



FEDERAL REGISTER

Vol. 91

Monday,

No. 181

September 21, 2026

Pages 59695–59980

OFFICE OF THE FEDERAL REGISTER



The **FEDERAL REGISTER** (ISSN 0097-6326) is published daily, Monday through Friday, except official holidays, by the Office of the Federal Register, National Archives and Records Administration, under the Federal Register Act (44 U.S.C. Ch. 15) and the regulations of the Administrative Committee of the Federal Register (1 CFR Ch. I). The Superintendent of Documents, U.S. Government Publishing Office, is the exclusive distributor of the official edition. Periodicals postage is paid at Washington, DC.

The **FEDERAL REGISTER** provides a uniform system for making available to the public regulations and legal notices issued by Federal agencies. These include Presidential proclamations and Executive Orders, Federal agency documents having general applicability and legal effect, documents required to be published by act of Congress, and other Federal agency documents of public interest.

Documents are on file for public inspection in the Office of the Federal Register the day before they are published, unless the issuing agency requests earlier filing. For a list of documents currently on file for public inspection, see www.federalregister.gov.

The seal of the National Archives and Records Administration authenticates the **Federal Register** as the official serial publication established under the Federal Register Act. Under 44 U.S.C. 1507, the contents of the **Federal Register** shall be judicially noticed.

The **Federal Register** is published in paper and on 24x microfiche. It is also available online at no charge at www.govinfo.gov, a service of the U.S. Government Publishing Office.

The online edition of the **Federal Register** is issued under the authority of the Administrative Committee of the Federal Register as the official legal equivalent of the paper and microfiche editions (44 U.S.C. 4101 and 1 CFR 5.10). It is updated by 6:00 a.m. each day the **Federal Register** is published and includes both text and graphics from Volume 1, 1 (March 14, 1936) forward. For more information, contact the GPO Customer Contact Center, U.S. Government Publishing Office. Phone 202-512-1800 or 866-512-1800 (toll free). E-mail, gpocusthelp.com.

The annual subscription price for the **Federal Register** paper edition is \$860 plus postage, or \$929, for a combined **Federal Register**, **Federal Register** Index and List of CFR Sections Affected (LSA) subscription; the microfiche edition of the **Federal Register** including the **Federal Register** Index and LSA is \$330, plus postage. Six month subscriptions are available for one-half the annual rate. The prevailing postal rates will be applied to orders according to the delivery method requested. The price of a single copy of the daily **Federal Register**, including postage, is based on the number of pages: \$11 for an issue containing less than 200 pages; \$22 for an issue containing 200 to 400 pages; and \$33 for an issue containing more than 400 pages. Single issues of the microfiche edition may be purchased for \$3 per copy, including postage. Remit check or money order, made payable to the Superintendent of Documents, or charge to your GPO Deposit Account, VISA, MasterCard, American Express, or Discover. Mail to: U.S. Government Publishing Office—New Orders, P.O. Box 979050, St. Louis, MO 63197-9000; or call toll free 1-866-512-1800, DC area 202-512-1800; or go to the U.S. Government Online Bookstore site, see bookstore.gpo.gov.

There are no restrictions on the republication of material appearing in the **Federal Register**.

How To Cite This Publication: Use the volume number and the page number. Example: 91 FR 12345.

Postmaster: Send address changes to the Superintendent of Documents, Federal Register, U.S. Government Publishing Office, Washington, DC 20402, along with the entire mailing label from the last issue received.

SUBSCRIPTIONS AND COPIES

PUBLIC

Subscriptions:

Paper or fiche	202-512-1800
Assistance with public subscriptions	202-512-1806

General online information 202-512-1530; 1-888-293-6498

Single copies/back copies:

Paper or fiche	202-512-1800
Assistance with public single copies	1-866-512-1800 (Toll-Free)

FEDERAL AGENCIES

Subscriptions:

Assistance with Federal agency subscriptions:

Email	FRSubscriptions@nara.gov
Phone	202-741-6000

The Federal Register Printing Savings Act of 2017 (Pub. L. 115-120) placed restrictions on distribution of official printed copies of the daily **Federal Register** to members of Congress and Federal offices. Under this Act, the Director of the Government Publishing Office may not provide printed copies of the daily **Federal Register** unless a Member or other Federal office requests a specific issue or a subscription to the print edition. For more information on how to subscribe use the following website link: <https://www.gpo.gov/frsubs>.



Contents

Federal Register

Vol. 91, No. 181

Monday, September 21, 2026

Agriculture Department

See Animal and Plant Health Inspection Service

NOTICES

Agency Information Collection Activities; Proposals, Submissions, and Approvals, 59757–59758

Animal and Plant Health Inspection Service

NOTICES

Petition:

Bayer U.S.-Crop Science; Determination of Nonregulated Status and Draft Plant Pest Risk Assessment for Herbicide Resistant MON 96012 Cotton (*Gossypium hirsutum*), 59759–59760

Bayer U.S.-Crop Science; Determination of Nonregulated Status and Draft Plant Pest Risk Assessment for MON 89151 Lepidopteran-Protected Cotton (*Gossypium hirsutum*), 59758–59759

Centers for Disease Control and Prevention

NOTICES

Data Intermediaries and Approaches to Strengthen Public Health Data Exchange, 59777–59780

Civil Rights Cold Case Records Review Board

NOTICES

Formal Determination on Records Release, 59760

Coast Guard

RULES

Safety Zone:

Illinois River, Morris, IL, 59705–59707

PROPOSED RULES

Great Lakes Pilotage Rates:

2027 Annual Review and Revisions to Methodology, 59712–59755

Commerce Department

See International Trade Administration

See National Oceanic and Atmospheric Administration

Commodity Futures Trading Commission

PROPOSED RULES

Privacy Act Regulations, 59711

Defense Department

NOTICES

Hearings, Meetings, Proceedings, etc.:

President's Military Spouse Commission, 59769–59770

Drug Enforcement Administration

RULES

Schedules of Controlled Substances:

Placement of Diphenidine in Schedule I, 59695–59698

NOTICES

Decision and Order:

Esther Villanueva Valdes, M.D., 59798–59800

John Ramsay Walters, M.D., 59797–59798

Education Department

NOTICES

2025–26 Award Year Deadline Date for Reports and Other Records:

Prison Education Programs Accessing the Federal Pell Grant, 59770–59771

Competition Announcement:

Impact Aid Discretionary Construction Grant Program, 59771

Energy Department

See Federal Energy Regulatory Commission

Environmental Protection Agency

PROPOSED RULES

Proposed Deletion from the National Priorities List; Correction, 59712

NOTICES

Proposed Settlement Agreement, Stipulation, Order, and Judgment, etc.:

CTS of Asheville, Inc. Superfund Site, Asheville, NC, 59775–59776

Federal Aviation Administration

PROPOSED RULES

Airworthiness Directives:

The Boeing Company Airplanes, 59708–59711

Special Conditions:

Skyryse, Robinson Helicopter Company Model R66

Helicopter; Control Margin Awareness; Correction, 59708

Federal Energy Regulatory Commission

NOTICES

Application:

Brown Bear II Hydro, Inc., Reasonable Period of Time for Water Quality Certification, 59774

Duke Energy Carolinas, LLC, 59775

NorthWestern Energy, 59771–59773

Southern California Edison, Reasonable Period of Time for Water Quality Certification, 59773

Combined Filings, 59773–59774

Food and Drug Administration

NOTICES

Agency Information Collection Activities; Proposals, Submissions, and Approvals:

Orphan Drugs, 59780–59781

Prior Notice of Imported Food under the Public Health Security and Bioterrorism Preparedness and Response Act, 59785–59788

State Petitions for Exemption from Preemption, 59781–59783

Temporary Marketing Permit Applications, 59788–59790

Chemistry, Manufacturing, and Controls Development and Readiness Pilot Program, 59783–59785

General Services Administration**NOTICES**

Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Acquisition Regulation; GSA Voluntary FSS Domestic End Product Certification on GSA Federal Supply Schedule, etc., 59776

Health and Human Services Department

See Centers for Disease Control and Prevention
See Food and Drug Administration
See Health Resources and Services Administration
See National Institutes of Health

NOTICES

Request for Information:
Electromagnetic Fields, Radiofrequency Radiation, and Wireless Radiation Exposure, 59792–59794
Requests for Nominations:
National Vaccine Advisory Committee, 59791–59792

Health Resources and Services Administration**NOTICES**

Supplemental Funding:
Medicare Rural Hospital Flexibility Program Evaluation Cooperative Agreement, 59790
Rural Quality Improvement Technical Assistance Program, 59791
State Offices of Rural Health Coordination and Development Program, 59790–59791

Homeland Security Department

See Coast Guard

NOTICES

Finding of Mass Influx of Aliens, 59795–59797

International Trade Administration**NOTICES**

Antidumping or Countervailing Duty Investigations, Orders, or Reviews:
Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, 59766–59767
Seamless Refined Copper Pipe and Tube from Mexico, 59763–59765
Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China, 59768
Welded Stainless Line and Pressure Pipe from India and the Republic of Turkey, 59765–59766
Sales at Less Than Fair Value; Determinations, Investigations, etc.:
Tin Mill Products from the People's Republic of China, 59760–59763

Justice Department

See Drug Enforcement Administration

Labor Department

See Mine Safety and Health Administration
See Occupational Safety and Health Administration
See Wage and Hour Division

NOTICES

Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Qualification/Certification Program Request for MSHA Individual Identification Number, 59800–59801

Mine Safety and Health Administration**NOTICES**

Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Refuse Piles and Impoundment Structures, 59801–59804

National Credit Union Administration**NOTICES**

Agency Information Collection Activities; Proposals, Submissions, and Approvals, 59809–59810

National Highway Traffic Safety Administration**PROPOSED RULES**

Federal Motor Vehicle Safety Standards:
Denial of a Petition for Rulemaking, 59755–59756

NOTICES

Petition for Decision of Inconsequential Noncompliance:
Ford Motor Co., 59833–59834

National Institutes of Health**NOTICES**

Hearings, Meetings, Proceedings, etc.:
Center for Scientific Review, 59794–59795
Center for Scientific Review; Amended, 59795

National Mediation Board**NOTICES**

Agency Information Collection Activities; Proposals, Submissions, and Approvals, 59810–59813

National Oceanic and Atmospheric Administration**NOTICES**

Hearings, Meetings, Proceedings, etc.:
Gulf Fishery Management Council and South Atlantic Fishery Management Council, 59769

Nuclear Regulatory Commission**NOTICES**

Guidance:
Material Compatibility for Non-Light Water-Reactors, 59813–59815

Occupational Safety and Health Administration**NOTICES**

Charter Amendments, Establishments, Renewals and Terminations:
National Advisory Committee on Occupational Safety and Health, 59804
Nationally Recognized Testing Laboratories:
RETC, LLC.; Application for Expansion of Recognition, 59806–59807
TUV SUD America, Inc.; Application for Expansion of Recognition, 59804–59805

Pipeline and Hazardous Materials Safety Administration**NOTICES**

Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Hazardous Materials, 59834–59849

Postal Regulatory Commission**NOTICES**

New Postal Products, 59815

Presidential Documents**PROCLAMATIONS**

Special Observances:
Constitution Day, Citizenship Day, and Constitution Week (Proc. 11067), 59969–59972

National POW/MIA Recognition Day, 2026 (Proc. 11068), 59973–59974

EXECUTIVE ORDERS

Water Quality Improvements; Collaboration and Oversight Through Federal Support (EO 14428), 59975–59977

ADMINISTRATIVE ORDERS

Government Procurement; Efforts To Restore Reciprocity (Memorandum of September 16, 2026), 59979–59980

Securities and Exchange Commission**PROPOSED RULES**

Proxy Solicitation Modernization, 59852–59901

Rescission of Rule 14a–8’s Federal Regulation of Shareholder Proposals and Amendments to Rule 14a–4, 59904–59967

NOTICES

Application:

Wasatch Funds Trust and Wasatch Advisors LP, 59824

Joint Industry Plan:

National Market System Plan Governing the Consolidated Audit Trail to Add MX2 LLC as a Participant, 59822–59823

Meetings; Sunshine Act, 59822

Registration as a National Securities Exchange:

North American Derivatives Exchange, Inc., 59823–59824

Self-Regulatory Organizations; Proposed Rule Changes:

Investors Exchange LLC, 59824–59828

Municipal Securities Rulemaking Board, 59828–59832

Nasdaq Texas, LLC, 59815–59818

The Options Clearing Corp., 59818–59822

Social Security Administration**NOTICES**

Charging Standard Administrative Fees for Non-Program Information, 59832–59833

State Department**RULES**

Public Access to Information, 59698–59705

Surface Transportation Board**NOTICES**

Release of Waybill Data, 59833

Transportation Department

See Federal Aviation Administration

See National Highway Traffic Safety Administration

See Pipeline and Hazardous Materials Safety Administration

Wage and Hour Division**NOTICES**

Agency Information Collection Activities; Proposals, Submissions, and Approvals:

Disclosures to Workers under the Migrant and Seasonal Agricultural Worker Protection Act, 59807–59809

Separate Parts In This Issue**Part II**

Securities and Exchange Commission, 59852–59901

Part III

Securities and Exchange Commission, 59904–59967

Part IV

Presidential Documents, 59969–59977, 59979–59980

Reader Aids

Consult the Reader Aids section at the end of this issue for phone numbers, online resources, finding aids, and notice of recently enacted public laws.

To subscribe to the Federal Register Table of Contents electronic mailing list, go to <https://public.govdelivery.com/accounts/USGPOOFR/subscriber/new>, enter your e-mail address, then follow the instructions to join, leave, or manage your subscription.

CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

3 CFR**Proclamations:**

1106759971
1106859973

Executive Orders:

13508 (revoked by EO
14428)59975
1442859975

Administrative Orders:

Memorandums:
Memorandum of
September 16,
202659979

14 CFR**Proposed Rules:**

2759708
3959708

17 CFR**Proposed Rules:**

14659711
200 (2 documents)59852,
59904
229 (2 documents)59852,
59904
23059852
232 (2 documents)59852,
59904
23959852
240 (2 documents)59852,
59904
249 (2 documents)59852,
59904
26059852

21 CFR

130859695

22 CFR

17159698

33 CFR

16559705

40 CFR**Proposed Rules:**

30059712

46 CFR**Proposed Rules:**

40159712
40459712

49 CFR**Proposed Rules:**

57159755

Rules and Regulations

Federal Register

Vol. 91, No. 181

Monday, September 21, 2026

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents.

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

21 CFR Part 1308

[Docket No. DEA-1155]

Schedules of Controlled Substances: Placement of Diphenidine in Schedule I

AGENCY: Drug Enforcement Administration, Department of Justice.

ACTION: Final rule.

SUMMARY: With the issuance of this final rule, the Drug Enforcement Administration places the substance diphenidine (1-(1,2-diphenylethyl)piperidine), including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible, in schedule I of the Controlled Substances Act. This action is being taken, in part, to enable the United States to meet its obligations under the 1971 Convention on Psychotropic Substances. This action imposes the regulatory controls and administrative, civil, and criminal sanctions applicable to schedule I controlled substances on persons who handle (manufacture, distribute, reverse distribute, import, export, engage in research, conduct instructional activities or chemical analysis with, or possess) or propose to handle diphenidine.

DATES: *Effective date:* October 21, 2026.

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

SUPPLEMENTARY INFORMATION: In this final rule, the Drug Enforcement Administration (DEA) permanently schedules diphenidine (1-(1,2-diphenylethyl)piperidine) in schedule I of the Controlled Substances Act (CSA), including its salts, isomers, and salts of

isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

Legal Authority

The United States is a party to the 1971 United Nations Convention on Psychotropic Substances (1971 Convention), Feb. 21, 1971, 32 U.S.T. 543, 1019 U.N.T.S. 175, as amended. Procedures respecting changes in drug schedules under the 1971 Convention are governed domestically by 21 U.S.C. 811(d)(2)–(4). When the United States receives notification of a scheduling decision pursuant to Article 2 of the 1971 Convention indicating that a drug or other substance has been added to a schedule specified in the notification, the Secretary of Health and Human Services (Secretary),¹ after consultation with the Attorney General, shall first determine whether existing legal controls under subchapter I of the CSA and the Federal Food, Drug, and Cosmetic Act meet the requirements of the schedule specified in the notification with respect to the specific drug or substance.² In the event that the Secretary did not so consult with the Attorney General, and the Attorney General did not issue a temporary order, as provided under 21 U.S.C. 811(d)(4), the procedures for permanent scheduling set forth in 21 U.S.C. 811(a) and (b) control.

