and affiliate clearing members the Commission cannot quantify these costs, however.

(f) Alternatives

This section considers certain of the alternatives set forth above.

(1) *No additional rules.* The Commission is considering whether it need not promulgate new rules regarding DCOs with affiliate clearing members on the basis of its understanding of the status quo baseline. This approach would reduce costs to zero, but also would negate the benefits of the proposed approach, which would ensure, without relying on voluntary practice, that DCOs with affiliate clearing member relationships continue to have appropriate procedures and disclosures.

(2) *Prohibition of DCO affiliations with clearing members.* The CEA does not prohibit DCOs from having affiliated clearing members, and DCO affiliations with clearing members have existed for many years under the Commission's principles-based framework. As noted, the Commission preliminarily believes that affiliations between DCOs and clearing members can produce efficiencies and competitive benefits, and that a targeted procedures-and-disclosure framework can adequately mitigate the relevant risks without foreclosing efficiency-enhancing structures. In this regard, a prohibition would cut off these benefits and would impose a number of significant costs. For example, existing DCO-affiliate clearing member relationships would have to be terminated, resulting in disruption to existing market structure. There may be certain benefits to a prohibition. For example, a prohibition would eliminate the possibility that the default of an affiliate clearing member could lead to the failure of the DCO itself.

(3) *Guidance rather than rule text regarding separation.* Under this alternative, the Commission would only adopt guidance—rather than providing rule text—specifying desired separations between a DCO and its affiliated clearing member, including with respect to information barriers, personnel, physical separation of office space, and systems. The Commission preliminarily believes that, although guidance might afford more flexibility to DCOs, rules will provide better protection of market participants and the public and the financial integrity of derivatives markets. Further, the

Commission preliminarily believes that the costs and benefits of any guidance on separation requirements would be comparable to those of the prescriptive separation and allow for easier enforcement of physical separation.

(4) *Supplemental financial resources at the DCO.* A commenter on the Affiliations RFC proposed that a DCO with an affiliate clearing member be required to “reserve[e] more capital, SITG [skin-in-the-game] and liquidity resources,”³⁷³ and elsewhere proposed that the Commission require such a DCO to hold “sufficient supplementary default and liquidity resources to cover (under stress conditions) the default of the affiliate in addition to the DCO’s current cover-1 or cover-2 requirements pursuant to, as appropriate, [Commission Regulations] 39.11(a)(1)[,] 39.11(e)(1)(ii)[, and] 39.33(c).”³⁷⁴

(5) *The Commission preliminarily declines to require supplemental financial resources.* The direct, quantifiable costs of this alternative would depend on the specific financial resources requirement proposed. However, in any case, such a requirement would result in more capital and other resources being tied up at the DCO (e.g., sitting in a guaranty fund), relative to the status quo, where such resources could be deployed toward other purposes, such as being invested to earn a return elsewhere in the business. However, this alternative would have the added benefit of making the DCO less susceptible to failing—thus mitigating systemic risk—or making it less likely that unaffiliated clearing members have losses tied to the deployment of guaranty fund resources.

The Commission also preliminarily believes that the existing financial-resources requirements applicable to DCOs are appropriate and, that imposing additional financial-resources requirements based solely on the existence of an affiliate relationship could distort risk management practices by imposing requirements based on the affiliate relationship alone rather than on potential exposures as is the case in the existing cover-1/cover-2 framework.

(6) *Segmented skin-in-the-game and restrictions on mutualization of affiliate clearing member losses.* Under this alternative, the Commission would “[i]ncrease the tranche of DCO equity in the default waterfall, so called “skin-in-the-game” (“SITG”), or incorporate a segmented section SITG that applies in the case of losses associated with the affiliated FCM.”³⁷⁵ The Commission

preliminarily declines to require either a segmented SITG tranche or a restriction on mutualization of affiliate clearing member losses. It is not apparent that a segmented SITG requirement would be a proportionate means of mitigating any increased risk caused by the affiliation. However, the Commission acknowledges that there may be some benefits to this approach. For example, this alternative might protect other clearing members from incurring losses in an affiliate clearing member default.

However, there are costs associated with imposing SITG requirements or preventing loss mutualization. Today, a DCO has discretion with respect to its default management procedures and this requirement would impose prescriptive restrictions that may have unintended consequences in the ordinary course risk management activities of the DCO, as well as in the case of clearing member distress or default. There are other potential costs associated with this alternative. For example, the alternative would require the DCO to increase its equity contribution in the default waterfall rather than employing such funds elsewhere. Additionally, the increased equity could change how a DCO determines to set initial margin requirement. For instance, if the SITG sat in front of the mutualized default funds but behind the initial margin of clearing members initial margin, then the DCO might want to require more initial margin from clearing members to protect its SITG. Nevertheless, more SITG would, all else equal, make it less likely that an affiliate clearing member could result in the DCO’s failure.

(7) *Pre-approval and heightened supervision alternatives.* The Commission is considering including “[p]otential requirement[s] for explicit regulatory approval for use of discretion by the DCO impacting the affiliated CM (e.g., in default/recovery/resolution)” and “[e]nhanced supervisory focus by the Commission on decisions affecting affiliated entities.”³⁷⁶ The Commission preliminarily believes that pre-approval requirements could materially impede the DCO’s ability to exercise sound risk management and respond to default situations in real time, which would increase systemic risk, perhaps substantially. The Commission, through an approval right, may, for example, be able to prevent DCO actions that unfairly favor its affiliate in these circumstances, but given the time sensitive nature of default risk management any such benefits have to

³⁷³ ISDA Comment, *supra* note 250, at 9.

³⁷⁴ *Id.* at 9.

³⁷⁵ ISDA Comment, *supra* note 250, at 4.

³⁷⁶ ISDA Comment, *supra* note 250, at 3–4.

be considered against the costs of a delay. The Commission preliminarily believes that the appropriate locus for decision-making for time-sensitive risk-management decisions rests with the DCO and not the Commission. The Commission preliminarily intends, however, to continue to focus its supervisory attention on the conflicts-management arrangements of DCOs with affiliated clearing members, consistent with its existing supervisory authority.

Again, the Commission preliminarily believes that it is challenging to assess the costs and benefits relative to the status quo quantitatively in this context.

(8) *DCO-adopted rules applicable to affiliate clearing members.* ISDA proposed that the Commission consider requiring DCOs to “set[] more prescriptive rules for affiliated FCMs, even though additional prescription might restrict the required level of flexibility in practicing sound risk management with unforeseen risks.” Under this alternative, the Commission would not adopt prescriptive rules; rather, the DCO would. The Commission preliminarily believes that preserving DCO discretion in the context of risk management is paramount and that pre-approval would hamper flexibility. Nevertheless, some DCOs exhaust all of a clearing member’s default fund contributions before exposing other clearing members to default fund losses. The Commission is considering requiring that all DCOs do this, at least for affiliated clearing members, to mitigate conflicts of interests in their default resolution.

(9) *Codified non-preference principle.* The Commission is considering whether it is appropriate to add a Core Principle explicitly stating that a DCO must treat all of its members equally, regardless of affiliation. The Commission preliminarily believes that the proposed Commission Regulation 39.25(d) procedures requirement, combined with existing Commission Regulation 39.7 (Open Access) and the DCO Core Principles regarding fair and open access (Core Principle C) and competition (Core Principle N), provides an adequate framework for non-preference.

In this regard, the Commission preliminarily believes that status quo is sufficient and that this alternative would not result in any additional benefits to the DCO or other market participants. Nevertheless, the alternative might clarify, together with the existing Core Principle requirements, that an affiliate clearing member may not receive preferential treatment under any circumstances.

Such clarification may provide unaffiliated clearing members with additional comfort that they will not be disadvantaged vis-à-vis the affiliate—in a default scenario or otherwise—which could increase participation and liquidity on the markets that clear through the relevant DCO. The Commission believes it would be challenging to attempt to quantify these indirect benefits.

(g) Request for Comments

(27) Is there data available to quantify any of the costs or benefits described above in connection with the Proposal or the alternatives?

(28) Are there any costs or benefits to the Proposal or any of the alternatives that the Commission has not mentioned?

(h) Section 15(a) Considerations Protection of Market Participants and the Public

Proposed Commission Regulation 39.21(c)(9) requiring a DCO to make publicly available on its website the existence of an affiliated clearing member will help other clearing members assess potential conflicts of interest resulting from affiliation and to take appropriate actions. Likewise, DCO-affiliate clearing member procedures will help to ensure that such conflicts are, in fact, identified and mitigated, which should protect market participants and the public from the potential consequences of, for example, DCO favoritism of its affiliate.

Efficiency, Competitiveness, and Financial Integrity of Futures Markets

Mandatory disclosures and procedures will help to ensure the efficiency, competitiveness, and financial integrity of the futures markets. For example, disclosure will provide unaffiliated clearing members with information that will help them determine where to trade and clear their transactions. The transparency afforded by such disclosures will support market competitiveness by making plain to the market relevant information regarding the clearinghouses available to them. Conflicts procedures will help to bolster financial integrity as well by reducing the likelihood that a DCO will unfairly favor their affiliate over other clearing members.

Price Discovery

Affiliate clearing member disclosures and conflict procedures may indirectly support price discovery by providing other market participants with transparency and confidence in the markets associated with such DCO,

which may support additional trading activity.

Sound Risk Management Practices

The Commission believes that the Proposal will enhance sound risk management practices. First, conflicts procedures will ensure that DCOs identify and mitigate conflicts, which is a fundamental risk management program feature. Furthermore, the Commission proposes to preserve a DCO’s discretion with respect to default management. As noted above, the Commission believes that DCO direction in this regard is essential in limiting systemic risk and ensuring that clearing member defaults are contained and managed efficiently, with less impacts to other clearing members or the derivatives markets.

(7) Proposed Amendment to Commission Regulation 1.55—Public Disclosures by FCMs

(a) Regulatory Baseline

Commission Regulation 1.55 provides that no FCM may enter into a customer account agreement or first accept funds from a customer, unless the FCM discloses to the customer all information about the FCM, including its business, operations, risk profile, and affiliates, that would be material to the customer’s decision to entrust such funds to and otherwise do business with the FCM and that is otherwise necessary for full and fair disclosure.³⁷⁷ In connection with the disclosure, the FCM must provide certain material information to its customers, including information regarding the material risks of entrusting customer funds with an FCM created by the FCM’s affiliates.³⁷⁸

(b) Status Quo Baseline

The Commission understands that many FCMs already disclose their affiliate relationships in connection with their Commission Regulation 1.55 obligations.

(c) Proposal

The Commission proposes to amend Commission Regulation 1.55(k) to enhance the disclosures provided to customers and potential customers regarding any affiliate relations that an FCM has with an exchange or a clearing organization. Specifically, the amendment to Commission Regulation 1.55(k)(5) would require that an FCM disclose any affiliate relationship it has with a SEF, DCM, or DCO along with any risks created by such affiliate relationship.

³⁷⁷ 17 CFR 1.55(i).

³⁷⁸ 17 CFR 1.55(k)(5).

(d) Benefits

The proposed changes would have the benefit of ensuring that an FCM's customers and potential customers are aware of any affiliate relationships and the risks associated with such relationships.

(e) Costs

The Commission estimated the costs of this proposal relative to the status quo in the PRA section as \$5,000.

(f) Alternative(s)

(1) *Prescriptive Disclosure.* The Commission considered whether to prescribe the disclosures that an FCM must provide to its customers regarding any affiliate relationship it has with a SEF, DCM, or DCO, consistent with how other aspects of Commission Regulation 1.55(k) function. The Commission does not believe that there would be benefits to this approach compared to the proposed approach. The Commission believes that there may be additional costs to this approach, including that such prescriptive disclosures will prevent an FCM from tailoring its disclosure to its circumstances, which may result in less helpful information being provided to customers and the public.

(g) Request for Comments

(29) Is there data available to quantify any of the benefits described above in connection with the proposed changes to Commission Regulation 1.55(k)? Is data available to quantify the costs or benefits of the alternative noted?

(30) Has the Commission correctly monetized the costs of this proposed amendment? If not, why not?

(31) Are there any costs or benefits to the proposed amendment or the alternative that the Commission has not mentioned?

(h) Section 15(a) Considerations

The Commission believes only 15(a) factor (1), the protection of market participants and the public, is impacted by this proposal through the public possibly making better informed decisions relative to the status quo.

D. Antitrust Considerations

Section 15(b) of the CEA requires the Commission to "take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving" the purposes of the CEA, in issuing any order or adopting any Commission rule or regulation (including any exemption under section 4(c) or 4c(b)), or in requiring or approving any bylaw, rule, or regulation

of a contract market established pursuant to section 17 of the CEA.³⁷⁹

The Commission believes that the public interest to be protected by the antitrust laws is generally to protect competition. The Commission requests comment on whether the Proposal implicates any other specific public interest to be protected by the antitrust laws. The Commission has considered the Proposal to determine whether it is anticompetitive and has preliminarily identified no anticompetitive effects. The Commission requests comment on whether the Proposal is anticompetitive and, if it is, what the anticompetitive effects are.

Because the Commission has preliminarily determined that the Proposal is not anticompetitive and has no anticompetitive effects, the Commission has not identified any less anticompetitive means of achieving the purposes of the CEA. The Commission requests comment on whether there are less anticompetitive means of achieving the relevant purposes of the CEA that would otherwise be served by adopting the Proposal.

E. Executive Orders 12866, 13563, and 14192

Executive Orders ("E.O.") 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select those regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages and distributive impacts). Section 3(f) of E.O. 12866 defines a "significant regulatory action" as any regulatory action that is likely to result in a rule that may: (1) have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, or the President's priorities.

The Office of Management and Budget has determined that the proposed action is not a significant regulatory action as defined in section 3(f)(1) of E.O. 12866, and therefore it was subject to E.O. 12866 review.

³⁷⁹CEA 15(b), 7 U.S.C. 19(b).

This Proposal, if finalized as proposed, is not expected to be an E.O. 14192 regulatory action because the proposed rule is not a significant regulatory action under E.O. 12866.

List of Subjects*17 CFR Part 1*

Brokers; Commodity futures; Consumer protection; Designated self-regulatory organizations; Futures commission merchants; Reporting and recordkeeping requirements; Risk management.

17 CFR Part 37

Conflicts of interest; Reporting and recordkeeping requirements; Risk management; Swap execution facilities; Swaps.

17 CFR Part 38

Designated contract markets; Commodity futures; Conflicts of interest; Reporting and recordkeeping requirements; Risk management.

17 CFR Part 39

Commodity futures; Definitions; Reporting and recordkeeping requirements; Risk management; Swaps.

For the reasons stated in the preamble, the Commodity Futures Trading Commission proposes to amend 17 CFR chapter I as follows:

PART 1—GENERAL REGULATIONS UNDER THE COMMODITY EXCHANGE ACT

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

Authority: 7 U.S.C. 1a, 2, 5, 6, 6a, 6b, 6c, 6d, 6e, 6f, 6g, 6h, 6i, 6k, 6l, 6m, 6n, 6o, 6p, 6r, 6s, 7, 7a–1, 7a–2, 7b, 7b–3, 8, 9, 10a, 12, 12a, 12c, 13a, 13a–1, 16, 16a, 19, 21, 23, and 24 (2012).

■ 2. Amend § 1.52 by:

- a. Adding paragraphs (a)(3) and (a)(4);
- b. Revising paragraph (c)(1)(i);
- c. Adding paragraphs (d)(2)(i)(A) through (D);
- d. Revising paragraph (d)(2)(ii)(C)(1); and
- e. Revising paragraph (i)(2).

The additions and revisions read as follows:

§ 1.52 Self-regulatory organization adoption and surveillance of minimum financial requirements.

(a) * * *

(3) *Affiliate futures commission merchant* means a futures commission merchant (as defined in § 1.3) that directly or indirectly controls, is controlled by, or is under common control with a self-regulatory organization. For purposes of this

paragraph (a)(3), *control* (including the terms *controlled by* and *under common control with*) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(4) *Non-public information* means information that has not been disseminated in a manner that makes it generally available to the trading public.

* * * * *

(c) * * *

(1) * * *

(i) *Independence of examination staff and reporting structure.* (A) A self-regulatory organization must maintain staff of an adequate size, training, and experience to effectively implement a supervisory program. Staff of the self-regulatory organization, including officers, directors, and supervising committee members, must maintain independent judgment and its actions must not impair its independence nor appear to impair its independence in matters related to the supervisory program. The self-regulatory organization must provide annual ethics training to all staff with responsibilities for the supervisory program.

(B) If a self-regulatory organization has an affiliate futures commission merchant, the examination staff implementing the supervisory program required by paragraph (c) of this section must report directly to the board of directors or other designated committee or officer responsible for regulatory compliance of the self-regulatory organization. If examination staff report to an officer responsible for regulatory compliance of the self-regulatory organization, such officer must, in turn, report directly to the board of directors or other designated committee.

(C) A self-regulatory organization which has an affiliate futures commission merchant must designate an independent third-party self-regulatory organization to conduct surveillance of the affiliate futures commission merchant under paragraph (c) of this section. The self-regulatory organization must ensure that the independent third-party self-regulatory organization engaged under this paragraph implements a supervisory program that satisfies this paragraph and also satisfies the requirements of § 38.606 of this chapter applicable to a “regulatory service provider.” The self-regulatory organization will at all times remain responsible for compliance with its obligations under the Act and Commission regulations, and for the

independent third-party self-regulatory organization’s performance on its behalf.

(D)(1) A self-regulatory organization may not access non-public information of its affiliate futures commission merchant, except as necessary to comply with its responsibilities and obligations as a designated contract market under part 38 of this chapter.

(2) A self-regulatory organization is prohibited from sharing, directly or indirectly, non-public information obtained from its supervisory program of its member futures commission merchants established under this section with its affiliate futures commission merchant for any purpose, except as necessary to comply with its responsibilities and obligations as a self-regulatory organization under this section or as a designated contract market under part 38 of this chapter.

* * * * *

(d) * * *

(2) * * *

(i) * * *

(A) *Election of a registered futures association as designated self-regulatory organization.* Notwithstanding the authority of the Joint Audit Committee under this paragraph (d)(2)(i) to designate the designated self-regulatory organizations responsible for the examinations of futures commission merchants, a futures commission merchant that is a member of a registered futures association may elect, in writing to the Joint Audit Committee, to have such registered futures association serve as its designated self-regulatory organization. Upon receipt of such an election, the Joint Audit Committee shall designate such registered futures association as that futures commission merchant’s designated self-regulatory organization and shall reflect such designation in the Joint Audit Program. In the absence of such an election, the Joint Audit Committee shall designate the futures commission merchant’s designated self-regulatory organization in accordance with this paragraph (d)(2)(i). An election under this paragraph (d)(2)(i)(A) does not alter the examination standards applicable to the futures commission merchant under the Joint Audit Program and does not relieve any self-regulatory organization of any of its responsibilities, including those described in paragraphs (d)(1)(ii) and (i)(2) of this section.

(B) *Membership predicate.* A futures commission merchant may not be designated to, and the Joint Audit Committee shall not designate to a futures commission merchant, a self-

regulatory organization of which the futures commission merchant is not a member. Nothing in paragraph (d)(2)(i)(A) of this section requires a self-regulatory organization other than a registered futures association to serve as the designated self-regulatory organization of a futures commission merchant that is not its member.

(C) *Notice period and effective date of election.* An election under paragraph (d)(2)(i)(A) of this section shall take effect on the later of the first day of the next examination cycle under paragraph (d)(2)(ii)(C)(4) of this section or six months after the Joint Audit Committee’s receipt of the election. An election shall not interrupt or shorten any examination then in progress. Where the Joint Audit Committee determines that elections received within a common period would, if given immediate effect, impair the ability of a designated self-regulatory organization to maintain examination staff of adequate size, training, and experience as required under paragraph (d)(2)(ii)(C)(1) of this section, the Joint Audit Committee may establish a reasonable schedule phasing in the effective dates of such elections; provided, however, that no election shall be delayed beyond twelve months after its receipt.

(D) *Minimum duration of election.* Following the effective date of an election under paragraph (d)(2)(i)(A) of this section, a futures commission merchant must retain the registered futures association as its designated self-regulatory organization for not fewer than three complete examination cycles under paragraph (d)(2)(ii)(C)(4) of this section before electing a different designated self-regulatory organization or revoking its election. This paragraph (d)(2)(i)(D) does not affect a futures commission merchant’s obligations, or any self-regulatory organization’s responsibility, including under paragraphs (d)(1)(ii) and (i)(2) of this section.

(ii) * * *

(C) (1) *Independence of examination staff and reporting structure.* (i) A designated self-regulatory organization must maintain staff of an adequate size, training, and experience to effectively implement the Joint Audit Program. Staff of the designated self-regulatory organization, including officers, directors, and supervising committee members, must maintain independent judgment and its actions must not impair its independence nor appear to impair its independence in matters related to the Joint Audit Program. The designated self-regulatory organization must provide annual ethics training to

all staff with responsibilities for the Joint Audit Program.

(ii) A designated self-regulatory organization which has an affiliate futures commission merchant may not perform the function of a designated self-regulatory organization for the affiliate futures commission merchant for the purposes of paragraph (c)(1)(i) requirements in this section. Such self-regulatory organization remains responsible for performing the other applicable self-regulatory organization functions required hereunder.

(iii) If a designated self-regulatory organization has an affiliate futures commission merchant, the examination staff implementing the supervisory program required by this paragraph must report directly to the board of directors or other designated committee or officer responsible for regulatory compliance of the designated self-regulatory organization. If examination staff report to an officer responsible for regulatory compliance of the designated self-regulatory organization, such officer must, in turn, report directly to the board of directors or other designated committee.

(iv) A designated self-regulatory organization may not access non-public information of its affiliate futures commission merchant except as necessary to comply with its responsibilities and obligations as a designated contract market under part 38 of this chapter. A designated self-regulatory organization is prohibited from sharing, directly or indirectly, non-public information obtained from its supervisory program of its member futures commission merchants established under this section with its affiliate futures commission merchant for any purpose, except as necessary to comply with its responsibilities and obligations as a designated self-regulatory organization under this section or as a designated contract market under part 38 of this chapter.

* * * * *

(i) * * *

(2) Of the identity of the designated self-regulatory organization that has been delegated responsibility for such a member, including a registered futures association where the member has elected such registered futures association as its designated self-regulatory organization under paragraph (d)(2)(i)(A) of this section; *provided, however,* that the self-regulatory organization that delegates, pursuant to paragraph (d) of this section, the functions set forth in paragraphs (b) and (c) of this section shall remain responsible for its member registrants'

compliance with the regulatory obligations, and if such self-regulatory organization becomes aware that a delegated function is not being performed as required under this section, the self-regulatory organization shall promptly take any necessary steps to address any noncompliance.

* * * * *

■ 3. In § 1.55, revise paragraph (k)(5) to read as follows:

§ 1.55 Public disclosures by futures commission merchants.

* * * * *

(k) * * *

(5) The material risks, accompanied by an explanation of how such risks may be material to its customers, of entrusting funds to the futures commission merchant, including, without limitation:

(i) The nature of investments made by the futures commission merchant (including credit quality, weighted average maturity, and weighted average coupon);

(ii) The futures commission merchant's creditworthiness, leverage, capital, liquidity, principal liabilities, balance sheet leverage and other lines of business;

(iii) Risks to the futures commission merchant created by:

(A) Its affiliates and their activities, including investment of customer funds in an affiliated entity and

(B) Any other affiliate relationships with a swap execution facility, designated contract market or a derivatives clearing organization; and

(iv) Any significant liabilities, contingent or otherwise, and material commitments;

* * * * *

PART 37—SWAP EXECUTION FACILITIES

■ 4. The authority citation for part 37 continues to read as follows:

Authority: 7 U.S.C. 1a, 2, 5, 6, 6c, 7, 7a–2, 7b–3, and 12a, as amended by Titles VII and VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, 124 Stat. 1376.

■ 5. Add § 37.1201 to read as follows:

§ 37.1201 Affiliate conflicts of interest.

(a) *Definitions.* For purposes of this part:

(1) *Affiliate market participant* means any person (including any affiliate introducing broker) that:

(i) Directly or indirectly controls, is controlled by, or is under common control with, a swap execution facility and

(ii) Directly or indirectly executes, introduces, or otherwise facilitates

trades on or subject to the rules of the swap execution facility.

(2) *Control* (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(b) *Procedures.* A swap execution facility shall have procedures for identifying, addressing, and managing conflicts of interest involving an affiliate market participant. Such procedures shall address, at a minimum:

(1) Applications and systems, such that a swap execution facility's applications, information and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate market participant;

(2) Personnel, such that a swap execution facility does not share staff with any affiliate market participant, except with respect to administrative functions;

(3) Office space, such that a swap execution facility maintains office space for itself that is separate from the office space of any affiliate market participant;

(4) Documentation, such that a swap execution facility documents all conflicts of interest that arise with respect to an affiliate market participant and how any such conflict of interest is resolved; and

(5) Disclosures, such that a swap execution facility provides disclosure of the existence of an affiliate market participant in its rulebook and in a clear, prominent, and readily available manner on its website and any other application portal or similar means through which a swap execution facility directly or indirect connects electronically with its market participants.

■ 6. Amend appendix B to part 37 by revising Core Principle 12 of Section 5h of the Act—Conflicts of Interest to read as follows:

Appendix B to Part 37—Guidance on, and Acceptable Practices in, Compliance With Core Principles

* * * * *

Core Principle 12 of Section 5h of the Act—Conflicts of Interest

The swap execution facility shall:

(A) Establish and enforce rules to minimize conflicts of interest in its decision-making process; and

(B) Establish a process for resolving the conflicts of interest.

(a) *Guidance.* [Reserved]

(b) *Acceptable Practices*—(1) *Procedures for conflicts of interest involving an affiliate market participant.* (i) A swap execution facility's applications and systems should be maintained and operated in a manner that prevents the sharing of non-public information (*i.e.*, information which has not been disseminated in a manner which makes it generally available to the trading public) with any affiliate market participant; provided, however that a swap execution facility may share non-public information with an affiliate market participant if: the information is shared with all of the swap execution facility's market participants; or the information relates only to the affiliate market participant or the affiliate market participant's customers.

(A) The swap execution facility's trading platform, surveillance systems and recordkeeping systems should be logically separate from an affiliate market participant's applications and systems.

(B) The swap execution facility should apply controls across all other applications and systems in order to prevent improper sharing of non-public information with an affiliate market participant.

(C) The swap execution facility should monitor for any instances where an affiliate market participant has gained access to the swap execution facility's applications, information or systems.

(D) A swap execution facility should not share staff with any affiliate market participant; provided, however, that staff responsible for administrative functions such as accounting, human resources and payroll matters, as well as technology staff responsible for carrying out Core Principle 14 (Systems Safeguards) functions, may be shared.

(E) In order to prevent the unauthorized sharing of non-public information, a swap execution facility should establish office space for itself that is separate from the office space of any affiliate market participant. This separation should include physical barriers and the ability of the swap execution facility to monitor for any instances where an affiliate market participant has gained physical access to the swap execution facility.

* * * * *

PART 38—DESIGNATED CONTRACT MARKETS

■ 7. The authority citation for part 38 continues to read as follows:

Authority: 7 U.S.C. 1a, 2, 6, 6a, 6c, 6d, 6e, 6f, 6g, 6i, 6j, 6k, 6l, 6m, 6n, 7, 7a–2, 7b, 7b–1, 7b–3, 8, 9, 15, and 21, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, 124 Stat. 1376.

■ 8. Revise § 38.604 to read as follows:

§ 38.604 Financial surveillance.

A designated contract market must monitor members' compliance with the designated contract market's minimum financial standards and, therefore, must routinely receive and promptly review

financial and related information from its members, as well as monitor the positions of members and their customers. A designated contract market must have rules that prescribe minimum capital requirements for member futures commission merchants and introducing brokers.

(a) A designated contract market must:

(1) Monitor the obligations of each futures commission merchant created by the positions of its customers throughout the day;

(2) As appropriate, compare those obligations to the financial resources of the futures commission merchant; and

(3) Take appropriate steps to use this information to protect customer funds.

(b) [Reserved]

■ 9. Revise § 38.606 to read as follows:

§ 38.606 Financial regulatory service provided by a third party.

(a) A designated contract market may comply with the requirements of § 38.604 (Financial Surveillance) and § 38.605 (Requirements for Financial Surveillance Program) through the regulatory services of a registered futures association or a registered entity (collectively, “regulatory service provider”), as such terms are defined under the Act. A designated contract market must ensure that its regulatory service provider has the capacity and resources necessary to provide timely and effective regulatory services, including adequate staff and appropriate surveillance systems. A designated contract market will at all times remain responsible for compliance with its obligations under the Act and Commission regulations, and for the regulatory service provider's performance on its behalf. Regulatory services must be provided under a written agreement with a regulatory services provider that shall specifically document the services to be performed as well as the capacity and resources of the regulatory service provider with respect to the services to be performed.

(b) A designated contract market that has an affiliate futures commission merchant (as defined in § 1.52(a)(3) of this chapter) may comply with the requirements of § 38.604 by designating an independent third-party regulatory service provider. If a designated contract market that has an affiliate futures commission merchant does not designate an independent third-party regulatory service provider, such designated contract market shall have procedures for identifying, addressing, and managing conflicts of interest involving an affiliate futures commission merchant that may arise

connection with its obligations under § 38.604. Such procedures shall address, at a minimum:

(1) Applications and systems, such that a designated contract market's applications, information and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate futures commission merchant;

(2) Personnel, such that a designated contract market does not share staff with any affiliate futures commission merchant, except with respect to administrative functions;

(3) Office space, such that a designated contract market maintains office space for itself that is separate from the office space of any affiliate futures commission merchant;

(4) Documentation, such that a designated contract market documents all conflicts of interest that arise with respect to an affiliate futures commission merchant and how any such conflict of interest is resolved; and

(5) Disclosures, such that a designated contract market provides disclosure of the existence of an affiliate futures commission merchant in its rulebook and in a clear, prominent, and readily available manner on its website and any other application portal or similar means through which a designated contract market directly or indirect connects electronically with its market participants.

■ 10. Add § 38.852 to subpart Q to read as follows:

§ 38.852 Affiliate conflicts of interest.

(a) *Definitions.* For purposes of this part:

Affiliate market maker means an affiliate principal trading firm that satisfies all of the conditions set out in paragraph (c) of this section.

Affiliate market participant means any person (including any affiliate futures commission merchant or affiliate principal trading firm) that:

(i) Directly or indirectly executes, introduces, or otherwise facilitates trades on or subject to the rules of the designated contract market.

(ii) [Reserved]

Affiliate principal trading firm means a member of a designated contract market that:

(i) Directly or indirectly controls, is controlled by, or is under common control with, that designated contract market; and

(ii) Trades on a principal basis, as a market maker, liquidity provider, or otherwise, for its own account on that designated contract market.

Control (including the terms “controlled by” and “under common

control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(b) *Conflicts of interest framework.* A designated contract market shall:

(1) Have procedures for identifying, addressing, and managing conflicts of interest involving an affiliate market participant. Such procedures shall address at a minimum:

(i) Applications and systems, such that a designated contract market’s applications and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate futures commission merchant;

(ii) Personnel, such that a designated contract market does not share staff with any affiliate futures commission merchant, except with respect to administrative functions;

(iii) Office space, such that a designated contract market maintains office space for itself that is separate from the office space of any affiliate futures commission merchant; and

(iv) Documentation, such that a designated contract market documents all conflicts of interest that arise with respect to an affiliate futures commission merchant and how any such conflict of interest is resolved; and

(v) Disclosures, such that a designated contract market provides disclosure of the existence of an affiliate futures commission merchant in its rulebook and in a clear, prominent, and readily available manner on its website and any other application portal or similar means through which a designated contract market directly or indirect connects electronically with its market participants; and

(2) If the designated contract market offers an incentive or similar program filed under part 40 of the Commission’s regulations in this chapter that applies to affiliate principal trading firms, the designated contract market must have procedures to ensure that unaffiliated members of the designated contract market can participate in such programs on terms no less favorable than those offered to an affiliate principal trading firm.

(c) *Affiliate market makers—(1) Permitted affiliate market maker conditions.* A designated contract market that permits an affiliate principal trading firm to trade on the designated contract market must, at all times:

(i) Ensure that its trading matching system, including any price/time priority matching algorithm, does not

favor the affiliate market maker.

Specifically, the designated contract market’s trade matching system shall fill the bid or offer of any unaffiliated member before the bid or offer of the affiliate market maker at the same price, without regard to the time priority of the affiliate principal trading firm’s order.

The bids and offers of the affiliate principal trading firm shall be filled last at every price level; and

(ii) Ensure that any market maker or incentive program filed under part 40 of this chapter that applies to the affiliate market maker must enumerate the affiliate market maker’s market making or liquidity providing obligations, the performance standards applicable to those obligations, and the consequences of any failure to satisfy them, on terms no less favorable to the designated contract market than those offered to unaffiliated members participating in the same or a comparable program. Such program must, at a minimum,

(A) Require an affiliate market maker to maintain continuous two-sided quotations in each product in which it is obligated to make a market;

(B) Specify the minimum number of trading hours in the relevant trading period during which the affiliate market maker is subject to such obligation;

(C) Specify limitations on permissible bid-ask spreads; and

(D) Ensure that the trading of the affiliate market maker on the designated contract market is reasonably calculated to contribute to the maintenance of a fair and orderly market, and the affiliate market maker does not make bids or offers, or enter into transactions, inconsistent with that purpose, including by taking directional proprietary positions other than in connection with its obligation to maintain two-sided quotations.

(2) *Independent verification.* A designated contract market that permits an affiliate market maker to trade on the designated contract market shall designate an independent third-party regulatory service provider to:

(i) Comply with the requirements of § 38.604 with respect to the affiliate market maker as if the affiliate market maker were a futures commission merchant (except to the extent § 38.604 applies with respect to customers);

(ii) Review and monitor the designated contract market’s compliance with its conflicts of interest procedures promulgated under paragraph (b)(1) of this section; and

(iii) Annually certify to the Commission and the designated contract market’s board of directors or other designated committee or officer responsible for regulatory compliance

that the affiliate market maker satisfies each of the conditions set out in paragraph (c)(1) of this section and that the designated contract market is operating in compliance with its conflicts of interest procedures as required under paragraph (b)(1) of this section. The certification shall include the submission of appropriate written documentation and analysis in support of the certification.

(iv) The designated contract market shall at all times remain responsible for compliance with its obligations under the Act and Commission regulations, and for the independent third-party regulatory service provider’s performance on its behalf.

(3) *Additional disclosures.* Where a designated contract market permits an affiliate market maker to trade on the designated contract market, the designated contract market must disclose, on a per-session basis, the existence of, and the designated contract market’s relationship with, the affiliate market maker. The notice shall:

(i) Be presented to the customer through the electronic interface used to enter orders, before the customer first enters an order during a session;

(ii) Be presented in a clear and conspicuous manner and in plain language reasonably understandable to a non-specialist market participant, directly and in full and not solely by means of a reference or hyperlink;

(iii) Disclose the conditions and limitations imposed on the affiliate market maker under this section, including that the affiliate market maker’s orders are filled after those of unaffiliated members at the same price; and

(iv) Not be capable of being dismissed without the customer’s affirmative acknowledgment.

(v) The designated contract market shall require, by rule, that its intermediary participants and any other person operating an electronic interface through which customers enter orders deliver the notice in accordance with this paragraph (c)(3).

■ 11. Add § 38.853 to subpart Q to read as follows:

§ 38.853 Board composition, regulatory oversight committee, and disciplinary panels.

(a) *Board composition for designated contract markets.* (1) At least thirty-five percent of the directors on a designated contract market’s board of directors shall be public directors; and

(2) The executive committees (or similarly empowered bodies) of the board of directors shall consist of at least thirty-five percent public directors.

(b) *Public director.* (1) To qualify as a public director of a designated contract market, an individual must first be found, by the board of directors, on the record, to have no material relationship with the contract market. A “material relationship” is one that reasonably could affect the independent judgment or decisionmaking of the director.

(2) In addition, a director shall be considered to have a material relationship with the designated contract market if any of the following circumstances exist:

(i) The director is an officer or employee of the designated contract market or an officer or employee of its affiliate. An affiliate for purposes of this section includes parents or subsidiaries of the designated contract market or entities that share a common parent with the designated contract market.

(ii) The director is a member of the designated contract market, or an officer or director of a member. For purposes of this section, “member” is defined according to section 1a(34) of the Act and § 1.3 of this chapter;

(iii) The director, or a firm with which the director is an officer, director, or partner, receives more than \$100,000 in combined annual payments from the designated contract market, or any affiliate of the designated contract market, for legal, accounting, or consulting services. Compensation for services as a director of the designated contract market or as a director of an affiliate of the designated contract market does not count toward the \$100,000 payment limit, nor does deferred compensation for services prior to becoming a director, so long as such compensation is in no way contingent, conditioned, or revocable;

(iv) Any of the relationships in paragraphs (b)(2)(i)–(iii) of this section apply to a member of the director’s immediate family (spouse, parents, children and siblings).

(3) All of the disqualifying circumstances described in paragraph (b)(2) of this section shall be subject to a one-year look back.

(4) A designated contract market’s public directors may also serve as directors of the designated contract market’s affiliate if they otherwise meet the definition of public director.

(5) A designated contract market shall disclose to the Commission which members of its board are public directors, and the basis for those determinations.

(c) *Regulatory Oversight Committee.* (1) A board of directors of any designated contract market shall establish a Regulatory Oversight Committee as a standing committee,

consisting of only public directors, to assist it in minimizing actual and potential conflicts of interest. The Regulatory Oversight Committee shall oversee the designated contract market’s regulatory program on behalf of the board of directors. The board of directors shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate.

(2) The Regulatory Oversight Committee shall:

(i) Monitor the designated contract market’s regulatory program for sufficiency, effectiveness, and independence;

(ii) Oversee all facets of the regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to member firms (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;

(iii) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;

(iv) Supervise the designated contract market’s chief regulatory officer (or other officer responsible for regulatory compliance), who will report directly to the ROC;

(v) Prepare an annual report assessing the designated contract market’s self-regulatory program for the board of directors and the Commission, which sets forth the regulatory program’s expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;

(vi) Recommend changes that would ensure fair, vigorous, and effective regulation; and

(vii) Review regulatory proposals and advise the board of directors as to whether and how such changes may impact regulation.

(d) *Disciplinary panels.* (1) A designated contract market shall minimize conflicts of interest in its disciplinary processes through disciplinary panel composition rules that preclude any group or class of industry participants from dominating or exercising disproportionate influence on such panels.

(2) A designated contract market shall further minimize conflicts of interest by including in all disciplinary panels at least one person who would qualify as a public director, except in cases limited to decorum, attire, or the timely

submission of accurate records required for clearing or verifying each day’s transactions.

(3) If a designated contract market’s rules provide for appeal to the board of directors, or to a committee of the board or directors, then that appellate body shall also include at least one person who would qualify as a public director.

12. Amend appendix B to part 38 by revising paragraph (b), “Acceptable Practices,” to Core Principle 16 of section 5(d) of the Act: CONFLICTS OF INTEREST to read as follows:

Appendix B to Part 38—Guidance on, and Acceptable Practices in, Compliance With Core Principles

* * * * *

*Core Principle 16 of section 5(d) of the Act: CONFLICTS OF INTEREST. * * **

(b) *Acceptable Practices.* All designated contract markets (“DCMs” or “contract markets”) bear special responsibility to regulate effectively, impartially, and with due consideration of the public interest, as provided for in section 3 of the Act. Under Core Principle 15, they are also required to minimize conflicts of interest in their decisionmaking processes. To comply with this Core Principle, contract markets should be particularly vigilant for such conflicts between and among any of their self-regulatory responsibilities, their commercial interests, and the several interests of their management, members, owners, customers and market participants, other industry participants, and other constituencies. Acceptable practices for minimizing conflicts of interest shall include the following elements:

(1) *Appropriate separations between the DCM and an affiliate market participant.* A designated contract market’s applications and systems should be maintained and operated in a manner that prevents the sharing of non-public information (*i.e.*, information which has not been disseminated in a manner which makes it generally available to the trading public) with any affiliate market participant (*i.e.*, an affiliate futures commission merchant or an affiliate principal trading firm); provided, however that a designated contract market may share non-public information with an affiliate market participant if: the information is shared with all of the designated contract market’s market participants; or the information relates only to the affiliate market participant or the affiliate market participant’s customers.

(i) The designated contract market’s trading platform, surveillance systems and recordkeeping systems should be logically separate from an affiliate market participant’s applications and systems.

(ii) The designated contract market should apply controls across all other applications and systems in order to prevent improper sharing of non-public information with an affiliate market participant.

(iii) The designated contract market should monitor for any instances where an affiliate market participant has gained access to the

designated contract market's applications, information, or systems.

(iv) A designated contract market should not share staff with any affiliate market participant; provided, however, that staff responsible for administrative functions such as accounting, human resources and payroll matters, as well as technology staff responsible for carrying out Core Principle 20 (Systems Safeguards) functions, may be shared.

(v) In order to prevent the unauthorized sharing of non-public information, a designated contract market should establish office space for itself that is separate from the office space of any affiliate market participant. This separation should include physical barriers and the ability of the designated contract market to monitor for any instances where an affiliate market participant has gained physical access to the designated contract market.

* * * * *

PART 39—DERIVATIVES CLEARING ORGANIZATIONS

■ 13. The authority citation for part 39 continues to read as follows:

Authority: 7 U.S.C. 2, 6(c), 7a–1, and 12a(5); 12 U.S.C. 5464; 15 U.S.C. 8325; Section 752 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, title VII, sec. 752, July 21, 2010, 124 Stat. 1749.

■ 14. In § 39.2, add the following definition in alphabetical order to read as follows:

§ 39.2 Definitions.

* * * * *

Affiliate clearing member means a person that:

- (1) Is a clearing member of a derivatives clearing organization; and
- (2) Directly or indirectly controls, is controlled by, or is under common control with, the derivatives clearing organization. As used in the preceding sentence, *control* (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a derivatives clearing organization or clearing member, whether through the ownership of voting securities, by contract, or otherwise.

* * * * *

■ 15. Amend § 39.21 by:

- a. Revising paragraph (c)(8);
- b. Redesignating paragraph (c)(9) as (c)(10); and
- c. Adding a new paragraph (c)(9).

The revision and addition read as follows:

§ 39.21 Public information.

* * * * *

(c) * * *

(8) A list of all swaps that the derivatives clearing organization will

accept for clearing that identifies which swaps on the list are required to be cleared, in accordance with § 50.3(a) of this chapter;

(9) The existence of, and the derivatives clearing organization's relationship with, any affiliated clearing member, provided that such disclosure shall also be made in the derivatives clearing organization's rulebook; and

■ 16. Amend § 39.25 by revising paragraphs (b) and (c) and adding paragraph (d) to read as follows:

§ 39.25 Conflicts of interest.

* * * * *

(b) Establish a process for resolving such conflicts of interest;

(c) Have procedures for identifying, addressing, and managing conflicts of interest involving members of the board of directors; and

(d) Have procedures for identifying, addressing, and managing conflicts of interest involving an affiliated clearing member. Such procedures shall address at a minimum:

(1) Applications and systems, such that a derivatives clearing organization's applications and systems are maintained and operated in a manner that prevents the sharing of non-public information with any affiliate clearing member;

(2) Personnel, such that a derivatives clearing organization does not share staff with any affiliate clearing member, except with respect to administrative functions;

(3) Office space, such that a derivatives clearing organization maintains office space for itself that is separate from the office space of any affiliate clearing member; and

(4) Documentation, such that a derivatives clearing organization documents all conflicts of interest that arise with respect to an affiliate clearing member and how any such conflict of interest is resolved.

■ 17. Amend part 39 by adding appendix D to part 39 to read as follows:

Appendix D to Part 39—Guidance on, and Acceptable Practices in, Compliance with Core Principles

1. This appendix provides guidance on complying with core principles, both initially and on an ongoing basis, to maintain registration under section 5b of the Act and part 39. Where provided, guidance is set forth in paragraph (a) following the relevant heading in this appendix and can be used to demonstrate to the Commission compliance with the selected requirements of a core principle of part 39. The guidance for the core principle is illustrative only of the types of matters a derivatives clearing organization may address, as applicable, and is not intended to be used as a mandatory checklist.

Addressing the issues set forth in this appendix would help the Commission in its consideration of whether the derivatives clearing organization is in compliance with the selected requirements of a core principle; provided however, that the guidance is not intended to diminish or replace, in any event, the obligations and requirements of applicants and derivatives clearing organizations to comply with the regulations provided under part 39.

2. Where provided, acceptable practices meeting selected requirements of core principles are set forth in paragraph (b) following the guidance in this appendix. Derivatives clearing organizations that follow specific practices outlined in the acceptable practices for a core principle in this appendix will meet the selected requirements of the applicable core principle; provided however, that the acceptable practice is not intended to diminish or replace, in any event, the obligations and requirements of applicants and derivatives clearing organization to comply with the regulations provided under part 39. The acceptable practices are for illustrative purposes only and do not state the exclusive means for satisfying a core principle.

Core Principle P of Section 5b of the Act—CONFLICTS OF INTEREST. Each derivatives clearing organization shall—

(i) Establish and enforce rules to minimize conflicts of interest in the decision-making process of the derivatives clearing organization; and

(ii) Establish a process for resolving conflicts of interest described in the preceding paragraph (i) of this Core Principle.

(a) *Guidance.* [Reserved]

(b) *Acceptable Practices—*(1) *Appropriate separations between the DCM and an affiliate market participant.* (i) A derivatives clearing organization's applications and systems should be maintained and operated in a manner that prevents the sharing of non-public information (*i.e.*, information which has not been disseminated in a manner which makes it generally available to the trading public) with any affiliate clearing member; provided, however that a derivatives clearing organization may share non-public information with an affiliate clearing member if: the information is shared with all of the derivatives clearing organization's clearing members; or the information relates only to the affiliate clearing member or the affiliate clearing member's customers.

(A) The derivatives clearing organization's clearing systems, surveillance systems and recordkeeping systems should be logically separate from an affiliate clearing member's applications and systems.

(B) The derivatives clearing organization should apply controls across all other applications and systems in order to prevent improper sharing of non-public information with an affiliate clearing member.

(C) The derivatives clearing organization should monitor for any instances where an affiliate clearing member has gained access to the derivative clearing organization's applications, information, or systems.

(ii) A derivatives clearing organization should not share staff with any affiliate

clearing member; provided, however, that staff responsible for administrative functions such as accounting, human resources and payroll matters, as well as technology staff responsible for carrying out Core Principle I (Systems Safeguards) functions, may be shared.

(iii) In order to prevent the unauthorized sharing of non-public information, a derivatives clearing organization should establish office space for itself that is separate from the office space of any affiliate clearing member. This separation should include

physical barriers and the ability of the derivatives clearing organization to monitor for any instances where an affiliate clearing member has gained physical access to the derivatives clearing organization.

Issued in Washington, DC, on August 3, 2026, by the Commission.

Christopher Kirkpatrick,

Secretary of the Commission.

Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix To Conflicts and Affiliations—Commission Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.

[FR Doc. 2026–15948 Filed 8–5–26; 8:45 am]

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Part III

Department of the Interior

Bureau of Safety and Environmental Enforcement

30 CFR Parts 250 and 254

Bureau of Ocean Energy Management

30 CFR Part 550

Oil and Gas and Sulfur Operations on the Outer Continental Shelf—
Revisions to the Requirements for Exploratory Drilling on the Arctic Outer
Continental Shelf; Proposed Rule

DEPARTMENT OF THE INTERIOR**Bureau of Safety and Environmental Enforcement****30 CFR Part 250 and 254****Bureau of Ocean Energy Management****30 CFR Part 550**

[Docket ID: BSEE–2026–0133 EEEE500000–256E1700D2–ET1SF0000.EAQ000]

RIN 1082–AA05

Oil and Gas and Sulfur Operations on the Outer Continental Shelf—Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf

AGENCY: Bureau of Safety and Environmental Enforcement (BSEE); Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Proposed rule.

SUMMARY: The Department of the Interior (DOI or Department), acting through BSEE and BOEM (collectively, “the Bureaus”), is proposing to revise its existing regulations for exploratory drilling and related operations on the Arctic Outer Continental Shelf (OCS), to reduce unnecessary burdens on stakeholders while ensuring that energy exploration on the Arctic OCS is safe and environmentally responsible.¹ This proposed rule would revise certain requirements promulgated through the rule entitled, *Oil and Gas and Sulfur Operations on the Outer Continental Shelf—Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf* (“2016 Arctic Exploratory Drilling Rule”) (see 81 FR 46478). This proposed rule would modify existing Arctic OCS blowout preventer (BOP) real-time monitoring requirements and add new provisions to BSEE’s regulations pertaining to requirements for crane operations on artificial islands, suspensions of operations (SOO), and suspensions of production (SOP). This proposed rule would also revise certain parts of the Exploration Plan (EP) and Development and Production Plan (DPP) regulations implemented by BOEM.

DATES: Submit comments on this proposed rule to BSEE on or before October 5, 2026. The Bureaus may not fully consider comments received after this date. You may submit comments to the Office of Management and Budget (OMB) on the information collection

burden in this proposed rule by September 8, 2026. The deadline for comments on the information collection burden does not affect the deadline for the public to comment to the Bureaus on the proposed regulations.

ADDRESSES: You may submit comments on the proposed rule by any of the following methods. Please use the Regulation Identifier Number (RIN) 1082–AA05 as an identifier in your message. See also Public Availability of Comments under Procedural Matters.

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. In the entry entitled, “Enter Keyword or ID,” enter BSEE–2026–0133, then click search. Follow the instructions to submit public comments and view supporting and related materials available for this rulemaking, including a plain language summary of the proposed rule as required by 5 U.S.C. 553(b)(4). The Bureaus may post all submitted comments.

- *Mail or hand-carry comments to the DOI, BSEE and BOEM: Attention: Regulations and Standards Branch, 45600 Woodland Road, VAE–ORP, Sterling VA 20166.* Please reference RIN 1082–AA05, “Oil and Gas and Sulfur Operations on the Outer Continental Shelf—Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf,” in your comments, and include your name and return address.

- *Email:* regs@bsee.gov.
- *Send comments on the information collection in this rule to:* Interior Desk Officer 1082–AA01, Office of Management and Budget; 202–395–5806 (fax); or via the online portal at <https://www.reginfo.gov/public/do/PRAMain>. From this main web page, you can find and submit comments on this particular information collection by proceeding to the boldface heading “Currently under Review,” selecting “Department of the Interior” in the “Select Agency” pull down menu, clicking “Submit,” then, checking the box “Only Show ICR for Public Comment” on the next web page, scrolling to this proposed rule, and clicking the “Comment” button at the right margin. Alternatively, you may use the search function on the main web page. Please also send a copy to the Bureaus by one of the means previously described, and reference “OMB Control Number 1014–[TBD] (*Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf*) for BSEE-related comments or OMB Control Number 1010–[TBD] (*Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf*) for BOEM-related comments, as

applicable, in the subject line of your comments.

- *Public Availability of Comments:* Please be aware that BOEM’s and BSEE’s practice is to make comments, including the names and addresses of individuals, available for public inspection. Before including your address, phone number, email address, and any personally identifiable information in your comment, please be advised that your entire comment, including your personally identifiable information, may be made publicly available at any time. For the Bureaus to consider withholding from disclosure your personally identifiable information, you must identify, in a cover letter, any information contained in your comments that, if released, would constitute a clearly unwarranted invasion of your personal privacy. You must also briefly describe any possible harmful consequences of the disclosure of information, such as embarrassment, injury, or other harm.

Even if the Bureaus withhold your information in the context of this proposed rule, your submission is subject to the Freedom of Information Act (FOIA). If your submission is requested under the FOIA, your information will only be withheld if BOEM or BSEE determines that one of the FOIA exemptions to disclosure applies. Such a determination will be made in accordance with the Department’s FOIA regulations and applicable law.

The Bureaus will make available for public inspection all comments, in their entirety, submitted by organizations and businesses (except as provided material marked and exempted as proprietary information) or by individuals identifying themselves as representatives of organizations or businesses.

FOR FURTHER INFORMATION CONTACT: For technical questions related to regulatory changes BSEE is proposing in Part 250, contact Bobby Kurtz, BSEE, Acting Alaska OCS Regional Director, Bobby.Kurtz@bsee.gov, 805–384–6359. For technical questions related to regulatory changes BOEM is proposing in Part 550, contact Joel Immaraj, BOEM, Alaska Regional Office, joel.immaraj@boem.gov, (907) 334–5238. For procedural questions contact Bryce Barlan, BSEE, Regulations and Standards Branch, regs@bsee.gov, (703) 787–1126.

SUPPLEMENTARY INFORMATION:

Executive Summary

Executive Orders (E.O.) and Secretary’s Orders (S.O.) issued in 2017

¹ Outer Continental Shelf Lands Act, sec. 3, 43 U.S.C. 1332.

directed Federal agencies to review existing regulations that potentially burden the development or use of domestically produced energy resources and appropriately begin processes to potentially suspend, revise, or rescind those regulations that are determined to unduly burden the development of domestic energy resources, beyond the degree necessary to protect the public interest or otherwise comply with the law. E.O. 13795, *Implementing an America-First Offshore Energy Strategy* (see 82 FR 20815), which specifically called for a review of the 2016 Arctic Exploratory Drilling Rule, and S.O. 3350, *America-First Offshore Energy Strategy*, are discussed in more detail below in *Section I. Background*, *Subsection B. Executive and Secretary's Orders*.²

In response to these orders, the Bureaus undertook a review of the regulations promulgated through the 2016 Arctic Exploratory Drilling Rule and, on December 9, 2020, the Bureaus issued a proposed rule titled *Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf* ("2020 Proposed Revisions to the Arctic Exploratory Drilling Rule") (see 85 FR 79266). However, on June 29, 2021, the Bureaus withdrew the 2020 Proposed Revisions to the Arctic Exploratory Drilling Rule (see 86 FR 34172) due to a change in administration and policy.

Subsequently, in January 2025, the President signed E.O. 14153, *Unleashing Alaska's Extraordinary Resource Potential* (see 90 FR 8347) and E.O. 14154, *Unleashing American Energy* (see 90 FR 8353), which aimed to expand natural resource development throughout the Nation and in Alaska to promote American energy independence. These E.O.s. also call upon the heads of Federal Agencies, including the Secretary of the Interior (Secretary) to review all existing regulations, orders, guidance documents, policies, and any other similar agency actions, and rescind, revoke, revise, amend, defer, or grant exemptions from those that limit energy development on Federal lands and waters. In response to these E.O.s, the Secretary issued S.O. 3422, *Unleashing Alaska's Extraordinary Resource Potential*, and S.O. 3418, *Unleashing American Energy*, both of which were intended to implement the policies in E.O. 14153 and E.O. 14154.

This proposed rule responds to the 2025 E.O.s and S.O.s and is also

consistent with the efforts the Bureaus previously undertook through the 2020 Proposed Revisions to the Arctic Exploratory Drilling Rule. It would create more flexible and less costly compliance options in BSEE's and BOEM's regulations and is designed to ensure the safe, effective, and responsible exploration of Arctic OCS oil and gas resources, while protecting the marine, coastal, and human environments, and preserving Alaska Natives' cultural traditions and their access to subsistence resources. In particular, this proposed rule would revise certain provisions in 30 Code of Federal Regulations (CFR) Part 250, Subparts C, D, and G, 30 CFR part 254, subparts A and E, and 30 CFR part 550, subpart B, that were promulgated through the 2016 Arctic Exploratory Drilling Rule and pertain to:

1. Definition of the "Arctic OCS";
2. Pollution prevention;
3. Arctic OCS Source Control and Containment Equipment (SCCE);
4. BOP real-time monitoring requirements for the Arctic OCS;
5. Relief rig capabilities for the Arctic OCS;
6. Mudline cellars;
7. Oil spill response plan-holder reviews;
8. Timing and submission requirements related to Integrated Operations Plans (IOP) for proposed Arctic exploratory drilling;
9. What must be included in the IOP; and
10. What data and information must accompany the EP and DPP.

This proposed rule would also revise certain provisions in 30 CFR part 250, subpart A, that are not addressed by the 2016 Arctic Exploratory Drilling Rule, but are relevant to the Arctic OCS or the Alaska OCS region and, therefore, are appropriate to address as part of this proposed rulemaking. These provisions pertain to:

1. The factors that the BSEE Regional Supervisor may evaluate in assessing whether to grant an SOO or grant or direct an SOP to address unique and specific conditions relevant only to exploration and development activities in the Alaska OCS region; and
2. Cranes used for operations on artificial islands.

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Incorporated Documents for Public Viewing

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- Definitions (§ 250.105)
- What requirements must I follow for cranes and other material-handling equipment? (§ 250.108)
- What requirements must I follow for cranes and other material-handling equipment? (§ 250.108)
- How long does a suspension last? (§ 250.170)
- How do I request a suspension? (§ 250.171)
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Subpart D—Oil and Gas Drilling Operations

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- What additional information must I submit with my APD for Arctic OCS exploratory drilling operations? (§ 250.470)
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- How do I submit the EP, DPP, or DOCD? (§ 550.206)
- What must the EP include? (§ 550.211)
- If I propose activities in the Arctic OCS Region, what planning information must accompany the EP? (§ 550.220)

III. Additional Comments Solicited

IV. Procedural Matters

- A. Regulatory Planning and Review (E.O. 12866 and 13563)

² These Orders do not dictate outcomes; rather, they directed a review in accordance with applicable law.

B. Reducing Regulatory Burdens (E.O. 14192)	F. Takings Implication Assessment	M Effects on the Nation's Energy Supply (E.O. 13211)
C. Unleashing American Energy and Alaska's Extraordinary Resource Potential (E.O.s 14153 and 14154)	G. Federalism (E.O. 13132)	N. National Technology Transfer and Advancement Act (NTTAA)
D. Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act	H. Civil Justice Reform (E.O. 12988)	O. Clarity of Regulations
E. Unfunded Mandates Reform Act of 1995 (UMRA)	I. Consultation with Indian Tribes (E.O. 13175)	P. Severability
	J. Paperwork Reduction Act (PRA)	
	K. National Environmental Policy Act of 1969 (NEPA)	List of Acronyms and References
	L. Data Quality Act	
60-Day Report	Report to the Secretary of the Interior, Review of Shell's 2012 Alaska Offshore Oil and Gas Exploration Program	
2016 Arctic Exploratory Drilling Rule.	Oil and Gas and Sulfur Operations on the Outer Continental Shelf-Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf, <i>see</i> 81 FR 46478, July 15, 2016 (available at https://www.federalregister.gov/documents/2016/07/15/2016-15699/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-requirements-for-exploratory)	
2020 Proposed Revisions to the Arctic Exploratory Drilling Rule.	Oil and Gas and Sulfur Operations on the Outer Continental Shelf-Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf, <i>see</i> 85 FR 79266, December 9, 2020 (available at https://www.federalregister.gov/documents/2020/12/09/2020-25818/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-revisions-to-the-requirements-for-h-63)	
ABS	American Bureau of Shipping	
ACP	Alternative Compliance Program	
ANCSA	Alaska Native Claims Settlement Act	
APD	Application for Permit to Drill	
API	American Petroleum Institute	
Arctic OCS	OCS oil and gas planning areas that include any portion of their geographic extent located north of 66°33' N latitude	
ASME	The American Society of Mechanical Engineers	
AWKS	Alternative Well Kill System	
BOEM	Bureau of Ocean Energy Management	
BOP	Blowout Preventer	
Bratslavsky and SolstenXP 2018 ...	Suitability of Source Control and Containment Equipment versus Same Season Relief Well in the Alaska Outer Continental Shelf Region, October 2018	
BSEE	Bureau of Safety and Environmental Enforcement	
CFR	Code of Federal Regulations	
CWA	Clean Water Act	
Department	Department of the Interior	
DNV GL	Det Norske Veritas and Germanischer Lloyd	
DOCD	Development Operations Coordination Document	
DOI	Department of the Interior	
DPP	Development and Production Plan	
EA	Environmental Assessment	
EIA	Environmental Impact Analysis	
E.O.	Executive Order	
EP	Exploration Plan	
EPA	Environmental Protection Agency	
FACA	Federal Advisory Committee Act	
G&G	Geological and geophysical	
IC	Information Collection	
IOP	Integrated Operations Plan	
RIA	Regulatory Impact Analysis	
LMRP	Lower Marine Riser Package	
MASP	Maximum Anticipated Surface Pressures	
MMS	Minerals Management Service	
MODU	Mobile Offshore Drilling Unit	
NAICS	North American Industry Classification System	
NEPA	National Environmental Policy Act of 1969	
NPC	National Petroleum Council	
NPC 2015 Report	Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources	
NPC 2019 Report	Supplemental Assessment to the 2015 Report on Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources	
NPDES	National Pollutant Discharge Elimination System	
NTL	Notice to Lessees and Operators	
OCS	Outer Continental Shelf	
OCSLA	Outer Continental Shelf Lands Act	
ODCE	Ocean Discharge Criteria Evaluations	
OFR	Office of the Federal Register	
OIRA	Office of Information and Regulatory Affairs	
OMB	Office of Management and Budget	
OSRP	Oil Spill Response Plan	
OSPD	Oil Spill Preparedness Division	
PRA	Paperwork Reduction Act	
RIN	Regulation Identifier Number	
ROV	Remotely Operated Vehicle	
ROT	Remotely Operated Tool	
RP	Recommended Practice	

SCCE	Source Control and Containment Equipment
Secretary	Secretary of the Interior
S.O.	Secretary's Orders
SEMS	Safety and Environmental Management Systems
SSID	Subsea Isolation Device
SSRW	Same Season Relief Well
SOO	Suspensions of Operations
SOP	Suspensions of Production
UMRA	Unfunded Mandates Reform Act of 1995
U.S.	United States
USCG	U.S. Coast Guard
WCR	Well Control Rule
WCD	Worst Case Discharge

I. Background

A. BSEE and BOEM Statutory and Regulatory Authority and Responsibilities

The OCSLA, 43 U.S.C. 1331 *et seq.*, was first enacted in 1953 and substantially amended in 1978. In amending OCSLA, Congress established a national policy of making the OCS “available for expeditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs.” (43 U.S.C. 1332(3)). OCSLA authorizes the Secretary to lease the OCS for mineral development and to regulate oil and gas exploration, development, and production operations on the OCS. As described in case law, “OCSLA allows the Secretary of the Interior to regulate oil and gas leasing on the OCS. Id. § 1334(a). He delegated this power to two subordinate agencies, including [BOEM and BSEE]. Dep’t of Interior, Secretarial Order No. 3299 (May 19, 2010). Under OCSLA, the Secretary ‘may at any time prescribe and amend such rules and regulations as he determines to be necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the [OCS].’ 43 U.S.C. 1334(a). The statute specifies that ‘[t]he regulations prescribed by the Secretary under this subsection shall include, but not be limited to’ [the prompt and efficient exploration and development of a lease area]” Id. § 1334(a)(1)–(8).” *Gulf v. Bureau of Ocean Energy Mgmt.*, 2026 U.S. Dist. LEXIS 60712, at *2–3 (D.D.C. Mar. 23, 2026).

BOEM’s mission is to manage the development of the OCS energy and mineral resources in an environmentally and economically responsible way. BOEM’s functions include: leasing; EP administration; DPP and DOCD administration; permitting of G&G activities; environmental analyses in compliance with federal law and regulation; resource evaluation; oil spill WCD determination; economic analysis and fair market value bid/lease

evaluations; management of the OCS renewable energy and marine mineral programs; coordination with other entities at the local (*e.g.*, North Slope Borough, Native Villages), State, and Federal levels (*e.g.*, National Oceanic and Atmospheric Administration Fisheries, USCG), as well as consultation with federally recognized ANCSA Tribes and Corporations related to activities within BOEM’s activities and areas of responsibility.

BSEE is responsible for safety and environmental enforcement functions, including, but not limited to, permitting activities, inspections, investigations, summoning witnesses and ordering the production of evidence; levying penalties; canceling or suspending activities;³ compliance with federal environmental laws and regulations; coordination with other entities at the local (*e.g.*, North Slope Borough, Native Villages), State, and Federal levels (*e.g.*, National Oceanic and Atmospheric Administration Fisheries, USCG), as well as consultation with federally recognized ANCSA Tribes and Corporations; and overseeing safety, oil spill response, and removal preparedness. BSEE’s mission is to promote safety, protect the environment, and conserve resources through vigorous regulatory oversight and enforcement. BSEE’s functions include evaluating permit applications

³ Based on the plain language of OCSLA section 5, Congress required the Department to issue regulations concerning suspensions. “The [OCSLA] regulations prescribed by the Secretary under this subsection shall include, but not be limited to, provisions . . . for the suspension or temporary prohibition of any operation or activity, including production, pursuant to any lease or permit (A) at the request of a lessee, in the national interest, to facilitate proper development of a lease or to allow for the construction or negotiation for use of transportation facilities, or (B) if there is a threat of serious, irreparable, or immediate harm or damage to life (including fish and other aquatic life), to property, to any mineral deposits (in areas leased or not leased), or to the marine, coastal, or human environment” 43 U.S.C. 1334(a)(1).

See also, *Hornbeck Offshore Servs., L.L.C. v. Salazar*, 696 F. Supp. 2d 627, 638 (E.D. La. 2010). “OCSLA permits suspension of ‘any operation or activity . . . pursuant to any lease or permit.’” (Quoting, 43 U.S.C. 1334(a)(1)).

for post-lease oil and natural gas exploration and development activities on the OCS and conducting inspections to ensure compliance with laws, regulations, lease terms, and approved plans and permits.

BOEM evaluates EPs, and BSEE, thereafter, evaluates APDs and other permits and applications, to determine whether the operator’s proposed activities meet OCSLA’s standards and each Bureau’s regulations governing OCS exploration. Based on the Bureaus’ evaluations, they will respectively either approve the operator’s EP and APD, require the operator to modify its submissions, or disapprove the EP or APD (§ 250.410, *How do I obtain approval to drill a well?*). The review and approval of these activities is outlined below in the following section.

1. BOEM Approval of the EP

As promulgated through the 2016 Arctic Exploratory Drilling Rule, § 550.204, *When must I submit my IOP for proposed Arctic exploratory drilling operations and what must the IOP include?*, requires that a lessee submit an IOP at least 90 days before filing an EP with BOEM, if that EP would involve exploration for oil and gas on the Arctic OCS. While the IOP is not subject to approval, the submission is intended to facilitate the prompt sharing of information among the relevant Federal agencies that may be involved in overseeing exploratory drilling operations conducted from MODUs. The operator may then submit an EP to BOEM for approval. An EP must include information, such as a schedule of anticipated exploration activities, equipment to be used, the general location of each well to be drilled, and any other information deemed pertinent by BOEM (§§ 550.211 through 550.228).

2. BSEE Approval of the APD

Approval of an EP does not, by itself, permit the operator to proceed with exploratory drilling. After BOEM approves the EP, the operator must submit an APD to BSEE. BSEE then determines whether it will approve the

APD. The operator must receive an approval from BSEE before it may drill a well (43 U.S.C. 1340(d); § 250.410). Among other things, the APD must be consistent with the approved EP and include information on the well location, the drilling design and procedures, casing and cementing programs, the diverter and BOP systems, MODU (if one is to be used), and any additional information requested by the BSEE Regional Supervisor.

B. Executive and Secretary's Orders

On April 28, 2017, the President issued E.O. 13795, *Implementing an America-First Offshore Energy Strategy* (see 82 FR 20815), which directed the Secretary to “take all steps necessary to review” the 2016 Arctic Exploratory Drilling Rule and, “if appropriate, [to,] as soon as practicable and consistent with law, publish for notice and comment a proposed rule suspending, revising, or rescinding this rule.” The policy underlying E.O. 13795 is “to encourage energy exploration and production, including on the OCS, in order to maintain the Nation’s position as a global energy leader and foster energy security and resilience for the benefit of the American people, while ensuring that any such activity is safe and environmentally responsible.”

To further implement E.O. 13795, on May 1, 2017, the Secretary issued S.O. 3350, *America-First Offshore Energy Strategy*, directing the Bureaus to review the 2016 Arctic Exploratory Drilling Rule “for consistency with the policy set forth in section 2 of E.O. 13795” and to prepare a report “summarizing the review and providing recommendations on whether to suspend, revise, or rescind the rule.”

Consistent with E.O. 13795 and S.O. 3350, the Bureaus reviewed the regulations promulgated through the 2016 Arctic Exploratory Drilling Rule and, on December 9, 2020, issued the 2020 Proposed Revisions to the Arctic Exploratory Drilling Rule to reduce unnecessary burdens on industry while maintaining safety and environmental protection. On June 29, 2021, the Bureaus withdrew the proposed rule (see 86 FR 34172) due to a change in administration and policy, and in response to E.O. 13990, *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis* (see 86 FR 7037), which revoked E.O. 13795.

In January 2025, the President signed E.O. 14153, *Unleashing Alaska’s Extraordinary Resource Potential* (see 90 FR 8347) and E.O. 14154, *Unleashing American Energy* (see 90 FR 8353). E.O. 14153 established new policy for the

U.S. to fully avail itself of Alaska’s vast lands and resources for the benefit of the Nation and the American citizens who call Alaska home. The E.O. called upon the heads of all executive departments and agencies to rescind, revoke, revise, amend, defer, or grant exemptions from any and all regulations, orders, guidance documents, policies, and any other similar agency actions that are inconsistent with the policy set forth in the E.O. In February 2025, the Secretary issued S.O. 3422, *Unleashing Alaska’s Extraordinary Resource Potential*, and S.O. 3418, *Unleashing American Energy*, to implement the policies set forth in E.O. 14153 and E.O. 14154.

E.O. 14154 outlines a broad federal energy policy aimed at expanding domestic energy production and reducing regulatory constraints. The E.O. supports energy exploration and production on Federal lands and waters, including on the OCS, in order to meet the needs of our citizens and solidify the U.S. as a global energy leader long into the future. To that end, it directs all Federal agencies to review all agency actions, including existing regulations, to identify those agency actions that impose an undue burden on the identification, development, or use of domestic energy resources, with particular attention to, among other resources, oil and natural gas, or that are otherwise inconsistent with the policies set forth in the E.O. The Bureaus are proposing the revisions contained in this rulemaking in response to these recent E.O.s and S.O.s.

C. Purpose and Summary of the Rulemaking

Since publication of the 2016 Arctic Exploratory Drilling Rule, the Bureaus have become aware of additional information informing and warranting the bureaus’ reconsideration of certain regulatory provisions promulgated through that rule. BSEE commissioned a Technology Assessment Program study (Bratslavsky and SolstenXP 2018) that entailed a historical statistical analysis of a 5-year period on Alaska’s Arctic OCS drilling seasons (between 2012 and 2016), in which meteorology and physical oceanographic (“metocean”) and operational conditions would support the safe deployment of SCCE, the drilling of a relief well, or both. The study included a comprehensive review and gap analysis of U.S. and international regulations, standards, RPs, specifications, technical reports, and common industry methods regarding the safe deployment of SCCE, as compared to the effectiveness of

drilling a relief well in Arctic conditions.

The Bratslavsky and SolstenXP 2018 study determined that metocean conditions prevalent in the Chukchi Sea and Beaufort Sea (*i.e.*, rough sea states and sea ice conditions, primarily) are key factors that limit the ability to safely deploy SCCE throughout the Arctic OCS. The study determined that, when operating in the presence of sea ice in the Chukchi Sea and the Beaufort Sea, there is a greater probability for safe relief well deployment versus SCCE deployment. When operating in open water conditions (*i.e.*, those prone to rough sea states) in the Chukchi Sea, there is also a greater probability for safe deployment of a relief rig versus SCCE. In the Beaufort Sea, the probability for safely deploying relief rigs and SCCE is the same. This is because the Beaufort Sea has fewer ice-free days than the Chukchi Sea and ice helps maintain calm sea state conditions.

The study also determined that water depth in the Arctic OCS is an additional factor limiting the safe deployment of SCCE. Safe deployment of SCCE is likely to be impaired in water depths shallower than 984 feet because the equipment could potentially encounter a gas boil at the surface caused by a subsea blowing well (Bratslavsky and SolstenXP 2018 at 143). Water depths in the majority of both the Chukchi Sea and Beaufort Sea where exploration has historically occurred are relatively shallow—167 feet or less (*id.* at 7 to 9). This water depth range limits the capabilities of support vessels that could be used for the safe deployment of SCCE.

The NPC⁴ also published its NPC 2019 Report as a supplemental assessment to the NPC 2015 Report. The NPC prepared the NPC 2019 Report in response to an April 2018 request from the Secretary of Energy to provide recommendations for enhancing the Nation’s regulatory environment by improving reliability, safety, efficiency, and environmental stewardship of oil and gas activities on the OCS. That report specifically addressed the

⁴ The NPC is a FACA-chartered advisory committee established to provide advice, information, and recommendations to the Secretary of Energy and the entire Executive Branch on matters related to oil and natural gas or the oil and gas industries. The council’s membership encompasses all segments of the oil and gas industries, including both large and small companies. Additionally, the NPC includes members whose interests extend beyond oil and gas operations, such as representatives from academic, financial, and research institutions, Native American groups, and public interest organizations.

regulatory burdens associated with Arctic OCS development.

Key findings from the NPC's 2019 supplemental assessment include that the requirement to drill a SSRW to mitigate the risk of a late season well control event continuing over the winter season is "outdated." The NPC also concluded that SSID and capping stacks are superior solutions that could stop the flow of oil and allow intervention through the original borehole before a relief well could be completed (NPC 2019 Report at 19). Details in the report regarding Russia's 2014 drilling operation that included the use of an SSID in the South Kara Sea also informs this proposed rule. The Kara Sea is a useful model for technical and operational challenges faced in the U.S. Arctic OCS. Both areas have similar cold climates, seasonal sea ice, and are located in isolated geographical regions with limited emergency response capabilities. Equipment used in the Kara Sea—like SSIDs with full well shut-in and winter isolation capabilities—could be applied similarly to proposed operations in the Arctic OCS, given the similar environmental and operational conditions between the two areas.

In this proposed rule, the Bureaus also address other issues in addition to those addressed in the 2016 Arctic Exploratory Drilling Rule, including seasonal weather-related constraints in the Arctic that severely impact an operator's ability to safely perform leaseholding operations or operations to initiate production for a significant portion of the term on a lease. BSEE is also addressing the use of cranes for operations on artificial islands in the Arctic OCS. BSEE's existing crane-related regulations expressly address fixed platforms installed on open waters, which are not the same types of cranes used on artificial islands. Cranes used on artificial islands are similar to those used on land, *i.e.*, mobile cranes, which are not fixed in place (such as on an offshore facility) and may have wheels or tracks so as to lift and transport materials on location. While these issues are in addition to those addressed by the 2016 Arctic Exploratory Drilling Rule, they are unique to the Alaska OCS region and, therefore, are appropriate to address as part of this proposed rulemaking.

This proposed rule would leave most of the regulations promulgated by the 2016 Arctic Exploratory Drilling Rule unaltered, except for certain proposed changes to accommodate technological innovation and encourage energy exploration on the Arctic OCS. Based on the information gathered from the Bratslavsky and SolstenXP 2018 study,

and global practical experience gained over the years, as described in the NPC Reports, the Bureaus believe that these proposed revisions reduce unnecessary regulatory burdens on stakeholders and increase the ability to review and apply advancing technological innovations, while ensuring safety and environmental protection.

The following paragraphs briefly summarize the key elements of this proposed rule, which are more fully explained in *Section II. Section-by-Section Discussion of Proposed Changes* of this preamble:

1. Definition of the "Arctic OCS"—The Bureaus propose to modify the definition of the "Arctic OCS" to include all OCS oil and gas planning areas that include any portion of their geographic extent located north of 66°33' N latitude. Although the 1984 Arctic Research and Policy Act extends the U.S. Arctic boundary to the Aleutian chain, this proposed rule only applies to planning areas north of 66°33' N that are subject to and distinguished by persistent Arctic oceanographic and meteorological conditions. This would mean that, in addition to the Chukchi Sea and Beaufort Sea planning areas, the new High Arctic Planning Area and existing Hope Basin Planning Area would also be part of the Arctic OCS. In April 2025, as part of its efforts to establish the 11th National OCS Oil and Gas Leasing Program, BOEM revised the OCS planning areas used for agency planning and administrative purposes for oil and gas activities to reflect jurisdictional changes since they were last updated. This included the establishment of a new High Arctic Planning Area.

2. Pollution Prevention (Water-Based Mud and Cuttings)—BSEE proposes to eliminate references to the Regional Supervisor's discretionary authority to require the capture of water-based muds and cuttings in those cases where subsistence values might be impacted by such discharges. While not intended, BSEE understands that this reference has created some uncertainty for the regulated industry, because it appeared to overlap with regulation by the EPA and, if implemented, might result in BSEE issuing requirements that contradict EPA's requirements.

3. Arctic OCS SCCE—BSEE would preserve the requirement for the operator to have access to its SCCE, which includes the capping stack, cap and flow system, and containment dome, when drilling below or working below the surface casing. However, with respect to the capping stack, BSEE proposes to modify the equipment's positioning requirement by providing an

opportunity to the operator to adjust the point in time during operations when it must position its capping stack so that it is available to arrive at the well location within 24 hours after a loss of well control. If the operator is able to demonstrate to BSEE, based on documentation it submits as part of its APD, that the operations it plans to conduct below the surface casing would not encounter any abnormally high-pressure zones or other geological hazards before reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, then BSEE will allow the operator to delay its positioning of the capping stack until reaching that casing point. BSEE's proposal to delay the positioning of the capping stack would be based on the documentation that the operator provides as well as any relevant data and information.

The existing regulations also impose a positioning requirement on the cap and flow system, and the containment dome when drilling below or working below the surface casing—slightly different from the capping stack. The cap and flow system and the containment dome must be "positioned to ensure that it will arrive at the well location within 7 days after a loss of well control." BSEE proposes to eliminate the requirement for the operator to ensure that the containment dome and cap and flow system are positioned so as to arrive at the well location within seven days after a loss of well control. The Bratslavsky and SolstenXP 2018 study evaluated industry methods and standards for deploying SCCE in Arctic OCS conditions, and determined that meteorological conditions (*e.g.*, rough sea state and sea ice conditions) prevalent in the Chukchi Sea and Beaufort Sea are the key factors limiting the time periods when SCCE may be safely deployed throughout the Arctic OCS. This is discussed in further detail below in *Section II. Section-by-Section Discussion of Proposed Changes*, under the subheading *What are the requirements for Arctic OCS source control and containment?* (§ 250.471). It is not practical for the BSEE-administered regulations to prescribe that certain SCCE (containment dome and cap and flow system, in particular) be positioned within proximity to a well location when the conditions for safely deploying this equipment in the Arctic OCS are limiting. BSEE would, however, retain other existing containment dome and cap and flow system requirements in § 250.471, which provide that the operator must:

(i) Demonstrate that it has access to a containment dome and cap and flow system;

(ii) Provide a containment dome and cap and flow system that meets BSEE's operating standards;

(iii) Conduct tests or exercises for all SCCE; and

(iv) Maintain records pertaining to the testing, inspection, maintenance, and use of the SCCE and make these available to BSEE upon request.

These changes would preserve the regulations' requirement that operators have redundant protective measures that are appropriate for Arctic OCS conditions because there is no guarantee that a single measure could control or contain a WCD.

4. BOP Real-time Monitoring Requirements for the Arctic OCS—The Arctic OCS's BOP real-time monitoring requirements are currently inconsistent with the general BOP real-time monitoring requirements that apply throughout the OCS. When the 2016 Arctic Exploratory Drilling Rule was developed, BSEE was still working to establish overarching real-time monitoring requirements in 30 CFR 250 subpart G. Since 2016, these requirements have been revised and fully implemented, making it unnecessary to maintain separate, duplicative requirements for the Arctic. As a result, BSEE proposes to align the Arctic's BOP real-time monitoring with the real-time monitoring requirements applicable in other parts of the OCS.

5. Relief Rig Capabilities for the Arctic OCS—BSEE proposes to revise the relief rig and SSRW requirements by providing the operator with the option of using an SSID or having access to a relief rig as an additional means to secure the well in the event of a loss of well control, if the operator will be conducting exploratory drilling operations from a MODU. In addition, BSEE proposes to provide an opportunity to the operator to adjust the point in time during operations when it must stage its relief rig (if the operator elects to have access to a relief rig) when conducting Arctic OCS exploratory drilling operations. An operator would be able to delay the staging of its relief rig until its operations have reached the "last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities," rather than below the "surface casing." If the operator is able to demonstrate to BSEE, based on documentation it submits as part of its APD, that the operations it plans to conduct below the surface casing would not encounter any abnormally high-pressured zones or other geological hazards before reaching

the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, then BSEE will allow the operator to delay its staging of the relief rig until reaching that casing point. BSEE's proposal to permit the delay of the staging of the relief rig will be based on the documentation that operator provides, as well as any other available data and information. In the relief rig and SSRW regulation, BSEE would also eliminate the reference to expected seasonal ice encroachment because the relevant timeframes for operations should be based on the capabilities of the operator's rig and equipment to operate in the applicable ice conditions, rather than an absolute date.