Pursuant to 21 U.S.C. 811(a)(1) and (2), the Attorney General (as delegated to the Administrator of DEA pursuant to 28 CFR 0.100) may, by rule, and upon the recommendation of the Secretary, add to such a schedule or transfer between such schedules any drug or other substance, if he finds that such drug or other substance has a potential for abuse, and makes with respect to such drug or other substance the findings prescribed by 21 U.S.C. 812(b)

¹ As discussed in a memorandum of understanding entered into by the Food and Drug Administration (FDA) and the National Institute on Drug Abuse (NIDA), FDA acts as the lead agency within HHS in carrying out the Secretary's scheduling responsibilities under the CSA, with the concurrence of NIDA. *Memorandum of Understanding with the National Institute on Drug Abuse*, 50 FR 9518 (Mar. 8, 1985). The Secretary has delegated to the Assistant Secretary for Health of HHS (Assistant Secretary) the authority to make domestic drug scheduling recommendations. *Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, As Amended; Delegation of Authority*, 58 FR 35460 (July 1, 1993).

² 21 U.S.C. 811(d)(3).

for the schedule in which such drug or other substance is to be placed.

Background

Diphenidine (1-(1,2-diphenylethyl)piperidine) is a dissociative hallucinogen of the 1,2-diarylethylamine class that has been identified in the United States' illicit drug market. It was first synthesized in 1924 but not encountered for recreational use until 2014. Diphenidine has no approved medical use in the United States.

On June 10, 2021, the Secretary-General of the United Nations advised the Secretary of State of the United States that the Commission on Narcotic Drugs (CND), during its 64th Session in April 2021, voted to place diphenidine in Schedule II of the 1971 Convention (CND Decision 64/5). As a signatory to the 1971 Convention, the United States is required, by scheduling under the CSA, to place appropriate controls on diphenidine to meet the minimum requirements of the treaty.

Because the procedures in 21 U.S.C. 811(d)(3) and (4) for consultation and issuance of a temporary order for diphenidine, discussed in the above legal authority section, were not followed, DEA is utilizing the procedures for permanent scheduling set forth in 21 U.S.C. 811(a) and (b) to control diphenidine. Such scheduling would satisfy the United States' international obligations.

DEA and HHS Eight-Factor Analyses

On November 26, 2022, in accordance with 21 U.S.C. 811(b), and in response to DEA's January 24, 2022, request, the Department of Health and Human Services (HHS) provided to DEA a scientific and medical evaluation and scheduling recommendation for diphenidine. DEA reviewed the scientific and medical evaluation and scheduling recommendation for schedule I placement provided by HHS, and all other relevant data, pursuant to 21 U.S.C. 811(b) and (c), and conducted its own analysis under the eight factors stipulated in 21 U.S.C. 811(c). DEA found, under 21 U.S.C. 812(b)(1), that this substance warrants control in schedule I. Both DEA's and HHS' Eight-Factor analyses are available in their entirety under the tab Supporting Documents of the public docket for this action at <https://www.regulations.gov> under docket number DEA1155.

Notice of Proposed Rulemaking To Schedule Diphenidine

On May 26, 2026, DEA published a notice of proposed rulemaking (NPRM) to permanently control diphenidine in schedule I.³ Specifically, DEA proposed to add diphenidine to the list of hallucinogenic substances under 21 CFR 1308.11(d). The NPRM provided an opportunity for interested persons to file a request for hearing in accordance with DEA's regulations on or before June 25, 2026. DEA did not receive any requests for such a hearing. The NPRM also provided an opportunity for interested persons to submit comments on or before June 25, 2026.

Comments Received

DEA received two comments from individuals in response to the NPRM for the placement of diphenidine into schedule I of the CSA. One commenter supported the placement of diphenidine in schedule I of the CSA, whereas the second commenter was against the placement of diphenidine in schedule I of the CSA.

Support of Rulemaking: DEA received one comment in support of the placement of diphenidine in schedule I.

DEA Response: DEA appreciates the comment in support of this rulemaking.

Opposition to Rulemaking: The other commenter recognized concerns regarding misuse and public safety related to diphenidine, while asserting that placing diphenidine in schedule I may discourage further scientific and medical research with diphenidine. The commenter suggested that DEA consider a less restrictive schedule that “would maintain regulatory oversight while facilitating legitimate scientific research.”

DEA Response: DEA appreciates this comment and would like to provide further clarification regarding the control of diphenidine. Diphenidine has been placed under international control. In order to comply with treaty obligations, DEA must place diphenidine under the most appropriate schedule, taking into consideration all appropriate scientific data.

Additionally, as set forth in the NPRM, diphenidine has no currently accepted medical use in treatment in the United States. Therefore, diphenidine must be placed in schedule I of the CSA along with other substances which have no currently accepted medical use, lack accepted safety for use under medical supervision, and possess a high potential for abuse. With respect to

research for potential medical use, the placement of substances in schedule I of the CSA does not preclude research on these substances.⁴ Those wishing to conduct research on schedule I substances may do so by registering with the DEA.⁵

Scheduling Conclusion

After consideration of the public comments, the scientific and medical evaluation and accompanying scheduling recommendations from HHS, and its own eight-factor evaluation, DEA finds that these facts and all relevant data constitute substantial evidence of potential for abuse of diphenidine. As such, DEA is permanently scheduling diphenidine as a controlled substance under schedule I of the CSA. The permanent scheduling of diphenidine fulfills the United States' obligations as a party to the 1971 Convention.

Determination of Appropriate Schedule

The CSA establishes five schedules of controlled substances known as schedules I, II, III, IV, and V. The CSA also outlines the findings required to place a drug or other substance in any particular schedule, per 21 U.S.C. 812(b). After consideration of the analysis and recommendation of the then-Assistant Secretary for Health of HHS and review of all other available data, the Administrator of DEA, pursuant to 21 U.S.C. 812(b)(1), finds that:

(1) Diphenidine's pharmacological profile, including its high binding affinity and function as an antagonist at the N-methyl-D-aspartate (NMDA) receptor, is indicative that it has a high potential for abuse. Binding and antagonism to the NMDA receptor are also characteristic of and believed to be important in the subjective and mind-altering effects of other dissociative drugs, such as MXE, PCP, and ketamine, all known drugs that are abused. Published case reports support that the subjective effects and use patterns are

similar to other NMDA receptor antagonists that have known high abuse.

(2) Diphenidine is not legally marketed in the United States. As noted in the HHS's review, diphenidine is not FDA-approved for any indication. There are no known medically approved uses worldwide at this time. There is no evidence that diphenidine has a currently accepted medical use in treatment in the United States.⁶

(3) Because diphenidine has no approved medical use and has not been thoroughly investigated as a new drug, its safety for use under medical supervision is not determined. Thus, there is a lack of accepted safety for use of this substance under medical supervision.

Based on these findings, the Administrator of DEA concludes that diphenidine, as well as its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible, warrants control in schedule I of the CSA.

⁶ Pursuant to 21 U.S.C. 812(b)(1)(B), when placing a drug or other substance in schedule I, DEA must consider whether the substance has a currently accepted medical use in treatment in the United States. First, DEA looks to whether the drug or substance has FDA approval. When no FDA approval exists, DEA has traditionally applied a five-part test to determine whether a drug or substance has a currently accepted medical use: (1) the drug's chemistry must be known and reproducible; (2) there must be adequate safety studies; (3) there must be adequate and well-controlled studies proving efficacy; (4) the drug must be accepted by qualified experts; and (5) the scientific evidence must be widely available. See *Marijuana Scheduling Petition; Denial of Petition; Remand*, 57 FR 10499 (Mar. 26, 1992), pet. for rev. denied, *Alliance for Cannabis Therapeutics v. Drug Enforcement Admin.*, 15 F.3d 1131, 1135 (D.C. Cir. 1994). DEA and HHS applied the traditional five-part test for currently accepted medical use in this matter and concluded the test was not satisfied. In a published letter in a different context, HHS applied an additional two-part test to determine currently accepted medical use for substances that do not satisfy the five-part test: (1) whether there exists widespread, current experience with medical use of the substance by licensed health care practitioners operating in accordance with implemented jurisdiction-authorized programs, where medical use is recognized by entities that regulate the practice of medicine, and, if so, (2) whether there exists some credible scientific support for at least one of the medical conditions for which part (1) is satisfied. On April 11, 2024, the Department of Justice's Office of Legal Counsel (OLC) issued an opinion, which, among other things, concluded that HHS' two-part test would be sufficient to establish that a drug has a currently accepted medical use. Office of Legal Counsel, Memorandum for Merrick B. Garland, Attorney General, Re: Questions Related to the Potential Rescheduling of Marijuana at 3 (April 11, 2024). For purposes of this final rule, there is no evidence that health care providers have widespread experience with medical use of diphenidine or that the use of diphenidine is recognized by entities that regulate the practice of medicine, so the two-part test also is not satisfied.

³ *Schedules of Controlled Substances: Placement of Diphenidine in Schedule I*, 91 FR 30519 (May 26, 2026).

⁴ 21 U.S.C. 822(h); 21 U.S.C. 823(g)(2)(A); 21 U.S.C. 823(n). Of note, the potential impact a proposed rule may have on current or future research opportunities has no bearing on whether a substance meets the three statutory criteria for placement in schedule I of the CSA. See also *Grinspoon v. Drug Enforcement Admin.*, 828 F.2d 881, 897 (1st Cir. 1987) (concluding that “Congress has already weighed the costs and benefits of legitimate research on dangerous drugs and has determined, in a categorical manner, that if the three Schedule I criteria are satisfied, then the substance should be subject to Schedule I controls even if this action will create administrative and other burdens for researchers” (citation omitted)).

⁵ See, <https://apps.deadiversion.usdoj.gov/webforms2/spring/login?execution=e1s1>.

Requirements for Handling Diphenidine

Diphenidine is subject to the CSA's schedule I regulatory controls and administrative, civil, and criminal sanctions applicable to the manufacture, distribution, reverse distribution, import, export, engagement in research, conduct instructional activities or chemical analysis with, and possession of, schedule I controlled substances, including the following:

1. *Registration.* Any person who handles (manufactures, distributes, reverse distributes, imports, exports, engages in research, or conducts instructional activities or chemical analysis with, or possesses), or who desires to handle, diphenidine must register with DEA to conduct such activities pursuant to 21 U.S.C. 822, 823, 957, and 958, and in accordance with 21 CFR parts 1301 and 1312.

Any person who currently handles diphenidine and is not registered with DEA must submit an application for registration and may not continue to handle diphenidine, unless DEA has approved that application for registration pursuant to 21 U.S.C. 822, 823, 957, 958, and in accordance with 21 CFR parts 1301 and 1312.

Notwithstanding the foregoing, pursuant to 21 U.S.C. 822(h), if, on October 21, 2026, a person is conducting research on diphenidine and is already registered to conduct research with another controlled substance in schedule I, the person may continue to conduct research on diphenidine if they submit a completed application for registration or modification of existing registration, as applicable, to conduct research with diphenidine not later than 90 calendar days after the date of effectuation of the final rule. The person may continue to conduct such research until the person withdraws the application or the Administrator serves on the person an order to show cause proposing denial of the application pursuant to 21 U.S.C. 824(c) and in accordance with 21 CFR 1301.37. If the Administrator serves an order to show cause proposing denial of the application or modification, the person may not continue to conduct research with diphenidine and may not receive or otherwise obtain additional diphenidine. If an order to show cause is served and the person requests a hearing in accordance with 21 CFR 1301.37(d), the hearing shall be held in accordance with 21 CFR 1301.41–1301.46 on an expedited basis and not later than 45 calendar days after the request is made, except that the hearing may be held at a later time if so

requested by the person. If the person sends a copy of the application to a manufacturer or distributor of diphenidine, receipt of the copy by the manufacturer or distributor constitutes sufficient evidence that the person is authorized to receive diphenidine pursuant to 21 U.S.C. 822(h)(4). Continuation of research under 21 U.S.C. 822(h) does not authorize any other handling (e.g., distribution) of diphenidine.

Retail sales of schedule I controlled substances to the general public are not allowed under the CSA. Possession of any quantity in a manner not authorized by the CSA is unlawful and those in possession of any quantity may be subject to prosecution pursuant to the CSA.

2. *Disposal of Stocks.* Any person unwilling or unable to obtain a schedule I registration must surrender or transfer all quantities of currently held diphenidine to a person registered with DEA before the effective date of the final scheduling action in accordance with all applicable Federal, State, local, and Tribal laws. Diphenidine must be disposed of in accordance with 21 CFR part 1317, in addition to all other applicable Federal, State, local, and Tribal laws.

3. *Security.* Diphenidine is subject to schedule I security requirements and must be handled and stored pursuant to 21 U.S.C. 823, and in accordance with 21 CFR 1301.71–1301.76. Non-practitioners handling diphenidine must comply with the employee screening requirements of 21 CFR 1301.90–1301.93.

4. *Labeling and Packaging.* All labels, labeling, and packaging for commercial containers of diphenidine must comply with 21 U.S.C. 825 and be in accordance with 21 CFR part 1302.

5. *Quota.* Generally, only registered manufacturers are permitted to manufacture diphenidine in accordance with a quota assigned pursuant to 21 U.S.C. 826, and in accordance with 21 CFR part 1303.

6. *Inventory.* Every DEA registrant who possesses any quantity of diphenidine must take an inventory of diphenidine on hand, pursuant to 21 U.S.C. 827 and 958, and in accordance with 21 CFR 1304.03, 1304.04, and 1304.11(a) and (d).

Any person who registers with DEA must take an initial inventory of all stocks of controlled substances (including diphenidine) on hand on the date the registrant first engages in the handling of controlled substances, pursuant to 21 U.S.C. 827 and 958, and in accordance with 21 CFR 1304.03, 1304.04, and 1304.11(a) and (b).

After the initial inventory, every DEA registrant must take an inventory of all controlled substances (including diphenidine) on hand every two years, pursuant to 21 U.S.C. 827 and 958(e), and in accordance with 21 CFR 1304.03, 1304.04, and 1304.11.

7. *Records and Reports.* Every DEA registrant must maintain records and submit reports for diphenidine, or products containing diphenidine, pursuant to 21 U.S.C. 827, 832(a), and 958(e), and in accordance with 21 CFR 1301.74(b) and (c), 1301.76(b), and parts 1304, 1312 and 1317. Manufacturers and distributors must submit reports regarding diphenidine to the Automation of Reports and Consolidated Orders System pursuant to 21 U.S.C. 827 and in accordance with 21 CFR parts 1304 and 1312.

8. *Order Forms.* Every DEA registrant who distributes diphenidine must comply with the order form requirements, pursuant to 21 U.S.C. 828 and 21 CFR part 1305.

9. *Importation and Exportation.* All importation and exportation of diphenidine must comply with 21 U.S.C. 952, 953, 957, and 958, and in accordance with 21 CFR parts 1304 and 1312.

10. *Liability.* Any activity involving diphenidine not authorized by, or in violation of, the CSA or its implementing regulations, is unlawful, and may subject the person to administrative, civil, and/or criminal sanctions.

Regulatory Analyses

Executive Orders 12866, 13563, 14192, and 14294

In accordance with 21 U.S.C. 811(a), this final scheduling action is subject to formal rulemaking procedures performed “on the record after opportunity for a hearing,” which are conducted pursuant to the provisions of 5 U.S.C. 556 and 557. The CSA sets forth the procedures and criteria for scheduling a drug or other substance. Such actions are exempt from review by the Office of Management and Budget (OMB) pursuant to section 3(d)(1) of Executive Order (E.O.) 12866 and the principles reaffirmed in E.O. 13563. DEA scheduling actions promulgated by formal rulemaking are not regulatory actions under E.O. 14192, Unleashing Prosperity Through Deregulation, and are not subject to E.O. 14294, Overcriminalization of Federal Regulations.

Executive Order 12988, Civil Justice Reform

This regulation meets the applicable standards set forth in sections 3(a) and

3(b)(2) of E.O. 12988 to eliminate drafting errors and ambiguity, minimize litigation, provide a clear legal standard for affected conduct, and promote simplification and burden reduction.

Executive Order 13132, Federalism

This rulemaking does not have federalism implications warranting the application of E.O. 13132. The rule does 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.

Executive Order 13175, Consultation and Coordination With Indian Tribal Governments

This rule does not have Tribal implications warranting the application of E.O. 13175. It does not 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.

Regulatory Flexibility Act

The Administrator of DEA, in accordance with the Regulatory Flexibility Act, 5 U.S.C. 601 through 612, has reviewed this final rule, and by approving it, certifies that it will not have a significant economic impact on a substantial number of small entities.