6. Mudline Cellars—BSEE proposes to clarify the requirement that an operator, in areas of ice scour, must use a mudline cellar when drilling that is designed to minimize the risk of damage to the well head and wellbore. The existing regulation could be read to require the operator to use a mudline cellar in all cases, except when the operator can prove that the mudline cellar would present an operational risk, and that was not BSEE's intent. This proposed change would make it clear that the operator has more flexibility to propose to employ alternate procedures or equipment instead of the mudline cellar under appropriate circumstances, as provided by the longstanding provisions of § 250.141, *May I ever use alternate procedures or equipment?*; not just when a mudline cellar would present an operational risk and if the operator is able to demonstrate that the alternate procedure or equipment would provide a level of safety and environmental protection that equals or surpasses the mudline cellar requirement.

7. IOP—BOEM proposes to eliminate the requirement that the operator submit an IOP because it requires submission of information that overlaps with that required in the EP and the IOP's early information sharing is unnecessary in light of BOEM's practice for reviewing and coordinating review of the EP. Consequently, the operator is already aware that it must plan for how it will reduce operational risks and address the challenges associated with operations on the Arctic OCS through its EP. BOEM is proposing to move certain requirements for the IOP to the information required for EPs and delete the remaining requirements that were for the IOP only.

8. Seasonal Conditions SOO—The unique seasonal conditions in the Alaska OCS region make it difficult or physically impossible for operators to

explore their leases for a significant portion of each year. To facilitate the proper development of Arctic leases in accordance with OCSLA section 5,⁵ BSEE proposes to add a new provision to its regulations that would provide those operators that are conducting drilling operations, but are prevented from completing those leaseholding operations due to seasonal constraints unique to Alaska, with the opportunity to obtain an SOO. If granted, this type of SOO would suspend the running of the lease term and effectively extend the term of the affected lease by a period equivalent to the period of such suspension. This would provide operators that are otherwise ready and able to conduct drilling operations with additional time to diligently explore their leases, without facing lease expiration due to interference by seasonal constraints unique to Alaska.

9. Initial and Continuing Development Obligations Lease Suspensions—In addition to the proposed SOO, BSEE proposes to add provisions to suspend unitized Alaska OCS leases greater than five years in length when it would allow the lessee the time needed to diligently complete their initial development obligations, or one or more continuing development obligations approved by the BSEE Regional Supervisor. These lease suspensions would exempt unitized Alaska OCS leases from the requirement to provide a commitment to production when requesting a suspension. The maximum 10-year term issued for Alaska OCS leases is inadequate to sufficiently explore and develop the resources on a lease and reach sustained production without the need for one or more lease suspensions. The isolated nature of the region and the tough seasonal conditions of the Alaska OCS make data collection, pre-development planning efforts, and decision-making for the operator difficult to achieve in a timely manner, and if an operator is able to progress to the exploratory drilling stage, they face the challenge of acquiring the drilling rigs or vessels suitable for the area's harsh conditions. These lease suspensions would provide those operators that can demonstrate they are working to diligently complete one or more continuing development

⁵ OCSLA sec. 5 (as amended) provides in pertinent part: "The regulations prescribed by the Secretary . . . shall include . . . provisions . . . for the suspension . . . of any operation or activity . . . at the request of a lessee, in the national interest, [or] to facilitate proper development of a lease . . . and for the extension of any permit or lease affected by [such] suspension . . . by a period equivalent to the period of such suspension" 43 U.S.C. 1334(a)(1).

obligations the time needed to properly develop and establish production on their unitized Alaska OCS leases.

10. *Cranes Used for Operations on Artificial Islands*—As discussed in the next section, BSEE proposes to incorporate by reference into the regulations the ASME B30.5–2021, *Mobile and Locomotive Cranes*, which addresses the construction, inspection, testing, maintenance, and operation of mobile and locomotive cranes. BSEE's existing crane regulations apply to fixed platforms installed on open waters, which are not the same types of cranes used on artificial islands. Cranes used on artificial islands are like those used on land, *i.e.*, mobile cranes, which are not fixed in place (such as on an offshore facility) and may have wheels or tracks to lift and transport materials on location. Incorporating this technical document into BSEE's regulations would ensure that consistent, industry-based safety requirements for cranes used on artificial islands are established.

D. Procedures for Incorporation by Reference and Availability of Incorporated Documents for Public Viewing

BSEE frequently uses standards (*e.g.*, codes, specifications, and RPs) and other documents developed by standard development organizations as a means of establishing requirements for activities on the OCS. This practice, known as “incorporation by reference,” allows the Department to incorporate the standards from technical documents into the regulations so that the regulations reflect well accepted industry standards without increasing the volume of the CFRs. The legal effect of incorporation by reference is that the incorporated standards become regulatory requirements. This incorporated material, like any other regulation, has the force and effect of law. Operators, lessees, and other regulated parties must comply with the documents incorporated by reference in the regulations.

The OFR regulations at 1 CFR part 51 govern how BSEE and other Federal agencies may incorporate documents by reference. Agencies may incorporate a document by reference by publishing in the **Federal Register** the document title, edition, date, author, publisher, identification number, and other specified information. The preamble of the proposed rule must also discuss the ways that the incorporated materials are reasonably available to interested parties and how those materials can be obtained by interested parties. The Director of the Federal Register will

approve each incorporation of a publication by reference in a final rule that meets the criteria of 1 CFR part 51. Incorporation by reference of a document or publication is limited to the edition of the document or publication cited in the regulations. This means that newer editions, amendments, or revisions to documents already incorporated by reference in regulations are not part of BSEE-administered regulations until they are incorporated by reference.

A standard that is proposed for incorporation by reference is frequently referred to as a “1st tier document.” When a 1st tier document references another document, the referenced document is referred to as a “2nd tier document”; these references are either considered “normative” or “informative.” Each has their own definitions of “normative” and “informative.” Generally speaking, compliance with normative references is obligatory to fulfill the provisions of the standard that cites it, while informative references provide additional information that supports the 1st tier document. For example, the API considers compliance with normative references to be necessary for the fulfillment of the provisions of the primary reference. Particularly, the API Document Format and Style Manual (January 2009) and all API standards include the following statement clarifying the importance of normative references: “The following referenced documents are indispensable for the application of this document.” The ASME also considers compliance with normative references as necessary for complying with the primary reference. Standards incorporated from the ASME contain a statement that normative references are indispensable for the application of the primary standard.

When a copyrighted publication is incorporated by reference into BSEE's regulations, the bureau is obligated to observe and protect that copyright. BSEE provides members of the public with website addresses where these standards may be accessed for viewing—sometimes for free and sometimes for a fee. Standards development organizations decide whether to charge a fee. The regulations governing incorporation by reference under 1 CFR part 51 provide that publications are eligible for incorporation by reference if they are “reasonably available to and usable by the class of persons affected.” (See 1 CFR 51.7(a)(3)).

BSEE is proposing to incorporate by reference for the first time into the regulations the requirements found in

the *American Society of Mechanical Engineers B30.5–2021, Mobile and Locomotive Cranes—Safety Standard for Cableways, Cranes, Derricks, Hoists, Hooks, Jacks, and Slings; 2021 Edition, December 17, 2021*. This standard contains provisions that address the construction, installation, operation, inspection, testing, maintenance, and use of cranes and other lifting and material-movement-related equipment. It applies to crawler cranes, locomotive cranes, wheel-mounted cranes, and any variations thereof that retain the same fundamental characteristics, and are basically powered by internal combustion engines or electric motors. However, side-boom tractors and cranes designed for railway and automobile wreck clearance, digger derricks, cranes manufactured specifically for, or when used for, energized electrical line service, knuckle boom, trolley boom cranes, and cranes having a maximum rated capacity of 1 ton or less are outside the scope of this standard.

ASME standards can be accessed at <http://www.asme.org> or by phone: 1-800-843-2763. However, for the convenience of members of the viewing public who may not wish to purchase copies or view the ASME technical document online, the document may be inspected by appointment at BSEE's offices at 45600 Woodland Road, Sterling, Virginia 20166, or 1919 Smith Street, Suite 14042, Houston, Texas 77002. To make an appointment to inspect the material proposed for incorporation at the Houston BSEE office, call 1-844-259-4779. An appointment is required to ensure personnel are available to accommodate the request and to account for competing agency obligations or concerns, including those related to public health and natural disasters.

BSEE is also proposing to add an express reference to *API Recommended Practice (RP) 17H, Remotely Operated Tools and Interfaces on Subsea Production Systems, Second Edition, June 2013; Errata, January 2014*, in proposed § 250.472. This RP provides recommendations for the development and design of remotely operated subsea tools and interfaces on subsea production systems in order to maximize the potential of standardizing equipment and design principles. This document does not cover manned intervention, internal wellbore intervention, internal flowline inspection, tree running, and tree running equipment. However, all the related subsea ROV/ROT interfaces are covered by this standard. It is applicable to the selection, design, and operation of ROTs and ROVs, including ROV tooling.

BSEE has reviewed the requirements in ASME B30.5–2021 and API RP 17H, and proposes to incorporate ASME B30.5–2021 by reference into the regulations for the first time, and add an express reference to API RP 17H in proposed § 250.472 to ensure that industry uses the best available safety technologies on the OCS.

II. Section-by-Section Discussion of Proposed Changes

This section provides explanations of and justifications for each of the specific regulatory changes proposed in this notice. Since this is a joint BSEE and BOEM proposed rulemaking, this Section-by-Section discussion is organized according to the order in which the relevant provisions would appear in the CFR. The BSEE-administered and BOEM-administered regulations are found in the CFR at Title 30—Mineral Resources, Volume 2; BSEE-administered regulations are in Chapter II, and BOEM-administered regulations are in Chapter V.

A. Revisions Proposed by BSEE

Title 30, Chapter II, Subchapter B, Part 250

Oil and Gas and Sulphur Operations in the Outer Continental Shelf

Subpart A—General

Definitions. (§ 250.105)

BSEE proposes to modify the definition of “Arctic OCS” to mean all OCS oil and gas planning areas that include any portion of their geographic extent located north of 66°33′ N latitude. This proposed change would make the new High Arctic Planning Area and existing Hope Basin Planning Area parts of the Arctic OCS, thus, subjecting them to the requirements promulgated by the 2016 Arctic Exploratory Drilling Rule and the changes proposed in this rulemaking, thereby aligning the regulation of exploration activities in those areas with the Beaufort Sea and Chukchi Sea planning areas. The proposed designation of “Arctic OCS” as north of 66°33′ N is merely for functional purposes, to identify the OCS oil and gas planning areas that define the scope of where the requirements of this rulemaking and the 2016 Arctic Exploratory Drilling Rule would apply. The High Arctic and Hope Basin planning areas experience the same type of Arctic weather conditions, *i.e.*, extreme cold, freezing spray, snow, and sea ice, as the Beaufort Sea and Chukchi Sea planning areas. Therefore, BSEE proposes to expand the definition of the “Arctic OCS” to make the development

requirements for all four planning areas consistent. As BOEM has acknowledged throughout the planning process for the 11th National OCS Oil and Gas Leasing Draft Proposed Program, BOEM estimates the High Arctic to have negligible resource quantities and Hope Basin to have measured resource potential but negligible development value.

BSEE also proposes to make a modification to the definition of “Arctic OCS conditions.” In the definition, BSEE proposes to replace “on the Arctic OCS” at the end of the first sentence with “throughout the Alaska OCS region.” BSEE would also replace “characteristic of the Arctic region” at the end of the last sentence with “characteristics present throughout the Alaska OCS region.” These proposed changes recognize that extreme cold, freezing spray, snow, extended periods of low light, strong winds, dense fog, sea ice, strong currents, and dangerous sea-state conditions are not only experienced in Arctic waters. They may also occur throughout the Alaska OCS region.

Finally, BSEE proposes to revise the definition of *capping stack* by deleting the phrase “including one that is pre-positioned” from the definition. BSEE included this phrase as part of the 2016 Arctic Exploratory Drilling Rule in response to a suggestion that the definition in the 2015 Arctic Proposed Rule should be expanded to allow pre-positioned capping stacks to be used below subsea BOPs when deemed technically and operationally appropriate. Recognizing that the comment was helpful, BSEE agreed with the suggestion and added the phrase “including one that is pre-positioned” to the capping stack definition (*see* 81 FR 46492).

As a practical matter, pre-positioned capping stacks are similar, but not the same, as SSIDs. Accordingly, this modification that was included in the 2016 final rule effectively allows the operator to install an SSID below a subsea BOP and would be in compliance with the capping stack requirement in the existing § 250.471, *What are the requirements for Arctic OCS source control and containment?* Section 250.471(a)(1) specifically requires the operator, when drilling below or working below the surface casing, to have access to a capping stack that is positioned to ensure that it will be able to arrive at the well location within 24 hours after a loss of well control. Typically, an operator would comply with this requirement by having one or more support vessels capable of handling and deploying the capping

stack down to the subsea wellhead, when needed. Installing an SSID below the subsea BOP allows the operator to comply with § 250.471(a)(1) and forgo the need to provide support vessels and a capping stack on standby at the surface.

However, BSEE is proposing to eliminate this language because a pre-positioned capping stack is a piece of equipment that is similar to and aligns closely with an SSID. Given that BSEE is currently proposing distinct SSID requirements under § 250.472, *What are the additional well control equipment or relief rig requirements for the Arctic OCS?*, the proposed revision to the *capping stack* definition would provide clarity concerning the capping stack requirements under § 250.471. More specifically, installation of an SSID under § 250.472 does not constitute compliance with the capping stack requirements under § 250.471. For purposes of BSEE’s proposed regulations, an SSID is not considered to be the same as, or to satisfy the requirement to have, a capping stack.

What requirements must I follow for cranes and other material-handling equipment? (§ 250.108)

Section 250.108 currently requires operators and lessees to comply with crane-specific provisions to ensure the safe design, construction, and testing of all cranes mounted on any fixed platform installed on the OCS. These requirements include, but are not limited to, compliance with the API RP 2D, *Operation and Maintenance of Offshore Cranes* and API RP 2C, *Specification for Offshore Pedestal Mounted Cranes*, which requires cranes to be equipped with a functional anti-two block device, and the management of records related to the operations of those cranes.

BSEE proposes adding a new paragraph (g) to § 250.108 that would require all cranes positioned on artificial islands on the Alaska OCS to meet the requirements of ASME B30.5–2021. BSEE also proposes to modify:

- (1) paragraph (b) to apply the requirement for cranes to be equipped with a functional anti-two block device to “OCS artificial islands;” and
- (2) paragraph (e) to make the requirement to retain all design and construction records for the life of the crane, all inspection, testing, and maintenance records for at least 4 years, and the qualification records of the crane operator and all rigger personnel for at least 4 years applicable to cranes used on “OCS artificial islands.”

BSEE is proposing these modifications since the regulations

currently do not address cranes used on artificial islands on the OCS. In more recent years, exploration activities on the Arctic OCS have focused primarily on development from these man-made features. These proposed changes would ensure the safe design, construction, and testing of all cranes positioned on OCS artificial islands is being applied consistently, based on best available technologies.

How long does a suspension last?
(§ 250.170)

Section 250.170 specifies the length of time BSEE may issue a suspension, which is 5 years per suspension, and describes the effect of a suspension once it is granted, ends, or is terminated. BSEE proposes to add a new provision in a new paragraph (f) to § 250.170 that provides the Alaska OCS Regional Supervisor with the authority to determine the length of an SOP for unitized leases in the Alaska OCS and would not subject these leases to the 5-year suspension timeframe currently described in this section. The length of the suspension would be the amount of time the Regional Supervisor agrees is needed to complete initial development obligations or continuing development obligations justified by the lessee to ensure the maximum economic recovery of unitized OCS lease resources to BSEE's satisfaction. BSEE's determination would be based on the information the operator submits as part of its suspension request, as well as any information about other relevant associated development activities in proximity to the leases covered under the suspension request.

"Continuing development obligations" means a program of development activities or operations an operator conducts that, after the operator completes the initial development obligations defined in a unit agreement or otherwise agreed to by the Regional Supervisor: (1) meets or exceeds the rate of development activities or operations in the vicinity of the unit; and (2) represents an investment proportionate to the size of the area covered by the unit agreement. Initial development obligations are a planned program of exploration activities that, when completed, would allow the operator to estimate the size and shape of the reservoir within the unit area and understand the geologic conditions existing within the reservoir and unit area. Initial development obligations are completed before continuing development obligations.

For example, an initial development obligation could include:

(i) the number of wells to be drilled that an operator anticipates will be necessary to assess the reservoir adequately;

(ii) the primary target for each well, a schedule for starting and completing drilling operations for each well; and

(iii) the time between starting operations on a well to the start of operations on the next well.

Continuing development obligations are activities that would be performed after the operator completes its initial development obligations, which, for example, could include:

(i) drilling, testing, or completing additional wells to the primary target or other unit formations;

(ii) drilling or completing additional wells that establish production of oil and gas;

(iii) recompleting wells or other operations that establish new unit production; or

(iv) drilling existing wells to a deeper target.

As previously mentioned, the isolated nature and tough seasonal conditions of the Alaska OCS region present multiple challenges that make it difficult to initiate production within the current 10-year timeframe of a lease. This proposed provision would allow the Regional Supervisor to determine the appropriate length of a suspension that would be necessary to complete proper development and initiate production on a unitized Alaska OCS lease without having to rely on the limits of the 5-year timeframe specified in this section, which may be more applicable to other OCS regions.

How do I request a suspension?
(§ 250.171)

This section specifies the information that must be included in a suspension request, which includes a commitment to production for SOP requests. BSEE proposes adding a provision for unitized Alaska OCS leases that requires the operator to include a commitment to complete the initial development obligations identified in its unit agreement or otherwise approved by the Regional Supervisor. The commitment must include, at minimum, drilling the producible well, as required by 250.171(c), and any additional initial development activities or operations that the Regional Supervisor agrees are necessary to sufficiently explore the lease and justify the lease earning the benefits of unitization. In the case of continuing development obligations, BSEE would require the operator to include a commitment to complete one or more continuing development obligations that the Regional Supervisor

agrees are necessary to properly develop the lease. BSEE would also modify existing paragraph (d) to clarify that the commitment to production referenced in this paragraph applies to SOPs for leases that are not unitized Alaska OCS leases.

This provision would allow the operator to request a suspension for their unitized Alaska OCS leases if it is able to provide a commitment to complete its initial development obligations or one or more of its continuing development obligations. BSEE has existing guidance on what constitutes such a commitment, as outlined in NTL 2019–G01. Based on guidance from this NTL, examples of commitment may include: (1) a final investment decision by the operator, (2) evidence that the venture will be economically viable, (3) a written agreement or contract with any third parties (such as pipeline companies or minority lessees) whose resources are required for production to occur, and (4) geologic or reservoir information that BSEE would need for evaluating the economic viability. After the promulgation of this rule, the NTL would be updated to include information relevant to phased development as established under the proposed SOP. BSEE would consider granting a suspension if the operator is able to demonstrate a commitment to continued diligent development to ensure the maximum economic recovery of unitized OCS lease resources, which may be longer than 5 years. This provision could provide the certainty operators may need to commit their resources in an area with extremely high investment risks for success.

When may the Regional Supervisor grant or direct an SOP? (§ 250.174)

This section lists the criteria under which BSEE may grant or direct an SOP when the suspension is in the National interest. BSEE proposes adding a new criterion under proposed paragraph (e) for units on the Alaska OCS whereby the Regional Supervisor may grant a suspension if it allows the operator time to complete its initial development obligations, or one or more continuing development obligations. When an SOP is granted under proposed paragraph (e), only the requirement to produce the undeveloped or underdeveloped lease(s) would be suspended. As proposed, the lessee may continue to produce from the properly developed unitized lease(s) as long as production complies with 250.172(b) and production activities prevent waste, conserve natural resources, and protect correlative rights, including Federal royalty interests, of a

reasonably delineated and productive reservoir.

When may the Regional Supervisor grant an SOO? (§ 250.175)

BSEE proposes to revise § 250.175 by adding a new paragraph (d), which would allow an operator to request an SOO under certain situations that may be present in leases or units throughout the Alaska OCS Region. This proposed revision is consistent with OCSLA's requirement that the Secretary promulgate suspensions regulations that "facilitate proper development of a lease" ⁶ The proposed regulation would list the factors upon which BSEE may rely when determining whether to grant an SOO and include when an operator:

- (1) has conducted operations on the lease during the drilling season immediately preceding the period for which the operator is seeking a suspension;
- (2) is drilling from:
 - (i) a MODU,
 - (ii) an artificial gravel island or a gravity-based structure, or
 - (iii) an artificial ice island; and
- (3) is not able to safely continue its operations due to the presence of seasonal ice, temporary seasonal drilling restrictions in its approved OSRP, or seasonal temperature changes (respectively, for each facility type).

Currently, BOEM issues Alaska OCS leases with the maximum 10-year primary lease term allowed under OCSLA.⁷ However, operators may be precluded from properly developing leases because it is not possible to conduct leaseholding operations for significant portions of those 10-year terms. Offshore drilling locations in the Alaska OCS can be inaccessible for a significant portion of each year, due to seasonal changes that make operating conditions unsafe or otherwise preclude operations. While BOEM cannot award leases with more than the maximum 10-year primary lease term allowed under OCSLA, the Secretary's statutorily delegated authority referenced above at 43 U.S.C. 1334(a)(1) allows for suspensions in certain circumstances that have the effect of extending the

lease term by a period equivalent to the period of such suspension. This authority has been redelegated to BSEE, to administer suspensions that can address and mitigate, as appropriate, the effects of Arctic working conditions when they may limit the operator's ability to perform leaseholding activities for much of the year. *See also* 30 CFR 556.601(f) (How may I maintain my oil and gas lease beyond the primary term?). Paragraph (f) of 30 CFR 556.601 references BSEE-administered suspension regulations at 30 CFR 250.168 through 250.180, in which § 250.169(a) clarifies that a suspension may extend the term of a lease and that the extension is equal to the length of time the suspension is in effect, with respect to operator-requested suspensions. This proposed rule clarifies the factors that can be considered when issuing such suspensions.

MODUs—Drilling operations performed from a MODU may occur only during the open-water drilling season (generally late June to early November), when sea ice is non-existent or minimal. This practical limitation, without considering other logistical problems unique to the Alaska OCS, could mean that during a consecutive 10-year period, a lease may be unavailable for operations for up to 70 percent of the time.

Artificial Gravel Islands or Gravity-based Structures—Drilling from artificial gravel islands and gravity-based structures is prohibited during the spring/summer ice break-up and the fall/early winter freeze-up periods due to potential interferences that weather and ice conditions may have on potential oil spill response and cleanup efforts. In particular, response and cleanup techniques for a large spill are not as effective when sea ice is broken and unconsolidated around the drilling location. By contrast, response and cleanup efforts for a large oil spill from an artificial gravel island or a gravity-based structure could be executed effectively during the summer (*i.e.*, in open-water conditions) using existing oil spill response technologies. During the winter (*i.e.*, under solid ice conditions), the ice, and any snow on the ice, could provide an effective platform for oil spill response and cleanup efforts, and help absorb the spill and contain it to an area relatively close to the gravel island or gravity-based structure. Land-based equipment could then be used to collect and transport the oil-covered ice out of the location. For context, a gravity-based structure would include a concrete

island drilling structure and one or more steel drilling caissons.

Artificial Ice Islands—A similar issue would be encountered if drilling were to take place from a man-made ice island. In those cases, the drilling location would be accessible only during the winter season when temperatures are very low, and the area is completely covered by ice stable enough to safely support a drilling rig and associated equipment. As temperatures rise during the spring and summer seasons, the ice breaks or melts away, making the drilling location inaccessible until the next winter season.

The new paragraph (d) of § 250.175 would facilitate the proper development of a lease by addressing those seasonal conditions that limit leaseholding operations and providing an operator ready and able to complete its operations with the opportunity to obtain an SOO. If granted, this SOO would suspend the running of the lease term and effectively extend the term of the affected lease by a period equivalent to the period of such suspension. The SOO would allow a diligent operator to use the full 10 years in a 10-year lease term to explore for hydrocarbons, without the concern for a lease expiring because Arctic seasonal constraints prevented operations.

BSEE is contemplating the option of limiting the period for when the suspension would remain in effect to assure commencement of appropriate lease holding activities. The suspension would remain in effect during the period between one drilling season and the next when the operator is prevented from continuing its drilling or other leaseholding activities due to seasonal conditions.

This option would still provide operators more time to effectively explore their leases without fear of an expiring lease. It could also provide BSEE with a better means of tracking an operator's diligence efforts. This option, however, could result in additional unnecessary burdens, since an operator would have to "reapply" for a new suspension if the operator is unable to return to the location during the next open-water season. BSEE is seeking comment on this regulatory option for the SOO or any other option that could avoid or minimize additional burden, but still assure appropriate operations occur for lease exploration and development.

Documents Incorporated by Reference. (§ 250.198)

BSEE proposes to incorporate by reference *ASME B30.5–2021, Mobile and Locomotive Cranes—Safety*

⁶ OCSLA sec. 5, 43 U.S.C. 1334(a)(1).

⁷ OCSLA sec. 8, as amended, states in part: "An oil and gas lease issued pursuant [OCSLA] shall . . . be for an initial period of (A) five years; or (B) not to exceed ten years where the Secretary finds that such longer period is necessary to encourage exploration and development in areas because of unusually deep water or other unusually adverse conditions" 43 U.S.C. 1337(b). The primary term commences on the effective date of the lease (rather than on a calendar year basis). 30 CFR 556.521. The lease may be maintained beyond the primary term in accordance with 30 CFR 556.601.

Standard for Cableways, Cranes, Derricks, Hoists, Hooks, Jacks, and Slings; 2021 Edition, December 17, 2021, for the first time into the regulations as a new paragraph (f)(4) to § 250.198. ASME B30.5–2021 is an industry standard that addresses the construction, installation, operation, inspection, testing, maintenance, and use of cranes and other lifting and material-movement-related equipment operating on artificial islands on the Arctic OCS. In connection with this new incorporation by reference, BSEE would specify in the new paragraph (f)(4) that ASME B30.5–2021 is expressly referenced in proposed § 250.108(g) (“What requirements must I follow for cranes and other material-handling equipment?”).

BSEE also proposes to add, in existing paragraph (e)(2)(i)(HH) of § 250.198, a reference to proposed § 250.472(a). One of the features in BSEE’s proposed revisions to the existing relief rig and SSRW requirements in § 250.472, which is discussed in detail later below in the *What are the relief rig or additional well control equipment or relief rig requirements for the Arctic OCS?* (§ 250.472) section-by-section discussion, is a requirement for the SSID to include ROV intervention equipment that has the capabilities to function as the SSID. Under proposed § 250.472(a)(3)(ii), specifically, BSEE would require the ROV to have panels that are compliant with API RP 17H to ensure that the operator’s ROV capabilities for the SSID follow BSEE’s existing ROV panel requirements for BOP systems. Adding a reference to § 250.472(a) in § 250.198(e)(2)(i)(HH) makes clear as to where API RP 17H would be codified in the BSEE-administered regulations.

Subpart C—Pollution Prevention and Control

Pollution Prevention. (§ 250.300)

BSEE proposes to revise paragraphs (b)(1) and (b)(2) of § 250.300 by eliminating the existing language that states the Regional Supervisor may require the capture of all water-based mud, and associated cuttings, from operations after completion of the hole for the conductor casing to prevent its discharge into the marine environment. While this proposed rule would eliminate the language regarding the Regional Supervisor’s discretionary authority to require the capture of water-based muds and cuttings, it would maintain the existing requirement in § 250.300(b)(1) and (b)(2) that operators capture all petroleum-

based mud and associated cuttings while operating on the Arctic OCS.

Existing § 250.300(b)(1) and (b)(2) state that the BSEE Regional Supervisor may exercise his or her discretionary authority to restrict discharges of water-based muds and associated cuttings from Arctic OCS exploratory drilling based on various factors, such as: proximity of drilling operations to subsistence hunting and fishing locations; the extent to which discharged water-based mud or cuttings may cause marine mammals to alter their migratory patterns in a manner that impedes subsistence users’ access to or use of those resources, or increases the risk of injury to subsistence users; or the extent to which discharged mud or cuttings may adversely affect marine mammals, fish, or their habitat. BSEE promulgated the existing provisions in response to concerns raised by Alaska Native Tribes during preparation of the 2015 Arctic Proposed Rule. These concerns included how water-based muds or cuttings could adversely affect marine species (e.g., whales and fish) and their habitats and compromise the effectiveness of subsistence hunting activities.

BSEE re-examined the language in paragraphs (b)(1) and (b)(2) of this section in light of EPA’s authority to address water-based muds and cuttings discharges. The CWA (Section 301(a), 33 U.S.C. 1311(a)) provides EPA with the authority to issue NPDES general permits, which authorize certain discharges, including certain restricted discharges of water-based muds and cuttings, from oil and gas exploratory facilities on the OCS in the Beaufort Sea and the Chukchi Sea. Those general permits additionally prohibit the discharge of oil-based and non-aqueous based muds and cuttings. The EPA must issue an NPDES general permit before an operator may seek coverage under that general permit. Compliance with the CWA, including gaining coverage under an applicable NPDES general permit, is necessary before an operator may discharge pollutants from its exploratory drilling operations.

Before issuing an NPDES permit, EPA must make specific determinations to ensure that issuance of a permit will not lead to unreasonable degradation of the marine environment. EPA’s determination is guided by an ODCE. The ODCE requires the agency to consider multiple environmental factors, such as potential impacts on human health through direct and indirect pathways, and the importance of the receiving water area to the surrounding biological community. The most relevant NPDES permits issued for

offshore oil and gas exploration activities conducted from a MODU on the Arctic OCS are two 2012 general permits that covered oil and gas exploration facilities conducting operations in Federal waters of the Beaufort Sea and the Chukchi Sea. When considering the multiple environmental factors under the ODCE for the 2012 general permits (i.e., potential impacts on human health through direct and indirect pathways, and the importance of the receiving water area to the surrounding biological community), EPA considered how discharges could impact subsistence activities, marine resources, and coastal areas. The Beaufort Sea permit⁸ does not allow the discharge of water-based muds and cuttings during the fall bowhead whale hunt. However, the Chukchi Sea permit⁹ did not include a similar restriction. According to the ODCE for the Chukchi Sea permit, the restriction was not necessary because the migration of bowhead whales would be over before discharge-related activities would begin.¹⁰

Under this proposed rule, BSEE would preserve the requirements in § 250.300(b)(1) and (b)(2) that the operator capture all petroleum-based mud and associated cuttings. This requirement is consistent with a longstanding, OCS-wide regulatory authority that existed prior to the promulgation of the 2016 Arctic Exploratory Drilling Rule. BSEE must preserve the petroleum-based muds and cuttings requirement since it is not unusual for petroleum-based muds to contain constituents that are toxic and harmful to the environment. Although water-based muds may not be a feasible option for all drilling operations, such as when drilling through hydrophobic geologic formations that could be damaged by water-based muds, its use is a more environmentally benign approach in comparison to the use of petroleum-based muds. However, BSEE’s proposed revisions reflect the Bureau’s understanding that the express statements regarding the Regional Supervisor’s discretionary authority to require the capture of water-based muds and cuttings in existing § 250.300(b)(1) and (b)(2) are not necessary. In particular, the EPA already addresses the goals of protecting water quality

⁸ <https://www.epa.gov/sites/production/files/2017-12/documents/r10-npdes-beaufort-oil-gas-gp-akg282100-final-permit-2012.pdf>.

⁹ <https://www.epa.gov/sites/production/files/2017-12/documents/r10-npdes-chukchi-oil-gas-gp-akg288100-final-permit-2012.pdf>.

¹⁰ <https://www.epa.gov/sites/production/files/2017-12/documents/r10-npdes-chukchi-oil-gas-gp-akg288100-odce-2012.pdf>, pp. 6–14 to 6–17.

through the NPDES program, protecting marine species and their habitats, as well as the effectiveness of subsistence hunting activities, through the exercise of that agency's authorities. Thus, BSEE does not expect the Regional Supervisor to need to exercise the discretionary authority under existing § 250.300(b)(1) and (b)(2) in the foreseeable future.

Furthermore, BSEE understands, and did so even while it was preparing the 2016 Arctic Exploratory Drilling rule, that the references to the BSEE Regional Supervisor's authority in existing paragraphs (b)(1) and (b)(2) created some uncertainty for the regulated industry because it appeared to overlap with EPA's jurisdiction and, if implemented, might result in BSEE issuing duplicative or conflicting requirements. BSEE addressed this concern by explaining that the amendments were meant to clarify the Regional Supervisor's authority to impose operational measures that complement EPA's discharge limitations by considering potential impacts to specific components of the Arctic environment, such as subsistence activities, marine resources, and coastal areas (*see* 81 FR 46505). Given the policy in E.O. 14153 for all Federal agencies to fully avail itself of Alaska's vast lands and resources for the benefit of the Nation and the American citizens who call Alaska home, and the E.O.'s direction to rescind, revoke, revise, amend, defer, or grant exemptions from any and all regulations, orders, guidance documents, policies, and any other similar agency actions that are inconsistent with the policy set forth in the E.O., it is appropriate to propose eliminating the water-based mud, and associated cuttings, provisions in § 250.300(b)(1) and (b)(2).

This proposed regulatory change does not suggest any change in BSEE's recognition that it has a regulatory responsibility to ensure that operators conduct oil and gas exploration and production activities on the OCS in a safe and environmentally responsible manner pursuant to OCSLA. Therefore, the proposed rule would not alter the longstanding regulation at § 250.300(b)(1), under which the District Manager (or Regional Supervisor) retains the ability to restrict the rate of drilling fluid discharges or prescribe alternative discharge methods where warranted. Pursuant to § 250.300(b)(1), BSEE would be able to determine whether there is a need to require operators to capture of water-based muds and cuttings on a case-by-case basis, if the EPA has not done so. In particular, the District Manager would consider and determine whether such a

requirement would be appropriate for any facility. The District Manager would make this determination on a case-by-case basis, in conjunction with the EP and APD approval process. This process includes coordinating with BOEM, particularly at the EP stage, when BOEM conducts an environmental review to identify the direct, indirect, and cumulative environmental effects that may be expected as a result of implementing the EP. That environmental review also incorporates input about potential environmental effects that may be obtained through consultations and review by interested parties, Federal agencies (*e.g.*, EPA), State or local agencies, Tribes, or the public. Nothing would change BSEE's position from the 2016 rule to communicate with other agencies responsible for oversight of discharges related to oil and gas exploration drilling in the Arctic. This communication will help ensure that conflicts do not arise (*see* 81 FR 46504). BSEE expects that such input from EPA would address whether that agency has issued or plans to issue a permit for the same exploratory drilling facilities, and whether that agency believes that capture of water-based muds in a specific case is warranted. Through BSEE's longstanding authority under § 250.300(b)(1), the District Manager could require an operator to restrict the rate of drilling fluid discharges or prescribe alternative discharge methods. Such a restriction on the discharge of water-based muds and cuttings might be appropriate if identified in the EP environmental review process.

In addition to the proposed revisions just described, BSEE proposes a minor modification to the second sentence in existing paragraph (b)(2), which requires the operator to capture all cuttings from operations that "utilize" petroleum-based mud to prevent their discharge into the marine environment. BSEE proposes to replace the word "utilize" with "use" to improve the readability of the regulation.

Subpart D—Oil and Gas Drilling Operations

What are the real-time monitoring requirements for Arctic OCS exploratory drilling operations? (§ 250.452)

BSEE proposes to remove all provisions in § 250.452 and require operators to simply follow the BOP real-time monitoring requirements in § 250.724, which contains the real-time monitoring requirements for subsea BOPs and surface BOPs used in other parts of the OCS. In conjunction with this proposed change, BSEE also

proposes to modify paragraph (a) of § 250.724 by adding "all Arctic OCS drilling operations" to the list of environments/cases where BOP real-time monitoring requirements would apply.

The Arctic OCS's BOP real-time monitoring requirements were initially established as part of the 2016 Arctic Exploratory Drilling Rule. The provisions in § 250.452 were tailored to be consistent with the real-time monitoring requirements established by the BOP Systems and WCR promulgated that same year (*see* 81 FR 25888). However, since 2016, the WCR's real-time monitoring requirements in § 250.724 have been updated, but without a consistency-update to the Arctic OCS's BOP real-time monitoring requirements. It is not necessary to have two separate real-time monitoring requirements for BOPs used on the OCS. Therefore, BSEE proposes to update BOP real-time monitoring requirements for the Arctic OCS to be consistent with the Bureau's overall BOP real-time monitoring requirements in § 250.724.

What additional information must I submit with my APD for Arctic OCS exploratory drilling operations? (§ 250.470)

BSEE proposes to revise paragraph (b) of § 250.470 by adding paragraph (13) to include "Recover the subsea isolation device (SSID), where applicable." This revision is necessary to address the SSID alternative proposed in § 250.472, and to ensure the operator's permit addresses how it would recover the SSID, if one is used. For operations relying on an SSID, the SSID is a critical piece of equipment. Therefore, BSEE must understand how the operator will handle it, prior to and after drilling operations. We also propose minor, non-substantive edits to paragraphs (b)(11) and (12) to accommodate this addition.

BSEE also proposes to revise paragraph (f)(3) by replacing the "below the surface casing" language in this paragraph with the phrase "below the surface casing, or before the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, as approved by the Regional Supervisor." This change would make the requirement in paragraph (f)(3) consistent with the substantive changes BSEE is proposing to § 250.471, which establishes the substance of the Arctic OCS SCCE requirements. Paragraph (f)(3) of § 250.470 complements § 250.471, by requiring the operator, in cases where it obtains SCCE capabilities through contracting, to provide proof of contracts or membership agreements with cooperatives, service providers, or

other contractors. This includes information demonstrating the availability of the personnel and/or equipment on a 24-hour per day basis during operations “below the surface casing.” The proposed changes to § 250.471 are discussed in further detail below.

Finally, BSEE proposes to add a new paragraph (h) to complement the proposed revisions to § 250.472, which would provide the operator with the option to use an SSID or have access to a relief rig, as an additional means to secure the well in the event of a loss of well control, if the operator will be conducting exploratory drilling operations from a MODU (that change is discussed in further detail in connection with that provision). Under proposed paragraph (h), if the operator elects to use an SSID, BSEE would require the operator to provide a certification, signed by a registered professional engineer, confirming that its SSID and well design (including casing and cementing program) meet the design requirements in proposed § 250.472(a), and the design is appropriate for the purpose for which it is intended under expected wellbore conditions. BSEE is proposing this new provision to be consistent with existing requirements under existing § 250.420 (a)(7)(i), which require the operator to include with the APD a certification signed by a registered professional engineer that the casing and cementing design is appropriate for the purpose for which it is intended under expected wellbore conditions.

What are the requirements for Arctic OCS source control and containment? (§ 250.471)

Section 250.471(a) currently requires the operator to have access to the SCCE described in subparagraphs (a)(1) to (a)(3), which must be capable of stopping or capturing the flow of an out-of-control well if the operator will be using a MODU when drilling below or working below the surface casing. Subparagraph (a)(1) specifically requires the capping stack to be positioned to ensure that it will be able to arrive at the well location within 24 hours after a loss of well control. Subparagraphs (a)(2) and (a)(3) require the cap and flow system and the containment dome to be positioned to ensure that they will be able to arrive at the well location within 7 days after a loss of well control.

BSEE proposes to revise § 250.471 by:

(i) Adding a new provision to paragraph (a) that would allow the operator to, subject to BSEE’s determination, delay access to its SCCE until operations have reached the last

casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities provided that the operator submits adequate documentation (such as, but not limited to, risk modeling data, off-set well data, analog data, seismic data), with its APD, demonstrating that they will not encounter any abnormally high-pressured zones or other geologic hazards. This provision would make clear that BSEE will base its determination on any documentation the operator provides, as well as any other available data and information.

(ii) Replacing the language in paragraph (a) stating “capable of stopping or capturing the flow of an out-of-control well” with “capable of controlling or containing the flow from an out-of-control well when drilling below or working below the surface casing;” and

(iii) Removing the phrase “positioned to ensure that it will arrive at the well location within 7 days after a loss of well control” from subparagraphs (a)(2) and (a)(3), which apply to the cap and flow system and containment dome, respectively.

The changes described in item (i) in the previous paragraph could allow the operator to adjust the point in time during operations when it must position its capping stack—from “when drilling or working below the surface casing” to “when drilling or working below the last casing point prior to the zone capable of flowing hydrocarbons in measurable quantities”—if the operator is able to demonstrate that it will not encounter any abnormally high-pressured zones or other geological hazards before that casing point. However, unless otherwise approved by BSEE, the operator must have access to their SCCE as described in subparagraph (a)(1) and proposed subparagraphs (a)(2) and (a)(3), when drilling or working below the surface casing. While BSEE does not propose changes to the capping stack provision in subparagraph (a)(1), changes to paragraph (a) would have a practical effect on the existing capping stack requirements. Changes to the capping stack requirements are discussed in the next subsection, entitled, *Revisions to the Capping Stack Requirements*.