DEA is placing the substance diphenidine (chemical name: 1-(1,2-diphenylethyl)piperidine), including its salts, isomers, and salts of isomers, in schedule I of the CSA to enable the United States to meet its obligations under the 1971 Convention. This action imposes the regulatory controls and

administrative, civil, and criminal sanctions applicable to schedule I controlled substances on persons who handle (manufacture, distribute, reverse distribute, import, export, engage in research, conduct instructional activities or chemical analysis with, or possess) or propose to handle diphenidine.

Based on the review of HHS's scientific and medical evaluation and all other relevant data, DEA determined that diphenidine has high potential for abuse, has no currently accepted medical use in treatment in the United States, and lacks accepted safety for use under medical supervision. There appear to be no legitimate sources for diphenidine as a marketed drug in the United States, but DEA notes that this substance is available for purchase from legitimate suppliers for scientific research. There is no evidence of significant diversion of diphenidine from legitimate suppliers. Therefore, this final rule will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act of 1995

This rule would require compliance with the following existing OMB collections: 1117-0003, 1117-0004, 1117-0006, 1117-0008, 1117-0009, 1117-0010, 1117-0012, 1117-0014, 1117-0021, and 1117-0056. 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.

Unfunded Mandates Reform Act of 1995

In accordance with the Unfunded Mandates Reform Act (UMRA) of 1995,

2 U.S.C. 1532, DEA has determined that this action would not result in any Federal mandate that may result "in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted annually for inflation) in any 1 year" Therefore, neither a Small Government Agency Plan nor any other action is required under UMRA of 1995.

Congressional Review Act

The Office of Information and Regulatory Affairs has determined that this rule is not a major rule as defined by the Congressional Review Act (CRA), 5 U.S.C. 804. However, pursuant to the CRA, DEA is submitting a copy of this rule to both Houses of Congress and to the Comptroller General.

List of Subjects in 21 CFR Part 1308

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

For the reasons set out above, DEA amends 21 CFR part 1308 as follows:

PART 1308—SCHEDULES OF CONTROLLED SUBSTANCES

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

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

■ 2. Amend § 1308.11, add paragraph (d)(117) to read as follows:

§ 1308.11 Schedule I.
* * * * *
(d) * * *

* * * * *	
(117) Diphenidine (other name: 1-(1,2-diphenylethyl)piperidine)	7292
* * * * *	

* * * * *
Signing Authority

This document of the Drug Enforcement Administration was signed on September 11, 2026, by DEA Administrator Terrance C. Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in

electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,
Federal Register Liaison Officer, Drug Enforcement Administration.
[FR Doc. 2026-19231 Filed 9-18-26; 8:45 am]
BILLING CODE 4410-09-P

DEPARTMENT OF STATE
22 CFR Part 171
[Public Notice: 13124]
RIN 1400-AG32
Public Access to Information
AGENCY: Department of State.
ACTION: Final rule.

SUMMARY: The Department of State revises its regulations governing the availability to the public of information that is under the control of the

Department. This rule reflects changes in the Department's organization and procedures since the last revision of the Department's regulations on public access to information, including relating to the use of email to submit requests for information under this part.

DATES: The rule is in effect on October 21, 2026.

FOR FURTHER INFORMATION CONTACT:

Susan Weetman, FOIA Public Liaison, Information Access Programs Directorate, U.S. Department of State, FOIAStatus@state.gov, 202–261–8484.

SUPPLEMENTARY INFORMATION: This final rule implements the Freedom of Information Act (FOIA) Improvement Act of 2016, Public Law 114–185, and updates the Department's FOIA regulations at 22 CFR part 171. The following is a summary of the substantive changes.

The final rule, in § 171.4(a)(1), encourages the public to search the agency's FOIA Library to determine whether the records they seek are already publicly available prior to submitting a request. Due to the Department's release-to-one, release-to-all policy, in many cases this provision would enable the public to locate records immediately and without the need to file a FOIA request.

The final rule, in § 171.4(a)(2) and § 171.15(a)(2) and (3), directs the public to the agency's FOIA web page for the list of components accepting FOIA requests, administrative appeals, and the corresponding contact information. This will enable the Department to more easily keep component contact information up to date.

The final rule, in § 171.4(a)(2), provides updated procedures for submitting FOIA requests to the Department. Specifically, the Department will only accept electronic FOIA and Privacy Act request submissions for the Information Access Programs Directorate and the Directorate for Passport Services via FOIA.gov or the Department's FOIA website.

The final rule, in § 171.4(b), simplifies and consolidates the procedures for reasonably describing records sought; for example, what information should be provided when requesting visa records. This update aims to increase efficiency in processing requests by reducing the need to manually enter data into the Department's case management system and reduce the need to request information that is often missing from submissions.

The final rule, in § 171.11(a), removes redundant information regarding IAP's role in making initial determinations.

Subpart C contains the rule's Privacy Act provisions. The final rule, in § 171.22(c) and (e), clarifies the methods used to verify identity for first-party information or a third party's information requests. The rule consolidates these requirements in this section that were previously repeated or spread across several subsections. The final change aims to make it easier for requesters to understand what information is required to verify their identity and how this information can be submitted. This update will minimize the number of requests that do not include proper verification of identity and increase the number of properly verified first and third-party requests the Department receives and reduce the administrative burden on the agency of following up with requesters that have not properly verified their identity.

In § 171.26(a), the final rule updates the list of SORNS and exemptions.

Finally, the final rule makes numerous minor changes throughout, to update references to the Office of Information Programs and Services to Information Access Programs Directorate.

Regulatory Findings

Administrative Procedure Act

This rulemaking is exempt from notice and comment procedures under the provisions of 5 U.S.C. 553(b), since it is related to Department organization, procedure, and practice.

Regulatory Flexibility Act

The Department of State, in accordance with the Regulatory Flexibility Act, 5 U.S.C. 605(b), has reviewed this regulation and, by approving it, certifies that this rule will not have a significant economic impact on a substantial number of small entities.

Unfunded Mandates Act of 1995

This rule will not result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any year, and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

Executive Order 12988—Civil Justice Reform

The Department has reviewed this regulation in light of Executive Order 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

Executive Orders 12372 and 13132—Federalism

This regulation 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. Therefore, in accordance with Executive Order 13132, it is determined that this rule does not have sufficient federalism implications to require consultations or warrant the preparation of a federalism summary impact statement. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities do not apply to this regulation.

Executive Order 13175—Consultation and Coordination With Indian Tribal Governments

The Department has determined that this rulemaking will not have tribal implications, will not impose substantial direct compliance costs on Indian tribal governments, and will not pre-empt tribal law. Accordingly, the requirements of Executive Order 13175 do not apply to this rulemaking.

Executive Orders 12866 and 13563—Improving Regulation and Regulatory Review

The Department has considered this rule in light of these Executive Orders and affirms that this regulation is consistent with the guidance therein. The benefits of this rulemaking for the public include, but are not limited to, providing an up-to-date procedure for requesting information from the Department that is consistent with the FOIA Improvement Act of 2016. The Department is aware of no more than a minimal cost to the public from this rulemaking. The Office of Information and Regulatory Affairs has not designated this rule as “significant” within the meaning of E.O. 12866.

Executive Order 14192—Unleashing Prosperity Through Deregulation

Since this rule was not deemed “significant” under Executive Order 12866, it is not subject to the provisions of Executive Order 14192.

Paperwork Reduction Act

This rule does not impose or revise any reporting or recordkeeping requirements subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

List of Subjects in 22 CFR Part 171

Administrative practice and procedure, Freedom of information, Privacy.

Accordingly, for the reasons set forth in the preamble, the State Department amends 22 CFR part 171 as follows:

PART 171—PUBLIC ACCESS TO INFORMATION

■ 1. The authority citation for part 171 continues to read as follows:

Authority: 22 U.S.C. 2651a; 5 U.S.C. 552, 552a; E.O. 12600 (52 FR 23781); Pub. L. 114–185; Pub. L. 95–521, 92 Stat. 1824 (codified as amended at 5 U.S.C. Ch. 131); 5 CFR part 2634.

■ 2. In § 171.1 amend paragraph (b) by revising the definition of “Component” to read as follows:

§ 171.1 General provisions.

* * * * *

(b) * * *

Component means each separate bureau, office, division, commission, service, center, or administration within an agency that is responsible for processing FOIA or PA requests concerning records under their jurisdiction. The rules described in this regulation that apply to agencies also apply to components.

* * * * *

■ 3. Revise § 171.2 to read as follows:

§ 171.2 Types of records maintained.

Most of the records maintained by the Department pertain to the formulation and execution of U.S. foreign policy. The Department also maintains certain records that pertain to individuals, such as applications for U.S. passports issued from March 1925 to present, applications for U.S. visas, records on consular assistance given abroad by U.S. Foreign Service posts to U.S. citizens and lawful permanent residents, and records on Department employees. Further information on the types of records maintained by the Department may be obtained by reviewing the Department's records disposition schedules, which are available on the Department's FOIA website at <https://foia.state.gov/>.

§ 171.3 [Amended]

■ 4. Amend § 171.3(a) by removing the words “www.state.gov/privacy” and adding in their place “www.state.gov/system-of-records-notices-privacy-office”.

■ 5. Revise § 171.4 to read as follows:

§ 171.4 Requests for information—types and how made.

(a) *General information.* (1) Prior to filing a request for records, please determine if the information you are seeking is already available on the Department's website (www.state.gov) or

the FOIA Library (<https://foia.state.gov/FOIALIBRARY/FOIALIB2.aspx>).

(2) Requests for records made in accordance with this part must be made in writing via the Department's FOIA website (<https://foia.state.gov/>), the National FOIA Portal (www.foia.gov), or by mail to the component address as listed on the Department's FOIA website. A request will receive the quickest possible response if it is addressed to the FOIA office of the component that maintains the records sought. A list of the Department's components that accept FOIA requests, including descriptions of the types of records maintained, as well as FOIA contact information can be found at <https://foia.state.gov/>.

(3) Requesters must provide contact information, such as their phone number, email address, and/or mailing address, to assist the Department in communicating with them and providing released records.

(4) Requests for records of the OIG must be made in writing via the National FOIA Portal (www.foia.gov), email, or mail. Guidance and contact information are available on the OIG's website at www.stateoig.gov/foiarequest.

(5) The requester should provide the specific citation to the authority under which he or she is requesting information (e.g., the FOIA, the PA, or Mandatory Declassification Review (MDR) under the current Executive Order on classification). This will facilitate the processing of the request.

(b) *Description of records sought.* Although no particular format is required, a request must reasonably describe the Department record(s) that the requester seeks. Requesters must describe the records sought in sufficient detail to enable agency personnel to locate them with a reasonable amount of effort. To the extent possible, requesters should include specific information that may assist the Department in identifying the requested record(s), such as the bureau or office; date or timeframe; title or name of the custodian, author, or recipient; subject matter; case number; or file designation reference number.

Requests for visa records should include the following information for the applicant and, if applicable, the petitioner: full name, as well as any aliases used; current address; email; and date and place of birth (including city, state, and country). Additional information describing the records sought will assist the Department in properly identifying the responsive records and in processing the request. If after receiving a request the Department determines that the request does not reasonably describe the records sought,

the Department will inform the requester that the request is insufficient and shall inform the requester what additional information is needed or why the request is otherwise insufficient. If a request does not reasonably describe the records sought, the agency's response to the request may be delayed. Any records provided in response to a request will be provided in the form or format requested if a releasable form of the records is readily reproducible in that form or format. Before submitting their requests, requesters are encouraged to contact the component's FOIA contact or FOIA Public Liaison to discuss the records they seek and to receive assistance in describing the records or narrowing the scope of their request.

(c) *Privacy Act versus FOIA.* While the Department makes every effort to provide the greatest possible access to all requested records regardless of the statute(s) under which the information is requested, the following guidance is provided for the benefit of requesters:

(1) The Freedom of Information Act applies to requests for records concerning the general activities of government and of the Department in particular (see subpart B of this part).

(2) The Privacy Act applies to requests from U.S. citizens or lawful permanent residents for records about them that are maintained by the Department in a system of records retrievable by the individual's name or personal identifier (see subpart C of this part).

(3) Requests made by individuals for records about themselves under the Privacy Act of 1974, 5 U.S.C. 552a, are processed in accordance with the Department's Privacy Act regulations in subpart C, as well as under this subpart. Information in such records will be withheld only if it is exempt from access under both laws; if the information is exempt under only one of the laws, it will be released. Responsive records that are not maintained in a Privacy Act system of records are processed only under the FOIA.

(4) A requester who requests records about himself or herself must comply with the verification of identity requirements as set forth in § 171.22 of Subpart C (the Privacy Act Provisions) of this part in order for the request to be processed.

■ 6. Revise § 171.5 to read as follows:

§ 171.5 Archival records.

The Department ordinarily transfers records designated as historically significant to the National Archives when they are 25 years old. Accordingly, requests for some

Department records 25 years old or older should be submitted to the National Archives. More information about requesting such records can be found in NARA's FOIA Reference Guide (<https://www.archives.gov/foia/foia-guide#toc-iii-how-to-make-a-foia-request>). The Department's website, <https://foia.state.gov/>, has additional information regarding archival records.

■ 7. Amend § 171.11 by:

- a. In paragraph (a)(1) removing the words "Office of Information Programs and Services (A/GIS/IPS)" and adding in their place "Information Access Programs Directorate (A/SKS/IAP)";
- b. Removing and reserving paragraphs (a)(2) and (3);
- c. Revising paragraph (b); and
- d. Revising last sentence of paragraph (d)(3).

The revisions read as follows:

§ 171.11 Processing requests.

(b) *Receipt of request.* The Department is in receipt of a request when the request is received by a component designated to receive FOIA requests (see § 171.4(a)(2)). At that time, the Department must send an acknowledgment letter to the requester that identifies the date of receipt of the request in the proper component, and the case tracking number. When one of these components determines that a request was misdirected within the Department, that office must promptly route the request to the proper component(s) within the Department.

* * * * *

(d) * * *

(3) * * * The release determination for the record that is the subject of such coordination will be conveyed to the requester by the component that originally received the request.

* * * * *

■ 8. Amend § 171.12 by:

- a. In paragraph (a):
 - i. Removing the first instance of the word "office" and adding in its place "component";
 - ii. Removing the words "(A/GIS/IPS, OIG, or PPT)";
 - iii. Removing the words "any of these three offices" and adding in their place "any component".
- b. In paragraph (b) removing the words "An intake office (A/GIS/IPS, OIG, or PPT)" in the second sentence and adding in their place "The component";
- c. Revising paragraph (d)(2);
- d. In paragraph (d)(4) removing the words "office (whether A/GIS/IPS, OIG, or PPT)" and adding in their place the word "component".

The revision reads as follows:

§ 171.12 Timing of responses to requests.

* * * * *

(d) * * *

(2) A request for expedited processing may be made at the time of the initial request for records or at any later time. When making a request for expedited processing of an administrative appeal, the request must be submitted to A/SKS/IAP, or OIG in the case of appeals of OIG decisions (see § 171.15). A Department component that receives a misdirected request for expedited processing must forward it promptly to the correct component responsible for receiving requests for its determination.

* * * * *

■ 9. Amend § 171.13

- a. In paragraph (e) by revising the second sentence;
- b. In paragraph (g):
 - i. Removing the word "deleted" and adding in its place the word "withheld";
 - ii. Removing the word "deletion" and adding in its place the word "withholding"; and
- c. In paragraph (h)(1) by removing the words "A/GIS/IPS or OIG" and adding in their place "The component".

The revision reads as follows:

§ 171.13 Responses to requests.

* * * * *

(e) * * * Adverse determinations, or denials of requests, include but are not limited to decisions that: the requested record is exempt from disclosure, in whole or in part; the request does not reasonably describe the records sought; the information requested is not a record subject to the FOIA; the requested record does not exist, cannot be located, or has been destroyed; or the requested record is not readily reproducible in the form or format sought by the requester. * * *

* * * * *

- 10. Amend § 171.15 by revising paragraphs (a)(2), (3), (4), and (b)(1) it to read as follows:

§ 171.15 Administrative appeals.

(a) * * *

(2) To appeal any adverse determinations made by a component other than OIG, requesters must submit an administrative appeal to the A/SKS/IAP FOIA Appeals Office by email to FOIAAppeals@state.gov or by mail to the address listed on the Department's FOIA website.

(3) To appeal any adverse determinations made by OIG, requesters must submit an administrative appeal to OIG via email to foiaappeals@stateoig.gov

or by mail to the address on OIG's FOIA website at

www.stateoig.gov/foiaappeals. For those cases in which OIG and another component provided written denials to the requester, the requester may administratively appeal to both A/SKS/IAP and OIG, and each office will handle its respective portion of the appeal.

(4) To appeal any adverse determinations made by the FSGB, requesters must submit an administrative appeal to A/SKS/IAP using the methods listed above in paragraph (2). A/SKS/IAP will assign a tracking number to the appeal and forward it to the FSGB, which is an independent body, for adjudication.

(b) * * *

(1) The A/SKS/IAP/LA Director or designee will act on behalf of the Assistant Secretary for Administration on all appeals of A/SKS/IAP FOIA determinations under this section. Likewise, the General Counsel of OIG or his/her designee will act on behalf of the Inspector General on all appeals of OIG FOIA determinations under this section.

* * * * *

- 11. Revise and republish § 171.22 to read as follows:

§ 171.22 Request for access to records.

(a) *In general.* Requests for access to records under the PA must be made in writing to the FOIA component listed in § 171.4(a)(2). A request will receive the quickest possible response if it is addressed to the component that maintains the records sought. A list of the Department's components that accept PA requests, as well as contact information, can be found at <https://foia.state.gov/>. Each component is responsible for acting on all PA requests for Department records as described in § 171.1(b).

(b) *Description of records sought.* Requests for access should describe the requested record(s) in sufficient detail to permit identification of the record(s). At a minimum, requests should include the individual's full name (including maiden name, if appropriate) and any other names used, current complete mailing address, and date and place of birth (city, state, and country). Helpful information includes the approximate time period of the record and the circumstances that give the individual reason to believe that the Department maintains a record under the individual's name or personal identifier, and, if known, the system of records in which the record is maintained. In certain instances, it may be necessary

for the Department to request additional information from the requester, either to ensure a full search, or to ensure that a record retrieved does in fact pertain to the individual.

(c) *Verification of personal identity.* The Department will require reasonable identification of individuals requesting records about themselves under the PA's access provisions to ensure that records are only accessed by the proper persons. Requesters must state their full name, current address, citizenship or lawful permanent resident alien status, and date and place of birth (city, state, and country). The requester must include a statement verifying that he/she is the person requesting the records. The statement must be signed and dated within 6 months of the date of the request and be made under penalty of perjury pursuant to 28 U.S.C. 1746. The preferred methods for verification of identity are to certify under penalty of perjury in the request form on the Department's FOIA website (<https://foia.state.gov/>), the National FOIA Portal (www.foia.gov), or to submit a completed DS-4240-R, Request for Individual Access to Records Protected Under the Privacy Act (<https://foia.state.gov/Request/forms/DS-4240-R.pdf>). Forms created by other Federal agencies will not be accepted. If the requester seeks records under another name the requester has used, a statement, under penalty of perjury, that the requester has also used the other name must be included. In addition to the requirements in this paragraph (c) and paragraph (e) of this section, requesters seeking access to copies of the Passport Services' passport records must meet the requirements in paragraph (d) of this section. As an exercise of administrative discretion, the component can require a requester to supply additional information if necessary in order to verify that a particular individual has consented to disclosure.

(d) *Special requirements for passport records.* Given the sensitive nature of passport records and their use, requests seeking access to copies of passport records from Passport Services under the PA must include the full name at birth and any subsequent name changes of the individual whose records are being requested (if submitting the request on behalf of a minor, provide the representative's full name as well); the date and place of birth of the individual whose records are being requested; the requester's current mailing address; and, if available, daytime telephone number and email address; the date or estimated date the passport(s) was issued; the passport

number of the person whose records are being sought, if known; and any other information that will help to locate the records. The requester must also include a clear copy of both sides of the requester's valid government-issued photo identification, e.g., a driver's license.

(e) *Authorized third party access.* The Department shall process all properly authorized third party requests, as described in this section, under the PA. In the absence of proper authorization from the individual to whom the records pertain, the Department will process third party requests under the FOIA. The preferred method for verification of identity is for the subject of the records being requested to certify under penalty of perjury in the request form on the Department's FOIA website (<https://foia.state.gov/>), the National FOIA Portal (www.foia.gov), or to submit a completed DS-4240-C, Consent for Disclosure of Records Protected Under the Privacy Act (<https://foia.state.gov/Request/forms/DS-4240-C.pdf>), authorizing release of the requested information to another person or entity. Forms created by other Federal agencies will not be accepted. Attorneys or other legal representatives requesting visa information on behalf of a visa applicant should submit a statement with the request made under penalty of perjury pursuant to 28 U.S.C. 1746 by the applicant (and the petitioner if the records sought pertain to a petition) authorizing release of the requested visa information to the representative. Third party requesters seeking access to copies of the Passport Office's records must submit a clear copy of both sides of a valid government-issued photo identification (e.g., a driver's license) in addition to the other information described above. As an exercise of administrative discretion, the component can require a requester to supply additional information, if necessary, in order to verify that a particular individual has consented to disclosure.

(1) *Parents and guardians of minor children.* Upon presentation of acceptable documentation of the parental or guardian relationship, a parent or guardian of a U.S. citizen or LPR minor (an unmarried person under the age of 18) may, on behalf of the minor, request records under the PA pertaining to the minor. In any case, U.S. citizen or LPR minors may request such records on their own behalf. When making a request as the parent or guardian of a minor child, for access to records about that individual, a requester must establish:

(i) The identity of the individual who is the subject of the records, by stating the name, current address, date and place of birth;

(ii) The requester's own identity, as required in paragraph (c) of this section;

(iii) That the requester is the parent of that individual, which the requester may prove by providing a copy of the individual's birth certificate showing parentage, or by providing a court order establishing guardianship; and

(iv) That the requester is acting on behalf of that individual in making the request. A parent's right to access their minor child's record is not absolute.

(2) *Guardians of incompetent adults.* A guardian of an individual who has been declared by a court to be incompetent may act for and on behalf of the incompetent individual upon presentation of appropriate documentation of the guardian relationship. When making a request as the guardian of someone determined by a court to be incompetent, for access to records about that individual, a requester must establish:

(i) The identity of the individual who is the subject of the records, by stating the name, current address, date and place of birth;

(ii) The requester's own identity, as required in paragraph (c) of this section;

(iii) That the requester is the guardian of that individual, which the requester may prove by providing a copy of a court order establishing guardianship; and

(iv) That the requester is acting on behalf of that individual in making the request.

(f) *Referrals and consultations.* If the Department determines that records retrieved as responsive to the request were created by another agency, it ordinarily will refer the records to the originating agency for direct response to the requester. If the Department determines that Department records retrieved as responsive to the request are of interest to another agency, it may consult with the other agency before responding to the request. The Department may make agreements with other agencies to eliminate the need for consultations or referrals for particular types of records.

(g) *Records relating to civil actions.*

Nothing in this subpart entitles an individual to access any information compiled in reasonable anticipation of a civil action or proceeding.

(h) *Time limits.* The Department will acknowledge the request promptly and furnish the requested information as soon as possible thereafter.

■ 12. Revise § 171.23(b) to read as follows:

§ 171.23 Request to amend or correct records.

* * * *

(b) Requests to amend records must be in writing and submitted to A/SKS/IAP by email to FOIAAppeals@state.gov or by mail to the address listed on the Department's FOIA website. Requests to amend OIG records must be made in writing and submitted to OIG by email or mail to the address provided on OIG's website (<https://www.stateoig.gov/freedom-information-act-foia-0>). To facilitate handling, the requester should mark both the letter and envelope, or subject line of the electronic transmission, "Privacy Act Amendment Request." A/SKS/IAP or OIG will coordinate the review of the request with the appropriate offices under its purview. The Department will require verification of personal identity as provided in § 171.22(c) before it will initiate action to amend a record. Amendment requests should contain, at a minimum, identifying information needed to locate the record in question, a description of the specific correction requested, and an explanation of why the existing record is not accurate, relevant, timely, or complete. The requester should submit as much pertinent documentation, other information, and explanation as possible to support the request for amendment.

* * * *

§ 171.24 [Amended]

■ 13. Amend § 171.24(a) by removing the words "A/GIS/IPS" in the last sentence and adding in their place "A/SKS/IAP".

■ 14. Amend § 171.25 by revising paragraphs (b), (c), (d), (e), (g), and (h) introductory text to read as follows:

§ 171.25 Appeals from denials of PA amendment requests.

* * * *

(b) To appeal any decisions made by a component other than OIG, requesters must submit an administrative appeal to the A/SKS/IAP FOIA Appeals Office by email to FOIAAppeals@state.gov or by mail to the address as listed on the Department's FOIA website. To facilitate handling, the requester should mark both the appeal letter and envelope, or subject line of the electronic transmission, "Privacy Act Appeal."

(c) For decisions made by OIG, requesters should submit their appeal to the OIG. The contact information for OIG is available at <https://www.stateoig.gov/foia-appeals>. To facilitate handling, the requester should mark both the appeal letter and envelope, or subject line of the electronic transmission, "Privacy Act Appeal."

(d) Appellants should submit an administrative appeal of any denial, in whole or in part, of a request for access to FSGB records under the PA to the A/SKS/IAP Appeals Office by email to FOIAAppeals@state.gov or by mail to

address as listed on the Department's FOIA website. A/SKS/IAP will assign a tracking number to the appeal and forward it to the FSGB, which is an independent body, for adjudication.

(e) A/SKS/IAP, OIG, or FSGB will decide appeals from denials of PA amendment requests within 30 working days from the date when the appeal is received, unless an extension of that period for good cause shown is needed.

* * * *

(g) If the decision is that a record shall be amended in accordance with the appellant's request, A/SKS/IAP, OIG, or FSGB shall direct the office under its purview that is responsible for the record to amend the record, advise all previous recipients of the record of the amendment and its substance (if an accounting of previous disclosures has been made), and so advise the individual in writing.

(h) If the decision is that the amendment request is denied, in addition to the notification required by paragraph (f) of this section, A/SKS/IAP, OIG, or FSGB shall advise the appellant:

* * * *

■ 15. Amend § 171.26 by revising table 1 to paragraph (a)(2)(iii) and paragraph (b) to read as follows:

§ 171.26 Exemptions.

* * * *

(a) * * *

(2) * * *

(iii) * * *

TABLE 1 TO PARAGRAPH (a)(2)(iii)

Title	No.
Office of Inspector General Investigation Management System	STATE-53.
Risk Analysis and Management	STATE-78.
Security Records	STATE-36.

(b) *Specific exemptions.* Portions of the following systems of records are exempt from 5 U.S.C. 552a(c)(3), (d), (e)(1), and (4), (G), (H), and (I), and (f).

The names of the systems correspond to those published in the **Federal Register** by the Department.

(1) *Exempt under 5 U.S.C. 552a(k)(1).* Records contained within the following

systems of records are exempt under this section to the extent that they are subject to the provisions of 5 U.S.C. 552(b)(1).

TABLE 2 TO PARAGRAPH (b)(1)

Title	No.
Congressional Correspondence	STATE-43.
Congressional Travel Records	STATE-44.
Coordinator for the Combating of Terrorism Records	STATE-06.
Extradition Records	STATE-11.
Family Advocacy Case Records	STATE-75.
Foreign Assistance Inspection Records	STATE-48.
Human Resources Records	STATE-31.
Intelligence and Research Records	STATE-15.
International Organizations Records	STATE-17.
Legal Case Management Records	STATE-21.
Munitions Control Records	STATE-42.

TABLE 2 TO PARAGRAPH (b)(1)—Continued

Title	No.
Office of Inspector General Investigation Management System	STATE-53.
Overseas Citizens Services Records and Other Overseas Records	STATE-05.
Passport Records	STATE-26.
Personnel Payroll Records	STATE-30.
Records of Domestic Accounts Receivable	STATE-23.
Records of the Office of the Assistant Legal Adviser for International Claims and Investment Disputes	STATE-54.
Records of the Office of White House Liaison	STATE-34.
Refugee Records	STATE-59.
Risk Analysis and Management Records	STATE-78.
Rover Records	STATE-41.
Security Records	STATE-36.
Visa Records	STATE-39.

(2) *Exempt under 5 U.S.C. 552a(k)(2).*
Records contained within the following
systems of records are exempt under

this section to the extent that they
consist of investigatory material
compiled for law enforcement purposes,

subject to the limitations set forth in 5
U.S.C. 552a(k)(2).

TABLE 3 TO PARAGRAPH (b)(2)

Title	No.
Coordinator for the Combating of Terrorism Records	STATE-06.
Extradition Records	STATE-11.
Family Advocacy Case Records	STATE-75.
Foreign Assistance Inspection Records	STATE-48.
Garnishment of Wages Records	STATE-61.
Intelligence and Research Records	STATE-15.
Munitions Control Records	STATE-42.
Office of Foreign Missions Records	STATE-81.
Office of Inspector General Investigation Management System	STATE-53.
Overseas Citizens Services Records and Other Overseas Records	STATE-05.
Passport Records	STATE-26.
Risk Analysis and Management Records	STATE-78.
Security Records	STATE-36.
Visa Records	STATE-39.

(3) *Exempt under 5 U.S.C. 552a(k)(3).*
Records contained within the following
systems of records are exempt under

this section to the extent that they are
maintained in connection with

providing protective services pursuant
to 18 U.S.C. 3056.

TABLE 4 TO PARAGRAPH (b)(3)

Title	No.
Extradition Records	STATE-11.
Intelligence and Research Records	STATE-15.
Overseas Citizens Services Records and Other Overseas Records	STATE-05.
Passport Records	STATE-26.
Security Records	STATE-36.
Visa Records	STATE-39.

(4) *Exempt under 5 U.S.C. 552a(k)(4).*
Records contained within the following

systems of records are exempt under
this section to the extent that they are

required by statute to be maintained and
are used solely as statistical records.

TABLE 5 TO PARAGRAPH (b)(4)

Title	No.
Foreign Service Institute Records	STATE-14.
Human Resources Records	STATE-31.
Overseas Citizens Services Records and Other Overseas Records	STATE-05.
Personnel Payroll Records	STATE-30.
Security Records	STATE-36.

(5) *Exempt under 5 U.S.C. 552a(k)(5).* Records contained within the following systems of records are exempt under this section to the extent that they consist of investigatory material

compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, military service, Federal contracts, or access to classified

information, but only to the extent that disclosure of such material would reveal the identity of a confidential informant.

TABLE 6 TO PARAGRAPH (b)(5)

Title	No.
Foreign Assistance Inspection Records	STATE-48.
Foreign Service Grievance Board Records	STATE-13.
Human Resources Records	STATE-31.
Legal Adviser Attorney Employment Application Records	STATE-20.
Office of Inspector General Investigation Management System	STATE-53.
Overseas Citizens Services Records and Other Overseas Records	STATE-05.
Records Maintained by the Office of Civil Rights	STATE-09.
Records of the Office of White House Liaison	STATE-34.
Risk Analysis and Management Records	STATE-78.
Rover Records	STATE-41.
Security Records	STATE-36.
Senior Personnel Appointments Records	STATE-47.

(6) *Exempt under 5 U.S.C. 552a(k)(6).* Records contained within the following systems of records are exempt under this section to the extent that they

consist of testing or examination material used solely to determine individual qualifications for appointment or promotion in the

Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process.

TABLE 7 TO PARAGRAPH (b)(6)

Title	No.
Foreign Service Institute Records	STATE-14.
Human Resources Records	STATE-31.
Records Maintained by the Office of Civil Rights	STATE-09.
Security Records	STATE-36.

(7) *Exempt under 5 U.S.C. 552a(k)(7).* Records contained within the following systems of records are exempt under

this section to the extent that they consist of evaluation material used to determine potential for promotion in the

armed services, but only to the extent that such disclosure would reveal the identity of a confidential informant.

TABLE 8 TO PARAGRAPH (b)(7)

Title	No.
Human Resources Records	STATE-31.
Overseas Citizens Services Records and Other Overseas Records	STATE-05.
Security Records	STATE-36.

Signing Authority

The Assistant Secretary for Administration, Jose Cunningham, 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.

Alice M. Kottmyer,
Attorney-Adviser, Office of the Legal Adviser,
U.S. Department of State.

[FR Doc. 2026-19223 Filed 9-18-26; 8:45 am]

BILLING CODE 4710-024-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG-2026-1135]

RIN 1625-AA00

Safety Zone; Illinois River, Morris, IL

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone in Morris, IL, for the Corn Festival

Fireworks on September 26, 2026, to provide for the safety of life on navigable waterways during this fireworks display. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards during a fireworks event. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port Lake Michigan or their designated representative.

DATES: This rule is effective from 8:30 p.m. until 9:10 p.m. on September 26, 2026.