BSEE’s proposed modifications described in item (ii) above are administrative in nature. BSEE proposes this change so that the language is consistent with the source “control” and “containment” description of this equipment, as well as the title of this section of the regulations (i.e., § 250.471 *What are the requirements for Arctic OCS source control and containment?*).

It would not change the performance standard that the operator’s SCCE must meet.

BSEE’s proposed changes described in item (iii) above to remove the phrase “positioned to ensure that it will arrive at the well location within 7 days after a loss of well control” from subparagraphs (a)(2) and (a)(3) would still require the operator to ensure it has access to a cap and flow system or a containment dome. However, the operator would no longer be required to ensure the equipment is positioned to be able to arrive at the well location within 7 days after the loss of well control. The distinction between the positioning requirement and the requirement to have access to the equipment is that “having access” refers to ensuring the operator has identified the equipment that would meet the performance requirements in this section and in other existing BSEE regulations (i.e., § 250.462, *What are the source control, containment, and collocated equipment requirements?*), and is able to deploy the equipment as directed by the Regional Supervisor. Additional information regarding BSEE’s proposed revisions to §§ 250.471(a)(2) and 250.471(a)(3) are discussed in the subsection below, entitled, *Revisions to the Cap and Flow System, and Containment Dome Requirements*.

• Revisions to the Capping Stack Requirements

BSEE’s proposed revisions to the capping stack requirements in paragraph (a) would provide an opportunity to the operator to adjust the point in time during operations when it must position its capping stack, so that it will be available to arrive at the well location within 24 hours after a loss of well control. If the operator is able to demonstrate to BSEE that the operations it plans to conduct below the surface casing would not encounter any abnormally high-pressured zones or other geologic hazards before reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, then BSEE would allow the operator delay its positioning of the capping stack until that point.

The existing capping stack requirements in paragraphs (a) and (a)(1) are intended to ensure that a capping stack is readily available to stop or capture the flow of hydrocarbons in case of a loss of well control when drilling below or working below the surface casing. While BSEE does not propose to eliminate the requirement in paragraph (a)(1) to ensure that the

capping stack will be able to arrive at the well location within 24 hours after a loss of well control, the existing requirement in paragraph (a) to ensure the equipment is accessible when drilling below the surface casing does not fully take into consideration the known geology of an area. The formations below the surface casing, based on the known geology of the area, may have minimal or no potential to flow hydrocarbons in measurable quantities during drilling operations. This obviates the need for ensuring capping stack availability during operations in those zones. Prior to submitting an APD, operators assess the formations they will potentially encounter during drilling operations, including the potential for hydrocarbon flow. Operators base this assessment on existing G&G data that they include in the APD.

In many cases, flowable hydrocarbons are not anticipated or encountered in measurable quantities until the target productive formation is reached. For example, a surface casing shoe setting depth for an Arctic OCS exploration well could be only 1,500 feet, but the hydrocarbon bearing formation may be thousands of feet below that point. The existing regulations require the operator to have access to an available capping stack when drilling or working below the surface casing, even though geologic and engineering risk analyses the operator must submit as part of their APD may show that there is little or no potential for hydrocarbons to escape the formation and flow into the well prior to reaching the targeted productive formation. In such circumstances, the operator could safely drill for thousands of feet below the surface casing, without any identifiable need for a capping stack. This proposed change would, when appropriate, eliminate an unnecessary burden for the operator to maintain a positioned capping stack while drilling into low risk, non-productive sections of the well below the surface casing.

An extensive amount of geophysical data already exists for certain areas of both the Beaufort and Chukchi Sea Planning Areas, and there has been extensive drilling in certain areas of the Beaufort Sea Planning Area. In the known geologic conditions of the U.S. Arctic, operators have a good understanding of the locations of reservoirs that they will encounter, which can be relatively shallow and normally pressured above certain geologic depths. Therefore, it may not be necessary to have access to a capping stack when drilling through zones below the surface casing that do not

have abnormally high formation pressures or contain other geological hazards, and do not have the potential to flow hydrocarbons in measurable quantities, as they are penetrated.

However, because geologic conditions are not uniformly normally pressured throughout the Arctic OCS, BSEE is maintaining the existing requirement to have the capping stack positioned, when drilling or working below the surface casing, at a location within proximity to the drilling location so as to be able to arrive within 24 hours of a blowout. At the same time, BSEE does not discount the possibility that future projects would not need to have SCCE (*i.e.*, the capping stack) positioned until reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons.

The criteria BSEE proposes to rely on to determine whether to grant an exception (*i.e.*, operator demonstrates to BSEE that it will not encounter “abnormally high-pressured zones or other geologic hazards”) accounts for those downhole risks that could lead to a blowout and may require the use of a capping stack. With respect to abnormally high-pressured zones, BSEE is concerned that there could be a case where a kick (an influx, or flow, of formation fluid from the high-pressured zone entering into the wellbore) is not controlled and could lead to a blowout. While there are means of mitigating the risk of a kick, (*i.e.*, overbalanced drilling), the capping stack needs to be readily available if heavier weight drilling muds, the BOP, and SSID, if applicable, fail to control the well.

There could be other geologic hazards, such as fractured or high permeability zones, that may also pose a risk, particularly if those zones contain hydrocarbons. It is possible that normally pressured zones may be highly permeable or contain fractures, in which lost circulation may occur. This could cause a dynamic effect where drilling mud flows into the permeable formation causing the circulating pressure to decrease below the zone’s pore pressure resulting in formation fluids flowing into the well bore, *i.e.*, loss of well control. The capping stack must be readily available if heavier weight drilling muds, the BOP, and SSID, if applicable, fail to control the well.

However, if the operator is able to demonstrate that a highly permeable or fractured zone is predicted to only contain water, BSEE would consider allowing the operator to delay positioning of the capping stack. Under this scenario, the operator would be able to use the diverter system in conjunction with the BOP system to

maintain safety and environmental protection because it would be unlikely for hydrocarbons to be released into the environment. The diverter system consists of a mechanical device similar to a BOP annular preventer. The diverter system is used to divert gases, fluids, and other materials flowing from the well, away from facilities and personnel. Also, an operator would pump fluid loss materials into the well to bridge the formation to reduce its permeability and allow drilling muds to isolate the formation from the well. To permanently address the incident, the operator could also install a liner or set a new casing point at the interval where that highly permeable or fractured zone is located. BSEE would like to know whether there are more appropriate criteria, other than “abnormally high-pressured zones or other geologic hazards,” that the Bureau should use to determine whether to allow the operator to delay positioning of the capping stack.

BSEE’s proposed regulatory language describing the types of documentation it would consider adequate to demonstrate that abnormally high-pressured zones or other geological hazards would not be encountered before reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities—“such as, but not limited to, risk modeling data, offset well data, analog data, seismic data”—is not meant to be an exhaustive list. BSEE would accept any other types of documentation the operator may provide that will help its demonstration. BSEE does not anticipate this submission requirement would lead to a significant information collection burden on the operator because it is normal practice for operators to gather these types of information to develop and design an offshore exploration drilling project on the Arctic OCS. BSEE is requesting comment on what other types of information could be used to demonstrate the absence of abnormally pressured zones or other geologic hazards, and how burden on the operator could change—increase or decrease—if BSEE were to require its submission.

At the APD stage, BSEE would evaluate the operator’s documentation along with other accompanying geologic and engineering information/analyses that must be submitted as part of its APD. BSEE would also consider any other available G&G information, such as information gathered from prior drilling operations in the area (*e.g.*, well log and pressure testing information), and any other applicable geophysical (*e.g.*, seismic data) information. BSEE

makes clear in its proposed regulatory language that the Regional Supervisor will base the determination on whether to allow the operator to delay positioning of the capping stack on the documentation that the operator submits, as well as any other available data and information.

- Revisions to the Cap and Flow System, and Containment Dome Requirements

As described at the beginning of this section-by-section discussion, § 250.471, BSEE is also proposing to revise paragraphs (a)(2) and (a)(3) to remove the requirement to have a cap and flow system or a containment dome positioned to ensure the equipment will be available to arrive at the well location within 7 days after the loss of well control, but still preserving the existing requirement to deploy those pieces of equipment as directed by BSEE.

BSEE proposes to allow the operator to adjust the point in time during operations when it must position its capping stack under paragraph (a), from “when drilling or working below the surface casing” to “when drilling below or working below last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities” if the operator is able to demonstrate that it will not encounter any abnormally high-pressured zones or other geologic hazards before that casing point. Only the 7-day arrival timing related to the “flow” part of the cap and flow system would be altered as a result of BSEE’s proposed modification to paragraph (a)(2) of § 250.471.¹¹

The changes proposed in paragraphs (a)(2) and (a)(3) to remove the requirement for the cap and flow system and the containment dome to arrive at the well location within 7 days after a loss of well control would not change other existing requirements throughout § 250.471 for the operator to ensure:

- (i) access to a containment dome and cap and flow system;
- (ii) that the cap and flow system is designed to capture at least the amount of hydrocarbons equivalent to the calculated WCD rate referenced in the operator’s BOEM-approved EP;
- (iii) that the containment dome has the capacity to pump fluids without relying on buoyancy;
- (iv) that tests or exercises are conducted for the SCCE, as directed by the Regional Supervisor;
- (v) that records pertaining to the testing, inspection, maintenance, and

use of the SCCE are maintained and made available to BSEE upon request;

- (vi) that all SCCE identified in § 250.471 are transported to the well upon a loss of well control; and
- (vii) that SCCE is deployed as directed by the Regional Supervisor.

Since the promulgation of the 2016 Arctic Exploratory Drilling Rule, the cap and flow system and containment dome have not been needed to respond to a loss of well control event in the Arctic OCS. If Arctic OCS exploration/production activities do increase at the rates described in the RIA, there is potential for an increase in the risk of longer duration oil spills if an event were to occur and this equipment may be needed. Thus, the cost savings and forgone benefits should be considered in that context.

BSEE proposes to remove the cap and flow system and containment dome 7-day arrival timing requirements based on the Bratslavsky and SolstenXP 2018 study, which determined that the time periods when SCCE may be safely deployed throughout the Arctic OCS is limited based on typical Arctic conditions. In the Chukchi Sea, safe SCCE deployment could only occur between August and October in the historically active exploration area. Moving north from the historically active exploration area of the Chukchi Sea, the ability to safely deploy SCCE diminishes significantly (*id.* at 100). The study mentions there are more opportunities for safe deployment of SCCE in other portions of the Chukchi Sea (June through December). However, it is only in the southwestern extent of the Chukchi Sea Planning Area; outside of the historically active exploration area.

In the Beaufort Sea, the study noted that sea ice concentrations tend to be greater year-round as compared to the Chukchi Sea (*id.* at 75). Accordingly, safe SCCE deployment could occur from ice capable vessels between early August and October in the historically active exploration area of the Beaufort Sea (*i.e.*, the southern portion of the Beaufort Sea Planning Area). However, moving north beyond the historically active exploration area, time windows for safe SCCE deployment decrease significantly (*id.* at 104).

In the case of open water operations in both the Chukchi and Beaufort Seas, the study points out that sea state is an important limiting factor for safe SCCE deployment. Rough sea states—high waves and longer wave periods—can affect the safety and operating limits of SCCE deployment. The vessel carrying the SCCE can become very unstable in rough sea states and the heave action on

the deck can therefore increase significantly beyond the vessel’s tolerance levels for conducting operations, which may negatively affect the ability to safely deploy the SCCE. Rough sea states are most likely to occur when there is less sea ice coverage and larger open water areas to generate large waves, which is more of an issue in the Chukchi Sea, where there are larger open water areas throughout the open water season (*id.* at 11).

When operating in open water conditions, sea states generally dictate that safe SCCE deployment could occur only between late September and October in the historically active exploration area of the Chukchi Sea, and that window diminishes significantly moving north of the historically active exploration area. In the Beaufort Sea, where there is less open water throughout the operating season, sea states would generally permit safe deployment of SCCE between late-August and early- to mid-October in the historically active exploration area. Beyond that, the probability for safe SCCE deployment decreases rapidly in the historically active exploration area and in the other areas of the Beaufort Sea. (*id.* at 98,102)

Water depth is also an important factor to consider for the safe deployment of SCCE. Deployment is likely to be impaired in water depths shallower than 984 feet because the equipment would potentially be subject to a gas boil at the surface from a subsea blowing well (*id.* at 143). A gas boil is a forceful release of hazardous gases which can present human-health hazards to workers, fire hazards, and potential stability problems for support vessels and the vessel deploying the SCCE directly above the blowing well. Water depths in the majority of the Chukchi Sea and Beaufort Sea where exploration has historically occurred are relatively shallow—167 feet or less (Table 1–1 and Table 1–2, *id.* at 7 to 9). In April of 2020, the only leases with potential projects that would be subject to the Arctic OCS’s SCCE requirements were relinquished.¹² These leases were located in the Beaufort Sea in water depths less than approximately 170 feet deep. This water depth range limits the capabilities of support vessels that can be used for the safe deployment of SCCE. A possible solution that could enable SCCE deployment in the presence of a gas boil is the use of offset-deployment technology to

¹¹ Existing § 250.105 defines Cap and flow system and Capping stack.

¹² There are other leases in the Beaufort Sea located nearer to the shore in shallow waters where exploration and development projects are being pursued (primarily through man-made gravel islands).

remotely position SCCE over the blowing well in shallow water (*id.* at A–35).

When BSEE proposed its original Arctic OCS SCCE requirements in 2015, the Bureau explained that there is limited ability in the Arctic region to summon additional source control and containment resources. Accordingly, the Bureau required operators to plan for response redundancies and planning complexities not required elsewhere (*see* 80 FR 9938). BSEE determined that the provisions finalized in 2016 provided for the necessary redundancy and sequencing of the responses, based on the time necessary to deploy, and therefore provided sufficient safety and environmental protection to allow for exploratory drilling on the Arctic OCS. At that time, BSEE believed that the technologies identified in its SCCE requirements represented the optimal approach to well control capabilities available for the Arctic OCS (*see* 81 FR 46520).

Since publication of the 2016 rule, however, BSEE has sought to better understand the ability to safely deploy SCCE (and relief rigs) in Arctic OCS conditions, through the study it commissioned to Bratslavsky Consulting Engineers, Inc., and SolstenXP, Inc. According to the Bratslavsky and SolstenXP 2018 study, the time periods when SCCE may be safely deployed throughout the Arctic OCS is limited in comparison to relief-well drilling operations, based on typical Arctic conditions. BSEE did not have the benefit of having the Bratslavsky and SolstenXP 2018 study when finalizing the 2016 Arctic Exploratory Drilling Rule. BSEE's proposed changes to § 250.471(a)(2) and (a)(3) for the containment dome and cap and flow system responds to the information it has gathered from the study.

BSEE recognizes that Bratslavsky and SolstenXP 2018 study data are now over a decade old. Since then, there may have been changes in U.S. and international regulations, standards, recommended practices, specifications, technical reports and common industry methods regarding the safe deployment of SCCE versus a relief well in Arctic conditions. Furthermore, data of the Arctic OCS's 2012 to 2016 drilling seasons in the Beaufort and Chukchi Seas, and the resulting operating scenarios, could be updated to provide additional insight to the forecast for the RIA. BSEE will continue to review the Bratslavsky and SolstenXP 2018 study to ensure it remains relevant to the proposed provisions of this rulemaking.

In light of these findings, BSEE proposes the revisions under § 250.471

to the containment dome and cap and flow system deployment requirements in paragraphs (a)(2) and (a)(3) because it is not reasonable to impose such universal, prescriptive requirements for equipment that may not be safely deployed (moved to the location, equipment put into place, and activated) and effectively used under certain Arctic OCS conditions. The deployment and arrival schedules of the cap and flow system and the containment dome will be directed by the BSEE Regional Supervisor on a case-by-case basis.

However, as previously described, BSEE proposes only to adjust, rather than eliminate, the reference to the point in time during operations when the operator must have access to a capping stack that is positioned to be able to arrive at the well location within 24 hours after a loss of well control. In comparison to the containment dome, the capping stack has proven to be a more effective technology when successfully deployed and has a different function compared to a containment dome. The capping stack latches on to a connector or pipe stub located on or in the well to achieve a pressure tight seal to capture or stop all fluids flowing out of the well. A containment dome, which removes oil and gas from the water column, will likely capture only a portion of the hydrocarbon flow due to the non-sealing design. In addition, the use of a containment dome may be constrained by the drilling unit itself. Certain drilling rigs, such as jackups and submersible drilling vessels, are unlikely to provide adequate structural clearance for deployment of a containment dome without moving the rig off the drill site. (*id.* at 33).

Furthermore, containment domes have limited field application to prove their capabilities while, in contrast, capping stacks have been field tested and successfully deployed in multiple practice drills (*id.* at 32 and 34).¹³

With respect to the cap and flow system, the flow portion of the system would require additional vessel support activities on the surface (*e.g.*, support vessels for oil and gas processing, and hydrocarbon storage/transfer) to keep the system working in comparison to what would be needed to deploy a capping stack (*e.g.*, a single vessel that would load the capping stack and deploy to the well when needed). The support activities and the vessel on which the flow system is loaded would be subject to the same challenging

metocean conditions previously described, thus limiting their ability to be safely deployed throughout the Arctic drilling season. The capping stack would generally have a better opportunity for deployment because once the capping stack is lowered under the water and attached to the wellhead, weather becomes less of a factor.

BSEE believes it is critical to ensure that operators have redundant protective measures in place, as there is no guarantee that a single measure could control or contain a worst-case discharge (*see* 81 FR 46487). Because the chances of successfully deploying a capping stack under Arctic OCS conditions may be greater in comparison to the containment dome and cap and flow system, BSEE is revising, and not eliminating, the capping stack positioning requirement. BSEE invites comments on any technological upgrades or methods that exist for SCCE that would meet the objective of being a redundant system that could control or contain a WCD.

Although BSEE is proposing to remove the requirement in existing paragraphs (a)(2) and (a)(3) to ensure that the cap and flow system and containment dome will be available to arrive at the well location within 7 days after a loss of well control, BSEE would maintain the provisions under the same paragraphs that require that the operator identify and have access to a containment dome and cap and flow system capable of deployment as directed by BSEE. BSEE would also maintain the requirement under existing paragraph (g) to initiate transit of all SCCE identified under § 250.471 upon a loss of well control. Collectively, the proposed revisions to paragraphs (a)(2), (a)(3), and existing paragraph (g) would mean that, in the event of a loss of well control, the containment dome and cap and flow system would be in transit while the capping stack is being deployed at the well location. In light of the distinct functions and capabilities of these various elements of SCCE under anticipated Arctic OCS exploratory drilling conditions, BSEE proposes to retain these requirements, as modified, to preserve the regulatory requirement for redundant protective measures, while acknowledging the capability of each SCCE component, as there is no guarantee that a single measure could control or contain a WCD.

Finally, BSEE proposes to revise existing paragraph (b) by eliminating the requirement for the operator to conduct a stump test of a pre-positioned capping stack, if the operator elects to use one, prior to installation on each well. This proposed change would provide

¹³ For example, the capping stack technology was used to shut-in the *Macondo* well during the Deepwater Horizon incident.

consistency with BSEE's proposed revision to the definition of a capping stack in § 250.105 and the new SSID alternative BSEE is proposing under § 250.472. BSEE's proposed SSID alternative includes specific testing procedures, which is discussed in detail later in this preamble. BSEE's prior references to "pre-positioned capping stacks" were intended to address a comment on the 2015 Arctic Exploratory Drilling Proposed Rule suggesting that the definition of a capping stack be expanded to allow pre-positioned capping stacks to be used below subsea BOPs when deemed technically and operationally appropriate.

What are the additional well control equipment or relief rig requirements for the Arctic OCS? (§ 250.472)

Paragraph (b) of § 250.472 currently requires the operator to have access to a relief rig (different from the primary drilling rig), when drilling or working below the surface casing. In addition, when drilling or working below the surface casing, paragraph (b) requires the operator to stage the relief rig so that it could arrive on site, drill a relief well, kill and permanently plug the out-of-control well, and abandon the relief well prior to expected seasonal ice encroachment at the drill site, and in no event later than 45 days after the loss of well control.

BSEE proposes to revise the existing relief rig and SSRW requirements in § 250.472 by:

(i) Providing the operator with an option to either use an SSID or have access to a relief rig, if the operator will conduct exploratory drilling operations from a MODU;

(ii) Establishing the requirements that the operator must satisfy if the operator elects to use an SSID to comply with § 250.472;

(iii) Establishing the requirements that the operator must satisfy if the operator elects to have access to a relief rig to comply with § 250.472;

(iv) Adding a new provision that would apply if the operator elects to have access to a relief rig, allowing the operator to, subject to BSEE's determination, delay having access to the rig until operations have reached the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities provided that the operator submits adequate documentation (such as, but not limited to, risk modeling data, off-set well data, analog data, seismic data), with its APD, demonstrating that they will not encounter any abnormally high-

pressured zones or other geologic hazards; and

(v) Eliminating the reference to expected seasonal ice encroachment at the drill site, which applies to relief rig operations.

Proposed paragraph (a) would establish the requirements the operator must follow if the operator elects to use an SSID and proposed paragraph (b) would establish the requirements the operator must follow if the operator elects to maintain access to a relief rig. BSEE would combine the requirements in existing paragraphs (a) and (b) into a single paragraph—proposed paragraph (b)—for organizational purposes, since existing paragraphs (a) and (b) cover relief rigs. Proposed paragraph (b) would also include the relief rig-related revision described in item (iv) of the previous paragraph, which could allow the operator to adjust the point in time during operations when it must stage its relief rig— from “when drilling or working below the surface casing” to “when drilling or working below the last casing point prior to the zone capable of flowing hydrocarbons in measurable quantities.” However, unless otherwise approved by BSEE, the operator must stage its relief rig in a location, such that the relief rig would be available to arrive on site, drill a relief well, kill and abandon the original well, and abandon the relief well no later than 45 days after the loss of well control, when drilling or working below the surface casing. Finally, proposed paragraph (b) would include the proposed relief rig-related revision to eliminate the reference to expected seasonal ice encroachment at the drill site, which could potentially extend the open-water drilling season for MODUs. The changes included in proposed paragraphs (a) and (b) are discussed in further detail below, respectively, under the two subheadings entitled, *Proposed Paragraph (a)—Complying with § 250.472 by Using an SSID* and *Proposed Paragraph (b)—Complying with § 250.472 by Having Access to a Relief Rig*.

In addition, the general alternative compliance language in existing paragraph (c) would be eliminated because the proposed rule would provide the operator with the alternatives of either using an SSID or having access to a relief rig, and because § 250.141, *May I ever use alternate procedures or equipment?*, already provides an option for an operator to seek approval to use alternate procedures or equipment, potentially including future technologies that have not yet been developed.

When BSEE promulgated the 2016 Arctic Exploratory Drilling Rule, it understood that, based on past loss of well control events (including the *Deepwater Horizon* incident), it was important for the operator to be prepared to drill a relief well to permanently plug a well, in the event of a loss of well control. Arctic OCS exploratory drilling operations conducted from MODUs are complicated by the fact that these operations can take place only during a short period each year, when ice hazards can be physically managed and there is no continuous ice layer over the water. Outside of that window, ice encroachment complicates or prevents drilling, including drilling a relief well, and transit operations. Therefore, BSEE concluded in the 2016 Arctic Exploratory Drilling Rule's proposed rule (see 80 FR 9916) that, for Arctic OCS Conditions, it was necessary to establish a relief rig and SSRW requirements, whereby the rig would be positioned at a location that would enable it to transit to the well site, drill a relief well, kill and permanently plug the out-of-control well, plug the relief well, and demobilize from the site, prior to expected seasonal ice encroachment. (see 80 FR 9940).

Prior to finalizing the 2016 Arctic Exploratory Drilling Rule, BSEE did not identify any alternative technologies that provided a comparable level of results to drilling a relief well and permanently killing an out-of-control well. Drilling a relief well prior to seasonal ice encroachment eliminates the risk of a prolonged uncontrolled flow of hydrocarbons under the ice, throughout the winter season. The SCCE intervention options in BSEE's existing regulations (capping stack, cap and flow system, and containment dome) are intended only to temporarily control a well and not to be left in place over an entire ice season. However, BSEE did provide an option through the 2016 rule for the operator to request that BSEE approve “alternative compliance measures to the relief rig requirement,” as provided in the longstanding regulation at § 250.141, *May I ever use alternate procedures or equipment?*

Since the promulgation of the 2016 Arctic Exploratory Drilling Rule, BSEE has received and considered other information regarding the current relief rig and SSRW requirements in § 250.472. BSEE used the following information when developing the proposed requirements of this section:

- Supplemental Assessment to the 2015 Report on Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources (NPC 2019 Report)

In April 2018, the Secretary of Energy, in cooperation with DOI, requested that the NPC develop a supplemental assessment to the NPC 2015 Report. In April 2019, the NPC issued a report entitled, “*Supplemental Assessment to the 2015 Report on Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources.*” The supplemental assessment evaluated experiences with Arctic exploration and advancements in technology, and it provided findings and recommendations directed toward enhancing the Nation’s regulatory environment to improve reliability, safety, efficiency, and environmental stewardship for Arctic oil and gas development. One of the key areas the Secretary of Energy requested that the NPC address was regulatory burdens related to development on the Arctic OCS. (NPC 2019 Report at A–1)

The NPC 2015 Report described various technologies employed by industry as preventative measures, to reduce the risk of a well control incident or to mitigate the impacts of an incident through response and recovery measures. It recommended further examination of source control and containment technologies, including capping stacks and SSIDs, noting that such alternatives “. . . could prevent or significantly reduce the amount of spilled oil compared to a relief well, which could take a month or more to be effective.” (NPC 2015 Report at 4–16). According to the NPC 2015 report, “[a] relief well under good weather conditions may take 30 to 90 days plus rig mobilization, whereas a capping stack could be installed significantly sooner, and a subsea shut-in device could be activated in minutes.” (NPC 2015 Report at 8–17)

The NPC 2019 Report noted that, when ExxonMobil drilled an exploratory well in the Russian waters of the Kara Sea, it used an SSID that was built and tested in Norway. According to the NPC 2019 Report, the SSID used in the Kara Sea used existing capping stack technology, including dual blind shear rams; an upgraded, redundant control system; and side inlets for intervention below the shear rams. (*id.* at C–10). At the same time, the NPC 2019 Report described the SSID as similar to a second BOP that was designed to be left on the wellhead, instead of being removed with the drilling rig, if the rig moves off the well near the end of the drilling season. The SSID, which could be actuated

remotely, and the casing design together were capable of safe full well shut-in, diminishing the risk related to a loss of well control event occurring in late season and continuing over the winter season. The NPC 2019 Report observed that this design approach could eliminate the need for an SSRW. (*id.* at C–28). Ultimately, the NPC recommended that the use of an SSID, in conjunction with capping stacks, be accepted in place of the existing requirement for SSRW capability. (*id.* at 2).

The NPC 2019 Report also included additional data regarding the geologic characteristics of the formations targeted during exploratory drilling operations in the Chukchi Sea and Beaufort Sea. The NPC 2019 Report provides an illustrative comparison of the geologic depths encountered in the Arctic OCS and the Gulf of America OCS. (NPC 2019 Report at 11). The shallower targeted geologic formations in the Arctic OCS make drilling less complex and lower risk. This is different from current water depths encountered by operators in the Gulf of America. In the Arctic OCS, exploratory drilling operations conducted from MODUs have taken place in waters less than 200 feet. In the Gulf of America, drilling activities are continually taking place in waters deeper than 9,000 feet.

The Arctic OCS’s distinct challenges are driven by the region’s extreme environmental conditions, geographic remoteness, and a relative lack of fixed infrastructure and existing operations. In comparison to the Gulf of America, the Arctic OCS lacks extensive operations and infrastructure from which resources could be drawn to respond to a well control incident. In addition, the open water season for drilling from a MODU is limited, allowing operators to perform drilling operations only during the summer and early fall. A late-season well-control event could challenge an operator’s ability to perform well intervention operations prior to freeze up.

- Suitability of SCCE Versus SSRW in the Alaska OCS Region (Bratslavsky and SolstenXP 2018 Study)

In addition to the NPC 2019 Report, BSEE also considered information about SSIDs through the Bratslavsky and SolstenXP 2018 study, discussed in the previous section in connection with the proposed changes to the current Arctic OCS source control and containment requirements in § 250.471. As previously mentioned, the Bratslavsky and SolstenXP 2018 study entailed a comprehensive review and gap analysis of U.S. and international regulations,

standards, RPs, specifications, technical reports, and common industry methods regarding the safe deployment of SCCE as compared to the effectiveness of drilling an SSRW in Arctic conditions. BSEE notes that the Bratslavsky and SolstenXP 2018 study refers to the SSID as a “subsea intervention device” and considers the device to be SCCE, which is used to mitigate the consequences of a well control event. However, consistent with the findings in the NPC 2019 Report that categorizes SSIDs as preventative measures (instead of a response and recovery measure), BSEE considers SSIDs to be a barrier intended to prevent or minimize the impacts of a well control event. (*id.* at 16).

The Bratslavsky and SolstenXP 2018 study noted that an SSID was installed and field tested on a submersible drilling vessel (*i.e.*, a steel drilling caisson) for a 2005/2006 drilling project in the Canadian Beaufort Sea. However, the system was not completed in time to meet the approval process timelines and shipping deadlines required for timely implementation of the unit. (Bratslavsky & SolstenXP 2018 at A–36). According to the study, the use of a preinstalled SSID could provide a faster and safer additional line of defense for a response to a blowout than an SSRW or deployment of a capping stack or containment dome, resulting in smaller discharges to the environment. The report also mentions that the ability to remotely function the SSID ensures that it can be used in instances where other types of SCCE cannot be deployed due to site hazards that make it unsafe or inaccessible. These instances may include: a blowout with pressurized fluids coming up solely through the wellbore (forming a gas boil on the surface), a rig catching fire or collapsing on top of the well, or an incident in an area where response operations are limited, such as in shallow waters (*id.* at 35). The report also stated that if the well is designed to accommodate a full shut-in of the last casing string interval, the SSID can temporarily cap and control a well and facilitate its plugging and abandonment. This finding is consistent with the information from the NPC 2019 Report discussed previously. In 2008, Chevron initiated a technology venture with its partners on an R&D project to develop an SSID that would advance the best BOP technologies available at the time and would meet or exceed Canada’s SSRW Arctic offshore regulations. The SSID was known as the AWKS, which had two shear rams that were capable of simultaneously shearing and sealing heavier wall, larger diameter tubulars, and casings than was possible

at that time. According to the NPC 2015 Report, Chevron successfully completed its testing of the AWKS in 2014 and is ready for deployment. (NPC 2015 Report at 4–18).

Although the Bratslavsky and SolstenXP 2018 study points out that SSIDs could provide a faster and safer response to a blowout than capping stacks or containment domes, BSEE does not conclude from this observation that SSIDs should also replace the SCCE requirements in existing and proposed § 250.471. As discussed in the 2016 Arctic Exploratory Drilling Rule, in the Arctic, it is critical for the operator to have redundant protective measures in place, as there is no guarantee that a single measure could control or contain a WCD. (*see* 81 FR 46487). This rulemaking remains consistent with those objectives. The SSID, well design, and BOPs, along with the capping stack positioning requirement (which would be not be eliminated as part of this rulemaking), are those redundant protective measures that serve as controls and barriers, or immediate response mechanisms that prevent or minimize the likelihood of loss of well control.

Other pertinent information from the Bratslavsky and SolstenXP 2018 study includes the statistical analysis of the Arctic OCS's 2012 to 2016 drilling seasons in the Beaufort and Chukchi Seas. The analysis identified the metocean and operational conditions that would support the safe drilling of a relief well. The study noted that the hazards of sea ice to drilling vessels and associated support vessels are primarily determined by the concentration and thickness of the sea ice. A vessel's ice classification, which are determined by various marine classification societies, such as the ABS and DNV GL, indicates the vessel's capabilities. As ice concentrations increase, a vessel's efficiency decreases. (Bratslavsky & SolstenXP 2018 at 23).

The study notes that the open water operating season in the Chukchi Sea ranges from approximately 60 to 90 days in the historically active exploration area. (*id.* at 143). However, the results of the study showed that there is a high probability (90 percent) that drilling can be conducted safely in sea ice conditions in a majority of the historically active exploration area of the Chukchi Sea for 70 to 160 days if an ice class MODU and associated support vessels are used as part of the drilling operation. (*id.* at 108 and 145). Moreover, the NPC 2019 Report notes that “vessels and equipment that are positioned in the theater ‘just in case’ they are needed to minimize

environmental impact, can actually impede personnel safety and source control objectives, because they distract operations personnel, add congestion, and can impede surface access to the well location.” (NPC 2019 Report at 19).

In the Beaufort Sea, the open water operating season is limited to approximately 50 to 60 days across the historically active exploration area. (*id.* at 143). The study's analysis showed there is a high probability (90 percent) that drilling can be conducted safely for 70 days, from mid-August through October, in a majority of the historically active exploration area of the Beaufort Sea. (*id.* at 146).

In light of the information from the NPC reports and the Bratslavsky and SolstenXP 2018 study, and BSEE's consideration of that information, BSEE proposes to revise § 250.472 in the following manner:

• Proposed Paragraph (a)—Complying With § 250.472 by Using an SSID

The use of an SSID is not a new concept and was discussed in the 2016 Arctic Exploratory Drilling Rule.¹⁴ Through the 2016 rulemaking comment process, stakeholders informed the Bureau that use of an SSID could help significantly reduce the risk of a release of hydrocarbons if the BOP system fails. At that time, BSEE focused more on permanent remediation to resolve a WCD event in the Arctic. Nonetheless, the Bureau agreed that an operator could request to use an SSID as an alternate procedure or equipment to the relief rig (*see* 80 FR 9940). Stopping short of requiring the use of an SSID, BSEE, instead, stated in the 2016 rule that it would consider the use of an SSID as an alternate procedure or equipment, under appropriate circumstances, if proposed for use with a jack-up (when surface BOPs are used). At that time, BSEE determined that, in the case where subsea BOPs are used in conjunction with floating drilling units, SSIDs would only be marginally effective or redundant (*see* 81 FR 46531). Since the publication of the 2016 rule, BSEE has reevaluated the use of SSIDs and the overall improved technology for similar components (BOPs). In this proposed rule, BSEE

would allow operators the option to use an SSID based on BSEE's assessment of improved SSID design and operating requirements, including the ability to shut in a well over the winter ice season with a well cap. Additionally, BSEE would make this revision to potentially minimize environmental damage due to a prolonged ongoing well control event. An SSID is not a permanent solution for well remediation. However, it can provide a significantly quicker response time to address a well control event compared to drilling a relief well.

Drilling a relief well is a complex, time-consuming process. After setting up the drill rig and drilling begins, the process to intercept the original wellbore may take several weeks or more because the operator needs to drill deep enough at great precision to ensure interception of the original well. This delay increases the length of the time oil and other fluids within the original well could be flowing uncontrollably into the marine environment. There is no delay for operational use of an SSID compared to the process of using the relief rig or capping stack.

In this proposed rule, BSEE developed its proposed SSID requirements based on existing BOP equipment/technology whose performance and reliability has been tested, proven in a manner that is repeatable and reproducible, and has improved since promulgation of the 2016 rule. BSEE also proposes to require an SSID used in the Arctic OCS to operate independently from the BOP. This would be accomplished by requiring the SSID to have a redundant control system, independent from the BOP control system, and independent, dedicated subsea accumulators to operate the SSID. By having two independent, redundant components (*i.e.*, the BOP and the SSID) as part of the well control system, the overall reliability and effectiveness of the entire system increases. The following paragraphs describe BSEE's proposed requirements associated with the SSID, including the SSID's redundant control system (*i.e.*, under proposed § 250.472(a)(2)(ii)) and subsea accumulators (*i.e.*, under proposed § 250.472(a)(2)(iii)).

Although the NPC 2019 Report recommended that the use of an SSID and capping stacks replace the requirement for an SSRW capability, BSEE is not proposing to eliminate the relief rig and SSRW requirements. Rather, BSEE is proposing to maintain the relief rig and SSRW requirement as an option for the operator to meet the regulatory requirements of § 250.472. BSEE has determined that its

¹⁴ *See, e.g.*, 80 FR 9940 (“[BSEE] requests comments on alternative compliance approaches and specifically requests data on the performance of SIDs, including operational issues (such as timeframes needed to activate such alternatives). In particular, BSEE requests comments on appropriate staging requirements for a relief rig assuming that an SID has been installed at the exploration well. Comments are also requested on the need for an operator to have an in-season relief well drilling capability if an SID is used at a location that is not subject to ice scouring.”)

regulations should provide options and flexibility to the operator (*i.e.*, an SSID or a relief rig) to fit its needs and plans to develop its Arctic OCS leases. There could be cases where the operator's drilling schedule may not align with the availability of an SSID. In such a case, the operator should have the option to elect to proceed by complying with the relief rig and SSRW requirements. If an operator does not complete its exploratory drilling operations during that open water operating season, the operator could come back during a subsequent open water operating season and use an SSID, if one has become available in time.

There could also be cases where two or more operators may plan to perform exploratory drilling operations during the same open water season. In such a case, each operator's drilling rig could serve as the others' relief rig. Under the existing regulations, BSEE would consider this type of a scenario to be in compliance with the relief rig and SSRW requirements. BSEE would not change that interpretation as part of this rulemaking. In a scenario like this, none of the operators would need to install an SSID, so long as there is an agreement among the operators that their drilling rigs will serve as a relief rig, if necessary. While it is not possible to identify every conceivable scenario, BSEE recognizes there could be other scenarios that are reasonably possible. Thus, it is appropriate to provide regulatory flexibility in order to accommodate an operator's drilling program. BSEE also retains its regulatory authority to approve alternate procedures or equipment if the proposed procedures or equipment either meet or exceed the level of safety and environmental protection required.

The term SSID is a broadly used industry term, and there is not a single, all-encompassing definition that establishes the scope and function of an SSID. In some cases, different terms are used to describe the device. For example, as stated earlier, the Bratslavsky and SolstenXP 2018 study refers to the device as a "subsea intervention device," while some in the industry also refer to the SSID as a "mudline closure device." Irrespective of these synonymous titles, BSEE uses the term SSID to refer to a fit-for-purpose device that may be used for different types of situations, including for well intervention applications, and can be used in different locations, including outside of the Arctic. However, for the purposes of Arctic OCS exploratory drilling from a MODU, BSEE is proposing to define the minimum acceptable capabilities and

functions of an SSID. BSEE notes that, outside of the Arctic OCS, SSIDs have already been approved for use in other parts of the OCS. The NPC 2019 Report notes that the requirement to drill an SSRW to mitigate the risk of a late season well control event continuing over the winter season is "outdated." The 2019 report concludes that SSIDs and capping stacks are superior solutions that could stop the flow of oil and allow intervention through the original borehole before a relief well could be completed. (NPC 2109 Report at 19). The SSID requirements BSEE is proposing to establish in this proposed rule would not apply to projects outside of the Arctic OCS. The design requirements for those SSIDs would be based on the needs of a particular project and may or may not be similar to what BSEE is proposing in this proposed rule. BSEE requests comments on these SSID requirements as outlined in the proposed rule.

Under proposed paragraph (a) of § 250.472, if the operator elects to satisfy the requirements of this section by using an SSID, BSEE would require the operator to ensure that the SSID and well design (including the casing and cementing program) are designed to achieve a full shut-in, without causing an underground blowout or having reservoir fluids broach to the seafloor.

Currently, BSEE's regulations for SCCE under § 250.462 do not require all wells to be designed to achieve a full shut-in (*e.g.*, partial shut-in is acceptable) as there are methods to control the residual fluid flow into a surface production and storage system when a well is designed for partial shut-in. However, because BSEE is proposing that the SSID be designed to achieve full wellbore shut-in until kill operations are completed, it is important that the well design assures that the well will be able to withstand the associated loads for the entire time the SSID is closed (*e.g.*, prevents gas migration in the shut-in wellbore). If the wellbore is compromised during or after a full shut-in, an underground blowout or broach to the seafloor may occur. BSEE reviewed available incident data on loss of well control events,¹⁵ and determined that, on average, three loss of well control events occurred each year on the OCS between 2007 and 2023, none of which occurred in the Arctic OCS.