DATES: To view available documents go to <https://www.regulations.gov> and search for USCG-2026-1135.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notification of enforcement, call or email Lieutenant Michael Vega, Marine Safety Unit Chicago, U.S. Coast Guard; 630-986-2155, *D09-SMB-MSUChicago-WWM@uscg.mil*.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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

II. Background and Authority

An organization notified the Coast Guard that they will be conducting a Firework Show in Morris, Illinois, on September 26, 2026. The Captain of the Port Sector Lake Michigan (COTP) has determined that potential hazards associated with this event are a safety concern for participants and spectators involved in the show. 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. The Coast Guard recognized the need for a temporary final rule for this event on August 26, 2026, but we must establish this safety zone by September 26, 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 reasons, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

III. Discussion of the Rule

This rule establishes a safety zone in all waters of the Illinois River within a 560-foot radius from approximate launch position at 41°21.173' N, 088°25.101' W, beginning from 8:30 p.m. until 9:10 p.m. on September 26, 2026. Vessels and persons will not be allowed to enter the zone during this time, unless authorized by the Captain of the Port.

IV. Regulatory Analyses

We developed this rule after considering numerous statutes and

Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Impact on Small Entities

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

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

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

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

C. Federalism and Indian Tribal Governments

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

Also, this rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

D. Unfunded Mandates Reform Act

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

local, or tribal government, in the aggregate, or by the private sector.

E. Environment

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

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

List of Subjects in 33 CFR Part 165

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

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

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

■ 2. Add § 165.T09–1135 to read as follows:

§ 165.T09–1135 Safety Zone; Illinois River, Morris, IL.

(a) *Location.* The following area is a safety zone: All waters of the Illinois River within a 560-foot radius from approximate launch position at 41°21.173' N, 088°25.101' 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 Sector Lake Michigan (COTP) in the enforcement of the safety zone.

(c) *Regulations.* (1) Under the general safety zone regulations in subpart C of

this part, you may not enter the safety zone described in paragraph (a) of this section unless authorized by the COTP or the COTP's designated representative.

(2) To seek permission to enter, contact the COTP or the COTP's representative on VHF-FM channel 16

or by telephone at (833) 900-2247. Those in the safety zone must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement period.* This section will be enforced from 8:30 p.m. until 9:10 p.m. on September 26, 2026.

R.N. Macon,

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

[FR Doc. 2026-19270 Filed 9-18-26; 8:45 am]

BILLING CODE 9110-04-P

Proposed Rules

Federal Register

Vol. 91, No. 181

Monday, September 21, 2026

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 27

[Docket No. FAA-2026-1585; Notice No. 27-26-02-SC]

Special Conditions: Skyrise, Robinson Helicopter Company Model R66 Helicopter; Control Margin Awareness

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed special conditions; correction.

SUMMARY: The FAA published a document in the **Federal Register** on August 28, 2026, issuing a notice of proposed special conditions for the Robinson Helicopter Company Model R66 helicopter modified by Skyrise with a digital fly-by-wire system. The document references an incorrect notice number and contains three other typographical errors. This document corrects the notice of proposed special conditions.

DATES: This correction is effective on September 21, 2026.

FOR FURTHER INFORMATION CONTACT: Johannes vanHoudt, Product Policy Management, AIR-62B, Technical Policy Branch, Policy and Standards Division, Aircraft Certification Service, Federal Aviation Administration, 1100 Main St., Kansas City, MO 64105; telephone (816) 329-4144; email john.g.van.houdt@faa.gov.

SUPPLEMENTARY INFORMATION:

Background

On August 26, 2026, the FAA issued a notice of proposed special conditions for the Robinson Helicopter Company Model R66 helicopter, which published in the **Federal Register** on August 28, 2026 (91 FR 55501).

The original notice of proposed special conditions used an incorrect notice number and contained minor typographical errors listed in the Correction section below.

Correction

In the **Federal Register** of August 28, 2026 (91 FR 55501), make the following corrections:

1. On page 55501, in the third column, in the document heading, correct “[Docket No. FAA-2026-1585; Notice No. XX-XX-XX-SC]” to read “[Docket No. FAA-2026-1585; Notice No. 27-26-02-SC]”.
2. On page 55502, in the first column, in the **FOR FURTHER INFORMATION CONTACT** section, correct “901 Locus St., Kansas City, MO 64106; telephone (819) 329-4144;” to read “1100 Main St., Kansas City, MO 64105; telephone (816) 329-4144;”.
3. On page 55502, in the second column, in the Background section, correct “fight control” to read “flight control”.
4. On page 55503, in the first column, in the Novel or Unusual Design Features section, correct “fully” to read “full”, and correct “tactical” to read “tactile”.

Issued in Fort Worth, Texas, on September 16, 2026.

Jorge R. Castillo,

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

[FR Doc. 2026-19228 Filed 9-18-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2026-8811; Project Identifier AD-2025-01891-T]

RIN 2120-AA64

Airworthiness Directives; The Boeing Company Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain The Boeing Company Model 737-8, 737-9, and 737-8200 airplanes. This proposed AD was prompted by a report that bearings in the elevator buss assembly could have been installed incorrectly (including being installed without the application of sealant) during production. This proposed AD

would require detailed inspections of the elevator buss assembly bearings and bearing housings for any crack and indication of sealant application, and applicable on-condition actions. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this proposed AD by November 5, 2026.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- **Federal eRulemaking Portal:** Go to [regulations.gov](https://www.regulations.gov). Follow the instructions for submitting comments.

- **Fax:** 202-493-2251.

- **Mail:** U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- **Hand Delivery:** Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2026-8811; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For Boeing material identified in this proposed 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-2026-8811.

FOR FURTHER INFORMATION CONTACT: Raymond Vital, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206-231-3521; email: Raymond.J.Vital@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under the **ADDRESSES** section. Include “Docket No. FAA–2026–8811; Project Identifier AD–2025–01891–T” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend this proposal because of those comments.

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

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” The FAA will treat such

marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Raymond Vital, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3521; email: *Raymond.J.Vital@faa.gov*. Any commentary that the FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA has received a report indicating that bearings in the elevator buss assembly could have been installed incorrectly (including being installed without the application of sealant) during production. The elevator buss assembly is part of the elevator controls system and assists in the movement of the control columns. Improper installation of bearings could lead to cracking in the elevator buss assembly bearings and bearing housings, which could lead to premature failure of the elevator buss assembly crank arms. This condition, if not addressed, could impact elevator pitch control and affect continued safe flight and landing of the airplane.

FAA’s Determination

The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Boeing Alert Requirements Bulletin 737–27A1331

RB, dated December 17, 2025. This material specifies procedures for a detailed inspection of the elevator buss assembly bearings and bearing housings for any crack and indication of sealant application, and applicable on-condition actions. On-condition actions include doing a push-out load test of the elevator buss assembly bearings having part numbers (P/N) BACB10HY08CNJP, BACB10HY10CNJP, and BACB10JG12AZJ03G; and, depending on findings, replacing the elevator buss assembly with a new or serviceable elevator buss assembly, replacing any affected bearing with a new bearing, and repairing the elevator buss assembly at an affected location and doing a push-out load test of the elevator buss assembly bearings at all unaffected bearing locations.

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.

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in the material already described, except for any differences identified as exceptions in the regulatory text of this proposed AD. For information on the procedures and compliance times, see this material at *regulations.gov* under Docket No. FAA–2026–8811.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 95 airplanes of U.S. registry. The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspect bearings	23 work-hours × \$85 per hour = \$1,955	\$0	\$1,955	\$185,725

The FAA estimates the following costs to do any necessary replacements that would be required based on the

results of the proposed inspection. The agency has no way of determining the

number of aircraft that might need these replacements:

ON-CONDITION COSTS

Action	Labor cost	Parts cost	Cost per product
Push-out load test	1 work-hour × \$85 per hour = \$85	\$0	\$85
Replace bearing, P/N BACB10HY08CNJP	3 work-hours × \$85 per hour = \$255 per bearing	\$850 per bearing	1,105
Replace bearing, P/N BACB10HY10CNJP	3 work-hours × \$85 per hour = \$255 per bearing	\$915 per bearing	1,170
Replace bearing, P/N BACB10JG12AZJ03G	3 work-hours × \$85 per hour = \$255 per bearing	\$1,554 per bearing	1,809
Replace elevator buss assembly	3 work-hours × \$85 per hour = \$255	\$98,241	98,496

* The FAA has received no definitive data on which to base the cost estimates for some of the on-condition repairs specified in this AD.

The FAA has included all known costs in its cost estimate. According to the manufacturer, however, some or all of the costs of this proposed 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

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

For the reasons discussed above, I certify this proposed regulation:

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

List of Subjects in 14 CFR Part 39

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

The Proposed Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

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

The Boeing Company: Docket No. FAA–2026–8811; Project Identifier AD–2025–01891–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 5, 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 737–27A1331 RB, dated December 17, 2025.

(d) Subject

Air Transport Association (ATA) of America Code 27, Flight Controls.

(e) Unsafe Condition

This AD was prompted by a report that bearings in the elevator buss assembly could have been installed incorrectly (including being installed without the application of sealant) during production. The FAA is issuing this AD to address premature failure of the elevator buss assembly crank arms, cracking in the elevator buss assembly bearings, and bearing housings missing sealant. The unsafe condition, if not addressed, could impact elevator pitch control and affect continued safe flight and landing 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 737–27A1331 RB, dated December 17, 2025, do all applicable actions identified in, and in accordance with, the Accomplishment Instructions of Boeing Alert Requirements Bulletin 737–27A1331 RB, dated December 17, 2025.

Note 1 to paragraph (g): Guidance for accomplishing the actions required by this AD can be found in Boeing Alert Service Bulletin 737–27A1331, dated December 17, 2025, which is referred to in Boeing Alert Requirements Bulletin 737–27A1331 RB, dated December 17, 2025.

(h) Exceptions to Requirements Bulletin Specifications

Where the Compliance Time column of the table in the "Compliance" paragraph of Boeing Alert Requirements Bulletin 737–27A1331 RB, dated December 17, 2025, refers to the original issue date of Requirements Bulletin 737–27A1331 RB, this AD requires using the effective date 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 Raymond Vital, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3521; email: Raymond.J.Vital@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 737–27A1331 RB, dated December 17, 2025.

(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 September 14, 2026.

Lona C. Saccomando,

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

[FR Doc. 2026–19255 Filed 9–18–26; 8:45 am]

BILLING CODE 4910–13–P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 146

RIN 3038–AF26

Privacy Act Regulations

AGENCY: Commodity Futures Trading Commission.

ACTION: Reopening of comment period.

SUMMARY: On May 6, 2026, the Commodity Futures Trading Commission published in the **Federal Register** a notice of proposed rulemaking (“NPRM”), titled Privacy Act Regulations, to amend its Privacy Act regulations to exempt the CFTC–59 Insider Risk Program Records System of Records from certain provisions of the Privacy Act. The comment period for the Proposed Rule closed on June 5, 2026. The Commission is reopening the comment period for this NPRM for an additional ten days.

DATES: The comment period for the proposed rule published May 6, 2026, at 91 FR 24377, is reopened. Comments must be received on or before October 1, 2026.

ADDRESSES: You may submit comments identified as pertaining to “Privacy Act Exemption—CFTC–59” 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:

Kellie Cosgrove Riley, Chief Privacy Officer, privacy@cftc.gov, (202) 418–5610, Office of the General Counsel, Commodity Futures Trading Commission, 1155 21st Street NW, Washington, DC 20581.

SUPPLEMENTARY INFORMATION: On May 6, 2026, the Commission published a notice of proposed rulemaking to amend its Privacy Act regulations to exempt the CFTC–59 Insider Risk Program Records System of Records (CFTC–59) from certain provisions of the Privacy Act. 5 U.S.C. 552a. Records in CFTC–59 are collected to detect, deter, and mitigate the unauthorized disclosure of information by an insider and to protect individuals, facilities, information, equipment, networks, and systems from insider risks. The Commission proposed to exempt this system of records from certain provisions of the system Privacy Act because the records are compiled to investigate actual or potential insider risks and must be protected from disclosure in order to maintain the integrity of the investigative process. Specifically, the Commission proposed to exempt CFTC–59, pursuant to subsection (k)(2) of the Privacy Act, and subject to the requirements and limitations set forth therein, from the following provisions of the Privacy Act: 5 U.S.C. 552a(c)(3); (d)(1), (2), (3), and (4); (e)(1); (e)(4)(G), (H), and (I); and (f). The comment period for the NPRM closed on June 5, 2026.

Subsequent to the closing of the comment period, the Commission discovered that a technical error resulted in the NPRM being unavailable, and potential commenters being unable to submit comments, at Regulations.gov for approximately ten days at the end of the comment period. The Commission is reopening the comment period for an additional ten days to allow interested persons to submit their comments.

Issued in Washington, DC, on September 17, 2026, by the Commission.

Robert Sidman,

Deputy Secretary of the Commission.

Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix to Privacy Act Regulations—Commission Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.

[FR Doc. 2026–19290 Filed 9–18–26; 8:45 am]

BILLING CODE 6351–01–P

**ENVIRONMENTAL PROTECTION
AGENCY****40 CFR Part 300**

[EPA-HQ-OLEM-2025-2499; EPA-HQ-OLEM-2026-3994; EPA-HQ-OLEM-2026-4886; FRL-13464-03-OLEM]

**Proposed Deletion From the National
Priorities List; Correction**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; correction.

SUMMARY: The Environmental Protection Agency is correcting a proposed rule that was published in the **Federal Register** on August 20, 2026, regarding the proposed partial deletion of three sites from the Superfund National Priorities List (NPL). This action is necessary to correct errors in table 1 and table 2 for the site name and state of one site.

DATES: September 21, 2026.

ADDRESSES: The EPA has established dockets for this action, identified by Docket ID Nos., included in table 1 in the **SUPPLEMENTARY INFORMATION** section of this document. 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., 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 electronically through <https://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

- Karen Cibulskis, U.S. EPA Region 5 (IL, IN, MI, MN, OH, WI), email address: cibulskis.karen@epa.gov, telephone number: (312) 886-1843.
- Laura Price and Peyton Witham, U.S. EPA Region 7 (IA, KS, MO, NE), email address: price.laura@epa.gov, telephone number: (913) 551-7130;

email address: witham.peyton@epa.gov, telephone number: (816) 947-0470.

- Ashley Miller, Matt Spencer, and Jyl Lapachin, U.S. EPA Headquarters, email address: miller.ashley@epa.gov, telephone number: (202) 566-1084; email address: spencer.matthew@epa.gov, telephone number: (202) 566-1851; email address: lapachin.jyl@epa.gov, telephone number: (703) 304-8510.

SUPPLEMENTARY INFORMATION:**Correction**

In proposed rule FR Doc. 2026-16994 beginning on page 53834 in the issue of August 20, 2026, make the following correction, in the **SUPPLEMENTARY INFORMATION** section. On page 53836, the entry in table 1 entitled “U.S. Smelter & Lead Refining Inc.” misspelled the site name and state, and the entry in table 2 entitled “U.S. Smelter & Lead Refining Inc.” misspelled the site name. The corrections in table 1 and table 2 should read as follows:

TABLE 1

Site name	City/county, state	Type	Docket No.	Footnote
U.S. Smelter and Lead Refinery, Inc	East Chicago, IN	Partial	EPA-HQ-OLEM-2025-2499 ..	(^{1 3})

¹ = Site, or portion of the site, has continued operation and maintenance of the remedy.

² = Site, or portion of the site, receives continued monitoring.

³ = Site, or portion of the site, five-year reviews are conducted.

TABLE 2

Site name	Full site deletion (full) or media/parcels/description for partial deletion
U.S. Smelter and Lead Refinery, Inc	Surface and subsurface soils (soils) portion of a 52.54-acre commercial/industrial property located within Modified Zone 1 and within a small portion of Zone 1 and Zone 2 of Operable Unit 1 (OU1).

Mark Barolo,

*Office Director, Office of Superfund and
Emergency Management.*

[FR Doc. 2026-19248 Filed 9-18-26; 8:45 am]

BILLING CODE 6560-50-P

**DEPARTMENT OF HOMELAND
SECURITY****Coast Guard****46 CFR Parts 401 and 404**

[Docket No. USCG-2026-0049]

RIN 1625-AD07

**Great Lakes Pilotage Rates—2027
Annual Review and Revisions to
Methodology**

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: In accordance with the Great Lakes Pilotage Act of 1960, the Coast Guard is proposing pilotage rates for the 2027 shipping season. We are conducting a full ratemaking for 2027. We are requesting comments on the Great Lakes pilotage ratemaking methodology, including one proposed update to that methodology. We also propose the pilotage rate for the Straits of Mackinac, newly designated for pilotage requirements by the National Defense Authorization Act for Fiscal Year 2026. The Coast Guard estimates that this proposed rule would increase operating costs by approximately 10 percent compared to the 2026 season.