In addition, BSEE's predecessor, MMS, published a paper in July/August of 2007 entitled, "Absence of fatalities in blowouts encouraging in MMS study of OCS incidents 1992–2006." You may

download and view the paper at http://drillingcontractor.org/dcp/dc-julyaug07/DC_July07_MMSBlowouts.pdf. The paper summarizes MMS's assessment of statistical information about loss of well control events that occurred during drilling operations on the OCS from 1992 through 2006. The paper noted that although relief wells were initiated in 2 of the 39 blowouts that occurred during the study period, both wells were controlled by other means prior to completion of the relief well.

The well design language in proposed paragraph (a) would also require the operator to account for the stresses and loads placed on the well from the equipment that may be required to regain control after a loss of well control event. This includes the SSID, BOP stack, and capping stack. It is imperative that all well components are designed to withstand all potential loads and stresses placed on the well, including those that may be required during well control situations and deployment of SCCE (*i.e.*, the well must be able to support a capping stack in addition to the other equipment required for normal operations).

The need for the operator to account for all potential loads placed on the well also includes consideration of conditions where a well would be shut-in over the ice season. For example, in typical well control operations, a BOP is used to stop the uncontrolled flow and shut-in the well. It remains shut-in for a relatively short period of time while well kill operations are implemented and, if needed, materials and personnel are mobilized to the rig.

For wells that may be shut-in for extended periods, the operator must consider the potential effects of gas expansion within the well. For example, in reservoirs containing gas, which is less dense than the liquids in the wellbore (*e.g.*, drilling mud, completion fluid, brine), the gas will migrate upward in the wellbore until it reaches the closed BOP. This gas exerts a lower hydrostatic pressure than the column of oil or drilling fluids in the wellbore, and more of the reservoir pressure is transmitted to the top of the wellbore as a result. As the hydrostatic pressure acting on the bubbles decreases, the bubbles expand.

As these bubbles continue to migrate and expand over time, the wellbore pressure profile increases. What was once a low pressure at the top of the well, with a hydrostatic pressure gradient below it, will eventually increase to reservoir pressure, increasing the downhole pressure. As the pressures in the wellbore increase,

¹⁵ See, BSEE's website at <https://www.bsee.gov/stats-facts/offshore-incident-statistics>.

some of the liquid may bleed into the open formation(s). Eventually, the pressure may exceed the strength of the formation (fracture pressure) in the wellbore, potentially resulting in a fracture of the formation and an underground blowout. Because proposed paragraph (a) of § 250.472 contemplates allowing the operator to leave a well shut-in from one open-water season to the next (*i.e.*, in the case of a late season well control event), wells need to be designed to withstand this potential loading condition.

In a new paragraph (a)(1), BSEE proposes to establish performance-based design requirements for the SSID. BSEE would require the operator to ensure that the SSID is designed to:

- (i) Close and seal the wellbore, independent of the BOP;
- (ii) Perform under the maximum environmental and operational conditions anticipated to occur at the well;
- (iii) Be left on the wellhead in the event the drilling rig is moved off location (*e.g.*, due to storms, ice incursions, or emergency situations);
- (iv) Preserve isolation through the winter season without relying on the elastomer elements of the rams (*e.g.*, by using a well cap) and allow re-entry during the following open-water season; and
- (v) In the event of a loss of well control, preserve isolation until other methods of well intervention may be completed, including the need to drill a relief well.

BSEE's analysis of loss of well control events data indicates that the most common methods employed to regain control of a well include pumping mud or cement into the uncontrolled well or activating mechanical well control equipment (*e.g.*, BOP).

These SSID design requirements would help ensure the device is capable of shutting in and containing all fluids within the wellbore for an entire ice season (in the case of a loss of well control event too late in the open-water season to provide enough time for the operator to perform well kill or plug and abandonment operations). BSEE is basing the proposed design requirement for the SSID to be capable of preserving isolation through the winter season without relying on the elastomer elements of the rams (*e.g.*, by using a well cap) on information it gained from the Kara Sea project. BSEE understands that the SSID used in the Kara Sea project was capable of preserving isolation over an entire ice season because it was designed to have a metal-to-metal cap installed on top of the SSID, after the BOP is detached and all

equipment is moved off of the drill site. BSEE understands that isolation could not be achieved over the ice season if the shut-in relied solely on the elastomer elements of the rams. The design requirements would also ensure the SSID will allow for re-entry to perform well recovery operations during the following open water season.

In a new paragraph (a)(2), BSEE proposes to require that the operator's SSID include the following equipment:

- (i) Dual shear rams, including ram locks; one ram must be a blind shear ram;
- (ii) A redundant control system, independent from the BOP control system, that includes ROV (remotely operated vehicle) capabilities and a control station on the rig;
- (iii) Independent, dedicated subsea accumulators with the capacity to function all components of the SSID; and,
- (iv) Two side inlets for intervention, one of which must be located below the lowest ram on the SSID.

The dual shear ram requirement in proposed paragraph (a)(2)(i) would ensure that the SSID is capable of shearing through drill pipe, sealing the wellbore, and containing the fluids before they can escape during a loss of well control event. BSEE notes that the NPC 2019 Report describes the SSID as having shearing/sealing rams. In fact, when describing the SSID used in the Kara Sea Project, the report explains that the device utilized dual blind shear rams. While proposed paragraph (a)(2)(i) would require only one of the rams to be a blind shear ram, BSEE is seeking comment on the advisability of requiring dual blind shear rams on the SSID. As described in the bow-tie diagram of the NPC 2019 Report, the SSID is the last line of prevention to minimize the impacts of an event. (NPC 2019 Report at 14).

The redundant control system requirements in proposed paragraph (a)(2)(ii) would ensure there is reliability in the system and that the SSID will function when needed in an emergency situation. This proposed requirement is intended to align with the existing requirement in existing § 250.734(a)(2), which requires subsea BOPs to have a redundant control system to ensure proper and independent operation of the BOP system. With respect to the requirement that an SSID have a separate control station on the rig that is independent from the BOP control system located on the rig, it is important for the SSID functions to be controlled by personnel directly involved in the drilling process to allow for an appropriate response

from a "situationally aware" individual. Therefore, while BSEE is proposing to require the SSID control system to remain independent of the BOP control system, it would not require those systems to be located in separate locations.

BSEE is seeking comment on whether the proposed requirement in paragraph (a)(2)(ii) is appropriate for the SSID or whether there are additional ways to enhance the system's reliability. For example, BSEE is contemplating whether it may be more appropriate to require the SSID's redundant control system capabilities to be separate from the ROV's capabilities. BSEE is also considering, as part of the final rule, requiring the SSID control systems to be consistent with the fully redundant control system requirements described in API Specification (Spec.) 16D (*e.g.*, yellow pod and blue pod). More specifically, BSEE is further considering whether there should be an additional manual method (separate from the redundant control system) to close the SSID's rams with the ROV and whether it may be appropriate to require a standby or tending vessel with an ROV. These measures could address cases where the SSID's control system on the drilling rig is not available (*e.g.*, due to failure or an evacuation of the rig).

The requirement in proposed paragraph (a)(2)(iii) for SSIDs to have independent, dedicated subsea accumulators with capacity to function all components of the SSID would help ensure that, if the BOP system fails, the SSID will have the capabilities to function as needed, independent of the BOP's accumulator system. The requirement in proposed paragraph (a)(2)(iv) for SSIDs to have two side inlets, with one of the inlets located below the lowest ram on the SSID, would allow for re-entry through the SSID to perform well intervention operations. Side inlets allow the operator to pump fluids into the well to kill the well, before opening the blind shear ram to perform additional well intervention operations.

In proposed paragraph (a)(3), BSEE would require the SSID to include ROV intervention equipment and capabilities to function the SSID. BSEE regulations currently include requirements for ROV intervention capabilities in relation to a BOP's functionality. BSEE is proposing similar requirements for the SSID because the SSID functions similarly to a BOP. Under proposed paragraph (a)(3), the ROV equipment and capabilities must:

- (i) Be able to close each shear ram under the MASP, as defined for the operation;

(ii) Include an ROV panel that is compliant with API RP 17H (incorporated by reference, see § 250.198);

(iii) Meet the ROV requirements in existing § 250.734(a)(5); and,

(iv) Have the ability to function the SSID in any environment (e.g., when in a mudline cellar).

The requirement in proposed paragraph (a)(3)(i) for the ROV to be able to close each shear ram under the operation's defined MASP would ensure that the operator is able to remotely close (through the ROV) each shear ram on the SSID and seal the well, which are the most critical functions during a well control event. The requirement in proposed paragraph § 250.472 (a)(3)(ii) for the ROV to have panels that are compliant with API RP 17H would ensure that the operator's ROV capabilities for the SSID follow BSEE's existing ROV panel requirements for BOP systems. API RP 17H provides recommendations and overall guidance for the design and operation of ROV tooling used on offshore subsea systems (e.g., provision for high flow Type D hot stabs). This guidance is critical to ensuring safe and reliable ROV operations. In conjunction with the proposal in paragraph (a)(3)(ii) to require the operator's ROV panels to be compliant with API RP 17H, BSEE proposes to add the citation for proposed § 250.472(a)(3) to § 250.198(e)(2)(i)(HH). Section 250.198(e)(2)(i)(HH) documents the locations in the regulations where API RP 17H is incorporated by reference as a regulatory requirement, which would include § 250.472(a)(3) under this proposed rule. Adding the citation for § 250.472(a)(3) to § 250.198(e)(2)(i)(HH) would clarify that API RP 17H is a regulatory requirement when complying with § 250.472 and is subject to BSEE oversight and enforcement in the same manner as other regulatory requirements.

The requirement in proposed paragraph (a)(3)(iii) for the operator to meet the requirements in existing § 250.734(a)(5) would ensure that the operator has a trained ROV crew on each rig unit. The crew must ensure that the ROV is maintained and capable of carrying out the necessary tasks during emergency operations and be trained in operating the ROV, including stabbing into the ROV intervention panel on the SSID. The crew must also have the capability to communicate with designated rig personnel, who are knowledgeable about the SSID's capabilities.

The requirement in proposed paragraph (a)(3)(iv) for the ROV to be

capable of functioning the SSID in any environment is meant to address those cases where it may be necessary to place the SSID in an enclosed or restricted environment. For example, if the SSID is used in an area with ice scouring or with deep ice keels, the SSID would be placed in a mudline cellar. If the ROV panels are attached to the SSID, the ROV may not be able to access the panels if there is not enough space in the cellar. The operator must ensure that the ROV has the capabilities to address these types of scenarios. BSEE is aware of current projects that are evaluating positioning the ROV panels away from the SSID. The ROV would function the SSID from the remote panel, which would be hardwired to the SSID. In addition, it is possible for a mudline cellar to be constructed via a dragline. In such a case, the mudline cellar could be constructed wide enough to provide adequate space for the ROV to access the panel if the panel was attached to the SSID. BSEE proposes to make the requirement in proposed paragraph (a)(3)(iv) flexible, recognizing that there are multiple ways an operator could address this type of concern.

In general, however, BSEE is seeking comment on the feasibility of installing an SSID below a subsea BOP in cases where the SSID would also be installed in a mudline cellar. BSEE's current regulations at §§ 250.734(a)(13) and 250.738(h) require placement of subsea BOP systems in mudline cellars when drilling occurs in areas subject to ice-scouring. In addition, proposed § 250.720(c)(2) requires placement of the wellhead in a mudline cellar in areas subject to ice-scouring. BSEE is requesting more information about whether there are any other operational or installation challenges that the operator may encounter when attempting to effectively operate the SSID in this environment. If so, what are those challenges, and how could they be addressed?

BSEE understands that the SSID used in the Kara Sea could be manually activated using acoustic technologies. While such technologies are available to function the SSID from a remote location, BSEE is proposing to require use of an ROV, as described in proposed paragraph (a)(3). BSEE is proposing to require the use of ROVs in conjunction with the application of an SSID because the device functions similarly to a BOP, and the Bureau has extensive experience in applying ROV requirements to BOPs.¹⁶ A 2014 BSEE-

¹⁶ Paragraph (a)(4) of 30 CFR 250.734 *What are the requirements for a subsea BOP system?*

commissioned study¹⁷ evaluated existing acoustic technologies for subsea well control and found that it's use was for specific remote emergency signaling applications. ROVs are more reliable for overall emergency, complex, or high-uncertainty situations. However, BSEE requests that commenters provide any information that demonstrates the reliability of acoustic (or other) technologies to actuate an SSID from a remote location.

Furthermore, although BSEE is not proposing to require the SSID to have a self-actuating function, the Bureau is contemplating whether one may be necessary for certain emergency situations. BSEE is aware that in the Arctic OCS, it is possible for a drilling vessel to sink and allide with (i.e., strike against) the top of a wellhead during a loss of well control event (Bratslavsky and SolstenXP 2018 at 17). As discussed in the previous section, all exploratory drilling in the Beaufort Sea and the Chukchi Sea has taken place in waters less than 167 feet deep. In April 2020, the only leases with potential projects that would be subject to the Arctic OCS's SSID or SSRW requirements were relinquished. These leases were located in water depths less than approximately 170 feet deep. In these water depths, during an emergency, a vessel could sink before the BOP or SSID can be activated. A self-actuating system incorporated into the SSID could potentially address this problem.

One option BSEE is considering is whether it may be appropriate to establish an autoshear and deadman system requirement for the SSID. The intent would be to address those emergency situations, such as when a sunken MODU allides with the wellhead, where the SSID could no longer be functioned via the ROV (due to lack of access) or a control station on the drill ship. BSEE's regulations already address autoshear and deadman systems for subsea BOPs. Existing § 250.734(a)(6)(i) requires subsea BOPs to have an autoshear system that is designed to automatically shut-in the wellbore in the event of a disconnect of the LMRP. Also, existing § 250.734(a)(6)(ii) requires a deadman system, that is designed to automatically shut-in the wellbore in the event of a

¹⁷ Final Report 02—BOP Monitoring and Acoustic Technology, 2014 (chrome-extension://efaidnbmninnbpcapcglcfindmkaj/https://www.bsee.gov/sites/bsee.gov/files/tap-technical-assessment-program//713ac.pdf#:~:text=Assessment%20of%20BOP%20Stack%20Sequencing%2C%20Monitoring%20and,02%20%2D%20BOP%20Monitoring%20and%20Acoustic%20Technology.)

simultaneous absence of hydraulic supply and signal transmission capacity in the subsea control pods, respectively. However, BSEE did not propose this requirement for SSIDs in this rulemaking. The SSID is meant to be a backup to the BOP, and it is not necessary for the SSID to have the same automatic emergency functions as the BOP.

There could potentially be negative consequences if both systems were to automatically function. For example, there could be a situation where the BOP's autoshear or deadman systems function, but they are not able to shut-in the well because a non-shearable drill string is positioned across the rams. If the subsea BOP rams are experiencing this issue, then the SSID may also encounter the same problem, depending on the part of the drill string that is across the rams at that time. In this scenario, it would be more appropriate to assess the situation to determine whether other well intervention operations could be performed to address the position of the drill string, before activating the SSID.

Regardless of these challenges, BSEE is seeking comment on what fail-safe mechanism(s) may be appropriate to address cases where the BOP fails and the SSID is inaccessible by an ROV or a control station. If an autoshear system or a deadman system are appropriate fail-safe mechanisms to add to the SSID, BSEE is seeking input on what criteria should be used to function these systems, to ensure the system does not function at the wrong time or interferes with or impacts the BOP's autoshear and deadman systems.

BSEE is also seeking comment on how to ensure that the SSID will be able to preserve isolation over the winter season in the event of a late-season emergency incident, such as a sunken drillship. As previously mentioned, BSEE understands that prior SSIDs have planned for long-term isolation through installation of a metal-to-metal cap (*i.e.*, a well cap) on the SSID before leaving the device on the seafloor over the winter season. In the case of a late-season emergency situation that prevents access to the SSID to install a metal-to-metal cap, how would isolation be preserved through the winter season?

In addition, BSEE is soliciting comment on whether the regulations should require use of an autoshear or deadman system in cases where these systems are not built into the BOP's system. As previously mentioned, BSEE's autoshear and deadman system requirements currently apply to subsea BOPs. There is no current requirement to use an autoshear or deadman system

when surface BOPs are used. BSEE would expect that if an operator uses a surface BOP, the operator would still install the SSID on the seafloor. BSEE seeks comment on whether it would be appropriate in such a case to require use of an autoshear or deadman system on the SSID. If so, what criteria should BSEE apply to the functioning of the autoshear or deadman systems in an environment where a surface BOP is used? Furthermore, BSEE welcomes any other comments, unrelated to autoshear or deadman systems, regarding use of a surface BOP.

With respect to installation of the SSID, BSEE proposes in paragraph (a)(4) to require operators to install the SSID:

- (i) Below the BOP;
- (ii) At or before the time they install their BOP; and
- (iii) In a way that will provide protection from deep ice keels in the event it must remain in place over the winter season (*e.g.*, installed in a mudline cellar).

Installing the SSID below the BOP would allow for quick detachment of the BOP and other equipment above the SSID, which would be critical when moving off of a location for emergency purposes. With respect to timing of the SSID's installation, the operator would be required to install the SSID at or before the time they install the BOP. The proposed requirement for the SSID to be installed in a way that will provide protection from deep ice keels would help ensure that the device is not damaged by ice in areas of ice scour. As previously discussed, this could be accomplished by placing the SSID in a mudline cellar. In complying with this proposed requirement, the operator must also consider situations where the drill site is not located in an ice scour area, but could experience ice floes with keels deep enough to clip and compromise the SSID if left on the seafloor over the winter season.

In a new paragraph (a)(5), BSEE proposes to require the operator to test the SSID according to the BOP testing requirements in § 250.737, *What are the BOP system testing requirements?* The SSID's testing requirements should align with the BOP testing requirements since, as previously mentioned, the SSID functions similarly, and in addition, to a BOP. This testing would aid in predicting future performance of the SSID to ensure that the device will function when needed during an emergency situation. While BSEE proposes to align the SSID testing requirements with the Bureau's existing BOP testing requirements, BSEE welcomes input on whether there are more appropriate and reliable testing

methods. For example, what testing procedures have been used in the past to test an SSID when it was deployed? For future operations, what testing procedures are being developed specifically for an SSID? What testing procedures should be applied to SSIDs, and why?

Overall, BSEE intends for the SSID to provide time for the operator to marshal the equipment and materials necessary to permanently address a well control event, without the constraints of seasonal ice coverage, and to prevent the potential environmental impacts that could occur if an out of control well was allowed to flow over the season when the operator would not have access to the site due to ice. The SSID, along with the proper well design, would allow the well to be shut in over the ice season without requiring additional vessels and the situation addressed permanently in the following open water season. It would also allow the operator the time necessary to complete the intervention, without the well flowing, if unforeseen problems are encountered.

Collectively, the SSID's design requirements; equipment specifications; ROV intervention capabilities; installation requirements; and testing requirements; together with the additional well design requirements, would help ensure that the device will function when needed during an emergency situation and will be capable of controlling the well over the ice season, if necessary, until the operator returns to perform well intervention operations during the following open-water season. In connection with that well intervention operation, BSEE may still exercise its existing authority to also require the operator to drill a relief well to permanently plug and abandon the out-of-control well, if needed. BSEE reviewed incident data from 2007 to 2023, which may be accessed on BSEE's website at <https://www.bsee.gov/stats-facts/offshore-incident-statistics>, to try to identify any past incidents involving the use of a BSEE directed relief well to remedy the loss of well control. Aside from the Macondo well incident in 2010, one incident in 2013 required the drilling of a relief well (see <https://www.bsee.gov/newsroom/latest-news/statements-and-releases/press-releases/drilling-of-relief-well-begins-at-south>). Other loss of well control events during that timeframe were successfully remedied with conventional well control methods. These incidents occurred in the Gulf of America and were controlled by either circulating heavier weighted muds into the well or closing the BOP (or both), to control

pressures within the well. BSEE would evaluate the individual circumstances associated with each case to make this determination. For these reasons, BSEE's proposed changes to § 250.472 would maintain safety and environmental protection, though BSEE invites comment on the technical feasibility of such requirements.

BSEE is seeking comment on whether the use of an SSID, particularly in a case where a subsea BOP is deployed, could present operational or installation challenges. For example, if the well is not located in an ice scour area and the BOP system, including the LMRP, and the SSID are placed on the seafloor, then these pieces of equipment could get as tall as 88 feet when installed (BOP approximately 70 feet + SSID approximately 18 feet). In addition, the bottom of a ship's hull, in the case where a drillship is used, may extend as much as 40 feet into the water from the sea surface. Historically, drilling in the Beaufort Sea and the Chukchi Sea has occurred in waters less than 167 feet deep. With as much as 128 feet of water column taken up by the BOP system, SSID, and ship's hull, very little space remains for operations between the bottom of the ship and the top of the well control system. BSEE seeks comment on what sorts of challenges operators have faced or would anticipate facing in the scenario just described. BSEE would also like to know how operators addressed those challenges in the past or could address them for future operations, taking into account the unique characteristics and extreme conditions of the Arctic OCS.

BSEE is also generally seeking comment on its proposed changes to § 250.472. For example, BSEE is seeking comments on how well design could be better addressed in this rulemaking to enhance overall safety of operations on the Arctic OCS. Is the well design requirement proposed in paragraph (a) adequate to address the situations that may be encountered if a well is shut-in with an SSID over a winter season? As previously described, there could be cases where the wellbore pressure profile may increase to reservoir pressures at the top of the well over the course of a winter season. What other scenarios should BSEE consider that could occur in the well over the ice season that could be addressed in proposed paragraph (a)?

• **Proposed Paragraph (b)—Complying With § 250.472 by Having Access to a Relief Rig**

As discussed earlier, BSEE proposes to combine existing paragraphs (a) and (b) into a single, new paragraph (b),

Relief Rig, for organizational purposes because both existing paragraphs cover relief rigs. Combining existing paragraph (a) into proposed paragraph (b) would not be a substantive modification to BSEE's regulations because the specific requirements from existing paragraph (a) would remain unchanged. More specifically, the provision in existing paragraph (a) that requires the operator's relief rig to comply with all other requirements of 30 CFR part 250 that pertain to drill rig characteristics and capabilities, and requires the relief rig to be able to drill a relief well under anticipated Arctic OCS conditions, would be relocated to proposed paragraph (b)(1). The provision in existing paragraph (a) that provides that the Regional Supervisor may direct the operator to drill a relief well in the event of a loss of well control would be relocated to proposed paragraph (b)(2).

○ **Last Casing Point Prior To Penetrating a Zone Capable of Flowing Hydrocarbons in Measurable Quantities**

Substantively, BSEE proposes to revise the requirements in existing paragraph (b) that prescribe the availability of the relief rig. BSEE would maintain the requirement for the operator to have access to a relief rig, different from its primary drilling rig, when drilling or working below the surface casing. However, BSEE proposes to add a new provision to the newly rearranged proposed paragraph (b) stating "However, the Regional Supervisor will approve delaying access to your relief rig until your operations have reached the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, provided that you submit adequate documentation (such as, but not limited to, risk modeling data, off-set well data, analog data, seismic data), with your APD, demonstrating that you will not encounter any abnormally high-pressured zones or other geological hazards. The Regional Supervisor will base the determination on any documentation you provide as well as any other available data and information."

BSEE would also add new language at the beginning of existing paragraph (b) that says "*Relief Rig*. If you choose to satisfy this requirement by having access to a relief rig, you must have access to your relief rig at all times when you are drilling below or working below the surface casing during Arctic OCS exploratory drilling operations." This language would simply clarify that if the operator chooses to use a relief rig to comply with proposed § 250.472, it

must have access to its relief rig at all times when drilling below or working below the surface casing. The changes described in this paragraph would be shown as a general requirement in proposed paragraph (b).

BSEE's proposed revisions to paragraph (b) would potentially provide an opportunity for the operator to adjust the point in time during its operations when it must stage its relief rig. If the operator is able to demonstrate to BSEE that the operations it plans to conduct below the surface casing would not encounter any abnormally high-pressured or other geologic hazards before reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, then BSEE would allow the operator to delay staging of its relief rig until reaching that point.

The changes BSEE is proposing would make proposed paragraph (b) of § 250.472 and proposed paragraph (a) of § 250.471 consistent, with respect to providing a potential opportunity to the operator to delay access to its SCCE (as described in § 250.471(a)(1) and proposed § 250.471(a)(2) and (a)(3)) until its operations have reached the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, so long as the operator submits adequate documentation, with its APD, demonstrating that it will not encounter any abnormally high-pressured zones or other geologic hazards before that casing point.

The existing requirement in § 250.472(b) pertaining to the availability of a relief rig does not take into consideration that the operator may demonstrate, based on geologic and engineering analyses, that there could be zones below the surface casing that are not hydrocarbon-bearing or that have minimal or no potential to flow hydrocarbons in measurable quantities during drilling operations. In many cases, operators do not anticipate or encounter flowable hydrocarbons in measurable quantities until the target productive formation is reached. For example, a surface casing shoe setting depth for an Arctic OCS exploration well could be only 1,500 feet deep, but the hydrocarbon bearing formation may be thousands of feet deeper below that point. The existing regulations require the operator to stage its relief rig when drilling or working below the surface casing, even though geologic and engineering risk analyses the operator must submit as part of their APD may indicate that there is little or no potential for hydrocarbons to escape the formation and flow into the well prior

to reaching the targeted productive formation. In such circumstances, the operator could safely drill for thousands of feet below the surface casing without any identifiable need for a relief rig.

This proposed change would, when appropriate, eliminate the need for the operator to stage its relief rig while drilling through low risk, non-productive sections of the well below the surface casing. Arctic regional pore pressure modeling conducted by BOEM for an area in the Beaufort Sea identifies a general uniformity following an average pressure gradient (*i.e.*, normally pressured) up to approximately 7,500 feet to 8,500 feet, subsea. The typical reservoirs targeted for exploration in the Arctic are usually located at less than 8,000 feet. In the GOA, there are many different geological features that can affect the pressure profiles and potentially create abnormal pressures (*e.g.*, salt domes, and shallow water flow areas).

An extensive amount of geophysical data already exists for certain areas of both the Beaufort and Chukchi Sea Planning Areas, and there has been extensive drilling in certain areas of the Beaufort Sea Planning Area. In the known geologic conditions of the U.S. Arctic, operators have a good understanding of the locations of reservoirs that they will encounter, which can be relatively shallow and normally pressured to certain depths. Therefore, it may not be necessary to have a relief rig immediately available when drilling through zones below the surface casing that do not have abnormally high formation pressures or contain other geological hazards, and do not have the potential to flow hydrocarbons in measurable quantities as they are penetrated.

However, because geologic conditions are not uniformly normally pressured throughout the Arctic OCS, BSEE is maintaining the existing requirement to have the relief rig staged when drilling or working below the surface casing. At the same time, BSEE does not want to discount the possibility that future projects would not need to have the relief rig staged until reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons.

The criteria BSEE proposes to rely on—that the operator can demonstrate to BSEE that it will not encounter “abnormally high-pressured zones or other geologic hazards”—to determine whether to grant an exception accounts for those downhole risks that could lead to a blowout and may require the use of a relief rig. With respect to abnormally high-pressured zones, BSEE is concerned that there could be a case

where a kick (an influx, or flow, of formation fluid from the high-pressured zone entering into the wellbore) is not controlled and could lead to a blowout. While there are means of mitigating the risk of a kick, (*i.e.*, overbalanced drilling), the relief rig needs to be readily available if heavier weight drilling muds, the BOP and SSID, if applicable, fail to control the well.

There could be other geologic hazards, such as fractured or high permeability zones, that may also pose a risk, particularly if those zones contain hydrocarbons. A common risk for highly permeable or fractured zones can include the potential for lost circulation. This could cause a dynamic effect where drilling mud flows into the permeable formation and causing the circulating pressure to decrease below the zone’s pore pressure resulting in formation fluids flowing into the well bore. This may lead to a loss of well control. The relief rig needs to be readily available if heavier weight drilling muds, the BOP, and the capping stack, fail to control the well.

However, if the operator is able to demonstrate that a highly permeable or fractured zone is predicted to only contain water, BSEE would consider allowing the operator to delay the staging of its relief rig. Under this scenario, the operator would be able to use the diverter system in conjunction with the BOP system to maintain safety and environmental protection because it would be unlikely for hydrocarbons to be released into the environment. The diverter system consists of a mechanical device similar to a BOP annular preventer. The diverter system is used to divert gases, fluids, and other materials flowing from the well, away from facilities and personnel. Also, an operator would pump fluid loss materials into the well to bridge the formation to reduce its permeability and allow drilling muds to isolate the formation from the well. To permanently address the incident, the operator could also install a liner or set a new casing point at the interval where that highly permeable or fractured zone is located. As requested in the section-by-section discussion of § 250.471, BSEE would like to know whether there are more appropriate criteria, other than “abnormally high-pressured zones or other geologic hazards,” the Bureau should use to determine whether to allow the operator to delay its staging of the relief rig.

BSEE’s proposed regulatory language describing the types of documentation it would consider adequate to demonstrate that abnormally high-pressured zones or other geologic hazards would not be

encountered before reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities—“such as, but not limited to, risk modeling data, offset well data, analog data, seismic data”—is not meant to be an exhaustive list. BSEE would accept any other types of documentation the operator may provide that will help its demonstration. BSEE does not anticipate this submission requirement would lead to a significant IC burden on the operator because it is normal practice for operators to gather these types of information in order to develop and design an offshore exploration drilling project in the Arctic OCS. BSEE is requesting comment on what other types of information could be used to demonstrate the absence of abnormally pressured zones or other geologic hazards, and how burden on the operator could change—increase or decrease—if BSEE were to require its submission.

At the APD stage, BSEE would evaluate the operator’s documentation along with other accompanying geologic and engineering information/analyses that must be submitted as part of their APD. BSEE would also take into consideration any other available G&G information, such as information gathered from prior drilling operations in the area (*e.g.*, well log and pressure testing information), and any other applicable geophysical information (*e.g.*, seismic data). BSEE makes clear in its proposed regulatory language that the Regional Supervisor will base the determination for whether to allow the operator to delay staging of its relief rig on the documentation the operator submits as well as any other available data and information.

BSEE is also considering an alternative regulatory approach whereby the Bureau would instead revise existing paragraph (b) by replacing “surface casing” with “last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities.” This option would adjust the point in time during operations when the operator must stage its relief rig. This alternative regulatory change would, instead, require the operator to stage its relief rig before drilling below or working below the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities.

Under this regulatory option, BSEE would evaluate the geologic and engineering information/analysis the operator must submit as part of its APD, while also taking into consideration any other available G&G information the

Bureau may have (e.g., off-set well data, such as well logs and pressure testing information, or geophysical information, such as seismic data). Based on these different sources of information, BSEE would determine whether there may be a need for the operator to position the capping stack at an interval earlier than last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities.

There may be cases where the operator or BSEE may not have sufficient G&G or analogous well data during the permit review process on a proposed project to provide an adequate level of certainty regarding anticipated formations that may be encountered prior to reaching the targeted productive formation. Therefore, BSEE is also contemplating, as part of this regulatory option, a clarification that the Regional Supervisor may require the operator to stage its relief rig prior to drilling below or working below the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities if BSEE determines there is insufficient G&G or analogous well data.

For example, there may be insufficient G&G or analogous well data in cases where there have been a limited number of wells drilled within proximity to the planned well. In most cases, G&G and analogous well data are gathered from multiple sources. However, the same sets and amounts of data and information may not be available for each area, well, or project. There is no single set of criteria for determining the sufficiency of G&G or analogous well data. The more data that are available from sources near to the proposed drilling location, the greater confidence BSEE will have in the G&G interpretations. BSEE wants to ensure the operator has the most accurate data to make determinations about where the zones capable of flowing hydrocarbons in measurable quantities are located.

This alternative regulatory option would maintain the same level of safety and environmental protection in comparison to BSEE's proposed regulatory change. The decision on whether it is appropriate to delay positioning of the capping stack below the surface casing resides with BSEE. BSEE, ultimately, may not allow the operator to delay staging of the relief rig if there are potential risks below the surface casing that may require immediate relief rig deployment. However, the distinction under this regulatory option is that the operator would not need to specifically demonstrate that abnormally high-pressure zones or other geologic hazards would be encountered above

last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities. BSEE would be responsible for making that determination.

BSEE is specifically soliciting comments about its views of the benefits or disadvantages of this regulatory option and the need for the operator to verify on a case-by-case basis which zones are incapable of flowing hydrocarbons in measurable quantities.

○ Expected Seasonal Ice Encroachment at the Drill Site

In the 2015 proposed Arctic Exploratory Drilling Rule, BSEE determined that, because Arctic OCS exploratory drilling operations from a MODU take place only during the open water season (*i.e.*, that period of time in the summer and early fall when ice hazards can be physically managed and there is no continuous ice layer over the water), it was critical to ensure that drilling (including relief well drilling) and other operations affected by sea ice are concluded before ice encroachment. Ice encroachment may complicate or prevent drilling, transit, and oil spill response operations. However, the analysis from the Bratslavsky and SolstenXP 2018 study shows that the sea ice capabilities of an ice class MODU and its support vessels can extend the currently available open-water operating seasons in the Chukchi and Beaufort Seas, depending on the drilling location within each planning area (*id.* at 143). Therefore, BSEE proposes to eliminate the reference to "expected seasonal ice encroachment" at the drill site in existing paragraph (b). BSEE, however, would retain the requirement clarifying that the relief rig must be different than the operator's primary drilling rig and that the relief rig must be staged in a location such that it can arrive on site, drill a relief well, kill and abandon the original well, and abandon the relief well no later than 45 days after the loss of well control. This proposed regulatory change would effectively extend the drilling season in those cases where the operator's MODU and associated support vessels are capable of safely operating beyond the period when seasonal sea ice begins to encroach at a drill site. The operator would no longer need to plan for their well operations to end in time to complete a relief well prior to the date when sea ice is expected to encroach on the drill site. The operator would, instead, have to plan to end its operations with sufficient time to complete its relief well prior to the anticipated date when sea ice conditions at the drill site are

approaching the ice classification capability and rating limits of the operator's vessels.

The Bureau would evaluate the ice classification capabilities and limitations of the operator's MODU and associated support vessels using existing permitting and review processes. For example, through BOEM's EP review process, the operator is required under existing § 550.220(c)(6) to specify when it anticipates completing onsite operations and when it anticipates terminating drilling operations. In addition, § 550.220(c)(1) requires the operator to describe how it will design and conduct its exploratory drilling activities in a manner that accounts for Arctic OCS conditions. Furthermore, in the EP regulations at proposed § 550.220(c)(1), BOEM would require the operator to submit a description of how all vessels and equipment will be designed, built, and/or modified to account for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor. This preamble discusses this proposed regulatory change in more detail later. Collectively, this information provided in an EP would allow BOEM (in conjunction with BSEE) to evaluate the capability of the operator's equipment, including its vessels and procedures to manage and mitigate risks associated with Arctic OCS conditions.

At the APD stage, BSEE would also review the capabilities of the operator's MODU and associated supporting vessels. Existing paragraph (a)(2) of § 250.470, *What additional information must I submit with my APD for Arctic OCS exploratory drilling operations?* requires the operator to describe how it plans to prepare its equipment, materials, and drilling unit for service in the environmental, meteorological, and oceanic conditions it expects to encounter at the well site and how its drilling unit will be in compliance with the requirements of existing § 250.713, *What must I provide if I plan to use a Mobile Offshore Drilling Unit (MODU) for well operations.* Paragraph (d) of § 250.713 requires the operator, when using a MODU for well operations, to provide the current Certificate of Inspection (for U.S.-flag vessels) or Certificate of Compliance (for foreign-flag vessels) from the USCG, as well as a Certificate of Classification. The operator must also provide current documentation of any operational limitations imposed by an appropriate classification society. As discussed earlier in this section, the Bratslavsky and SolstenXP 2018 study notes that a vessel's capabilities are identified by the

ice classification for the vessel, which is provided by marine classification societies such as ABS and DNV GL. BSEE would evaluate the information required under existing §§ 250.470(a)(2) and 250.713(d), together with BOEM's approval of the operator's end-of-season date(s) in the EP, to verify whether the vessels' capabilities and limitations can support extending operations beyond when seasonal ice is expected to arrive at the drill site. However, in no case will BSEE approve a permit that proposes to use a vessel that does not meet the existing requirements of § 250.713, including providing a current certificate of inspection or compliance from the USCG.

Finally, while BSEE is proposing these revisions to § 250.472, BSEE is seeking comment on whether there are other appropriate approaches to well control operations in the Arctic, including alternative equipment/technology or performance standards. For example, although the NPC 2019 Report recommends accepting the use of an SSID in place of the requirement for SSRW capability, it also recommends replacing the relief rig and SSRW requirements with requirements that specify the desired outcome (*i.e.*, to stop the flow of a well and allow the operator to propose equivalent technology and demonstrate its capabilities). (NPC 2019 Report at 30).

Subpart G—Well Operations and Equipment

When and how must I secure a well? (§ 250.720)

BSEE proposes to delete the last sentence in existing paragraph (c)(2) that states “BSEE may approve an equivalent means that will meet or exceed the level of safety and environmental protection provided by a mudline cellar if the operator can show that utilizing a mudline cellar would compromise the stability of the rig, impede access to the well head during a well control event, or otherwise create operational risks.” In its place, BSEE proposes to insert a new sentence that states “You may request, and the Regional Supervisor may approve, an alternate procedure or equipment in accordance with §§ 250.141 and 250.408.” BSEE, however, would preserve the basic requirement in paragraph (c)(2) for the operator to use a mudline cellar or an equivalent means if there is indication of ice scour. The regulatory change BSEE is proposing in this section would make clear that BSEE could approve the equivalent means of doing so in accordance with §§ 250.141, *May I ever use alternate procedures or*

equipment? and 250.408, *May I use alternate procedures or equipment during drilling operations?*

The new language that BSEE proposes to insert reiterates longstanding regulatory provisions contained in §§ 250.141 and 250.408 that describe what procedures the operator must follow and standards it must meet to receive BSEE's approval of a request to use alternate procedures or equipment to those required by regulation. Section 250.141 allows the BSEE District Manager or Regional Supervisor to approve the use of any alternate procedures or equipment that the operator may propose if the proposal provides a level of safety and environmental protection that equals or surpasses BSEE's current requirements. It also describes the types of information the operator must submit or present to BSEE when requesting to use alternate procedures or equipment. Section 250.408 requires the operator to identify and discuss their proposed alternate procedures or equipment in their APD.

Since the issuance of the 2016 Arctic Exploratory Drilling Rule, BSEE learned that there is an industry misconception that the last sentence in existing paragraph (c)(2) means that the operator would be required to use a mudline cellar in all cases, except when the operator can prove that the mudline cellar would present an operational risk—effectively narrowing the scope of §§ 250.141 and 250.408 in this context. However, BSEE did not intend that language to constrain the contexts in which operators could seek approval of alternatives to the mudline cellar requirement. Rather, in response to commenters expressing concern that use of a mudline cellar may create operational risks in certain contexts, BSEE introduced that language to make clear that alternate approaches were available in those contexts, while at the same time highlighting the general flexibility available under § 250.141, *May I ever use alternate procedures or equipment?* (see 81 FR 46507 and 46510). The last sentence in existing paragraph (c)(2) was not intended to, and did not, restrict or preclude use of the longstanding options for seeking approval of alternate procedures or equipment under §§ 250.141 and 250.408, which do not necessarily require a demonstration of operational risk. Thus, this proposed change would clarify that the operator has more flexibility to propose alternate solutions to the mudline cellar requirement under a broader range of circumstances than those described in the last sentence of existing § 250.720(c)(2). An operator could still base such a request on the

same grounds that BSEE described in the language that we propose to delete (*i.e.*, that installation of a mudline cellar in a specific case would cause operational risks).

What are the real-time monitoring requirements? (§ 250.724)

BSEE proposes to modify paragraph (a) of § 250.724 by adding “all Arctic OCS drilling operations” to the list of environments/cases where this section's BOP real-time monitoring requirements would apply. The intent for this proposed modification is to complement BSEE's proposal to remove all the Arctic OCS's BOP real-time monitoring requirements in § 250.452. The 2016 Arctic Exploratory Drilling Rule established real-time monitoring requirements specific to the Arctic OCS, which were tailored to be consistent with the real-time monitoring requirements established by the 2016 WCR. However, since 2016, the WCR's real-time monitoring requirements in this section have been updated, but without a consistency-update to the Arctic OCS's BOP real-time monitoring requirements § 250.452. It is not necessary to have two separate real-time monitoring requirements for BOPs used on the OCS. Therefore, BSEE is proposing to account for Arctic OCS drilling operations in this section to ensure consistent application of BOP real-time monitoring requirements throughout the OCS.

Title 30, Chapter II, Subchapter B, Part 254

Oil-Spill Response Requirements for Facilities Located Seaward of the Coast Line

Subpart A—General

Definitions. (§ 254.6)

BSEE proposes to revise the definition of “Arctic OCS” in Part 254 to be consistent with the proposed changes to the definition of the same term used in 30 CFR part 250 and 30 CFR part 550. As previously mentioned, the Bureaus are proposing to modify the existing definition of “Arctic OCS” to mean all OCS oil and gas planning areas that include any portion of their geographic extent located north of 66°33' N latitude. This proposed change would make the oil-spill response requirements in Subpart E of Part 254 applicable to proposed exploration activities in the new High Arctic Planning Area and existing Hope Basin Planning Area, in addition to the Beaufort Sea and Chukchi Sea planning areas. The High Arctic and Hope Basin planning areas experience the same type of Arctic weather conditions, *i.e.*,

extreme cold, freezing spray, snow, and sea ice, as the Beaufort Sea and Chukchi Sea planning areas. Therefore, it is appropriate to expand the definition of the “Arctic OCS” to make the development requirements for all four planning areas consistent. As BOEM has acknowledged throughout the planning process for the 11th National OCS Oil and Gas Leasing Draft Proposed Program, BOEM estimates the High Arctic to have negligible resource quantities and Hope Basin to have measured resource potential but negligible development value.

Subpart E—Oil-Spill Response Requirements for Facilities Located on the Arctic OCS

What are the additional requirements for facilities conducting exploratory drilling from a MODU on the Arctic OCS? (§ 254.70)

BSEE proposes to make a minor clarification to paragraph (c) of § 254.70 by replacing the term “Regional Supervisor” with “Chief of the Oil Spill Preparedness Division.” BSEE’s OSPD is the office responsible for administering OSRP-holder reviews.

B. Key Revisions Proposed by BOEM

Title 30, Chapter V, Subchapter B, Part 550, Subpart B—Plans and Information Definitions. (§ 550.105)

BOEM is proposing to modify the existing definition of the “Arctic OCS” to mean all OCS oil and gas planning areas that include any portion of their geographic extent located north of 66°33’ N latitude. This proposed change would make the High Arctic Planning Area and existing Hope Basin Planning Area parts of the Arctic OCS, thus, subjecting the requirements promulgated by the 2016 Arctic Exploratory Drilling Rule and the changes proposed in this rulemaking to exploration activities in those areas and the Beaufort Sea and Chukchi Sea planning areas. In April of 2025, as part of its efforts to establish the 11th National OCS Oil and Gas Leasing Program, BOEM revised the OCS planning areas used for agency planning and administrative purposes for oil and gas activities to reflect jurisdictional changes since they were last updated. This included the establishment of a new High Arctic Planning Area. The High Arctic Planning Area is located to the north of the Beaufort Sea Planning Area and Chukchi Sea Planning Area, and the Hope Basin Planning Area is located to the southwest of the Chukchi Sea Planning Area. The High Arctic and Hope Basin planning areas experience the same type of Arctic weather

conditions, *i.e.*, extreme cold, freezing spray, snow, and sea ice, as the Beaufort Sea and Chukchi Sea planning areas. Therefore, it is appropriate to expand the definition of the “Arctic OCS” to make the development requirements for all four planning areas consistent.

BOEM is also proposing to modify the definition of the term “Arctic OCS conditions.” In the definition, BOEM would replace “on the Arctic OCS” at the end of the first sentence with “throughout the Alaska OCS region.” BOEM would also replace “characteristic of the Arctic region” at the end of the last sentence with “characteristics present throughout the Alaska OCS region.” These proposed changes recognize that extreme cold, freezing spray, snow, extended periods of low light, strong winds, dense fog, sea ice, strong currents, and dangerous sea-state conditions are not only experienced in Arctic waters. They may also occur throughout the Alaska OCS region. These changes are consistent with BSEE’s proposed changes to the same term referenced at § 250.105.

Definitions. (§ 550.200)

BOEM is proposing to eliminate the definition of the term “Integrated Operations Plan,” consistent with the proposal to eliminate the requirement for the operator to submit an IOP for the reasons listed immediately below.

Removal of the IOP Requirement (§ 550.204)

The 2016 Arctic Exploratory Drilling Rule discussed how commenters generally criticized the IOP provision as being duplicative or redundant of existing requirements (*see* 81 FR at 46492–46493). In 2016, when the rule was adopted, BOEM disagreed with these commenters and published responses to the commenters in the preamble. In its responses, BOEM discussed how the IOP was distinct from existing regulations, the importance of contractor management as it related to the IOP provisions, and the BOEM Regional Director’s ability to waive submission of required information in the EP that was already provided in the IOP. Circumstances have changed since the IOP requirement was originally adopted. The various Federal agencies have improved their coordination to such an extent that BOEM believes there is no need for operators to create and submit a separate IOP for that purpose. Much of the required content of the two documents overlaps, and in the 2016 rulemaking itself, BOEM added requirements that the EP include additional information that make this

overlap even greater. BOEM is now proposing to keep two important provisions from the IOP and incorporate them into the requirements for EPs. The first provision would reinforce BOEM’s commitment to operational safety, while the second provision would require the operator to provide details of how its operations would conform to the unique circumstances of the Arctic OCS. Taken together, the enhancements to BOEM’s regulations made in connection with the 2016 Arctic Exploratory Drilling Rule and the retention of these key provisions from the IOP make the IOP unnecessary and redundant.

For these reasons, BOEM proposes to eliminate the requirement for preparing and submitting the IOP. In doing so, BOEM would delete all of § 550.204, and remove corresponding references to the IOP from §§ 550.200 and 550.206. Currently, BOEM requires the operator to submit an IOP at least 90 days before filing an EP with BOEM. The IOP is not subject to agency approval. BOEM developed the IOP requirement based on the Report to the Secretary of the Interior, Review of Shell’s 2012 Alaska Offshore Oil and Gas Exploration Program, prepared by DOI (60-Day Report), March 2013,¹⁸ which included¹⁹ the following recommendation:

All phases of an offshore Arctic program—including preparations, drilling, maritime and emergency response operations—must be integrated and subject to strong operator management and government oversight. (60-day report, p. 3).

The information provided in the IOP was intended to facilitate the prompt sharing of information among the relevant Federal agencies (*e.g.*, BOEM, BSEE, U.S. Fish and Wildlife Service, USCG, National Marine Fisheries Service, U.S. Army Corps of Engineers, and EPA). Standing BOEM practice (LP–SOP–06 Standard Operating Procedure for Exploration Plans) in the Anchorage, Alaska OCS Office is to inform other agencies about an operator’s EP, well in advance of the completeness review (*i.e.*, the deemed submitted determination) for the EP. BOEM successfully did so prior to the 2016 implementation of the IOP requirement.

The IOP requirement does not supersede or supplant the operator’s obligation to comply with all other

¹⁸ Available at: <https://www.doi.gov/sites/doi.gov/files/migrated/news/pressreleases/upload/Shell-report-3-8-13-Final.pdf>.

¹⁹ Report to the Secretary of the Interior, Review of Shell’s 2012 Alaska Offshore Oil and Gas Exploration Program, prepared by DOI (60-Day Report), March 2013, available at: <https://www.doi.gov/sites/doi.gov/files/migrated/news/pressreleases/upload/Shell-report-3-8-13-Final.pdf>.

applicable Federal agency requirements. As described in the 2016 Arctic Exploratory Drilling Rule, the IOP process does not provide a mechanism for agencies to approve or disapprove the operator's proposed activities. BOEM has no authority under the IOP provision other than to make unenforceable suggestions to the operator. If BOEM or another agency determined that an operator was failing to engage in the needed integrated planning in advance of EP submission, BOEM could only compel an operator to do so through the EP review process.

The 2016 Arctic Exploratory Drilling Rule added informational requirements for EPs to address key concerns that motivated the IOP, as shown in Table 1, "Crosswalk between the IOP provisions proposed for removal and existing EP regulations and review practices." Because this information is required in the EP, operators should be aware that they must plan for how they will manage contractors to reduce operational risks and address the challenges associated with operations on the Arctic OCS. The EP regulations are clear that the operator must plan to coordinate the work of a number of contractors to ensure that time pressure, or other contractor complications, do not undermine safe and environmentally responsible operations. In particular, proposed § 550.220(c)(1)

would require the operator to describe in the EP how it will design and conduct its exploratory drilling activities, and how it will manage and oversee these activities as an integrated endeavor. BOEM does not need, and nothing in OCSLA requires, an operator to inform Federal agencies about its planning on these issues in advance of an EP. The EP, however, will make evident whether the operator has done so, and if the EP does not address the operators' planning on all the required elements, BOEM will return the EP to the operator to include the requisite information in accordance with existing § 550.231(b).

As part of the 2016 Arctic Exploratory Drilling Rule, BOEM expanded the regulatory criteria for EPs to include information important for planning Arctic exploratory drilling. Specifically, BOEM expanded requirements for: emergency plans at existing § 550.220(a), the EP's suitability for Arctic OCS conditions at proposed § 550.220(c)(1), ice and weather management at existing § 550.220(c)(2), SCCE capabilities at existing § 550.220(c)(3), deployment for a relief rig at proposed § 550.220(c)(4), resource-sharing at existing § 550.220(c)(5), and anticipated end of seasonal operation dates at existing § 550.220(c)(6).

BOEM's EP and EIA requirements at existing § 550.202, *What criteria must*

the Exploration Plan (EP), Development and Production Plan (DPP), or Development Operations Coordination Document (DOCD) meet?, existing paragraphs (a) and (c) of § 550.211, *What must the EP include?*, existing paragraph (c) of § 550.216, *What biological, physical, and socioeconomic information must accompany the EP?*, existing paragraphs (a) and (b) of § 550.219, *What oil and hazardous substance spills information must accompany the EP?*, existing paragraphs (b), (c)(2), and (c)(5) of § 550.220, *If I propose activities in the Alaska OCS Region, what planning information must accompany the EP?*, proposed paragraph (c)(1) of § 550.220, existing paragraph (a) of § 550.224, *What information on support vessels, offshore vehicles, and aircraft you will use must accompany the EP?*, and existing paragraph (b)(7) of § 550.227, *What environmental impact analysis (EIA) information must accompany the EP?* require the operator to address issues that the operator also needs to consider in preparing the IOP. The following table provides a detailed analysis of how the key operational provisions of the IOP are addressed in BOEM's existing regulations, and why the key safety provisions of the IOP will continue to be fully addressed by other provisions within BOEM's regulations:

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Table 1. Crosswalk between the IOP provisions proposed for removal and existing EP regulations and review practices

IOP provision proposed for removal	Coverage in BOEM's continuing regulations, operator EPs, and review practices
§ 550.204(a). A description of how all vessels and equipment will be designed, built, and/or modified to account for Arctic OCS conditions;	§ 550.220 (c)(1) <i>Suitability for Arctic OCS conditions</i> . A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor.
§ 550.204(b). A schedule of your exploratory drilling program, including contractor work on critical components of your program;	§ 550.211(a) A description, discussion of the objectives, and tentative schedule (from start to completion) of the exploration activities that you propose to undertake. Examples of exploration activities include exploration drilling, well test flaring, installing a well protection structure, and temporary well abandonment.
§ 550.204(c). A description of your mobilization and demobilization operations, including tow plans that account for Arctic OCS conditions; as well as your general maintenance schedule for vessels and equipment;	§ 550.220(c)(1) <i>Suitability for Arctic OCS conditions</i>. A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor. § 550.220(c)(2) A description of your weather and ice forecasting and management plans for all phases of your exploratory drilling activities, including: (i) A description of how you will respond to and manage ice hazards and weather events; (ii) Your ice and weather alert procedures; (iii) Your procedures and thresholds for activating your ice and weather management system(s); and (iv) Confirmation that you will operate ice and weather management and alert systems continuously throughout the planned operations, including mobilization and demobilization operations to and from the Arctic OCS. § 550.224(a) A description of the crew boats, supply boats, anchor handling vessels, tug boats, barges, ice management vessels, other vessels, offshore vehicles, and aircraft you will use to support your exploration activities. The description of vessels and offshore vehicles must estimate the storage capacity of their fuel tanks and the frequency of their visits to your drilling unit. § 550.202 What criteria must the Exploration Plan (EP), Development and Production Plan (DPP), or Development Operations Coordination Document (DOCD) meet? (a) Conforms to the Outer Continental Shelf Lands Act as amended (Act), applicable implementing regulations, lease provisions and stipulations, and other Federal laws; (b) Is safe; (c) Conforms to sound conservation practices and protects the rights of the lessor; (d) Does not unreasonably interfere with other uses of the OCS, including those involved with National security or defense; and (e) Does not cause undue or serious harm or damage to the human, marine, or coastal environment.

IOP provision proposed for removal	Coverage in BOEM's continuing regulations, operator EPs, and review practices
§ 550.204(d). A description of your exploratory drilling program objectives and timelines for each objective, including general plans for abandonment of the well(s), such as: (1) Contingency plans for temporary abandonment in the event of ice encroachment at the drill site; (2) Plans for permanent abandonment; and (3) Plans for temporary seasonal abandonment.	§ 550.211(a) A description, discussion of the objectives, and tentative schedule (from start to completion) of the exploration activities that you propose to undertake. Examples of exploration activities include exploration drilling, well test flaring, installing a well protection structure, and temporary well abandonment. § 550.220(c)(1) <i>Suitability for Arctic OCS conditions.</i> A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor. § 550.220(c)(2) A description of your weather and ice forecasting and management plans for all phases of your exploratory drilling activities, including: (i) A description of how you will respond to and manage ice hazards and weather events; (ii) Your ice and weather alert procedures; (iii) Your procedures and thresholds for activating your ice and weather management system(s); and (iv) Confirmation that you will operate ice and weather management and alert systems continuously throughout the planned operations, including mobilization and demobilization operations to and from the Arctic OCS. § 550.220(c)(6)(ii) (as being proposed herein) The termination of drilling operations consistent with the well control planning requirements under § 250.472 of this title.
§ 550.204(e). A description of your weather and ice forecasting capabilities for all phases of the exploration program, including a description of how you would respond to and manage ice hazards and weather events.	§ 550.220(c)(2) A description of your weather and ice forecasting and management plans for all phases of your exploratory drilling activities, including: (i) A description of how you will respond to and manage ice hazards and weather events; (ii) Your ice and weather alert procedures; (iii) Your procedures and thresholds for activating your ice and weather management system(s); and (iv) Confirmation that you will operate ice and weather management and alert systems continuously throughout the planned operations, including mobilization and demobilization operations to and from the Arctic OCS. § 550.220(b) Critical operations and curtailment procedures. The procedures must identify ice conditions, weather, and other constraints under which the exploration activities will either be curtailed or not proceed.
§ 550.204(f). A description of work to be performed by contractors supporting your exploration drilling program (including mobilization and demobilization), including: (1) How such work will be designed or modified to account for Arctic OCS conditions; and (2) Your concepts for contractor management, oversight, and risk management.	§ 550.220 (c)(1) <i>Suitability for Arctic OCS conditions.</i> A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor. § 550.220(c)(2) A description of your weather and ice forecasting and management plans for all phases of your exploratory drilling activities.

IOP provision proposed for removal	Coverage in BOEM's continuing regulations, operator EPs, and review practices
	§ 550.202 What criteria must the Exploration Plan (EP), Development and Production Plan (DPP), or Development Operations Coordination Document (DOCD) meet? (a) Conforms to the Outer Continental Shelf Lands Act as amended (Act), applicable implementing regulations, lease provisions and stipulations, and other Federal laws; (b) Is safe; (c) Conforms to sound conservation practices and protects the rights of the lessor; (d) Does not unreasonably interfere with other uses of the OCS, including those involved with National security or defense; and (e) Does not cause undue or serious harm or damage to the human, marine, or coastal environment.
§ 550.204(g). A description of how you will ensure operational safety while working in Arctic OCS conditions, including but not limited to: (1) The safety principles that you intend to apply to yourself and your contractors; (2) The accountability structure within your organization for implementing such principles; (3) How you will communicate such principles to your employees and contractors; and (4) How you will determine successful implementation of such principles.	§ 550.211(c) A description of the drilling unit and associated equipment you will use to conduct your proposed exploration activities, including a brief description of its important safety and pollution prevention features, and a table indicating the type and the estimated maximum quantity of fuels, oil, and lubricants that will be stored on the facility (see definition of "facility" under § 550.105(3)). § 550.220 (c)(1) <i>Suitability for Arctic OCS conditions.</i> A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor.
§ 550.204(h). Information regarding your preparations and plans for staging of oil spill response assets;	§ 550.219 What oil and hazardous substance spills information must accompany the EP? The following information regarding potential spills of oil (see definition under § 254.6) and hazardous substances (see definition under 40 CFR part 116) as applicable, must accompany your EP: (a) Oil spill response planning. The material required under paragraph (a)(1) or (a)(2) of this section: (1) An Oil Spill Response Plan (OSRP) for the facilities you will use to conduct your exploration activities prepared according to the requirements of 30 CFR part 254, subpart B; or (2) Reference to your approved regional OSRP (see § 254.3) to include: (i) A discussion of your regional OSRP; (ii) The location of your primary oil spill equipment base and staging area; (iii) The name(s) of your oil spill removal organization(s) for both equipment and personnel; (iv) The calculated volume of your worst-case discharge scenario (see § 254.26(a)), and a comparison of the appropriate worst case discharge scenario in your approved regional OSRP with the worst case discharge scenario that could result from your proposed exploration activities; and (v) A description of the worst-case discharge scenario that could result from your proposed exploration activities (see § 254.26(b), (c), (d), and (e)).

IOP provision proposed for removal	Coverage in BOEM's continuing regulations, operator EPs, and review practices
	(b) Modeling report. If you model a potential oil or hazardous substance spill in developing your EP, a modeling report or the modeling results, or a reference to such report or results if you have already submitted it to the Regional Supervisor.
§ 550.204(i). A description of your efforts to minimize impacts of your exploratory drilling operations on local community infrastructure, including but not limited to housing, energy supplies, and services;	§ 550.216 What biological, physical, and socioeconomic information must accompany the EP? (c) Socioeconomic study reports. The operator must analyze the socioeconomic resources in its environmental impact analysis (§ 550.227(b)(7)) § 550.227 What environmental impact analysis (EIA) information must accompany the EP? (b) Resources, conditions, and activities. Your EIA must describe those resources, conditions, and activities listed below that could be affected by your proposed exploration activities, or that could affect the construction and operation of facilities or structures, or the activities proposed in your EP. (7) Socioeconomic resources including employment, existing offshore and coastal infrastructure (including major sources of supplies, services, energy, and water), land use, subsistence resources and harvest practices, recreation, recreational and commercial fishing (including typical fishing seasons, location, and type), minority and lower income groups, and coastal zone management programs;
§ 550.204(j). A description of whether and to what extent your project will rely on local community workforce and spill cleanup response capacity.	§ 550.220 (c)(5) Resource-sharing. Any agreements you have with third parties for the sharing of assets or the provision of mutual aid in the event of an oil spill or other emergency. § 550.219 What oil and hazardous substance spills information must accompany the EP? The following information regarding potential spills of oil (see definition under § 254.6) and hazardous substances (see definition under 40 CFR part 116) as applicable, must accompany your EP: (a) Oil spill response planning. The material required under paragraph (a)(1) or (a)(2) of this section: (1) An Oil Spill Response Plan (OSRP) for the facilities you will use to conduct your exploration activities prepared according to the requirements of 30 CFR part 254, subpart B; or (2) Reference to your approved regional OSRP (see § 254.3) to include: (i) A discussion of your regional OSRP; (ii) The location of your primary oil spill equipment base and staging area; (iii) The name(s) of your oil spill removal organization(s) for both equipment and personnel; (iv) The calculated volume of your worst-case discharge scenario (see § 254.26(a)), and a comparison of the appropriate worst case discharge scenario in your approved regional OSRP with the

IOP provision proposed for removal	Coverage in BOEM’s continuing regulations, operator EPs, and review practices
	worst case discharge scenario that could result from your proposed exploration activities; and (v) A description of the worst-case discharge scenario that could result from your proposed exploration activities (see § 254.26(b), (c), (d), and (e)). (b) Modeling report. If you model a potential oil or hazardous substance spill in developing your EP, a modeling report or the modeling results, or a reference to such report or results if you have already submitted it to the Regional Supervisor. § 550.227 What environmental impact analysis (EIA) information must accompany the EP? (b) Resources, conditions, and activities. Your EIA must describe those resources, conditions, and activities listed below that could be affected by your proposed exploration activities, or that could affect the construction and operation of facilities or structures, or the activities proposed in your EP. (7) Socioeconomic resources including employment, existing offshore and coastal infrastructure (including major sources of supplies, services, energy, and water), land use, subsistence resources and harvest practices, recreation, recreational and commercial fishing (including typical fishing seasons, location, and type), minority and lower income groups, and coastal zone management programs;

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The following information that was previously required as part of the IOP submission, but not included in the EP

requirements, is proposed to be added to relevant sections of the EP:

Table 2. Crosswalk between existing IOP provisions and proposed new provisions

EXISTING REGULATION TEXT	NEW PROVISION
§ 550.204(a) A description of how all vessels and equipment will be designed, built, and/or modified to account for Arctic OCS conditions;	§ 550.220(c)(1) A description of how your exploratory drilling will be designed and conducted, (including how all vessels and equipment will be designed built, and/or modified) to account for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor. In your description of vessel modifications, describe any approvals from the flag state and the vessel classification society, including any allowances or limitations placed upon the vessel by the classification society and/or the United States Coast Guard.
§ 550.204(g) A description of how you will ensure operational safety while working in Arctic OCS conditions, including but not limited to: (1) The safety principles that you intend to apply to yourself and your contractors; (2) The accountability structure within your organization for implementing such principles; (3) How you will communicate such principles to your employees and contractors; and (4) How you will determine successful implementation of such principles.	§ 550.211(b) A general description of how you will comply with §§ 250.1909-1914 of this title to ensure operational safety while working in Arctic OCS conditions.

To the extent that there is not an exact correlation between the information required in the IOP and that required in the EP, the Bureaus believe that the additional information required in the IOP that is not in the EP is not necessary and certainly not necessary in advance of the EP.

Furthermore, the BOEM Anchorage, Alaska OCS Office meets with other relevant agencies, before an EP is submitted or deemed submitted. Although BOEM previously argued that the IOP would not delay, but in fact, speed development by encouraging earlier review and coordination between regulatory agencies, BOEM no longer believes that is the case. While it is true that the IOP might speed up BOEM's review and approval of an EP, by encouraging earlier review and coordination among agencies, such acceleration would not shorten the overall planning process undertaken by the operator to prepare and submit an EP. The operator should conduct the same degree of planning with or without an IOP, because such planning is necessitated by the EP requirements. The IOP merely shifts some of the agency review to earlier in the process. With or without a prescriptive requirement for an IOP, the operator's thorough advance planning and coordination between BOEM, the operator, and other agencies prior to

submission, will result in fewer unexpected issues overall. In practice, the entire planning process from initial concept to actual drilling should be the same, with or without an IOP. What is more important in terms of timeline, is the detailed work the operator would conduct in preparing and submitting a well-crafted EP.

How do I submit the EP, DPP, or DOCD? (§ 550.206)

BOEM proposes to delete all references to the IOP in this section. The substantive provisions of this section that relate to EPs, DPPs, and DOCDs would remain unchanged.

What must the EP include? (§ 550.211)

BOEM proposes to remove existing § 550.204(g) and add a new provision to § 550.211 as a new paragraph (b) that would require the operator to provide a general description of how it will comply with 30 CFR 250.1909–250.1914 to ensure operational safety while working in Arctic OCS conditions. All other provisions of § 550.211 would remain unchanged, with the exception of renumbering the paragraphs after new paragraph (b). The provision BOEM proposes to remove from § 550.204(g) requires a description of the operational safety procedures that the operator has developed specific to conditions relevant on the Arctic OCS (without particular reference to 30 CFR

250.1909–250.1914). These requirements were previously included in the IOP and not specifically enumerated as part of the requirements for an EP, although similar, more general requirements are already part of paragraphs (a), Description, objectives, and schedule, and (c), Drilling unit of this section. Existing paragraph (c) states:

Drilling unit. A description of the drilling unit and associated equipment you will use to conduct your proposed exploration activities, including a brief description of its important safety and pollution prevention features, and a table indicating the type and the estimated maximum quantity of fuels, oil, and lubricants that will be stored on the facility (see definition of “facility” under § 550.105(3)).

Without the current IOP provisions, the applicant would already need to have the information required by paragraph (c) in order to comply with BSEE's regulations that currently require operators to develop, implement, and maintain a SEMS program (Subpart S, §§ 250.1900 to 250.1933), and as a result, removing the requirements from §§ 550.204(g) and adding a new provision to § 550.211 that references existing 30 CFR 250.1909–250.1914 does not add any burden.

Referencing 30 CFR 250.1909–250.1914 as part of the requirements for exploratory drilling on the Arctic OCS ensures BOEM receives important

information about the operator's SEMS program early in the process and ensures consistency with the goals of this rulemaking to better align BOEM's requirements with those of BSEE. The following is a description of the provision that would be removed from § 550.204(g). Existing § 550.204(g) requires a description of how an operator will ensure operational safety while working in Arctic OCS conditions, including but not limited to:

- (i) The safety principles that it intends to apply to itself and its contractors;
- (ii) The accountability structure within its organization for implementing such principles;
- (iii) How it will communicate such principles to its employees and contractors; and

- (iv) How it will determine successful implementation of such principles.

The SEMS regulations at §§ 250.1909–250.1914 describe the information that must be included in an operator's SEMS program, including what:

- (i) General responsibilities the operator's management has over the SEMS program (§ 250.1909);
- (ii) Safety and environmental information is required in the SEMS program (§ 250.1910);
- (iii) Hazards analysis criteria the SEMS program must meet (§ 250.1911);
- (iv) Criteria for management of change and for operating procedures the SEMS program must meet (§§ 250.1912 and 250.1913, respectively); and
- (vi) Criteria for safe work practices and contractor selection must be documented in the SEMS program (§ 250.1914).

These BSEE-administered sections address the topics that would be removed from § 550.204(g). As such, this addition to § 550.211 will not impose any new burden on lessees or operators.

BOEM believes that receiving important information regarding safety and environmental protection is a necessary part of ensuring that energy exploration and development activity is safe and environmentally responsible.

If I propose activities in the Alaska OCS Region, what planning information must accompany the EP? (§ 550.220)

BOEM proposes to revise paragraphs (c)(1), (c)(4), and (c)(6)(ii) of § 550.220 to conform to BSEE's proposed changes to § 250.472, *What are the additional well control equipment or relief rig requirements for the Arctic OCS?*

Existing paragraph (c)(1) of § 550.220 would be revised to add text to account for the text in existing § 550.204(a), which would be removed. The text of the current § 550.220(c)(1) reads: "(1)

Suitability for Arctic OCS conditions. A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor." The text of the current § 550.204 (a) reads: "A description of how all vessels and equipment will be designed, built, and/or modified to account for Arctic OCS conditions." With the elimination of § 550.204, BOEM proposes to combine the requirements of these two sections into a revised § 550.220(c)(1) that reads as follows:

(c)(1) A description of how your exploratory drilling will be designed and conducted, (including how all vessels and equipment will be designed, built, and/or modified) to account for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor. In your description of vessel modifications, describe any approvals from the flag state and the vessel classification society, including any allowances or limitations placed upon the vessel by the classification society and/or the United States Coast Guard.

BOEM is proposing to add a new informational requirement for modified vessels. BOEM is seeking to confirm that the operator meets the requirements of other entities with authority over vessels, not to impose requirements on those vessels. Although this revised paragraph would appear to add new requirements, in fact this revision would simply clarify and formalize the existing arrangements between BOEM and these other entities. This provision is proposed in order to avoid any potential confusion that might otherwise arise regarding the incorporation of the existing IOP requirements into the EP and how they may relate to the regulations and jurisdiction of the USCG, or the flag state of the vessel. According to this proposed revision, for vessel modifications, the operator would describe any approvals from the flag state and vessel classification society and include in that description any allowances or limitations placed upon the vessel by the classification society and/or USCG. Vessel modifications may include the suitability of vessels for Arctic conditions. These vessels may have or acquire classification from a "recognized organization" under the USCG's ACP.²⁰ This specification provides the operator with guidance on what information the EP should contain to show that its vessels would be able to operate safely in the Arctic OCS. The

²⁰ 46 U.S.C. 3316 and 46 CFR part 8, subpart D implement the USCG's ACP.

specification would also show that BOEM is not duplicating regulations from USCG by acknowledging that the flag state, USCG, and/or the classification society have authority for approvals, allowances, and limitations placed upon modified vessels. For these reasons, this change would impose no material additional burden on lessee or operators beyond that which already exists and which has already been accounted for in the IC burden for this section.

To ensure consistency with BSEE's proposed regulatory changes, BOEM is proposing to revise paragraphs (c)(4) and (c)(6)(ii) by requiring the operator to provide a general description of how they will comply with § 250.472, including a description of the termination of their operations. BSEE is proposing to revise § 250.472 to provide the operator with the option to either use an SSID or have access to a relief rig, as an additional means to secure the well in the event of a loss of well control, if the operator will be conducting exploratory drilling operations from a MODU.

III. Additional Comments Solicited

To assist the Bureaus in these revisions, we are requesting public comments on specific issues discussed in the preamble. We will consider these comments while developing final regulations. To provide necessary context, we included the requests for public comments in appropriate locations throughout the preamble. For ease of commenting, we consolidated the requests for comments in this section of the preamble. While the Bureaus are soliciting comment on specific topics associated with the proposed rule, the bureaus welcome the public to submit information or comment on any other topics relevant to this rulemaking that may not necessarily pertain to the bureaus' specific solicitation. At this stage, the bureaus are open to considering any option that would improve the regulatory changes proposed, including maintaining the original requirement as part of the final rule. In all cases, please provide supporting reasons and data for your responses.

(i) *Well Design When Using an SSID* (§ 250.472(a))—BSEE is seeking comments on how well design could be better addressed in this rulemaking to enhance the overall safety of operations on the Arctic OCS. More specifically, BSEE would like to know whether the well design requirement in proposed § 250.472(a) is adequate to address situations the operator may encounter if a well is shut-in with an SSID over an

entire winter season (e.g., six to nine months). These situations could include cases where the wellbore pressure profile may increase to reservoir pressures at the top of the well over the course of the winter season. BSEE would also like to know whether there are other scenarios that may occur in a shut-in well over the ice season.

(ii) *SSID Efficacy Relative to the Relief Rig and SSRW*—BSEE is proposing to revise the relief rig and SSRW requirement with the intent to minimize environmental damage due to a prolonged ongoing well control event. When drilling a relief well, there is a delay in stopping the uncontrolled flow of oil and other fluid into the marine environment while relief well drilling operations are taking place. When properly functioning as designed, there is usually no delay for operational use of an SSID compared to the process of utilizing the relief rig or capping stack. If the SSID does not initially function, the SSID may still be activated through the ROV intervention equipment and capabilities that BSEE is proposing as a SSID design requirement. The SSID would operate independently from the BOP. By having two independent, redundant components, as part of the well control system, the overall reliability and effectiveness of the entire system increases. BSEE would like to know of any cases or data, in addition to what we have already discussed in the preamble, regarding the performance and reliability of the SSID and its effectiveness compared to drilling a relief well.

(iii) NPC Report and Bratslavsky and SolstenXP 2018 Study—The NPC 2019 Report and the Bratslavsky and SolstenXP 2018 study have been valuable tools that were not available when promulgating the 2016 Arctic Exploratory Drilling Rule. Further, new information may be available since the publication of these reports. BSEE requests the public to provide additional information or clarification (including any updated information) related to those portions of these reports that the Bureau relied upon in this rulemaking. BSEE is not aware of any new applicable studies or research, particularly since there have been no developments in the Arctic OCS from MODUs since 2015.

(iv) *SSID Capability to Preserve Isolation Over the Winter Season* (§ 250.472(a)(1)(iv))—BSEE proposes to require that the SSID must be capable of preserving isolation through the winter season without solely relying on the elastomer elements of the rams (e.g., by using a well cap) and allow re-entry during the following open-water season.

BSEE understands that the operator is able to achieve long-term isolation by installing a well cap (i.e., a metal-to-metal cap) on the SSID before leaving the device on the seafloor over the winter season. BSEE would like to know if there are means by which isolation would be preserved through the winter season in cases where a late-season emergency situation may not provide adequate time or ability to access the SSID to install a well cap.

(v) *SSID Dual Shear Requirement in Proposed § 250.472(a)(2)(i)*—The NPC 2019 Report describes the SSID used in the Kara Sea Project as having dual blind shear rams. BSEE does not propose requiring the SSID to be equipped with dual blind shear rams. However, BSEE is seeking comment on the advantages or disadvantages between dual blind shear rams and using dual shear rams, with ram locks, with one ram being a blind shear ram.

(vi) *SSID Redundant Control System Capabilities* (§ 250.472(a)(2)(ii))—BSEE proposes to require the SSID to use a redundant control system that includes ROV capabilities and a control station on the rig that is independent from the BOP control system. BSEE is contemplating whether it may be more appropriate to require the SSID's redundant control system capabilities to be separate from its ROV's capabilities, and to be consistent with the fully redundant control system requirements described in API Spec. 16D, *Specification for Control Systems for Drilling Well Control Equipment and Control Systems for Diverter Equipment*, Second Edition, July 2004, reaffirmed August 2013; incorporated by reference at § 250.198(e)(2)(i)(FF); (e.g., yellow pod and blue pod). In addition to meeting the ROV requirements in existing § 250.734(a)(5), BSEE is also considering whether there should be an additional manual method (separate from the redundant control system) to close the SSID's rams with the ROV and whether it may be appropriate to require a standby or tending vessel with an ROV. There could be cases where the SSID's control system on the drilling rig is not available (e.g., due to failure or an evacuation of the rig).

(vii) *SSID Testing Requirements* (§ 250.472(a)(5))—BSEE is seeking comment on whether it is appropriate to align the SSID's proposed testing requirements with BSEE's existing BOP testing requirements in § 250.737, *What are the BOP system testing requirements?*, or whether there are more appropriate and reliable testing methods for SSIDs. BSEE would like to receive information on what testing procedures have been used in the past

to test an SSID when it was deployed, or what testing procedures are being developed for future projects.

(viii) *Relief Rig Staging and Capping Stack Positioning Requirements*—BSEE proposes to revise the staging and positioning requirement for the relief rig and capping stack, respectively, by providing an opportunity to the operator to adjust the point in time during its operations when it must stage or position these pieces of equipment, from “when drilling below or working below the surface casing” to “when drilling below or working below the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities.” If the operator is able to demonstrate to BSEE that the operations it plans to conduct below the surface casing would not encounter any abnormally high-pressured or other geologic hazards before reaching the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, then BSEE would allow the operator to delay staging of its relief rig or positioning of its SCCE until reaching that point. BSEE would like to know whether there are more appropriate criteria, other than “abnormally high-pressured zones or other geologic hazards,” that should be used to determine whether to allow the operator to delay positioning of the capping stack and relief rig. BSEE is also requesting comment on what types of information, other than what is listed in proposed § 250.471(a) and § 250.472(b)—risk modeling data, off-set well data, analog data, and seismic data, could be used to demonstrate the absence of abnormally pressured zones or other geologic hazards, and how burden on the operator could change—increase or decrease—if BSEE were to require submission of that information in its APD.

(ix) *Alternative Regulatory Approach to the Relief Rig and Capping Stack Positioning Requirements*—BSEE is considering an alternative regulatory approach in which BSEE would revise the staging and positioning requirement for the relief rig and capping stack, respectively, by adjusting the point in time during its operations when it must stage or position these pieces of equipment, from “when drilling below or working below the surface casing” to “when drilling below or working below the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities.” However, there could be cases where the operator or BSEE may not have sufficient G&G or analogous well data on a proposed project to confidently identify the location of the first formation that the

operator may encounter that is capable of flowing hydrocarbons in measurable quantities. BSEE is soliciting the public's comments about this regulatory approach. BSEE is also soliciting comment about the need for the operator to verify, on a case-by-case basis, zones not capable of flowing hydrocarbons in measurable quantities.

(x) *Installing and Operating an SSID in a Mudline Cellar*—BSEE is requesting more information about whether there are any operational or installation challenges the operator may encounter in attempting to operate the SSID when it is installed in a mudline cellar. In areas of ice scour, BSEE's current regulations at §§ 250.734(a)(13) and 250.738(h) require placement of subsea BOP systems in mudline cellars. In addition, proposed § 250.720(c)(2) requires placement of the wellhead in a mudline cellar in areas of ice scour. Proposed § 250.472(a)(4)(i) would require installation of the SSID below the BOP.

(xi) *Operating an SSID with a Subsea BOP Installed on the Seafloor*—Historically, drilling in the Beaufort Sea and the Chukchi Sea has occurred in waters less than 167 feet deep. Activity in baseline scenarios reflect potential increases in nearshore drilling going forward. If the operator installs all well control systems on the seafloor (subsea BOP systems and SSIDs), there could be as much as 128 feet of water column taken up by these systems and a ship's hull (if a drillship is used). BSEE would like to know what challenges operators could face in cases where there is little room to operate. BSEE would also like to know how operators addressed those challenges in the past, or how such challenges could be addressed in future operations.

(xii) *Fail-Safe Mechanisms Used on an SSID*—BSEE is seeking comment on what fail-safe mechanisms exist that could be applied to an SSID in cases where a subsea BOP system is used. BSEE is contemplating whether it may be necessary to require mechanisms, such as autoshear or deadman for the SSID, to address emergency situations, such as a sunken MODU, where the subsea BOP system may have failed and the SSID could no longer be functioned via the rig or ROV (due to lack of access). BSEE currently has fail-safe requirements for subsea BOP systems (autoshear and deadman systems), which could be applied to SSIDs. However, there could be unintended consequences from applying these fail-safe systems on an SSID when a subsea BOP system is used. BSEE is seeking comment on what fail-safe mechanisms could be deployed to address cases

where the BOP fails and the SSID is inaccessible by an ROV or a MODU control station. If an autoshear system or a deadman system are appropriate fail-safe mechanisms, BSEE is seeking input on what criteria should be used to function these systems, to ensure they do not function at the wrong time or interfere with or impact the subsea BOP's autoshear and deadman systems.

(xiii) *Autoshear and Deadman System Requirements for Surface BOPs*—BSEE is contemplating establishing autoshear and deadman system requirements in cases where operators use a surface BOP. BSEE does not currently require the use of an autoshear or deadman system with surface BOPs. BSEE is seeking comment on what criteria should be established to function the autoshear or deadman systems in connection with a surface BOP. BSEE welcomes any other comments, unrelated to autoshear or deadman systems, which require additional consideration in those cases where a surface BOP is used.

(xiv) *Outcome-based Well Control System Requirements*—BSEE is seeking comment on other appropriate approaches to well-control operations in the Arctic. The NPC 2019 Report recommends accepting the use of an SSID in place of the requirement for SSRW capability. However, it also recommends replacing the relief rig and SSRW requirements with requirements that specify desired outcomes (*i.e.*, to stop the flow of a well and allow the operator to propose equivalent technology and demonstrate its capabilities).

(xv) *SOO*—BSEE is considering the option of limiting the period during which a suspension would remain in effect to the period between one drilling season and the next when the operator is prevented from continuing its drilling or other leaseholding activities due to seasonal conditions. BSEE is seeking comment on this regulatory option for the new SOO provision it is proposing in a new paragraph (d) of § 250.175, or any other option that could avoid or minimize the additional burdens associated with making requests on an annual basis (if the duration of the suspension needs to be longer), but still assure appropriate leaseholding activities occur for lease exploration and development.

(xvi) *Other Solicited Comments*—BSEE is also requesting comments on the specific costs, benefits, cost savings, forgone benefits, transfers, and operational implications of each of the regulatory changes included in this proposed rule. This proposed rule's costs, cost savings, forgone benefits,

transfers, and benefits are detailed in the RIA and are briefly summarized in the next section. The Bureaus welcome any comment the public may have on the RIA, in which the document does solicit feedback on specific topics, *e.g.*, the well activity assumptions in the analysis, regulatory alternatives, and assumptions regarding ice conditions and trends in the Arctic's open-water season. Please refer to the RIA for further information.