DATES: Comments and related material must be received by the Coast Guard on or before October 21, 2026.

ADDRESSES: You may submit comments identified by docket number USCG-2026-0049 at www.regulations.gov. See the “Public Participation and Request

for Comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments. This notice of proposed rulemaking, with its plain-language, proposed rule summary of 100 words or less, will be available in this same docket.

FOR FURTHER INFORMATION CONTACT: For information about this document call or email Mr. Brian Rogers, Commandant, Office of Waterways and Ocean Policy—Great Lakes Pilotage Division (CG-WWM-2), Coast Guard; telephone 571-608-8418, email Brian.Rogers@uscg.mil.

SUPPLEMENTARY INFORMATION:**Table of Contents for Preamble**

- I. Abbreviations
- II. Basis and Purpose
- III. Proposed Rates, Pilot Staffing, and Other Changes
- IV. Individual Target Pilot Compensation Benchmark
- V. Discussion of Proposed Rate Adjustments

- A. Step 1: Recognize Previous Operating Expenses
- B. Step 2: Project Operating Expenses, Adjusting for Inflation or Deflation
- C. Step 3: Estimate Number of Registered Pilots and Apprentice Pilots
- D. Step 4: Determine Target Pilot Compensation Benchmark and Apprentice Pilot Wage Benchmark
- E. Step 5: Project Needed Revenue
- F. Step 6: Calculate Initial Base Rates
- G. Step 7: Calculate Average Weighting Factors by Area
- H. Step 8: Calculate Revised Base Rates
- I. Step 9: Review and Finalize Rates
- VI. Tables Showing Calculations by District
 - A. District One
 - B. District Two
 - C. District Three
- VII. Regulatory Analyses
 - A. Regulatory Planning and Review
 - B. Small Entities
 - C. Assistance for Small Entities
 - D. Collection of Information
 - E. Federalism
 - F. Unfunded Mandates
 - G. Taking of Private Property
 - H. Civil Justice Reform
 - I. Protection of Children
 - J. Indian Tribal Governments
 - K. Energy Effects
 - L. Technical Standards
 - M. Environment
- VIII. Public Participation and Request for Comments

I. Abbreviations

- 2023 NPRM Great Lakes Pilotage Rates—2023 Annual Review and Revisions to Methodology NPRM
- 2026 final rule Great Lakes Pilotage Rates—2026 Annual Review and Revisions to Methodology
- APA American Pilots' Association
- Apprentice Pilot United States Registered Apprentice Pilot
- BLS Bureau of Labor Statistics
- CFR Code of Federal Regulations
- CPI Consumer Price Index
- DHS Department of Homeland Security
- Director U.S. Coast Guard's Director of the Great Lakes Pilotage
- ECI Employment Cost Index
- FOMC Federal Open Market Committee
- FR Federal Register
- GLPAC Great Lakes Pilotage Advisory Committee
- LPA Lakes Pilots Association
- NAICS North American Industry Classification System
- NDAA 2026 National Defense Authorization Act for Fiscal Year 2026
- NPRM Notice of proposed rulemaking
- OMB Office of Management and Budget
- PCE Personal Consumption Expenditures
- Pilot United States Registered Pilot
- RA Regulatory Analyses

- § Section
- SBA Small Business Administration
- SLSPA Saint Lawrence Seaway Pilots Association
- U.S.C. United States Code
- WGLPA Western Great Lakes Pilots Association

II. Basis and Purpose

The legal basis for this proposed rule is 46 U.S.C. Chapter 93 which requires foreign merchant vessels and United States vessels operating “on register” (meaning United States vessels engaged in foreign trade) to use United States Registered Pilots (Pilots) or Canadian Registered Pilots while transiting the United States waters of the St. Lawrence Seaway and the Great Lakes system.¹ Specifically, 46 U.S.C. 9303(f) requires the Secretary to prescribe by regulation rates and charges for pilotage services, giving consideration to the public interest and the costs of providing those services. The statute requires the Secretary to establish new pilotage rates by March 1 of each year.² Base pilotage rates must be established by a full ratemaking at least once every 5 years, and reviewed annually, with adjustments made in each intervening year.³ The statute also authorizes the Secretary to authorize the formation of pilotage pools by voluntary associations of Pilots to provide for the efficient dispatching of vessels and rendering of pilotage services.⁴ The Secretary may limit the number of pilotage pools, prescribe regulations governing their operation and administration, prescribe a uniform system of accounts, perform audits and inspections, and require reciprocal coordination with similar pool arrangements authorized by the appropriate Canadian agency.⁵ The Secretary's authority under 46 U.S.C. Chapter 93 has been delegated to the Coast Guard, except as otherwise provided.⁶

¹ 46 U.S.C. 9302(a)(1).

² 46 U.S.C. 9303(f).

³ *Id.*

⁴ 46 U.S.C. 9304(a).

⁵ 46 U.S.C. 9304(b).

⁶ Department of Homeland Security (DHS) Delegation 00170.1, Revision No. 01.4, paragraph (II)(92)(f) (delegating, in part, the Secretary's authority under 46 U.S.C. chapter 93 to the Coast Guard, except for the authority under 46 U.S.C. 9307 to establish and appoint members to the Great Lakes Pilotage Advisory Committee, which is retained by the Secretary).

With this proposed rule, the Coast Guard initiates a full ratemaking for the 2027 shipping season. The Coast Guard seeks public comment on its proposed pilotage rates and, as part of this full ratemaking, on the ratemaking methodology and staffing model. The Coast Guard last conducted a full ratemaking in the February 17, 2026, final rule, “Great Lakes Pilotage Rates—2026 Annual Review and Revisions to Methodology” at 91 FR 7121 (2026 final rule). We are conducting another full ratemaking for 2027 to propose the pilotage rate for the Straits of Mackinac, newly designated for pilotage requirements by the National Defense Authorization Act for Fiscal Year 2026 (NDAA 2026).⁷ Section III.C. of this preamble discusses this statutory change in greater detail. Specifically, this proposed rule revises the methodology in Step 6, specifies the pilotage rate to be charged in the Straits of Mackinac, and updates the base compensation for Pilots and United States Registered Apprentice Pilots (Apprentice Pilots). The proposed rates and changes to the methodology continue to promote our goals, as outlined in 46 CFR 404.1, by promoting safe, efficient, and reliable pilotage service on the Great Lakes by generating sufficient revenue for each pilotage association to reimburse its necessary and reasonable operating expenses and fairly compensate trained and rested Pilots. Rate setting is fundamental to achieving these goals because it facilitates maritime commerce, protects the marine environment, and supports National Transportation Safety Board recommendations regarding staffing and Pilot fatigue.

III. Proposed Rates, Pilot Staffing, and Other Changes

A. Proposed Rates

The pilotage rates for the 2027 season range from a proposed \$445 to \$1,002 per Pilot hour, depending on which of the specific areas pilotage service is provided. See Table 1. The rates are paid by shippers to the pilotage associations representing each district.

BILLING CODE 9110-04-P

⁷ Public Law 119–60, 7314, 139 Stat. 718, 1762 (Dec. 18, 2025) (codified as amended at 46 U.S.C. 9302(a)(1)(A)).

Table 1—Current and Proposed Pilotage Rates on the Great Lakes

Area	Name	Final 2026 pilotage rate	Proposed 2027 pilotage rate
District One: Designated	St. Lawrence River	\$978	\$1,002
District One: Undesignated	Lake America*	\$623	\$678
District Two: Designated	Navigable waters from Southeast Shoal to Port Huron, MI	\$681	\$692
District Two: Undesignated	Lake Erie	\$555	\$585
District Three: Designated	St. Mary's River	\$868	\$889
District Three: Undesignated	Lakes Huron, Michigan, and Superior; and the statutorily designated Straits of Mackinac (as proposed for 2027)*	\$382	\$445

*Formerly known as Lake Ontario. On August 27, 2026, the President issued the Executive Order, *Honoring the American History of the Great Lakes and Renaming Lake Ontario as Lake America*, directing that Lake Ontario be renamed Lake America, and that Federal Government references reflect the renaming. See section III. D. of this preamble for further discussion.

*The NDAA 2026 designated the Straits of Mackinac, subject to the same pilotage requirement as waters designated by the President under 46 U.S.C. 9302(a)(1)(A). Although designated, the Coast Guard proposes, pursuant to its ratemaking authority under 46 U.S.C. 9303, to apply the same pilotage rate to the Straits of Mackinac as applies to the adjacent undesignated waters of Lakes Huron, Michigan, and Superior. See section III. C. of this preamble for further discussion.

BILLING CODE 9110-04-C

As reflected in Table 1, there are three American pilotage districts on the Great Lakes, each represented by a pilotage association.⁸ Each pilotage district is further divided into “designated” and “undesignated” areas. Designated areas, classified as such by Presidential Proclamation, are waters in which Pilots must always direct the navigation of vessels subject to the customary authority of the vessel Master.⁹

⁸ The Saint Lawrence Seaway Pilots Association (SLSPA) provides pilotage services in District One, which includes all U.S. waters of the St. Lawrence River and Lake America. The Lakes Pilots Association (LPA) provides pilotage services in District Two, which includes all U.S. waters of Lake Erie, the Detroit River, Lake St. Clair, and the St. Clair River. Finally, the Western Great Lakes Pilots Association (WGLPA) provides pilotage services in District Three, which includes all U.S. waters of the St. Mary's River; Sault Ste. Marie Locks; Lakes Huron, Michigan, and Superior; and the Straits of Mackinac.

⁹ 46 U.S.C. 9302(a)(1)(A). Two Presidential proclamations address the designation of restricted waters under the Great Lakes Pilotage Act.

Undesignated areas are open bodies of water where Pilots must only “be on board and available to direct the navigation of the vessel” at the discretion of and subject to the customary authority of the vessel Master.¹⁰

The three U.S. pilotage associations representing these districts are the sole U.S. providers of pilotage services on the Great Lakes, each operating as an independent business within its respective district. Each pilotage

Presidential Proclamation 3385 designated specified U.S. waters of the Great Lakes as restricted waters and established the geographical bounds of those waters within the three pilotage districts. Presidential Proclamation 3855 subsequently amended Proclamation 3385, including by revising the boundaries of District 3. Proclamation 3385, *Designation of Restricted Waters under the Great Lakes Pilotage Act of 1960*, 25 FR 13681 (Dec. 24, 1960), as amended by Presidential Proclamation 3855, *Amending Proclamation No. 3385, Designating Restricted Waters under the Great Lakes Pilotage Act of 1960*, 33 FR 8535 (June 10, 1968).

¹⁰ 46 U.S.C. 9302(a)(1)(B).

association is self-funded, using revenue from the shippers to cover operating expenses, maintain infrastructure, compensate Pilots and Apprentice Pilots, acquire and implement technological advances, train new personnel, and provide for continuing professional development. To promote the long-term stability of the pilotage rates and from year-to-year, the Coast Guard bases pilotage rates on a 10-year historical average of pilotage demand. This approach means annual revenues may be higher or lower than projected if pilotage demand fluctuates from the average. However, this 10-year average approach helps ensure that the associations can maintain infrastructure, provide adequate compensation and rest for pilots, and retain highly trained personnel. Using 3-year and 5-year averages caused the rate to fluctuate too significantly, creating challenges for planning for future expenses. For example, a significant decrease in

shipping activity in a single year would have a relatively limited effect on rates calculated using a 10-year average. This promotes rate stability if shipping activity returns to historical levels the following year, when pilot associations must have sufficient trained pilots and other resources to meet demand. Conversely, using 15- or 20-year averages would incorporate older data that may not accurately reflect current market conditions or pilot associations' current resource needs.

B. Pilot and Apprentice Pilot Staffing

This proposed rule would affect 61 Pilots, 8 Apprentice Pilots, 3 pilotage associations, and the owners and operators of an average of 247 oceangoing vessels that transit the Great Lakes annually. This proposed rule is not economically significant under Executive Order 12866 and would not affect the Coast Guard's budget or increase Federal spending because foreign shippers, foreign cruise ships, and vessels requesting voluntary pilotage pay these rates directly to the respective pilotage association.

The estimated overall annual regulatory economic impact of this rate change would be a net increase of \$3,977,204 in estimated payments made by the foreign shippers, foreign cruise ships, and vessels requesting voluntary pilotage service, an approximately 10-percent increase in operating costs in the 2027 shipping season. While this increase is significantly more than the current annual inflation rate, it is necessary to achieve the increased revenue needed to add four Pilots and one Apprentice Pilot. An increase in the number of Pilots will help achieve part of the Coast Guard's goal of promoting recruitment and retention of qualified Pilots. In addition, the increase reflects inflation, the growth of adjusted operating expenses, changes in vessel traffic, and the need to meet Pilot compensation and Apprentice Pilot wage benchmarks.

C. Proposal To List Straits of Mackinac in Pilotage Rates and Charges

To implement the NDAA 2026 amendment to 46 U.S.C. 9302(a)(1)(A), the Coast Guard proposes adding the Straits of Mackinac to the annual pilotage rate schedule in 46 CFR

401.405 and to make a corresponding update to Step 6 of the methodology. As amended, the legislation now requires Pilots to direct the navigation of the vessel in the Straits, in addition to the other Presidentially designated waters.¹¹ We propose to add the Straits to the list of waters in 46 CFR 401.405(a)(5) while applying the same pilotage rate used for the adjacent, undesignated waters of Lakes Huron, Michigan, and Superior.

As noted previously, under 46 U.S.C. 9303(f), the Coast Guard prescribes by regulation rates and charges for pilotage services, giving consideration to the public interest and the costs of providing the services. We propose to retain the existing Area 6 rate for the Straits because the statutory designation does not materially change the pilotage services historically provided there or the costs of providing those services. Adding the Straits to the codified rate schedule clarifies the applicable rate to this waterway for the public.

Before the statutory amendment, pilots were required under 46 U.S.C. 9302(a)(1)(B) to be on board and available to direct navigation through the Straits at the discretion of and subject to the customary authority of the vessel master. In practice, however, pilots historically directed navigation through the Straits, subject to the customary authority of the vessel master, as would be required in designated waters under 46 U.S.C. 9302(a)(1)(A), given the relatively limited geographic extent of the Straits. This practice is similar to the Coast Guard's treatment of ports in undesignated waters, another type of relatively small area. In those port waters, pilots may direct vessel movements through short inlets or rivers necessary to enter a port, while the rate applicable to the broader undesignated area continues to apply. Similarly, although the Straits are now designated waters, the Coast Guard proposes to retain the existing Area 6 rate for the Straits because pilots historically directed navigation through this relatively limited area, including the turn and transit under a bridge, without a corresponding change in the

rate applicable to the broader undesignated Area 6. Accordingly, no additional Pilots, Pilot change points, or Pilot boat services are needed. Because no additional expenses are associated with this designation, the pilotage association can continue to provide this service at the same cost as adjacent undesignated waters. Any historical bridge hours in the Straits of Mackinac have already been accounted for in Step 6 of the proposed 2027 ratemaking methodology. For these reasons, we have determined that the current ratemaking practices are reasonable, and changes to how we calculate the rates for transits through the Straits of Mackinac are not necessary.

At the Great Lakes Pilotage Advisory Committee (GLPAC) meeting on February 5, 2026, the Director presented this course of action for the Straits of Mackinac to the committee and pilotage associations. At the meeting, GLPAC did not provide specific feedback on the Director's assertion that costs would not increase for providing pilotage now that the Straits of Mackinac are designated waters. The Director welcomed ideas from the committee and feedback when we publish this proposed rule. A copy of the meeting transcript is available in the docket where indicated under the **ADDRESSES** portion of this preamble.

For the associated calculations within this ratemaking methodology, the Straits of Mackinac metrics would continue to be attributed to Area 6, as shown in Table 2 of this preamble. A similar table with area numbers last appeared as table 2 in the Great Lakes Pilotage Rates—2023 Annual Review and Revisions to Methodology NPRM (2023 NPRM) that published August 30, 2022 (87 FR 52870, 52873). Table 2 of the 2023 NPRM illustrates that Area 6 includes Lakes Huron and Michigan, which naturally includes transits between these lakes through the Straits of Mackinac. Though statutorily designated, the Straits of Mackinac would continue to be associated with Area 6, and its rates would be equivalent to the undesignated rates for Area 6. The following table is the proposed area division of the waterways in the Great Lakes, which maintains the current area structure.

¹¹ 46 U.S.C. 9302(a)(1)(A).

Table 2—Areas of the Great Lakes and St. Lawrence Seaway

District	Pilotage Association	Designation	Area Number ¹²	Area Name ¹³
One	Saint Lawrence Seaway Pilotage Association (SLSPA)	Designated	1	St. Lawrence River
		Undesignated	2	Lake America
Two	Lakes Pilots Association (LPA)	Designated	5	Navigable waters from Southeast Shoal to Port Huron, MI
		Undesignated	4	Lake Erie
Three	Western Great Lakes Pilots Association (WGLPA)	Designated	7	St. Marys River
		Undesignated;	6	Lakes Huron and Michigan;
		Statutorily designated	6	and the Straits of Mackinac
		Undesignated	8	Lake Superior

Second, we are proposing a corresponding change to § 404.106, Step 6 of the methodology, to maintain the status quo for calculating rates for transits in the Straits of Mackinac. Under the proposed revision to Step 6, the bridge hours associated with the Straits of Mackinac would continue to be included in the average bridge hours of the undesignated waters in Area 6. We use this average in Step 6, dividing the projected revenue needed by the district's 10-year average of bridge hours across both designated and undesignated waters. This additional text would promote transparency in how we average the bridge hours in District Three and ensure consistency in the treatment of bridge hours for the Straits of Mackinac. It would also maintain the current methodology calculation process and would result in no substantive change from previous ratemakings. As noted in previous paragraphs, we propose to continue attributing the Straits of Mackinac transits to Area 6 for ratemaking purposes.

The operational demands for these transits are already met within the existing resource allocation for Area 6. The proposed clarification to Step 6 would not result in an increase in staffing or transportation costs for District Three, nor a notable increase to other resources relative to the 2026 final rule.

D. Executive Order Renaming Lake Ontario as Lake America

On August 27, 2026, the President issued Executive Order, *Honoring the American History of the Great Lakes and Renaming Lake Ontario as Lake America*.¹⁴ The Executive Order directs the Secretary of the Interior, in coordination with the Board on Geographic Names, to take appropriate actions to rename the body of water currently known as Lake Ontario as Lake America.¹⁵ The Executive Order further directs that Federal Government references to Lake Ontario, including in agency documents and communications, reflect the renaming.¹⁶ Consistent with this directive, as noted in Table 1 of this preamble, we have updated references to Lake Ontario in this proposed rule to Lake America. These changes implement the terminology directed by the Executive Order and do not otherwise alter the substance of this proposed rule.

IV. Individual Target Pilot Compensation Benchmark

According to § 404.104(a), in a full ratemaking year, the Director sets the individual target Pilot compensation benchmark and may make necessary and reasonable adjustments based on current information. This NPRM proposes the 2027 yearly base

compensation for Pilots on the Great Lakes to be \$496,674 per Pilot (a \$15,032 increase, or 3.12 percent, over their 2026 compensation). Because the Coast Guard must review, and adjust rates each year, we analyze rate changes as single-year costs and do not annualize them over 10 years. Section VII. Regulatory Analyses of this preamble provides the regulatory impact analyses of this proposed rule.

For the 2027 ratemaking, the Coast Guard proposes setting the target Pilot compensation benchmark at the target Pilot compensation for the ratemaking year 2026, adjusted for inflation. This is the same method we used for setting the target Pilot compensation benchmark in the previous full ratemaking, in 2026.¹⁷ This method resembles the interim ratemaking year requirements in § 404.104(b), where the base target Pilot compensation is adjusted annually for inflation. For more information about how we arrived at the target Pilot benchmark in the previous ratemaking, please see the 2026 final rule.¹⁸ For the reasons discussed there,¹⁹ we believe the base compensation as adjusted annually remains fair.

Based on the information we have exchanged with the Pilots and industry over the past several ratemakings (2025–2026), the Director continues to believe that the level of target Pilot compensation provides an appropriate level of compensation for Pilots. According to § 404.104(a), the Director

¹² Area 3, the Welland Canal, is not included in this table because it is serviced exclusively by the Canadian GLPA and is therefore not part of the United States pilotage rate structure.

¹³ The areas are listed by name at 46 CFR 401.405.

¹⁴ See <https://www.whitehouse.gov/presidential-actions/2026/08/honoring-the-american-history-of-the-great-lakes-and-renaming-lake-ontario-as-lake-america/>.

¹⁵ *Id.* at Sec. 2.

¹⁶ *Id.*

¹⁷ 91 FR 7121, 7123.

¹⁸ *Id.* (citing 88 FR 12226, 12233 (Feb. 27, 2023)).

¹⁹ *Id.*

may make necessary and reasonable adjustments to the benchmark based on current information. However, current circumstances do not indicate that an adjustment, other than for inflation, is necessary. The Director bases this decision on the fact that at this point there is no indication from the Presidents of the pilotage associations that Pilots are resigning due to their compensation or that this target Pilot compensation benchmark is causing shortfalls in achieving reliable pilotage service. The Director will continue to monitor the Associations' ability to recruit and retain pilots to ensure reliable pilotage service is not denigrated in the future. The Coast Guard finds that the target Pilot compensation benchmark is appropriate relative to the expertise to perform the necessary job functions. The compensation will continue to be adjusted annually, in accordance with published inflation rates, which will ensure the compensation remains competitive and current for upcoming years.

Therefore, the Coast Guard does not propose alternative benchmarks for target Pilot compensation at this time and, instead, proposes simply adjusting the amount of target Pilot compensation for inflation as our target Pilot compensation benchmark for 2027, as shown in Step 4. This target Pilot compensation benchmark approach has advanced and would continue to advance the Coast Guard's goals through rate and compensation stability while also promoting recruitment and retention of qualified Pilots.

V. Summary of the Ratemaking Methodology

The ratemaking methodology, outlined in current 46 CFR 404.101 through 404.109, consists of 9 steps that are designed to account for the revenues needed and total traffic expected in each district. The first several steps of the methodology establish base pilotage rates. Additional steps to incorporate the weighting factors are necessary to establish the final pilotage rates. The result is an hourly rate, determined separately for each of the six areas administered by the Coast Guard.

In Step 1, "Recognize previous operating expenses," (§ 404.101) the Director uses an independent third party to review each pilot association's audited operating expenses from each of the three pilot associations. Operating expenses include all allowable expenses, minus Pilot and Apprentice Pilot wages and benefits. This number forms the baseline amount that each association is budgeted. Because of the

time delay between when the association submits raw numbers and the Coast Guard receives audited numbers, this number is 3 years behind the projected year of expenses. Therefore, in calculating the 2027 rates in this proposal, we begin with the audited expenses from the 2024 shipping season.

While each pilotage association operates in an entire district (including both designated and undesignated areas), the Coast Guard determines costs by area. We allocate certain operating expenses to designated areas and certain operating expenses to undesignated areas. In some cases, we can allocate the costs based on where they are actually accrued. For example, we can allocate the costs for insurance for Apprentice Pilots who operate in undesignated areas only. In other situations, such as general legal expenses, expenses are distributed between designated and undesignated waters on a pro rata basis, based upon the proportion of income forecasted from the respective portions of the district.

In Step 2, "Project operating expenses, adjusting for inflation or deflation," (§ 404.102) the Director develops the 2027 projected operating expenses. To do this, we apply inflation adjusters for 3 years to the operating expense baseline received in Step 1. The inflation factors are from the BLS CPI for the Midwest Region, or, if not available, the FOMC median economic projections for PCE inflation. This step produces the total operating expenses for each area and district.

In Step 3, "Estimate number of registered pilots and apprentice pilots," (§ 404.103) the Director calculates how many Pilots and Apprentice Pilots are needed for each district. To do this, the Director projects, based on the number of persons applying under 46 CFR part 401 to become United States Great Lakes Registered Pilots and on information provided by the district's pilotage association, the number of Pilots expected to be fully working and compensated. The director then employs the staffing model, described in § 401.220, paragraphs (a)(1) through (a)(3), to estimate how many Pilots would be needed to handle shipping during the opening and closing of the season. This number provides guidance to the Director in approving an appropriate number of Pilots.

In Step 4 of the ratemaking calculation, we determine the number of Pilots provided by the pilot associations (see § 404.103) and use that figure to determine how many Pilots need to be compensated via the pilotage fees collected. In Step 4, "Determine target

Pilot compensation benchmark and apprentice pilot wage benchmark," (§ 404.104(a)(1)), the Director determines base individual target Pilot compensation using a compensation benchmark, set after considering the most relevant currently available non-proprietary information. For supportable circumstances, the Director may make necessary and reasonable adjustments to the benchmark. For this proposed rule, the Director plans to adjust the previous year's individual target Pilot compensation using the same process as in an interim year (§ 404.104(b)).

In Step 5, "Project needed revenue," (§ 404.105) the Director simply adds the totals produced by the preceding steps. The projected operating expense for each area and district (from Step 2) is added to the total Pilot compensation, including Apprentice Pilot wage benchmarks (from Step 4). The total figure, calculated separately for each area and district, is the "needed revenue."

In Step 6, "Calculate initial base rates," (§ 404.106) the Director calculates an hourly pilotage rate to cover the needed revenue, as calculated in Step 5. This step consists of first calculating the 10-year average hours of traffic for each area. Next, we divide the revenue needed in each area (calculated in Step 6) by the 10-year average of traffic hours to produce an initial base rate.

An additional element, the "weighting factor," is required under § 401.400. Pursuant to that section, ships pay a multiple of the base rate, as calculated in Step 6, by a number ranging from 1.0 (for the smallest ships, or "Class I" vessels) to 1.45 (for the largest ships, or "Class IV" vessels). This significantly increases the revenue collected, and we need to account for the added revenue produced by the weighting factors to ensure that shippers are not overpaying for pilotage services. We do this in Step 7.

In Step 7, "Calculate average weighting factors by Area," (§ 404.107), the Director calculates how much extra revenue, as a percentage of total revenue, has historically been produced by the weighting factors in each area. We do this by using a 10-year average of the applied weighting factors.

In Step 8, "Calculate revised base rates," (§ 404.108) the Director modifies the base rates by accounting for the extra revenue generated by the weighting factors. We do this by dividing the initial pilotage rate for each area (from Step 6) by the corresponding average weighting factor (from Step 7), to produce a revised rate.

In Step 9, “Review and finalize rates,” (§ 404.109), often referred to informally as “Director’s discretion,” the Director reviews the revised base rates (from Step 8) to ensure that they meet the goals set forth in 46 U.S.C. 9303(f) and 46 CFR 404.1(a), which include promoting efficient, safe, and reliable pilotage service on the Great Lakes; generating sufficient revenue for each pilotage association to reimburse necessary and reasonable operating expenses; compensating trained and rested Pilots fairly; and providing appropriate revenue for improvements.

VI. Discussion of Proposed Rate Adjustments

The process to calculate proposed pilotage rates begins by calculating a baseline rate for each district, considering projected operating expenses and the number of Pilots. This base rate is then adjusted using specific weighting factors to determine the final hourly pilotage rate. Detailed calculations for each district, illustrating every step of this process, can be found in Section VI. Tables Showing Calculations by District within this preamble.

A. Step 1: Recognize Previous Operating Expenses

The first step in our ratemaking process, as outlined by § 404.101, is to establish a baseline budget for each of the three regional pilotage associations.

An independent third-party accounting firm conducts a thorough review of each association’s operating expenses to identify the foundational costs of providing pilotage services. This review includes all allowable expenses but specifically excludes Pilot and Apprentice Pilot wages and benefits, which are addressed in Step 4.

The complete reviewed financial reports, including detailed explanations of all adjustments, are publicly available in the official rulemaking docket, as referenced in Section IX. Public Participation and Request for Comments.

The recognized operating expenses for Districts One, Two, and Three are presented in tables 4, 15, and 26, respectively, in section VII. Tables Showing Calculations by District of this preamble.

B. Step 2: Project Operating Expenses, Adjusting for Inflation or Deflation

In Step 2, as outlined in § 404.102, we project the operating expenses for 2027. This involves taking the 2024 operating expense baseline from Step 1 and adjusting it for 3 years of inflation.

For the 2025 inflation rate of 2.8 percent, we use the Consumer Price Index (CPI) for the Midwest Region, as published by the Bureau of Labor Statistics (BLS) ²⁰. Since the BLS does not provide inflation forecasts, we use the median economic projections for Personal Consumption Expenditures

(PCE) inflation ²¹ from the Federal Open Market Committee (FOMC) for the 2026 and 2027 adjustments, 2.5 percent and 2.1 percent respectively.

This process yields the total projected operating expenses for each district. Detailed calculations for Districts One, Two, and Three are available in this preamble in tables 5, 16, and 27, respectively.

C. Step 3: Estimate Number of Registered Pilots and Apprentice Pilots

In this step, outlined in § 404.103, the Director calculates how many Pilots and Apprentice Pilots are needed for each district.

Setting Minimum and Maximum Levels

To provide operational flexibility, the Coast Guard establishes minimum and maximum Pilot numbers for each district:

- The minimum number is based on the current staffing model, with rounding methodologies amended by Great Lakes Pilotage Rates—2021 Annual Review and Revisions to Methodology (86 FR 14184, 14190).
- The maximum number is the figure from the staffing model plus three, as recommended by the GLPAC in 2023 and as established by the Great Lakes Pilotage Rates—2025 Annual Review (89 FR 100810, 100815).

The minimum, maximum, and proposed number of Pilots for each District are as follows:

Table 3: Authorized Number of Pilots per District

District	Minimum Authorized	Maximum Authorized	Proposed Pilots for the 2027 Season
One	18	21	21
Two	16	19	17
Three	22	25	23

More details on projected staffing levels can be found for Districts One, Two, and Three in tables 6, 17, and 28, respectively.

Determining the Number of Apprentice Pilots

The number of authorized Apprentice Pilots is based on direct input from the

pilotage associations, who identify future staffing needs considering anticipated retirements and other factors.

²⁰ The CPI is defined as “All Urban Consumers (CPI-U), All Items, 1982–4=100.” Series CUUR0200SA0. Available at <https://www.bls.gov/cpi/data.htm>, All Urban Consumers (Current Series), multiscreen data, not seasonally adjusted,

0200 Midwest, Current, All Items, Monthly, 12-month Percent Change and Annual Data; accessed 04/16/2026.

²¹ The 2026 and 2027 inflation rates are available at <https://www.federalreserve.gov/monetarypolicy/>

<files/fomcprojtab120250917.pdf>. We used the Core PCE June Projection value found in table 1; accessed 04/16/2026.

D. Step 4: Determine Target Pilot Compensation Benchmark and Apprentice Pilot Wage Benchmark

In Step 4 of the ratemaking calculation, we determine the number of Pilots provided by the pilot associations (see § 404.103) and use that figure to determine how many Pilots need to be compensated via the pilotage fees collected.

This step establishes the target Pilot compensation for the number of Pilots required in each district, as determined in Step 3. We calculate an individual compensation benchmark and then use it to determine the total compensation for all Pilots and Apprentice Pilots in a district.

Calculating the 2027 Individual Target Pilot Compensation

In accordance with § 404.104(a), the calculation for the 2027 individual target Pilot compensation benchmark starts with the 2026 benchmark of \$481,642 and involves two key inflation adjustments:

1. Adjustment for 2026 Inflation: We adjust the 2026 benchmark to account for the difference between last year's projected inflation and the actual inflation numbers. The initial 2026 PCE inflation projection was 2.4 percent, but the Employment Cost Index (ECI) inflation for Q1 2026 was 3.4 percent. Applying this 1.0 percent difference to the 2026 benchmark results in an updated value of \$486,458.

2. Adjustment for 2027 Projected Inflation: Next, we apply the projected inflation for 2027, which is 2.1 percent. This increases the individual target Pilot compensation to \$496,674 per Pilot for 2027.

Calculating Total Target Pilot Compensation and Apprentice Pilot Wages

The individual target Pilot compensation of \$496,674 is used to calculate the total target Pilot compensation for each of the three districts by multiplying it by the number of Pilots needed in each area and district, as shown for Districts One, Two, and Three in tables 7, 18, and 29, respectively.

From this individual target Pilot compensation, the wage benchmark for

Apprentice Pilots is set at 36 percent of a Pilot's target compensation, amounting to \$178,803 for 2027. The target Apprentice Pilot compensation of \$178,803 is used to calculate the total target Apprentice Pilot compensation for each of the three districts by multiplying it by the number of Apprentice Pilots needed for each district, as shown for Districts One, Two, and Three in tables 7, 18, and 29, respectively. The Total Target Apprentice Pilot Compensation is apportioned to each area using the same percentage as the Step 1 operating expenses for each District. For Districts One and Two, the allocation is 60 percent for the designated area and 40 percent for the undesignated area. For District Three, the allocation is 22 percent for the designated area, 78 percent for the undesignated areas (53 percent for Area 6, and 25 percent for Area 8).