IV. Procedural Matters

A. Regulatory Planning and Review E.O. 12866 and 13563

Executive Order 12866 provides that the OIRA within OMB will review all significant rules. This proposed action is an economically significant regulatory action under E.O. 12866 section 3(f)(1) that was submitted to OMB for review, as it would have an annual effect on the economy of \$100 million or more. The Bureaus developed an RIA to assess the anticipated costs and potential benefits of the proposed rule. BOEM and BSEE are considering two different baseline scenarios for this proposed rule, corresponding to two assumptions about the way Arctic leasing and exploration may occur and the uncertainty surrounding future exploration. The two cases are scenario-based activity baselines used to evaluate the incremental effects of the proposed rule under plausible future Arctic exploration conditions. These scenarios are not intended to be forecasts of what will happen, rather they are two scenarios of how development could occur.

The first baseline scenario, Full Arctic OCS Case, assumes that lease sales in both the Beaufort Sea and Chukchi Sea, currently scheduled in the 11th National OCS Oil and Gas Leasing Proposed Program in 2026–2030, will result in industry interest in both of these planning areas. Furthermore, this interest will translate into leasing activity that will support the development of up to ~70 wells over the 20-year forecast period (2030–2049). It should be noted that both the Hope Basin and High Arctic planning areas are not included in the Full Arctic OCS scenario. As BOEM has acknowledged throughout the planning process for the 11th National OCS Oil and Gas Leasing Draft Proposed Program, BOEM estimates the High Arctic to have negligible resource quantities and Hope Basin to have measured resource potential but negligible development value.

The second baseline scenario, Limited Arctic Case, assumes that lease sales

only draw industry interest to the nearshore area in the Beaufort Sea planning area. This interest, in turn, will translate into leasing activity that will support the development of up to 36 wells over the 20-year forecast period (2030–2049).

The Limited Arctic Case scenario was developed based on the many factors that make the Arctic OCS a challenging environment for operators. Due to a combination of factors, oil and gas companies could be reluctant to pursue exploration activities in the Arctic OCS, given the higher costs and risks associated with Arctic drilling, relatively low oil price forecasts, and competing prospects in other areas of the world that offer less risk and/or a better return on capital investment. Among the most expensive types of crude oil gas extraction, Arctic drilling is among the most expensive types of crude oil gas extraction, so companies could be expected to pursue lower-cost development in other areas first. The Bureaus solicit comment on the appropriateness of these scenario assumptions, including the assumed number wells drilled if future leasing and exploration and development will occur.

Under each scenario, the proposed action would be economically significant as a result of the estimated cost savings of this proposed rule. The Bureaus estimate that the amendments proposed in this rulemaking would provide annualized net benefits of \$161 million under the Full Arctic baseline, or \$137 million under the Restricted Beaufort baseline, discounted at 7 percent.

Details on the estimated cost savings of this proposed rule can be found in the proposed rule's RIA. The quantified net benefits for this proposed rule are based on cost savings less forgone benefits. For more details, please refer to Section V. *Net Benefits* of the RIA. The cost savings to both government and industry result from removing regulatory redundancies, reduction in paperwork burdens, provision for alternative methods of compliance, and adoption of improved industry technology. Forgone benefits result from slight increases in the risks to subsistence hunters and fishermen and wildlife stemming from an increased probability if an oil spill occurs that it may have a longer duration. The monetized cost savings exceed the monetized forgone benefits, leading to the net benefits summarized in the following paragraphs. While some foregone benefits have not been monetized, they are believed to be small

and would not offset the quantified net benefits.

This proposed rule would revise regulatory provisions in 30 CFR part 250, subparts A, C, D, and G, 30 CFR part 254, subparts A and E, and 30 CFR part 550, subpart B. The Bureaus have reassessed a number of the provisions promulgated through the 2016 Arctic Exploratory Drilling Rule and are proposing to revise some provisions to reflect performance-based standards rather than prescriptive requirements. Other revisions remove redundant regulatory oversight provisions and provide regional flexibility in the administration of suspensions and associated lease term extensions, without significantly impacting the current levels of safety and environmental protection. The bureaus sought the best available data and information to analyze the economic impact of these changes. The RIA for this rulemaking can be found in the [https://www.regulations.gov/](https://www.regulations.gov/docket) docket (Docket ID: BSEE–2026–ABCD).

The Bureaus are proposing to revise certain regulations promulgated through the 2016 Arctic Exploratory Drilling Rule based on information generated since the 2016 rule was finalized, and to support the goals of the Administration's regulatory reform initiatives, while ensuring safety and environmental protection. This proposed rule would revise certain existing regulations—§§ 250.105; 250.108; 250.170; 250.171; 250.174; 250.175; 250.198; 250.300(b); 250.452; 250.470(b), (f), and (h); 250.471(a) and (b); 250.472(a), (b), and (c); 250.720(c); 250.724; 254.6; 254.70; 550.105; 550.200; 550.204; 550.206; 550.211; and 550.220(c). The bulk of the net benefits (greater than 99%) are derived from cost savings driven by a proposed revision to existing § 250.472(b) and (c), which is discussed below. The analysis suggests forgone benefits are small compared to the cost savings, and the primary forgone benefits are from possible impacts on the environment and subsistence hunting and whaling communities, that could be caused by an oil spill of greater duration and higher discharge volumes in the event the BOP, SSID, and capping stack were to fail in sequence, and a containment dome and flow system would be needed to capture oil flowing from the well while relief-well drilling operations are underway. These, and the other provisions, are discussed in greater detail in Section IV. *Forgone Benefits of the Proposed Rule* within the RIA.

As BOEM has acknowledged throughout the planning process for the 11th National OCS Oil and Gas Leasing

Draft Proposed Program, BOEM estimates the High Arctic to have negligible resource quantities and Hope Basin to have measured resource potential but negligible development value. However, the largest contributor to net benefits attributable to the proposed rule is the proposed revision to existing § 250.472 paragraphs (a), (b), and (c). As promulgated under the 2016 Arctic Exploratory Drilling Rule, this provision currently requires the use of a 'relief rig' and adoption of a 45-day shoulder season. The relief rig is a secondary drilling vessel that is available and capable of drilling an SSRW in the event of a loss of well control. The 45-day "shoulder season" was the maximum time permitted by the regulations to mobilize the relief rig to an incident, drill a relief well, kill and abandon the original well, and abandon the relief well prior to expected seasonal ice encroachment at the drill site. Because Arctic drilling operations would have to end 45-days before the end of the open water season, this shoulder season compresses the already short Arctic drilling timeframe and also limits the ability of operators to drill and complete a well in one season. The proposed revisions to § 250.472 would provide the operator with the option to either use an SSID or have access to a relief rig, as an additional means to secure the well in the event of a loss of well control, if the operator will be conducting exploratory drilling operations from a MODU. The two features of this flexibility driving the cost savings are the removal of the shoulder season and removal of the requirement for the secondary drilling vessel, if the operator elects to install an SSID to comply with § 250.472. Because of the relative cost effectiveness of procuring, and potential well control advantages of installing an SSID versus mobilizing a relief rig and the necessary support vessels and personnel, BSEE assumes operators will prefer this option when using MODUs. This proposed change would produce an annualized cost savings of \$161 million under the Full Arctic OCS Case, or \$137 million under the Limited Arctic Case, discounted at 7%.

This proposed rule would reduce the burden imposed on industry, while maintaining safety and environmental protection. The forgone benefits of adopting the proposed rule include possible impacts on the environment, subsistence hunting and whaling communities, and an oil spill of greater duration with higher discharge volumes in the event a BOP and SSID were to fail. As discussed earlier in the

preamble, BSEE proposes to require operators to operate an SSID independently from the BOP. By having two independent, redundant components (*i.e.*, the BOP and the SSID) as part of the well control system, the overall reliability and effectiveness of the entire system would increase. In the event both devices were to fail, the capping stack would still be used as required in the permitted timeframe, consistent with existing regulations. When a capping stack is used to contain a well, the relief well can be drilled without an ongoing active spill event. If the capping stack were to fail, the containment dome and flow system would be used to capture the oil flowing from the well while relief-well drilling operations are underway.

Given that the proposed rule would remove the arrival timing requirement for the containment dome and flow system equipment, there may be a delay in their arrival, in comparison to the existing regulations. The amount of oil flowing from the well during that delayed period, would be the

contributing factor to the proposed rule's forgone benefits. However, as discussed in the IRIA, the probability of a catastrophic spill event (as a result of the BOP and SSID systems experiencing total failures) is low. Coupled with a scenario in which a BOP, SSID, and capping stack were all to fail, the probability of realizing these forgone benefits even lower. Nonetheless, the possibility of realizing forgone benefits still exists, and if the BOP were to fail and the SSID were to function as designed, there would be no forgone benefits in comparison to the existing regulations (and there might be a gained benefit, since the SSID would activate immediately). This proposed change would produce an annualized foregone benefit of \$0.11 million under the Full Arctic OCS Case, or \$0.06 million under the Limited Arctic Case, discounted at 7%.

As part of the final rule, the Bureaus are contemplating the preparation of a sensitivity analysis for the Final RIA and are soliciting comments on ways to make the analysis as accurate as

possible. The information we receive through public input on this proposed rule regarding the SSID's performance, reliability, and effectiveness may inform the preparation of a sensitivity analysis.

The timeframe of the present analysis is 24 years beginning in 2026, which is when the Bureaus assume the proposed rule would be finalized, and ending in 2049. The initial 4 years would have no activity followed by 20 years of activities beginning in 2030. The 4-year lag in the start of activities aligns with the considerations under the 11th National OCS Oil and Gas Leasing Program, which currently entails six Arctic lease sales between 2026 to 2031. After new leases are issued, operators will still need time to prepare for any exploration activities. The two tables below summarize BSEE's and BOEM's estimates of the total and annual net cost savings derived from all proposed revisions and additions. Additional information on the time horizon, compliance costs, savings, benefits, and forgone benefits may be found in the RIA published in the rule docket.

20-Year Estimated Annualized Net Cost Savings²¹ Associated with Proposed Amendments to 30 CFR part 250 subparts A, C, D, and G, 30 CFR 254 subparts A and E and 30 CFR part 550, subpart B

Under Full-Arctic OCS Case Assumptions

Year (2030-2049) Annualized in millions (2025 \$)	Discounted to 2025 at 3%	Discounted to 2025 at 7%
Cost Savings	\$169.9	\$161.3
Forgone Benefits	\$0.1	\$0.1
Net Benefits	\$169.8	\$161.2

²¹ For the SOO provision, offsetting economic transfers could accrue under both the baseline and the proposed rule, but these have not been estimated due to high levels of uncertainty and lack of data. Under the baseline, if a company is not able to fully develop a prospect before the lease expires, it could attempt to acquire a new lease for the same

block in order to generate a return on its sunk capital investments; however, OCS leases are offered only by open competition, which could require a bonus bid (an economic transfer) to succeed in acquiring the new lease. Under the proposed rule, companies would effectively have more time to develop the prospect, reducing the

risks of lease expiration and no return on sunk capital. However, rental payments (also an economic transfer) would increase since the SOO provision would extend the term of the lease (for the period of the suspension) and the regulations at 30 CFR 1218.154(a) requires rentals to be paid even if BSEE would grant the SOO.

20-Year Estimated Annualized Net Cost Savings²² Associated with Proposed Amendments to
30 CFR part 250 subparts A, C, D, and G, 30 CFR 254 subparts A and E, and 30 CFR
part 550 subpart B

Under Limited Arctic Case Assumptions

Year (2030-2049) Annualized in millions (2025 \$)	Discounted to 2025 at 3%	Discounted to 2025 at 7%
Cost Savings	\$142.5	\$136.7
Forgone Benefits	\$0.1	\$0.1
Net Benefits	\$142.4	\$136.6

This proposed rule would revise multiple provisions in the current regulations to implement performance-based provisions based upon reasonably obtainable information on safety, technical, economic, and other issues. Redundant or unnecessary reporting requirements are also being eliminated. The Bureaus are providing industry flexibility, when practical, to meet the safety or equipment standards, rather than specifying the compliance method. Based on a consideration of the qualitative and quantitative safety and environmental factors related to the rule, the Bureaus determined that the proposed revisions would be consistent with the policies of the applicable E.O.s and the OCSLA.

Despite the historical headwinds in the Arctic OCS, a number of factors can be seen that point towards future industry interest in exploration activity in the region. As evident from the Draft Proposed Program of the 11th National OCS Oil and Gas Leasing Program, there are six planned lease sales in the Arctic OCS between 2026–2030 giving industry the first opportunity to bid on new leases since 2008. In terms of resource target, the estimated undiscovered reserves in Alaska, led by the Chukchi Sea Planning Area (29.3 billion barrels of technically recoverable oil equivalent), ranks the region first in BOEM's 2026 national assessment of US OCS regions. In addition, renewed interest in Arctic development by upstream oil and gas operators has been evident in recent years by Norwegian firm Equinor's exploration activity at the Johan Castberg Field situated in the Barents Sea, where exploration wells have been drilled regularly since 2020. It is conceivable that the same phenomenon that is driving renewed

global interest in deepwater frontier exploration—an estimated 300 billion barrel oil shortfall in global supplies by 2050 and an increased focus on supply diversification and security—may be a key driver for renewed interest in the Arctic OCS as well. Furthermore, improved drilling technology and longer open-water seasons (see discussion in Section II.C of the RIA) are both potential drivers in lowering costs for prospective operators compared to earlier periods making Arctic assets more competitive in E&P operator's capital portfolios. When coupled with the actions taken in this proposed rule to create more flexibility and less costly compliance options, driven by the 2025 E.O.s and S.O.s, there is a plausible case that the industry will have renewed interest in the Arctic OCS moving forward.

Executive Order 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 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. Furthermore, it promotes retrospective review of existing regulations that may be outmoded, ineffective, insufficient, or excessively burdensome. The Bureaus have reviewed the existing regulations as amended by the 2016 Rule and have

developed this proposed rule in a manner consistent with E.O. 13563.

B. Reducing Regulatory Burdens (E.O. 14192)

Under E.O. 14192 (90 FR 9065, January 31, 2025), agencies are required, unless prohibited by law, whenever it publicly proposes for notice and comment or otherwise promulgates a new regulation, to identify at least 10 existing regulations to be repealed. This proposed rule is analyzed as a deregulatory action under E.O. 14192. The quantified incremental compliance-cost savings of this proposed rule are described in the tables in the previous section, which are driven primarily by the proposed revisions to § 250.472, with smaller quantified savings from the IOP revisions and unquantified or zero savings from other provisions. These estimates are scenario-based and depend on the level of future Arctic exploratory drilling activity; if no future Arctic exploratory drilling occurs, realized savings would be correspondingly lower or zero. The two tables in the previous section summarize BSEE's and BOEM's estimates of the total and annual net cost savings derived from the proposed rule.

C. Unleashing American Energy and Alaska's Extraordinary Resource Potential (E.O.s 14153 and 14154)

Executive Order 14153, Unleashing Alaska's Extraordinary Resource Potential, established a new policy for the U.S. that calls for fully availing itself of Alaska's vast lands and resources for the benefit of the Nation and the American citizens who call Alaska home, and efficiently and effectively maximizing the development and production of the natural resources located on both Federal and State lands

²² Ibid.

within Alaska. The E.O. directs the heads of all executive departments and agencies to rescind, revoke, revise, amend, defer, or grant exemptions from any and all regulations, orders, guidance documents, policies, and any other similar agency actions that are inconsistent with the policy set forth in the E.O.

Similarly, E.O. 14154, *Unleashing American Energy*, established a U.S. policy that calls for encouraging “energy exploration and production on Federal lands and waters, including on the OCS, in order to meet the needs of our citizens and solidify the U.S. as a global energy leader long into the future.” To carry out the policy, the E.O. directs that “the heads of all agencies shall review all existing regulations, orders, guidance documents, policies, settlements, consent orders, and any other agency actions (collectively, agency actions) to identify those agency actions that impose an undue burden on the identification, development, or use of domestic energy resources—with particular attention to oil, natural gas, coal, hydropower, biofuels, critical mineral, and nuclear energy resources—or that are otherwise inconsistent with the policy set forth in section 2 of this order. . . .”

This proposed rule responds to the 2025 E.O.s and S.O.s by creating more flexible and less costly compliance options in BSEE-administered and BOEM-administered regulations, while ensuring the safe, effective, and responsible exploration of Arctic OCS oil and gas resources, protecting the marine, coastal, and human environments.

D. Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601–612, requires agencies to analyze the economic impact of regulations when there is likely to be a significant economic impact on a substantial number of small entities and to consider regulatory alternatives that will achieve the agency’s goals while minimizing the burden on small entities. The proposed rule would affect operators and Federal oil and gas lessees that could conduct exploratory drilling on the Arctic OCS. The RFA defines small entities as small businesses, small nonprofits, and small governmental jurisdictions. No small nonprofits or small governmental jurisdictions have been identified that would be impacted by this rule.

Businesses subject to this proposed rule fall under NAICS codes 2111 (Oil and Gas Extraction) and 213111

(Drilling Oil and Gas Wells). For these classifications, a small business is defined as one with fewer than 1,250 employees (NAICS code 2111) and fewer than 1,000 employees (NAICS code 213111), respectively. A small entity is one that is “independently owned and operated and which is not dominant in its field of operation.”

Based on these criteria, none of the entities currently holding a Federal oil and gas lease on the Arctic OCS are considered small. Although BOEM and BSEE do not expect a small entity to conduct exploratory drilling on the Arctic OCS during the 20-year analysis period, a small business could acquire a lease in a future Arctic lease sale and operate on the Arctic OCS.

Small companies currently have a limited history operating in the Arctic OCS with only a single small entity having held acreage on the Arctic OCS—which was relinquished in March 2016. That being said, given the significant risk and additional capital required to target resources in Federal waters vs State nearshore, the involvement of smaller operators is still deemed unlikely. As such, this rule is not expected to have a significant economic impact on a substantial number of small entities. The agency invites comments on this finding.

The Bureaus prepared an Initial Regulatory Flexibility Analysis (IRFA), which can be found in Section VII of the IRIA. Given the challenging environment and associated costs of drilling in the Arctic OCS planning areas, no small entities are expected to operate in these areas for the foreseeable future. Therefore, the Bureaus preliminarily conclude that no small entities would be affected by these proposed amendments, however the agency has prepared an IRFA and is seeking public comment on any small business impacts from the proposed amendments.

This proposed rule would meet the E.O. 12866 criteria for an economically significant rule under section 3(f)(1) because it would likely have an annual effect on the economy of \$100 million or more in at least one year of the forecast horizon, and BSEE/BOEM comply with the RFA and the Small Business Regulatory Enforcement Fairness Act by providing a regulatory flexibility analysis. The requirements would apply to all entities operating on the Arctic OCS regardless of company designation as a small business. For more information on the small business impacts, see the RFA section in the IRIA. Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine

compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman, and to the Regional Small Business Regulatory Fairness Board. The Ombudsman evaluates these actions annually and rates each agency’s responsiveness to small business. If you wish to comment on actions by employees of BSEE or BOEM, call 1–888–REG–FAIR (1–888–734–3247).

E. Unfunded Mandates Reform Act of 1995 (UMRA)

This proposed rule would not impose an unfunded Federal mandate on State, local, or tribal governments and would not have a significant or unique effect on State, local, or tribal governments. The requirements in this proposed rule would apply to oil and gas lessees and operators in the Alaska OCS region, not to State, local, and tribal governments. Thus, the proposed rule would not have disproportionate budgetary effects on these governments. The Bureaus have determined the proposed changes in this rulemaking would result in cost savings annually to regulated entities. Therefore, a written statement under the UMRA (2 U.S.C. 1531 *et seq.*) is not required.

F. Takings Implication Assessment

Under the criteria in E.O. 12630, this proposed rule would not have significant takings implications. The proposed rule is not a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment is not required.

G. Federalism (E.O. 13132)

Under the criteria in E.O. 13132, this proposed rule would not have federalism implications. This proposed rule would not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this proposed rule would not affect that role. A Federalism Assessment is not required.

H. Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of E.O. 12988. Specifically, this rule:

1. Meets the criteria of § 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and
2. Meets the criteria of § 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

I. Consultation With Indian Tribes (E.O. 13175)

Executive Order 13175 defines “policies that have Tribal implications” as “regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.” The Bureaus comply with E.O. 13175 by following the Department of the Interior Policy on Consultation with Indian Tribes (512 Departmental Manual 4)²³ and Procedures for Consultation with Indian Tribes (512 Departmental Manual 5).²⁴ The Department’s procedures require that “Bureaus/Offices must invite Indian Tribes early in the planning process to consult whenever a Departmental plan or action with Tribal Implications arises. Bureaus/Offices should operate under the assumption that all actions with land or resource use or resource impacts may have Tribal implications and should extend consultation invitations accordingly” 512 DM 5.4(A).

The Bureaus fulfill their respective consultation obligations with ANCSA Corporations on the same basis as Indian Tribes under E.O. 13175. The Bureaus comply with E.O. 13175 by following the Department of the Interior Policy on Consultation with ANCSA Corporations (512 Departmental Manual 6)²⁵ and Procedures for Consultation with ANCSA Corporations (512 Departmental Manual 7).²⁶ The Department’s procedures require that “Bureaus and Offices should operate under the assumption that all actions with land or resource use or resource impacts may have ANCSA Corporation implications and should extend consultation invitations accordingly. When ANCSA Corporations indicate that there is substantial and direct effect of the Departmental Action with ANCSA Corporation Implications, the Department must engage in consultation.” 512 DM 7.4(A).

The Bureaus evaluated this proposed rule pursuant to the Department’s

consultation policies and determined that this rule may have substantial direct effects on Alaska Native Tribes and ANCSA Corporations. The Beaufort and Chukchi seas play a critical role in the cultural traditions and subsistence lifestyles of Alaska Natives in Northern Alaska. Marine species, including bowhead whales, beluga whales, and fish, make up the largest subsistence resources available to these communities. The bowhead whale, in particular, which migrates along the Beaufort and Chukchi sea coasts, provides the largest subsistence resource available to the native villages. Alaska Native villages are remotely located and experience harsh climatic conditions for a majority of the year, making it difficult to cultivate food sources locally or import commercial food sources readily available to individuals in the lower 48 states. These communities hunt and harvest the mammals along the coasts in spring and in fall. The villages have expressed concerns in the past about the potential of offshore oil and gas activities to interfere with whaling subsistence (e.g., vessel presence and noise from oil and gas activities could interfere with the whale’s migration routes and, thus, could reduce or eliminate the communities’ harvest opportunities that Alaska Natives heavily rely on for nutritional value).

The proposed rule includes SSID provisions that could potentially reduce vessel traffic in areas where oil and gas activities may be planned near whale migration routes and help minimize certain oil spill risks. If an operator elected to utilize the SSID, there would be no need to have a relief rig and its support vessels present and operating in the area. The SSID can also provide an immediate response to a well incident as it is already positioned on the well and can reduce the risks associated with prolonged oil spills.

The Bureaus are committed to regular and meaningful consultation and collaboration with Alaska Native Tribes and ANCSA Corporations on policy decisions that may have Tribal and ANCSA Corporation implications, including, as an initial step, through complete and consistent implementation of E.O. 13175, together with related orders, directives, and guidance.

For example, as demonstrated in the 2020 rulemaking effort, in 2018, the Bureaus began reaching out to leaders from Alaska Native Tribes, ANCSA Corporations, and municipalities to determine which partners were interested in having conversations with the Bureaus about the rulemaking.

Consultations entailed meetings in Alaska, at locations and times convenient to the Alaska Native villages, communities, and corporations, to ensure they could have proper representation during the meetings. Accordingly, the timing of these meetings was critical. The Bureaus scheduled the meetings around important traditional subsistence and cultural activities, such as whaling that take place during specific times of the year, particularly in the early fall. Between November 29, 2018 and January 30, 2019, the Bureaus met with a majority of the Alaska Native entities (23 of 25) originally invited to consult.

All Alaska Native input provided during the meetings was subsequently provided to DOI in writing and has been included in the administrative record for this proposed rule. For more details regarding the variety of perspectives the Bureaus heard during their meetings with Alaska Native Tribes and ANCSA Corporations, please refer to *Section IV. Procedural Matters, Subsection G. Consultation With Indian Tribes (E.O. 13175)*²⁷ of the 2020 Proposed Revisions to the Arctic Exploratory Drilling Rule. The Bureaus are respectful of our responsibilities for consultation and intend to continue consulting with affected Alaska Native Tribes and ANCSA Corporations following publication of this proposed rule.

In accordance with E.O. 13175 and the Department’s policies and procedures for consultation with Alaska Native Tribes and ANCSA Corporations, BSEE and BOEM will invite government-to-government consultation with Alaska Native Tribes and invite government-to-corporation consultation with ANCSA Corporations. BSEE plans to invite consultation via letters to Alaska Native Tribes and ANCSA Corporations. It is BSEE’s practice to initiate consultation at the request of any Tribe or ANCSA Corporation in accordance with the Department’s consultation procedures. BSEE may conduct consultations at any stage of the rulemaking process, without being limited to the public comment period. BSEE intends to continue engagement with Alaska Native Tribes and ANCSA Corporations following publication of this proposed rule, and will carefully consider and incorporate as appropriate the input received into its development of this rulemaking.

²⁷ <https://www.federalregister.gov/d/2020-25818/p-472>.

²³ Available at <https://www.doi.gov/document-library/departamental-manual/512-dm-4-department-interior-policy-consultation-indian-0>.

²⁴ Available at <https://www.doi.gov/document-library/departamental-manual/512-dm-5-procedures-consultation-indian-tribes>.

²⁵ Available at <https://www.doi.gov/document-library/departamental-manual/512-dm-6-department-interior-policy-consultation-alaska-0>.

²⁶ Available at <https://www.doi.gov/document-library/departamental-manual/512-dm-7-procedures-consultation-alaska-native-claims-0>.

J. Paperwork Reduction Act (PRA)

This proposed rule contains existing and new IC requirements for both BSEE-administered and BOEM-administered regulations, and a submission to OMB for review under the PRA of 1995 (44 U.S.C. 3501 *et seq.*) is required. Therefore, each bureau will submit an IC request to OMB for review and approval. We may not conduct, or sponsor, and you are not required to respond to a collection of information unless it displays a currently valid OMB control number. OMB has previously reviewed and approved the existing IC

requirements associated with OCS drilling permits, plans, and related IC, which would be altered by this proposed rule. OMB has assigned the following OMB control numbers to the current ICs:

- 1014–0018 (BSEE), 30 CFR part 250, subpart D, Oil and Gas Drilling Operations (expires 05/31/2027).
- 1014–0022 (BSEE), 30 CFR part 250, subpart A, General (expires 05/31/2027).
- 1014–0025 (BSEE), 30 CFR part 250, Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation (expires 10/31/2026).

- 1014–0028 (BSEE), 30 CFR part 250, subpart G, Well Operations and Equipment (expires 05/31/2027).

- 1010–0151 (BOEM), 30 CFR part 550, subpart B Plans and Information (expires 10/31/2027).

The IC aspects affecting each bureau are discussed separately.

The following table details proposed changes to the annual estimated hour burdens and non-hour costs for both BSEE and BOEM information submission activities described below:

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BSEE

Requirement	Existing Regulations		Proposed Rule Changes		New Total Burdens	
	Number of responses	Number of burden hours	Change in responses	Change in burden hours	Number of responses	Number of burden hours
	Non-hour cost burden, as applicable		Change in non-hour cost burden, as applicable		Non-hour cost burden, as applicable	
Remove the requirement to gather, monitor, store, and retain RTM data for drilling operations – § 250.452(a) and (b)	1	4	-1	-4	0	0
Retain records on cranes that are used on OCS artificial islands – § 250.108(e)	2,026	14,182	+1	+7	2,027	14,189
Request SOP – §§ 250.171, 250.174, and 250.175	116	1,276	+2	+11	118	1,298
	\$2,469 fee x 116 responses = \$286,408		\$2,469 fee x 2 responses = \$4,938		\$291,342	
Submit progress reports on approved requests for a suspension – §§ 250.171, 250.174, and 250.175	302	909	+2	+3	304	6
Submit signed SSID and Well Design certification § 250.470(h)	0	0	+2	+6	2	6
Submit request to delay access to your SCCE-§ 250.471(a) and § 250.472(b)	0	0	+2	+2	2	2
Transmit RTM data onshore when engaged in Arctic OCS drilling operations – § 250.724	30	64,800	+1	+2,160	31	66,960
Develop and implement an RTM plan and make available to BSEE upon request.	20	100	+1	+5	21	105

BOEM

Requirement	Existing Regulations		Proposed Rule Changes		New Total Burden	
	Number of responses	Number of burden hours	Change in responses	Change in burden hours	Number of responses	Number of burden hours
Submit IOP, including all required information § 550.204	1	2,880	-1	-2880	0	0
Submit required Arctic-specific information with EP § 550.220	1	350	0	+50	1	400

There are no changes to non-hour costs for BOEM requirements.

BILLING CODE 4310-MR-C**BSEE Information Collection—30 CFR Part 250**

This proposed rule references existing ICs previously approved by OMB and would establish new, remove, and/or revise current IC requirements for BSEE regulations at 30 CFR part 250, subpart A—*General*, Subpart D—*Oil and Gas Drilling Operations*, and Subpart G—*Well Operations and Equipment* that require OMB review and approval under the PRA of 1995 (44 U.S.C. 3501 *et seq.*). Therefore, an IC request for BSEE is being submitted to OMB for review and approval. BSEE may not conduct or sponsor, and you are not required to respond to, a collection of information

unless it displays a currently valid OMB control number.

The ICs related to this rulemaking concern the submission of information for safe and environmentally responsible Arctic OCS oil and gas exploration in an APD, SOOs or SOPs in Alaska, crane operations on artificial islands, and real-time monitoring requirements during drilling operations in the Arctic OCS. OMB has reviewed and approved the IC requirements associated with the topics just described under the following assigned OMB control numbers—1014–0018, 1014–0022, 1014–0025, and 1014–0028.

Pertaining to this proposed rulemaking, BSEE would use the

information in our efforts to protect life and the environment, conserve natural resources, and prevent waste. This proposed rule would add new and modify existing requirements under regulations at 30 CFR part 250, subparts A, D, and G. BSEE will request four new temporary control numbers from OMB for review and approval. Each temporary number corresponds to an existing OMB-approved control number impacted by the proposed rule. The table below lists BSEE's temporary control numbers, their associated existing control numbers, and the program changes the Bureau is requesting under each temporary control number.

Existing Control Number	Title	Expiration Date	Burden Hours	Non-Hour Cost Burdens	Temporary Control Number	Change in Burden Hours	Change in Non-Hour Cost Burdens
1014–0018	Subpart D, Oil and Gas Drilling Operations	05/31/2027	83,993	\$16,000	1014-NEW1	-4	No change
1014–0022	Subpart A, General	05/31/2027	102,221	\$246,268	1014-NEW2	+35	+\$4,938
1014–0025	Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation	10/31/2026	77,816	\$4,298,876	1014-NEW3	+8	No change
1014–0028	Subpart G, Well Operations and Equipment	05/31/2027	350,615	\$6,732,500	1014-NEW4	+2,165	No change

When the 1082-AA05 final rule becomes effective, BSEE will move the requirements and burdens from each temporary control number with an increased burden to their respective permanent collections in either 1014–0022 (*i.e.*, +35 hours and +\$4,938 non-hour cost burdens), 1014–0025 (+8 hours), and 1014–0028 (+8 hours). BSEE will also decrease the hour burdens in 1014–0018 (–4 hours). Finally, BSEE will discontinue the use of all temporary control numbers.

As discussed in the Preamble Section-by-Section above, and in the supporting

statement available at *RegInfo.gov*, BSEE proposes to make changes to certain provisions of Subpart A, *General*; Subpart D—*Oil and Gas Drilling Operations*, and Subpart G—*Well Operations and Equipment* that would result in changes to hour burdens or non-hour costs. These changes are discussed in the following paragraphs. This proposed rule would also modify language in §§ 250.300(b), 250.470(f)(3), and 250.720(c)(2); however, there would be no change in hour burden or non-hour costs associated with these revisions.

Subpart A—General

In § 250.108(e), BSEE would apply the existing crane requirements to retain records related to the design and construction, installation, inspection, testing, maintenance, and personnel qualification of a crane to cranes used on OCS artificial islands (+1 response and 7 hours).

In §§ 250.171, 250.174, and 250.175, BSEE would add provision that allow an operator in the Alaska OCS to request an SOO or SOP in cases where development may not be completed due to unfavorable weather conditions.

Operators must submit information when making requests on such suspensions (+4 responses, 28 hours, and \$4,928 non-hour cost burdens).

Subpart D—Oil and Gas Drilling Operations

In § 250.452, BSEE would remove the Arctic OCS real-time monitoring requirements for drilling operations in this section and, instead, require these drilling operations to follow the real-time monitoring requirements in § 250.724, which already applies to other OCS areas outside the Arctic OCS.

In § 250.470(h), BSEE would add a requirement to submit with an APD a certification signed by a registered professional engineer that your SSID and well design (including casing and cementing program) meet the design requirements in § 250.472 (+2 responses and 6 hours for PE Certification).

In §§ 250.471(a) and 250.472(b), BSEE would add a requirement for operators to submit, with an APD, documentation demonstrating that having access to SCCE and the relief rig can be safely delayed until the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities. BSEE will grant this approval if the operator adequately demonstrates to the Bureau that it will not encounter any abnormally high-pressured zones or other geological hazards before that casing point (+2 responses and 2 hours per request). Because not all APDs submitted to BSEE would involve Arctic OCS exploration drilling, we are separating the Arctic-specific requirements and burdens from the national APD requirements.

Subpart G—Well Operations and Equipment

In § 250.724, BSEE would apply the existing real-time monitoring

requirements in this section to all Arctic OCS drilling operations, which includes transmitting data onshore and developing and implementing a real-time monitoring plan that must be made available to BSEE upon request. (+2 response and 2,165 hours). The burden table below outlines the revised requirements and burdens associated with this proposed rulemaking.

Title of Collection: 30 CFR part 250, Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf.

OMB Control Number: 1014–NEW1, 1014–NEW2, 1014–NEW3, 1014–NEW4 (revisions to 1014–0018, 1014–0022, 1014–0025, and 1014–0028)

Form Number:

- BSEE–0123, APD
- BSEE–0123S, Supplemental APD

Type of Review: Revision of currently approved collections.

Respondents/Affected Public:

Respondents are Federal oil and gas or sulfur lessees or operators.

Total Estimated Number of Annual Responses: +8.

- 1014–NEW1, 30 CFR part 250, subpart D, *Oil and Gas Drilling Operations* (–1 response)
- 1014–NEW2, 30 CFR part 250, subpart A, *General* (+5 responses)
- 1014–NEW3, 30 CFR part 250, *Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation* (+4 responses)
- 1014–NEW4, 30 CFR part 250, subpart G, *Well Operations and Equipment* (+2 responses)

Total Estimated Number of Annual Burden Hours: 2,204.

- 1014–NEW1, 30 CFR part 250, subpart D, *Oil and Gas Drilling Operations* (–4 hours)

- 1014–NEW2, 30 CFR part 250, subpart A, *General* (+35 hours)
- 1014–NEW3, 30 CFR part 250, *Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation* (+8 hours)
- 1014–NEW4, 30 CFR part 250, subpart G, *Well Operations and Equipment* (+2,165 hours)

Due to a ROCIS system limitation, BSEE is unable to show a negative number for responses and hours in ROCIS; therefore, the table for 1010–NEW1 found on <https://www.reginfo.gov> shows a place marker of one response and one hour.

Respondent's Obligation: Most responses are mandatory, while others are required to obtain or retain benefits.

Frequency of Collection: Generally, on occasion and as required in the regulations

Total Estimated Annual Non-hour Burden Cost: +\$4,938.

- 1014–NEW1, 30 CFR part 250, subpart D, *Oil and Gas Drilling Operations* (no change)
- 1014–NEW2, 30 CFR part 250, subpart A, *General* (+\$4,938)
- 1014–NEW3, 30 CFR part 250, *Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation* (no change)
- 1014–NEW4, 30 CFR part 250, subpart G, *Well Operations and Equipment* (no change)

The following table provides a breakdown of the paperwork hour and non-hour cost burdens for this proposed rule. For the current requirements retained in the proposed rule, we used OMB's approved estimated hour and non-hour cost burdens.

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BURDEN TABLE

[Changes due to the proposed rule shown in bold]

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
Subpart A—General (1014- NEW2)				
108(e)	Retain records of design and construction for life of crane, including installation records for any anti-two block safety devices; all inspection, testing, and maintenance for at least 4 years; crane operator and all rigger personnel qualifications for at least 4 years; all records must be kept at the OCS fixed platform or OCS artificial island.	7	2,027 record-keepers (+1 record-keeper)	14,189 (7 hour-burdens x 1 record-keeper = 17 annual burden hours)
168; 171; 172; 174; 175; 177; 180(b), (d)	Request suspension of operation or production (including in the Alaska OCS) ; submit schedule of work leading to commencement; supporting information; include pay.gov confirmation receipt.	11	118 requests (+2 requests)	1,298 (11 hour-burdens x 2 requests = +22 annual burden hours)
	\$2,469 fee x 118 requests = \$291,342 (2 requests x \$2,469 fee = +\$4,938)			
	Submit progress reports on a suspension of operation or production (including in the Alaska OCS) as condition of approval.	3	304 reports (+2 reports)	912 (3 hour-burdens x 2 reports = +6 annual burden hours)
Total burden for Subpart A—General			22,299 responses (+5 responses)	102,256 hours (+35 hours)
			\$251,206 Non-Hour Costs (+\$4,938)	
Subpart C—Pollution Prevention and Control				
300(b)(1), (2)	Obtain approval to add petroleum-based substance to drilling mud system or approval for method of disposal of drill cuttings, sand, & other well solids, including those containing Naturally Occurring Radioactive Material (NORM).	150 (No change)	1 request (No change)	150 (No change)
Total burden for Subpart C—Pollution Prevention and Control			3,168 responses (No change)	137,835 Hours (No change)
Subpart D—Oil and Gas Drilling Operations (1014-NEW1)				
452(a), (b) (Removed)	Gather and monitor real-time data using independent, automatic, & continuous monitoring system capable of recording, storing, and transmitting data relating to the BOP control system, fluid handling, downhole conditions; during well operations, transmit the data onshore. Provide BSEE with access to real-time monitoring data onshore upon request (Arctic only).	0 (-4 hour-burdens)	0 (-1 transmittal)	0 (-4 annual burden hours)

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
	(Removed)			
452(b) (Removed)	Store and retain all monitoring records per requirements of §§ 250.740 and 250.741. (Removed)	Burden covered under 1014-0028.		0
Total burden for Subpart D—Oil and Gas Drilling Operations			63,743 responses (-1 response)	83,989 hours (-4 hours)
			\$16,000 Non-Hour Costs	
Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation (1014- NEW3)				
470(h)	Submit certification signed by PE that SSID and well design meet requirements of § 250.472. (Alaska only)	3	2 certs.	6
471(a); 472(b)	Submit, to Regional Supervisor, a request to delay access to your SCCE and relief rig, if applicable, including adequate documentation (such as, but not limited to, risk modeling data, off-set well data, analog data, seismic data). Demonstrate you will not encounter any abnormally high-pressured zones or other geologic hazards. (Alaska only)	1	2 requests	2
Alaska Region: 410; 412 thru 418; 420; 442; 444; 449; 456; 470; 471; 472	Due to the difficulties of drilling in Alaska, along with the shortened time window allowed for drilling, Alaska hours are done here as stand-alone requirements. Also, note that these specific hours are based on the first APD in Alaska in more than 10 years.	2,800 (No change)	1 request (No change)	2,800 (No change)
Subtotal burden for Subpart D			5,467 responses (+4 responses)	39,558 hours (+8 hours)
Total burden for Application for Permit to Drill (APD, Revised APD), Supplemental APD Information Sheet, and all supporting documentation			11,210 responses (+4 responses)	77,824 hours (+8 hours)
			\$4,298,876 Non-Hour Costs (No change)	
Subpart G—Well Operations and Equipment (1014-NEW4)				
701; 720(a), (c)(2); 730(d)(1) (250.141)	Request alternative procedures or equipment from District Manager; along with any supporting documentation/ information required.	Burden covered under subpart A, 1014-0022 (No change)		0 (No change)
724	Transmit real-time monitoring (RTM) data onshore during operations, in HPHT reservoirs, or for all Arctic OCS drilling operations; store and monitor by qualified personnel. Provide BSEE access to RTM data storage locations upon request.	2,160	31 rigs (+1 rig)	66,960 (+2,160 hours)
724(c)	Develop and implement a RTM plan that includes all required data of this section; make available to BSEE upon request.	5	21 plans (+1 plan)	105 (+5 hours)

Citation 30 CFR 250; Application for Permit to Drill (APD)	Reporting or Recordkeeping Requirement*	Hour Burden	Average No. of Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burden		
Total Burden for Subpart G—Well Operations and Equipment			150,083 responses (+2 responses)	352,780 hours (+2,165 hours)
			\$6,732,500 Non-Hour Costs (No change)	
Total Burden			247,335 responses (+10 responses)	616,849 hours (+2,204 hours)
			\$11,298,582 Non-Hour Costs (+\$4,938)	

* In the future, BSEE may require electronic filing of some submissions.

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The IC does not include questions of a sensitive nature. BSEE will protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI implementing regulations (43 CFR part 2), 30 CFR 556.104, *Information collection and proprietary information*, and 30 CFR 550.197, *Data and information to be made available to the public or for limited inspection*.

In addition, the PRA requires agencies to estimate the total annual reporting and recordkeeping non-hour cost burden resulting from the collection of information, and we solicit your comments on this item. For reporting and recordkeeping only, your response should split the cost estimate into two components: (1) total capital and startup cost component and (2) annual operation, maintenance, and purchase of service component. Your estimates should consider the cost to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you incur costs. Generally, your estimates should not include equipment or services purchased: (1) before October 1, 1995; (2) to comply with requirements not associated with the IC; (3) for reasons other than to provide information or keep records for the Government; or (4) as part of customary and usual business or private practices.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on any aspect of this IC, including:

(1) Whether the collection of information is necessary, including whether the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on respondents.

Send your comments and suggestions on this IC by the date indicated in the **DATES** section to the Desk Officer for the Department of the Interior at OMB—OIRA at (202) 395–5806 (fax) or via the *RegInfo.gov* portal (online). You may view the IC request(s) at <http://www.reginfo.gov/public/do/PRAMain>. Please provide a copy of your comments to the BSEE Information Collection Clearance Officer (see the **ADDRESSES** section). You may contact Bryce Barlan, Regulatory Analyst at (703) 787–1126 with any questions. Please reference Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf (OMB Control No. 1014–NEW), in your comments.

BOEM Information Collection—30 CFR Part 550

This proposed rule references existing ICs previously approved by OMB and would add and remove IC requirements for BOEM-administered regulations that require OMB review and approval under the PRA of 1995 (44 U.S.C. 3501 *et seq.*). Therefore, an IC request for BOEM is being submitted to OMB for review and approval. The ICs related to this rulemaking concern the requirements under 30 CFR parts 550. BOEM may not

conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB has reviewed and approved the IC requirements associated with EPs and other information before conducting oil and gas exploration drilling activities on the Arctic OCS and assigned OMB Control Number 1010–0151, “30 CFR 550, Subpart B, Plans and Information” (expires October 31, 2027).

Pertaining to this proposed rulemaking, BOEM would collect the information to ensure that planned operations will be safe; will not adversely affect the marine, coastal, or human environments; will respond to the special conditions on the Arctic OCS; and will conserve the resources of the Arctic OCS. BOEM would use the information to ensure, through advanced planning, that operators are capable of safely operating in the unique environmental conditions of the Arctic and to make informed decisions on whether to approve EPs as submitted or whether modifications are necessary.

BOEM proposes to remove the IOP regulations by deleting § 550.204 and removing the corresponding references to the IOP from §§ 550.200 and 550.206. BOEM’s existing requirement to submit the IOP at least 90 days before the lessee or operator files an EP would be eliminated. The data and information requested in the IOP is largely unnecessary in light of the information already collected in the EP. The current approval for OMB Control Number 1010–0151 counts the similar burdens associated with IOPs and EPs in both. Therefore, BOEM would remove the burdens attributed to the IOPs, and keep

the burdens attributed to EPs. Removing the IOP provision would decrease the annual burden hours by 1 response and 2,880 hours (- 1 response and 2,880 annual burden hours).

The proposed rule would add a requirement to § 550.211(b) to describe operational safety procedures that the operator has developed specific to conditions relevant on the Arctic OCS in the EP. These requirements were previously included in the IOP requirements that are removed from this rulemaking. Retaining this provision would lessen the 2,880-burden hour decrease by 50 annual burden hours (*i.e.*, by retaining 50 annual burden hours).

BOEM estimates that the proposed revisions would remove 2,880 annual burden hours that correlate to the removal of the existing IOP requirement. These changes would result in a net decrease of 2,830 annual burden hours.

BOEM proposes to revise § 550.220(c)(1) to require a description of how exploratory drilling will be designed and conducted, including how all vessels and equipment will be designed, built, and/or modified, to account for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor, and in the description of vessel modifications, a description of any approvals from the flag state and the

vessel classification society, including any allowances or limitations placed upon the vessel by the classification society and/or the USCG. Vessel modifications may include the suitability of vessels for Arctic conditions. These vessels may have or acquire classification from a “recognized organization” under the USCG’s ACP.²⁸ BOEM is seeking to confirm that the operator meets the requirements of other entities with authority over vessels, not to impose requirements on those vessels. BOEM believes that this change would not impose any material additional burdens on the lessees or operators. BOEM is also proposing to revise § 550.220(c)(4) and (c)(6) by requiring the operator to provide a general description of how they will comply with § 250.472, including a description of the termination of their operations.

Because not all EPs submitted to BOEM would involve Arctic OCS exploration drilling, we are separating the burden associated with the Arctic-specific requirements and burdens from the national EP requirements. The burden table that follows this paragraph outlines the revised requirements and burdens associated with this rulemaking. BOEM has not identified

²⁸ 46 U.S.C. 3316 and 46 CFR part 8, subpart D implement the USCG’s ACP.

any non-hour cost burdens associated with these proposed requirements.

Title of Collection: 30 CFR part 550, subpart B, Plans and Information.

OMB Control Number: 1010–0151.

Form Number:

- BOEM–0137, OCS Plan Information Form
- BOEM–0138, EP Air Quality Screening Checklist
- BOEM–0139, DOCD/DPP Air Quality Screening Checklist
- BOEM–0141, ROV Survey Report
- BOEM–0142, Environmental Impact Analysis Worksheet

Type of Review: Revision of a currently approved collection.

Respondents/Affected Public:

Respondents are Federal oil and gas or sulfur lessees or operators.

Total Estimated Number of Annual Response: 1,290 respondents.

Total Estimated Number of Annual Burden Hours: 283,314 hours.

Respondent’s Obligation: Some responses to the IC are required to obtain or retain a benefit, and some are mandatory.

Frequency of Collection: The frequency of the response varies, but primarily responses are required only on occasion.

Total Estimated Annual Nonhour Burden Cost: \$3,688,524.

BILLING CODE 4310–MR–P

BURDEN BREAKDOWN[Current requirements in regular font; proposed *expanded requirements shown in italic font*]

Citation 30 CFR 550 Subpart B and NTLs	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Burden Hours
		Non-Hour Costs		
200 thru 206	General requirements for plans and information; fees/refunds, etc.	Burden included with specific requirements below.		0
201 thru 206; 211 thru 228; 241 thru 262	BOEM posts EPs/DPPs/DOCDs on FDMS and receives public comments in preparation of EAs.	Not considered IC as defined in 5 CFR § 1320.3(h)(4).		0
Subtotal		0		0
Ancillary Activities				
208; NTL 2009-G34	Notify BOEM in writing, and if required by the Regional Supervisor notify other users of the OCS before conducting ancillary activities.	11	40 notices	440
208; 210(a)	Submit report summarizing & analyzing data/ information obtained or derived from ancillary activities.	2	40 reports	80
208; 210(b)	Retain ancillary activities data/information; upon request, submit to BOEM.	2	40 records	80
Subtotal		120 responses		600 hours
Contents of EP				
209; 231(b); 232(d); 234; 235; 281; 283; 284; 285; NTL 2015-N01	Submit new, amended, modified, revised, or supplemental EP, or resubmit disapproved EP, including required information; withdraw an EP.	150	205 changed plans ³	30,750
209; 211 thru 228; NTL 2015-N01	Submit EP and all required information (including, but not limited to, submissions required by BOEM Forms 0137, 0138, 0142; lease stipulations; reports, including shallow hazards surveys, H2S, G&G, archaeological surveys & reports (§ 550.194)***, in specified formats. Provide notifications.	600	95	57,000
		\$4,348 x 95 EP surface locations = \$413,060		
210; 220(a)- (c); 291; 292	For existing Arctic OCS exploration activities: revise and resubmit Arctic-specific information, as required.	700	1	700
202; 211; 216; 219, 220(a)- (c); 224, 227;	For new Arctic OCS exploration activities: submit required Arctic-specific information with EP.	400	1	400
Subtotal			302 responses	88,850 hours
			\$413,060 Non-Hour Costs	
Review and Decision Process for the EP				
235(b); 272(b); 281(d)(3)(ii)	Appeal State’s objection.	Burden exempt as defined in 5 CFR § 1320.4(a)(2), (c).		0
Contents of DPP and DOCD				

209; 266(b); 267(d); 272(a); 273; 281; 283; 284; 285; NTL 2015-N01	Submit amended, modified, revised, or supplemental DPP or DOCD, including required information, or resubmit disapproved DPP or DOCD.	235	275 changed plans	64,625
241 thru 262; 209; NTL 2015-N01	Submit DPP/DOCD and required/supporting information (including, but not limited to, submissions required by BOEM Forms 0137, 0139, 0142; lease stipulations; reports, including shallow hazards surveys, archaeological surveys & reports (§ 550.194)), in specified formats. Provide notification.	700	180	126,000
		\$5,017 x 180 DPP/DOCD wells = \$903,060.		
Subtotal			455 responses	190,625 hours
			\$903,060 Non-hour costs	
Review and Decision Process for the DPP or DOCD				
267(a)	Once BOEM deemed DPP/DOCD submitted; Governor of each affected State, local government official; etc., submit comments/recommendations.	Not considered IC as defined in 5 CFR § 1320.3(h)(4)		0
267(b)	General public comments/recommendations submitted to BOEM regarding DPPs or DOCDs.	Not considered IC as defined in 5 CFR § 1320.3(h)(4).		0
269(b)	For leases or units in vicinity of proposed development and production activities RD may require those lessees and operators to submit information on preliminary plans for their leases and units.	3	1 response	3
Subtotal		1 response		3 hours
Post-Approval Requirements for the EP, DPP, and DOCD				
280(b)	In an emergency, request departure from your approved EP, DPP, or DOCD.	Burden included under 1010-0114.		0
281(a)	Submit various BSEE applications for approval and submit permits.	Burdens included under appropriate subpart or form (1014-0003; 1014-0011; 1014-0016; 1014-0018).		0
282	Retain monitoring data/information; upon request, make available to BOEM.	4	150 records	600
	Prepare and submit monitoring plan for approval.	2	6 plans	12
282(b)	Prepare and submit monitoring reports and data (including BOEM Form 0141 used in GOAR).	3	12 reports	36
284(a)	Submit updated info on activities conducted under approved EP/DPP/DOCD.	4	56 updates	224
Subtotal		224 responses		872 hours
Submit CIDs				
296(a); 297	Submit CID and required/supporting information; submit CID for supplemental DOCD or DPP.	100	17 documents	1,700
		\$32,372 x 17 = \$550,324		
296(b); 297	Submit a revised CID for approval.	50	8 revisions	400
Subtotal			25 responses	2100 hours
			\$550,324 non-hour costs	
Seismic Survey Mitigation Measures and Protected Species Observer Program NTL				
211 thru 228; 241 thru 262	Submit to BOEM observer training requirement materials and information.	1.5 hours	2 sets of material	3

	Training certification and recordkeeping.	1 hour	1 new trainee	1
	During seismic acquisition operations, submit daily observer reports.	1.5 hours	100 reports	150
	If used, submit to BOEM information on any passive acoustic monitoring system prior to placing it in service.	2 hours	25 submittals	50
	Observation Duty (3 observers fulfilling an 8-hour shift each for 365 calendar days x 4 vessels = 35,040 man-hours). This requirement is contracted out; hence the non-hour cost burden.	3 observers x 8 hrs x 365 days = 8,760 hours x 4 vessels observing = 35,040 man-hours x \$52/hr = \$1,822,080.		
Subtotal			128 responses	204 hours
			\$1,822,080 Non-Hour Costs	
Vessel Strike Avoidance and Injured/Protected Species Reporting NTL				
211 thru 228; 241 thru 262	Notify BOEM within 24 hours of an observed protected species or a strike, when your vessel injures/kills a protected species (marine mammal/sea turtle).	1 hour	10 notices	10
Subtotal			10 responses	10 hours
General Departure				
200 thru 299	General departure and alternative compliance requests not specifically covered elsewhere in Subpart B regulations.	2	25 requests	50
Subtotal			25 responses	50 hours
TOTAL BURDEN			1,290 Responses	283,314 Hours
			\$3,688,524 Non-Hour Costs	

*The identification number of NTLs may change when NTLs are reissued periodically to update information.

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If this proposed rule becomes effective and OMB approves the information, BOEM would revise the existing OMB control number to reflect the changes. The IC does not include questions of a sensitive nature. BOEM will protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI implementing regulations (43 CFR part 2), 30 CFR 556.104, *Information collection and proprietary information*, and 30 CFR 550.197, *Data and information to be made available to the public or for limited inspection*.

In addition, the PRA requires agencies to estimate the total annual reporting and recordkeeping non-hour cost burden resulting from the collection of information, and we solicit your comments on this item. For reporting and recordkeeping only, your response should split the cost estimate into two components: (1) total capital and startup cost component and (2) annual operation, maintenance, and purchase of service component. Your estimates should consider the cost to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost

factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you incur costs. Generally, your estimates should not include equipment or services purchased: (1) before October 1, 1995; (2) to comply with requirements not associated with the IC; (3) for reasons other than to provide information or keep records for the Government; or (4) as part of customary and usual business or private practices.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on any aspect of this IC, including:

(1) Whether the collection of information is necessary, including whether the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on respondents.

Send your comments and suggestions on this IC by the date indicated in the **DATES** section to the Desk Officer for the Department of the Interior at OMB–OIRA at (202) 395–5806 (fax) or via the portal at [RegInfo.gov](http://www.reginfo.gov) (online). You may view the IC request(s) at <http://www.reginfo.gov/public/do/PRAMain>. Please provide a copy of your comments to the BOEM Information Collection Clearance Officer (see the **ADDRESSES** section). You may contact Anna Atkinson, BOEM Information Collection Clearance Officer at (703) 787–1025 with any questions. Please reference Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf (OMB Control No. 1010–0151), in your comments.

K. National Environmental Policy Act of 1969 (NEPA)

The Bureaus are analyzing the provisions of the proposed revisions in compliance with the NEPA of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*), the Department of the Interior regulations on Implementation of the National Environmental Policy Act (43 CFR part 46), and the Department of the Interior Manual (516 DM 1) to determine whether they could have a significant

impact on the quality of the human environment.

The Bureaus consider this rulemaking a major federal action under NEPA. The proposed revisions would expand certain drilling regulations to cover additional planning areas within the Alaska OCS that were not included in the 2016 Final Arctic Rule. Arctic OCS operations can be complex and involve significant challenges and operational risks during the drilling process. The agencies prepared an EA²⁹ for the 2020 Proposed Revisions to the Arctic Exploratory Drilling Rule, which will be updated and used to inform the environmental analysis for this rulemaking. Consistent with NEPA, the Bureaus will complete the analysis to ensure any potential environmental effects are considered prior to issuance of a final rule. Accordingly, the Bureaus will not be publishing a draft EA for the proposed rule.

L. Data Quality Act

In developing this proposed rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (44 U.S.C. 3516 note).

M. Effects on the Nation's Energy Supply (E.O. 13211)

Although this proposed rule is a significant regulatory action under E.O. 12866, it is not a significant energy action under the definition of that term in E.O. 13211 because:

1. It is not likely to have a significant adverse effect on the supply, distribution or use of energy; and
2. It has not been designated as a significant energy action by the Administrator of OIRA.

This proposed rule would not add new regulatory compliance requirements that would lead to adverse effects on the Nation's energy supply, distribution, or use. Rather, the proposed changes would help reduce compliance burdens on the offshore oil and gas industry that may hinder the development or use of domestically produced energy resources. Reduced regulatory burdens would not adversely affect productivity, competition, or prices within the energy sector. Thus, a Statement of Energy Effects is not required.

N. National Technology Transfer and Advancement Act (NTTAA)

BSEE complies with the National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 3701 *et seq.*)

requirement that “all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.” In addition, OMB Circular A–119 directs agencies to use voluntary consensus standards in lieu of government-unique standards except where inconsistent with law or otherwise impractical. This eliminates the cost to the government of developing its own standards and encourages long-term efficiency and economic competition through harmonization of standards. The Bureau also complies with the OFR regulations governing incorporation by reference (see 1 CFR part 51), including the requirements to seek approval by OFR to incorporate a standard by reference in the regulations before promulgating a final rule.

O. Clarity of Regulations

We are required by E.O. 12866, E.O. 12988, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

1. Be logically organized;
2. Use the active voice to address readers directly;
3. Use clear language rather than jargon;
4. Be divided into short sections and sentences; and
5. Use lists and tables wherever possible.

If you believe we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help us revise the 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, or the sections where you believe lists or tables would be useful.

P. Severability

If a court holds any provisions of this final rule or their applicability to any persons or circumstances invalid, the remainder of the provisions and their applicability to other people or circumstances will not be affected.

List of Subjects

30 CFR Part 250

Administrative practice and procedure, Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference,

Investigations, oil and gas exploration, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights of-way, Reporting and recordkeeping requirements, Sulphur.

30 CFR Part 550

Administrative practice and procedure, Environmental impact statements, Environmental protection, Mineral resources, Oil and gas exploration, Pipelines, Reporting and recordkeeping requirements, Sulfur. This action by the Assistant Secretary is taken herein pursuant to an existing delegation of authority.

Lanny E. Erdos,

Director, Office of Surface and Mining Reclamation, and Enforcement Exercising Authority of the Assistant Secretary—Land and Minerals Management.

For the reasons stated in the preamble, the Bureaus amend 30 CFR parts 250 and 550 as follows:

Title 30—Mineral Resources

CHAPTER II—BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT, DEPARTMENT OF THE INTERIOR

SUBCHAPTER B—OFFSHORE

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

- 1. The authority citation for 30 CFR Part 250 continues to read as follows:

Authority: 30 U.S.C. 1751, 31 U.S.C. 9701, 33 U.S.C. 1321(j)(1)(C), 43 U.S.C. 1334.

- 2. Amend § 250.105 by revising the definitions of “Arctic OCS,” “Arctic OCS conditions,” and “Capping stack” to read as follows:

§ 250.105 Definitions.

* * * * *

Arctic OCS means the Outer Continental Shelf (OCS) oil and gas planning areas that include any portion of their geographic extent located north of 66°33' N latitude.

Arctic OCS conditions means, for the purposes of this part, the conditions operators can reasonably expect during operations throughout the Alaska OCS region. Such conditions, depending on the time of year, include, but are not limited to: Extreme cold, freezing spray, snow, extended periods of low light, strong winds, dense fog, sea ice, strong currents, and dangerous sea states. Remote location, relative lack of infrastructure, and the existence of subsistence hunting and fishing areas are also characteristics present throughout the Alaska OCS region.

* * * * *

²⁹ <https://www.regulations.gov/document/BSEE-2019-0008-0002>

Capping stack means a mechanical device that can be installed on top of a subsea or surface wellhead or blowout preventer to stop the uncontrolled flow of fluids into the environment.

* * * * *

■ 3. Amend § 250.108 by:

- a. revising paragraphs (b) and (e), and
- b. adding a new paragraph (g) to read as follows:

§ 250.108 What requirements must I follow for cranes and other material-handling equipment?

* * * * *

(b) All cranes installed on OCS fixed platforms or OCS artificial islands must be equipped with a functional anti-two block device.

* * * * *

(e) You must maintain records specific to a crane or the operation of a crane installed on an OCS fixed platform or OCS artificial island, as follows:

(1) Retain all design and construction records, including installation records for any anti-two block safety devices, for the life of the crane. The records must be kept at the OCS fixed platform or OCS artificial island.

(2) Retain all inspection, testing, and maintenance records of cranes for at least 4 years. The records must be kept at the OCS fixed platform or OCS artificial island.

(3) Retain the qualification records of the crane operator and all rigger personnel for at least 4 years. The records must be kept at the OCS fixed platform or OCS artificial island.

* * * * *

(g) All cranes positioned on artificial islands on the Alaska OCS must meet the requirements of ASME B30.5–2021 (incorporated by reference, see § 250.198).

■ 4. Amend § 250.170 by adding a new paragraph (f) to read as follows:

§ 250.170 How long does a suspension last?

* * * * *

(f) For unitized leases in the Alaska OCS Region, § 250.170(a) does not apply. The Regional Supervisor determines the length of the suspension needed to complete continuing development obligations justified by the lessee to ensure the maximum economic recovery of unitized OCS lease resources to BSEE's satisfaction.

■ 5. Amend § 250.171 by revising paragraphs (d) and (e) and adding a new paragraph (f) to read as follows:

§ 250.171 How do I request a suspension?

* * * * *

(d) A commitment to production (SOP only and not applicable to unitized Alaska OCS leases);

(e) The service fee listed in § 250.125 of this subpart; and

(f) For unitized Alaska OCS leases, as applicable:

(1) A commitment to complete the initial development obligations identified in your unit agreement or otherwise approved by the Regional Supervisor, including, at a minimum, the producible well required by paragraph (c) of this section; or

(2) A commitment to complete one or more continuing development obligations which the Regional Supervisor agrees is necessary to properly develop the lease(s).

■ 6. Amend § 250.174 by adding a new paragraph (e) to read as follows:

§ 250.174 When may the Regional Supervisor grant or direct an SOP?

* * * * *

(e) For units on the Alaska OCS, if it will allow you time to complete your initial development obligations, or one or more continuing development obligations.

■ 7. Amend § 250.175 by adding a new paragraph (d) to read as follows:

§ 250.175 When may the Regional Supervisor grant an SOO?

* * * * *

(d) For leases or units on the Alaska OCS, you may request, and the Regional Supervisor may grant, an SOO when you have conducted leaseholding operations during the drilling season immediately preceding the period for which you are seeking a suspension, and you satisfy one of the following conditions:

(1) You are conducting drilling operations from a Mobile Offshore Drilling Unit (MODU), but you are not able to safely continue leaseholding operations due to the presence of seasonal ice;

(2) You are conducting drilling operations from an artificial gravel island or a gravity-based structure, but you are not able to safely continue leaseholding operations due to temporary seasonal restrictions in your approved oil spill response plan; or

(3) You are conducting drilling operations from an artificial ice island, but you are not able to safely continue leaseholding operations due to seasonal temperature changes.

■ 8. Amend § 250.198 by revising paragraph (e)(2)(i)(HH) and adding a new paragraph (f)(4) to read as follows:

§ 250.198 Documents incorporated by reference.

* * * * *

(e) * * *

(2) * * *

(i) * * *

(HH) API RP 17H, Remotely Operated Tools and Interfaces on Subsea Production Systems, Second Edition, June 2013; Errata, January 2014; incorporated by reference at §§ 250.472(a)(3) and 250.734(a);

* * * * *

(f) * * *

(4) ASME B30.5–2021, Mobile and Locomotive Cranes—Safety Standard for Cableways, Cranes, Derricks, Hoists, Hooks, Jacks, and Slings; 2021 Edition, December 17, 2021; incorporated by reference at § 250.108(g).

■ 9. Amend § 250.300 by revising paragraphs (b)(1) and (b)(2) to read as follows:

§ 250.300 Pollution prevention.

* * * * *

(b)(1) The District Manager may restrict the rate of drilling fluid discharges or prescribe alternative discharge methods. The District Manager may also restrict the use of components that could cause unreasonable degradation to the marine environment. No petroleum-based substances, including diesel fuel, may be added to the drilling mud system without prior approval of the District Manager. For Arctic OCS exploratory drilling, you must capture all petroleum-based mud to prevent its discharge into the marine environment.

(2) You must obtain approval from the District Manager of the method you plan to use to dispose of drill cuttings, sand, and other well solids. For Arctic OCS exploratory drilling, you must capture all cuttings from operations that use petroleum-based mud to prevent their discharge into the marine environment.

* * * * *

■ 10. Remove and reserve § 250.452.

§§ 250.440–250.452 [Reserved]

■ 11. Amend § 250.470 by:

- a. revising paragraphs (b)(11) and (b)(12), and adding new paragraph (b)(13),
- b. revising paragraph (f)(3), and
- c. adding a new paragraph (h) to read as follows:

§ 250.470 What additional information must I submit with my APD for Arctic OCS exploratory drilling operations?

* * * * *

(b) * * *

(11) Pick up the oil spill prevention booms and equipment;

(12) Offload the drilling crew; and

(13) Recover the subsea isolation device (SSID), where applicable.

* * * * *

(f) * * *

(3) Where applicable, proof of contracts or membership agreements with cooperatives, service providers, or other contractors who will provide you with the necessary SCCE or related supplies and services if you do not possess them. The contract or membership agreement must include provisions for ensuring the availability of the personnel and/or equipment on a 24-hour per day basis while you are drilling below or working below the surface casing, or before the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, as approved by the Regional Supervisor;

* * * * *

(h) If you plan to install a subsea isolation device (SSID) on your well in accordance with § 250.472(a), a certification signed by a registered professional engineer that your SSID and well design (including casing and cementing program) meet the design requirements in § 250.472 and the design is appropriate for the purpose for which it is intended under expected wellbore conditions.

■ 12. Amend § 250.471 by revising paragraphs (a), (a)(2), (a)(3), and (b) to read as follows:

§ 250.471 What are the requirements for Arctic OCS source control and containment?

* * * * *

(a) If you use a MODU, you must have access to the SCCE as described in paragraphs (a)(1) through (a)(3) of this section capable of controlling and containing the flow from an out-of-control well when drilling below or working below the surface casing. However, the Regional Supervisor will approve delaying access to your SCCE until your operations have reached the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, provided that you submit adequate documentation (such as, but not limited to, risk modeling data, off-set well data, analog data, seismic data), with your APD, demonstrating that you will not encounter any abnormally high-pressured zones or other geologic hazards. The Regional Supervisor will base the determination on any documentation you provide as well as any other available data and information.

* * * * *

(2) A cap and flow system that can be deployed as directed by the Regional Supervisor pursuant to paragraph (h) of this section. The cap and flow system must be designed to capture at least the amount of hydrocarbons equivalent to the calculated worst case discharge rate referenced in your BOEM-approved EP; and

(3) A containment dome that can be deployed as directed by the Regional

Supervisor pursuant to paragraph (h) of this section. The containment dome must have the capacity to pump fluids without relying on buoyancy.

(b) You must conduct a monthly stump test of dry-stored capping stacks.

* * * * *

■ 13. Revise § 250.472 and the section heading to read as follows:

§ 250.472 What are the additional well control equipment or relief rig requirements for the Arctic OCS?

If you will be conducting exploratory drilling operations from a Mobile Offshore Drilling Unit (MODU), you must either use a Subsea Isolation Device (SSID) or have access to a relief rig as an additional means to secure the well in the event of a loss of well control. If you satisfy this requirement through use of an SSID, you must meet the requirements in paragraph (a) of this section. If you satisfy this requirement through maintaining access to a relief rig, you must meet the requirements in paragraph (b) of this section.

(a) *Subsea Isolation Device (SSID)*. If you use an SSID to satisfy this requirement, your SSID and well (including the casing and cementing program) must be designed to achieve a full shut-in, without causing an underground blowout or having reservoir fluids broach to the seafloor. Your SSID must also meet the following requirements:

TABLE 1 TO PARAGRAPH (a)

Your SSID must:

- (1) Be designed to:
 - (i) Close and seal the wellbore, independent of the BOP;
 - (ii) Perform under the maximum environmental and operational conditions anticipated to occur at the well;
 - (iii) Be left on the wellhead in the event the drilling rig is moved off location (e.g., due to storms, ice incursions, or emergency situations);
 - (iv) Preserve isolation through the winter season without relying on the elastomer elements of the rams (e.g., by using a well cap) and allow re-entry during the following open-water season; and
 - (v) In the event of a loss of well control, preserve isolation until other methods of well intervention may be completed, including the need to drill a relief well.
- (2) Include the following equipment:
 - (i) Dual shear rams, including ram locks; one ram must be a blind shear ram;
 - (ii) A redundant control system, independent from the BOP control system, that includes ROV capabilities and a control station on the rig;
 - (iii) Independent, dedicated subsea accumulators with the capacity to function all components of the SSID; and
 - (iv) Two side inlets for intervention; one inlet must be located below the lowest ram on the SSID.
- (3) Include ROV intervention equipment and capabilities. Your ROV equipment and capabilities must:
 - (i) Be able to close each shear ram under MASP conditions, as defined for the operation;
 - (ii) Include an ROV panel that is compliant with API RP 17H (incorporated by reference, see § 250.198);
 - (iii) Meet the ROV requirements in § 250.734(a)(5); and
 - (iv) Have the ability to function the SSID in any environment (e.g., when in a mudline cellar).
- (4) Be installed:
 - (i) Below the BOP;
 - (ii) At or before the time that you first install your BOP; and
 - (iii) To provide protection from deep ice keels, in the event it must remain in place over the winter season (e.g., installed in a mudline cellar).
- (5) Be tested: According to the BOP testing requirements in § 250.737.

(b) *Relief Rig*. If you choose to satisfy this requirement by having access to a

relief rig, you must have access to your relief rig at all times when you are

drilling below or working below the surface casing during Arctic OCS

exploratory drilling operations. However, the Regional Supervisor will approve delaying access to your relief rig until your operations have reached the last casing point prior to penetrating a zone capable of flowing hydrocarbons in measurable quantities, provided that you submit adequate documentation (such as, but not limited to, risk modeling data, off-set well data, analog data, seismic data), with your APD, demonstrating that you will not encounter any abnormally high-pressured zones or other geologic hazards. The Regional Supervisor will base the determination on any documentation you provide as well as any other available data and information. Your relief rig must be different from your primary drilling rig, staged in a location, such that it would be available to arrive on site, drill a relief well, kill and abandon the original well, and abandon the relief well no later than 45 days after the loss of well control.

(1) Your relief rig must comply with all other requirements of this part pertaining to drill rig characteristics and capabilities, and it must be able to drill a relief well under anticipated Arctic OCS conditions.

(2) In the event of a loss of well control, the Regional Supervisor may direct you to drill a relief well using a relief rig that is able to kill and permanently plug an out-of-control well as described in your APD.

■ 14. Amend § 250.720 by revising paragraph (c)(2) to read as follows:

§ 250.720 When and how must I secure a well?

* * * * *

(c) * * *

(2) In areas of ice scour, you must use a well mudline cellar or an equivalent means of minimizing the risk of damage to the well head and wellbore. You may request, and the Regional Supervisor may approve, an alternate procedure or equipment in accordance with §§ 250.141 and 250.408.

* * * * *

■ 15. Amend § 250.724 by revising the introductory text of paragraph (a) to read as follows:

§ 250.724 What are the real-time monitoring requirements?

(a) When conducting well operations with a subsea BOP or with a surface BOP on a floating facility, when operating in an high pressure high temperature (HPHT) environment, or when engaged in Arctic OCS drilling operations, you must gather and monitor real-time well data using an independent, automatic, and continuous

monitoring system capable of recording, storing, and transmitting data regarding the following:

* * * * *

PART 254—OIL—SPILL RESPONSE REQUIREMENTS FOR FACILITIES LOCATED SEAWARD OF THE COAST LINE

■ 16. The authority citation for 30 CFR part 254 continues to read as follows:

Authority: 33 U.S.C. 1321.

■ 17. Amend § 254.6 by revising the definition of “Arctic OCS” to read as follows:

§ 254.6 Definitions.

* * * * *

Arctic OCS means the Outer Continental Shelf (OCS) oil and gas planning areas that include any portion of their geographic extent located north of 66°33' N latitude.

* * * * *

■ 18. Amend § 254.70 by revising paragraph (c) to read as follows:

§ 254.70 What are the additional requirements for facilities conducting exploratory drilling from a MODU on the Arctic OCS?

* * * * *

(c) Undergo plan-holder review prior to handling, storing, or transporting oil in connection with seasonal exploratory drilling activities, and all resulting modifications must be submitted to the Chief of the Oil Spill Preparedness Division (OSPD). If this review does not result in modifications, you must inform the Chief of the OSPD in writing that there are no changes. The requirements of this paragraph (c) are in lieu of the requirements in § 254.30(a).

CHAPTER V—BUREAU OF OCEAN ENERGY MANAGEMENT, DEPARTMENT OF THE INTERIOR

SUBCHAPTER B—OFFSHORE

PART 550—OIL AND GAS AND SULFUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

■ 19. The authority citation for 30 CFR part 550 continues to read as follows:

Authority: 30 U.S.C. 1751; 31 U.S.C. 9701; 43 U.S.C. 1334.

■ 20. Amend § 550.105 by revising the definitions of “Arctic OCS” and “Arctic OCS conditions” to read as follows:

§ 550.105 Definitions.

* * * * *

Arctic OCS means the Outer Continental Shelf (OCS) oil and gas planning areas that include any portion of their geographic extent located north of 66°33' N latitude.

Arctic OCS conditions means, for the purposes of this part, the conditions operators can reasonably expect during operations throughout the Alaska OCS region. Such conditions, depending on the time of year, include, but are not limited to: Extreme cold, freezing spray, snow, extended periods of low light, strong winds, dense fog, sea ice, strong currents, and dangerous sea states. Remote location, relative lack of infrastructure, and the existence of subsistence hunting and fishing areas are also characteristics present throughout the Alaska OCS region.

* * * * *

■ 21. Amend § 550.200 by revising paragraph (a) by removing the acronym “IOP means Integrated Operations Plan.”

■ 22. Remove and reserve § 550.204.

§§ 550.204–550.205 [Reserved]

■ 23. Amend § 550.206 by revising the section heading, paragraph (a) introductory text, and paragraphs (a)(3), (b), and (c) to read as follows:

§ 550.206 How do I submit the EP, DPP, or DOCD?

(a) *Number of copies.* When you submit an EP, DPP, or DOCD to BOEM, you must provide:

* * * * *

(3) Any additional copies that may be necessary to facilitate review of the EP, DPP, or DOCD by certain affected States and other reviewing entities.

(b) *Electronic submission.* You may submit part or all of your EP, DPP, or DOCD and its accompanying information electronically. If you prefer to submit your EP, DPP, or DOCD electronically, ask the Regional Supervisor for further guidance.

(c) *Withdrawal after submission.* You may withdraw your proposed EP, DPP, or DOCD at any time for any reason. Notify the appropriate BOEM Regional Office that you are withdrawing your proposed EP, DPP, or DOCD.

■ 24. Amend § 550.211 by redesignating existing paragraphs (b), (c), and (d) as (c), (d), and (e), and by adding new paragraph (b) to read as follows:

§ 550.211 What must the EP include?

* * * * *

(b) A general description of how you will comply with §§ 250.1909–1914 of this title to ensure operational safety while working in Arctic OCS conditions.

* * * * *

■ 25. Amend § 550.220 by revising paragraphs (c)(1) and (4), and (c)(6)(ii) to read as follows:

§ 550.220 If I propose activities in the Alaska OCS Region, what planning information must accompany the EP?

* * * * *

(c) * * *

(1) A description of how your exploratory drilling will be designed and conducted, (including how all vessels and equipment will be designed, built, and/or modified) to account for Arctic OCS conditions and how such activities will be managed and overseen

as an integrated endeavor. In your description of vessel modifications, describe any approvals from the flag state and the vessel classification society, including any allowances or limitations placed upon the vessel by the classification society and/or the United States Coast Guard.

* * * * *

(4) Additional well control equipment requirements for the Arctic OCS. A

general description of how you will comply with § 250.472 of this title.

* * * * *

(6) * * *

(ii) The termination of drilling operations consistent with the well control planning requirements under § 250.472 of this title.

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FEDERAL REGISTER

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Thursday,
August 6, 2026

Part IV

The President

Executive Order 14417—Establishing the President's Military Spouse Commission

Presidential Documents

Title 3—

Executive Order 14417 of August 3, 2026

The President

Establishing the President's Military Spouse Commission

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. *Purpose and Policy.* Military spouses are intrinsically linked to the good order, readiness, and retention of our military. Their support and contributions to our Armed Forces are crucial to mission success. Yet the spouses of our Nation's service members face significant challenges due to the nature of military service. Frequent relocations and the long absences of service members—especially when deployed to combat zones—can negatively impact military spouses' quality of life and, in turn, that of their family. The repeated relocations and other aspects of military life may limit quality housing options, employment opportunities, and other resources available to families that are not obligated to move every 2 to 3 years, as military families do in service to our Nation. Prolonged service member absences also place enormous burdens on military spouses running households alone.

During my first term, we made significant strides to improve employment policies for military spouses. I took action to enhance job opportunities within the Federal Government for military spouses, expand occupational licensure portability so military spouses have more opportunities to work in different States, and increase remote and flexible job options that provide continuity and financial stability for military families. Now is the time to build on these successes.

Thriving military families mean a more resilient fighting force and thus a stronger and more secure America. It is the policy of the Federal Government to prioritize the quality of life of our military spouses and families while maintaining the highest standards of military readiness.

Sec. 2. *Establishment and Composition of the President's Military Spouse Commission.* (a) There is hereby established the President's Military Spouse Commission (Commission).

(b) The spouse of the Secretary of War shall serve as Chair. The Executive Director of the Commission shall be designated by the President. If the spouse of the Secretary of War is unable to serve as Chair for any reason, the Executive Director shall perform the duties of the Chair until the President designates a new Chair.

(c) In addition to the Chair, the Commission membership shall include the spouses of the following senior military leaders, if applicable:

- (i) the Secretary of the Army;
- (ii) the Secretary of the Navy;
- (iii) the Secretary of the Air Force;
- (iv) the Chairman of the Joint Chiefs of Staff;
- (v) the Chief of Staff of the Army;
- (vi) the Commandant of the Marine Corps;
- (vii) the Chief of Naval Operations;
- (viii) the Chief of Staff of the Air Force;
- (ix) the Chief of Space Operations;

- (x) the Chief of the National Guard Bureau;
- (xi) the Commandant of the Coast Guard;
- (xii) the Sergeant Major of the Army;
- (xiii) the Sergeant Major of the Marine Corps;
- (xiv) the Chief Master Sergeant of the Space Force;
- (xv) the Senior Enlisted Advisor to the Chief of the National Guard Bureau;
- (xvi) the Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff;
- (xvii) the Master Chief Petty Officer of the Coast Guard;
- (xviii) the Master Chief Petty Officer of the Navy;
- (xix) the Chief Master Sergeant of the Air Force;
- (xx) the Secretary of Homeland Security; and
- (xxi) other individuals that the Chair or Executive Director may, from time to time, invite to participate.

(d) Members of the Commission shall serve contingent on the duration of their spouse serving in or performing the duties of the role described in subsections (b) and (c) of this section.

Sec. 3. *Duties of the Commission.* The Commission shall advise and assist the President on policies that affect military spouses and families, including by:

- (a) monitoring the implementation of this order;
- (b) liaising with military spouses to determine common areas of concern;
- (c) developing policies that address challenges faced by military spouses in key areas such as housing, employment, healthcare, education, and deployment-related support;
- (d) recommending to the President practicable actions to help ensure the overall well-being of military spouses and to improve the quality of life of military spouses; and
- (e) providing the President with a report on the matters described in this section at the end of each fiscal year for so long as the Commission exists, and submitting a final report to the President prior to the termination of the Commission.

Sec. 4. *Administration.* (a) Each executive department and agency shall, to the extent permitted by law and subject to the availability of funds, furnish such information and assistance to the Commission as it may request.

(b) Members of the Commission shall serve without compensation but may receive travel reimbursement, including per diem in lieu of subsistence, as allowed under applicable law (5 U.S.C. 5701–5707), consistent with the availability of funds.

(c) The Department of War shall provide such funding and administrative and technical support as the Commission may require, to the extent permitted by law and as authorized by existing appropriations.

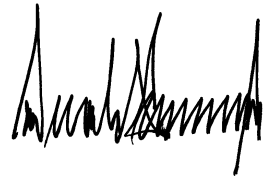
(d) The Commission may establish subcommittees as appropriate to aid in its work.

(e) Insofar as the Federal Advisory Committee Act, as amended (5 U.S.C. 1001 *et seq.*) (the “Act”), may apply to the administration of any portion of this order, any functions of the President under the Act, except that of reporting to the Congress, shall be performed by the Secretary of War in accordance with the guidelines and procedures issued by the Administrator of General Services.

(f) In accordance with the Act, the Commission shall terminate 2 years from the date of this order, unless extended by the President.

Sec. 5. *General Provisions.* (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
- (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.
- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.
- (d) The costs for publication of this order shall be borne by the Department of War.

A handwritten signature in black ink, appearing to be 'Donald Trump', located on the right side of the page.

THE WHITE HOUSE,
August 3, 2026.

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