E. Step 5: Project Needed Revenue

In this step, we determine the total revenue required to cover all projected operating expenses. For each area and pilotage district, we sum the projected operating expenses from Step 2, the total target Pilot compensation, and total target Apprentice Pilot wage from Step 4. The resulting figure is the "needed revenue" for that district. Specific calculations for each district are detailed for Districts One, Two, and Three in tables 8, 19, and 30, respectively.

F. Step 6: Calculate Initial Base Rates

Next, we establish an initial hourly rate to meet the needed revenue. First, we calculate the 10-year average of traffic using the total time on task or Pilot bridge hours for each district. As noted previously in this preamble, we propose to continue to include the Straits of Mackinac bridge hours in the undesignated average bridge hours in District Three. Then, we divide the needed revenue from Step 5 by the average bridge hours. This calculation provides an initial base rate for pilotage services. The bridge hour data and rate

calculations for Districts One, Two, and Three are available in tables 9 and 10; 20 and 21; and 31 and 32, respectively.

G. Step 7: Calculate Average Weighting Factors by Area

In this step, we calculate the average weighting factor for each district's designated and undesignated area. Using the weighting factor reports from SeaPro, we calculate the average weighting factor for each area using the data from each vessel transit in Districts One, Two, and Three over a 10-year period (2016 through 2025), as shown in tables 11 and 12; 22 and 23; and 33 and 34, respectively.

H. Step 8: Calculate Revised Base Rates

In this step, the Director adjusts the initial base rates to account for the revenue generated by weighting factors. The Director divides the initial pilotage rate for each area from Step 6 by the corresponding average weighting factor from Step 7. This calculation produces a revised, unadjusted base rate, as shown in tables 13, 24, and 35 for Districts One, Two, and Three, respectively.

I. Step 9: Review and Finalize Rates

Finally, per § 404.109, the Director reviews the revised rates to ensure they align with the goals of the Great Lakes Pilotage Act. The Director considers whether the rates adequately support a sufficient number of Pilots to handle peak traffic periods and cover all reasonable costs. Based on these considerations, the Director makes no alterations to the rates in this step. We propose modifying § 401.405(a)(1) through (6) to reflect the final rates shown for Districts One, Two, and Three in tables 14, 25, and 36, respectively, of Section VII. Tables Showing Calculations by District portion of this preamble.

VII. Tables Showing Calculations by District

A. District One

BILLING CODE 9110-04-P

Table 4—Step 1: Recognized 2024 Operating Expenses for District One

	District One		
	Designated	Undesignated	Total
Reported Expenses for 2024	St. Lawrence River	Lake America	
<i>Applicant Pilot Specific Expenses</i>			
Travel	6,167	4,111	10,278
License Insurance	2,081	1,388	3,469
Other Expenses	1,186	790	1,976
Pilot Training	23,619	15,746	39,365
Employee Benefits	44,052	29,368	73,420
Total Applicant Pilot Compensation	77,105	51,403	128,508
<i>Operating Expenses</i>			
Hotel/Lodging Costs	66,079	44,052	110,131
Payroll Taxes	210,520	140,347	350,867
Payroll Taxes D1-24-01	7,835	5,223	13,058
Pilot Subsistence	145,806	97,204	243,010
Pilot Subsistence D1-24-02	8,514	5,676	14,190
Travel	624,714	416,476	1,041,190
Pilot Training	22,417	14,945	37,362
Other Expenses	180	120	300
Insurance	38,595	25,730	64,325
License Insurance	37,538	25,025	62,563
Total Other Pilotage Costs	1,162,198	774,798	1,936,996
<i>Pilot Boat and Dispatch Costs</i>			
Dispatch Cost	217,214	144,810	362,024
Employee Benefits	59,537	39,692	99,229
Pilot Boat Costs	22,261	14,841	37,102
Travel	1,525	1,016	2,541
Other Expenses	45,590	30,394	75,984
Salaries	283,518	189,012	472,530
Total Pilot and Dispatch Costs	629,645	419,765	1,049,410
<i>Administrative Expenses</i>			
Accounting/Professional Fees	12,300	8,200	20,500
American Pilots' Association (APA) Dues	29,552	19,702	49,254
Capital Improvements	60,254	40,169	100,423
Depreciation/Auto Leasing/Other	104,204	69,469	173,673
Dues and Subscriptions	5,100	3,400	8,500
Employee Benefits	4,215	2,810	7,025
Insurance	41,503	27,669	69,172
Interest	9,442	6,295	15,737
Legal - Shared Counsel (K&L Gates)	76,709	51,139	127,848
Legal	335	224	559

Other Expenses	25,126	16,751	41,877
Other Taxes	139,842	93,228	233,070
Payroll Taxes	66,557	44,372	110,929
Real Estate Taxes	23,215	15,477	38,692
Salaries	105,038	70,025	175,063
Travel	20,785	13,856	34,641
Utilities	35,646	23,764	59,410
Total Administrative Expenses	759,823	506,550	1,266,373
Total Expenses (OPEX + Applicant + Pilot Boats + Admin + Capital)	2,628,771	1,752,516	4,381,287

Table 5—Step 2: Adjusted Operating Expenses for District One

	District One		
	Designated	Undesignated	Total
Total Operating Expenses (Step 1)	\$2,628,771	\$1,752,516	\$4,381,287
2025 Inflation Modification (@2.8%)	\$73,606	\$49,070	\$122,676
2026 Inflation Modification (@2.5%)	\$67,559	\$45,040	\$112,599
2027 Inflation Modification (@2.1%)	\$58,169	\$38,779	\$96,948
Adjusted 2027 Operating Expenses	\$2,828,105	\$1,885,405	\$4,713,510

Table 6—Step 3: Authorized Pilots and Apprentice Pilots for District One

Item	District One
2027 Authorized Pilots (total)	21
Pilots Assigned to Designated Areas	11
Pilots Assigned to Undesignated Areas	10
2027 Apprentice Pilots	2

Table 7—Step 4: Target Pilot and Apprentice Pilot Compensation for District One

	District One		
	Designated	Undesignated	Total
Target Pilot Compensation	\$496,674	\$496,674	\$496,674
Number of Pilots	11	10	21
Total Target Pilot Compensation	\$5,463,414	\$4,966,740	\$10,430,154
Target Apprentice Pilot Compensation	\$178,803	\$178,803	\$178,803
Number of Apprentice Pilots			2
Total Target Apprentice Pilot Compensation	\$214,564	\$143,042	\$357,606

Table 8—Step 5: Revenue Needed for District One

	District One		
	Designated	Undesignated	Total
Adjusted Operating Expenses (Step 2)	\$2,828,105	\$1,885,405	\$4,713,510
Total Target Pilot Compensation (Step 4)	\$5,463,414	\$4,966,740	\$10,430,154
Total Target Apprentice Pilot Compensation (Step 4)	\$214,564	\$143,042	\$357,606
Total Revenue Needed	\$8,506,083	\$6,995,187	\$15,501,270

Table 9—Step 6: Time on Task for District One (Hours)

Year	District One	
	Designated	Undesignated
2025	6,473	8,019
2024	6,271	8,099
2023	5,810	7,650
2022	6,577	8,356
2021	6,166	7,893
2020	6,265	7,560
2019	8,232	8,405
2018	6,943	8,445
2017	7,605	8,679
2016	5,434	6,217
Average	6,578	7,932

In the 2026 final rule, the Coast Guard published a figure of 6,232 hours as the total 2024 designated hours, and a figure of 8,075 as the total 2024 undesignated

hours for District One. Since that publication, the Coast Guard received a revised figure of 6,271 designated hours and 8,099 undesignated hours through

the 2024 Revenue Report for District One provided by CohnReznick.

Table 10—Step 6: Initial Rate Calculations for District One

	Designated	Undesignated
Revenue needed (Step 5)	\$8,506,083	\$6,995,187
Average time on task (hours)	6,578	7,932
Initial rate	\$1,293	\$882

Table 11 —Step 7: Average Weighting Factor for District One, Designated Areas

Vessel Class/Year	Number of Transits	Weighting Factor	Weighted Transits*
Class 1 (2016)	31	1	31
Class 1 (2017)	28	1	28
Class 1 (2018)	54	1	54
Class 1 (2019)	72	1	72
Class 1 (2020)	8	1	8
Class 1 (2021)	10	1	10
Class 1 (2022)	39	1	39
Class 1 (2023)	19	1	19
Class 1 (2024)	26	1	26
Class 1 (2025)	15	1	15
Class 2 (2016)	185	1.15	213
Class 2 (2017)	352	1.15	405
Class 2 (2018)	559	1.15	643
Class 2 (2019)	378	1.15	435
Class 2 (2020)	560	1.15	644
Class 2 (2021)	315	1.15	362
Class 2 (2022)	462	1.15	531
Class 2 (2023)	481	1.15	553
Class 2 (2024)	467	1.15	537
Class 2 (2025)	372	1.15	428
Class 3 (2016)	50	1.3	65
Class 3 (2017)	67	1.3	87
Class 3 (2018)	86	1.3	112
Class 3 (2019)	122	1.3	159
Class 3 (2020)	67	1.3	87
Class 3 (2021)	52	1.3	68
Class 3 (2022)	103	1.3	134
Class 3 (2023)	34	1.3	44
Class 3 (2024)	69	1.3	90
Class 3 (2025)	78	1.3	101
Class 4 (2016)	214	1.45	310
Class 4 (2017)	285	1.45	413
Class 4 (2018)	393	1.45	570
Class 4 (2019)	730	1.45	1059
Class 4 (2020)	427	1.45	619
Class 4 (2021)	407	1.45	590
Class 4 (2022)	446	1.45	647
Class 4 (2023)	420	1.45	609
Class 4 (2024)	471	1.45	683
Class 4 (2025)	500	1.45	725
Total	9,454		12,224

Average Weighting Factor (Weighted Transits ÷ Number of Transits)		1.29	
---	--	------	--

* Weighted transits are rounded to the nearest whole number for presentation, but the Total calculation uses unrounded figures.

Table 12—Step 7: Average Weighting Factor for District One, Undesignated Areas

Vessel Class/Year	Number of Transits	Weighting Factor	Weighted Transits*
Class 1 (2016)	18	1	18
Class 1 (2017)	19	1	19
Class 1 (2018)	22	1	22
Class 1 (2019)	30	1	30
Class 1 (2020)	3	1	3
Class 1 (2021)	19	1	19
Class 1 (2022)	27	1	27
Class 1 (2023)	31	1	31
Class 1 (2024)	10	1	10
Class 1 (2025)	26	1	26
Class 2 (2016)	169	1.15	194
Class 2 (2017)	290	1.15	334
Class 2 (2018)	352	1.15	405
Class 2 (2019)	366	1.15	421
Class 2 (2020)	358	1.15	412
Class 2 (2021)	463	1.15	532
Class 2 (2022)	349	1.15	401
Class 2 (2023)	346	1.15	398
Class 2 (2024)	334	1.15	384
Class 2 (2025)	344	1.15	396
Class 3 (2016)	28	1.3	36
Class 3 (2017)	45	1.3	59
Class 3 (2018)	63	1.3	82
Class 3 (2019)	58	1.3	75
Class 3 (2020)	35	1.3	46
Class 3 (2021)	71	1.3	92
Class 3 (2022)	65	1.3	85
Class 3 (2023)	44	1.3	57
Class 3 (2024)	44	1.3	57
Class 3 (2025)	67	1.3	87
Class 4 (2016)	222	1.45	322
Class 4 (2017)	285	1.45	413
Class 4 (2018)	382	1.45	554
Class 4 (2019)	326	1.45	473
Class 4 (2020)	334	1.45	484

Class 4 (2021)	466	1.45	676
Class 4 (2022)	386	1.45	560
Class 4 (2023)	328	1.45	476
Class 4 (2024)	421	1.45	610
Class 4 (2025)	377	1.45	547
Total	7,623		9,872
Average Weighting Factor (Weighted Transits ÷ Number of Transits)		1.30	

* Weighted transits are rounded to the nearest whole number for presentation, but the Total calculation uses unrounded figures.

Table 13—Step 8: Revised Base Rates for District One

Area	Initial Rate (Step 6)	Average Weighting Factor (Step 7)	Revised Rate (Initial Rate ÷ Average Weighting Factor)
District One: Designated	\$1,293	1.29	\$1,002
District One: Undesignated	\$882	1.30	\$678

Table 14—Step 9: Proposed Final Rates for District One

Area	Name	Final 2026 Pilotage Rate	Proposed 2027 Pilotage Rate
District One: Designated	St. Lawrence River	\$978	\$1,002
District One: Undesignated	Lake America	\$623	\$678

B. District Two

Table 15—Step 1: Recognized 2024 Operating Expenses for District Two

	District Two		
	Undesignated	Designated	Total
Reported Operating Expenses for 2024	Lake Erie	Southeast Shoal to Port Huron	
<i>Applicant Pilot Compensation</i>			
Employee Benefits	\$1,660	\$2,490	\$4,150
Total Applicant Pilot Compensation	\$1,660	\$2,490	\$4,150
<i>Other Pilotage Cost</i>			
Pilot Subsistence	\$93,840	\$140,760	\$234,600
Pilot Subsistence D2-24-02	\$5,610	\$8,415	\$14,025
Travel	\$53,361	\$80,041	\$133,402
License Renewal	\$670	\$1,006	\$1,676
License Insurance	\$12,307	\$18,460	\$30,767
Total Other Pilotage Costs	\$165,788	\$248,682	\$414,470
<i>Pilot Boat and Dispatch Costs</i>			
Pilot Boat Costs	\$89,583	\$134,374	\$223,957
Employee Benefits	\$100,023	\$150,034	\$250,057
Insurance	\$9,340	\$14,010	\$23,350
Salaries	\$193,042	\$289,562	\$482,604
Total Pilot and Dispatch Costs	\$391,988	\$587,980	\$979,968
<i>Administrative Expenses</i>			
Legal - General Counsel	\$8,655	\$12,982	\$21,637
Legal - Shared Counsel (K&L Gates)	\$8,447	\$12,670	\$21,117
Office Rent	\$29,508	\$44,262	\$73,770
Insurance	\$24,241	\$36,362	\$60,603
Employee Benefits	\$41,468	\$62,202	\$103,670
Payroll Taxes	\$154,664	\$231,997	\$386,661
Other Taxes	\$137,320	\$205,981	\$343,301
Real Estate Taxes	\$8,150	\$12,226	\$20,376
Travel	\$23,381	\$35,072	\$58,453
Travel D2-24-01, D2-24-03	-\$5,588	-\$8,381	-\$13,969
Depreciation/Auto Leasing/Other	\$12,623	\$18,935	\$31,558
American Pilots' Association (APA) Dues	\$19,302	\$28,952	\$48,254
Dues and Subscriptions	\$2,774	\$4,161	\$6,935
Utilities	\$4,536	\$6,805	\$11,341
Salaries	\$83,802	\$125,703	\$209,505
Accounting/Professional Fees	\$16,291	\$24,436	\$40,727
Pilot Training	\$7,052	\$10,577	\$17,629
Other Expenses	\$48,292	\$72,437	\$120,729
Other Expenses D2-24-01	-\$3,824	-\$5,736	-\$9,560
Total Administrative Expenses	\$621,094	\$931,643	\$1,552,737

Total Expenses (OPEX + Applicant + Pilot Boats + Admin + Capital)	\$1,180,530	\$1,770,795	\$2,951,325
--	--------------------	--------------------	--------------------

*Where the adjusted total amount reported did not match manual addition, the Coast Guard assumed the total from manual addition unless the adjustment could be attributed to a labeled finding.

Table 16—Step 2: Adjusted Operating Expenses for District Two

	District Two		
	Undesignated	Designated	Total
Total Operating Expenses (Step 1)	\$1,180,530	\$1,770,795	\$2,951,325
2025 Inflation Modification (@2.8%)	\$33,055	\$49,582	\$82,637
2026 Inflation Modification (@2.5%)	\$30,340	\$45,509	\$75,849
2027 Inflation Modification (@2.1%)	\$26,122	\$39,184	\$65,306
Adjusted 2027 Operating Expenses	\$1,270,047	\$1,905,070	\$3,175,117

* As a result of rounding in Step 1, the total for each column may not sum across.

Table 17—Step 3: Authorized Pilots for District Two

Item	District Two
2027 Authorized Pilots (Total)	17
Pilots Assigned to Designated Areas	10
Pilots Assigned to Undesignated Areas	7
2027 Apprentice Pilots	0

Table 18—Step 4: Target Pilot and Apprentice Pilot Compensation for District Two

	District Two		
	Undesignated	Designated	Total
Target Pilot Compensation	\$496,674	\$496,674	\$496,674
Number of Pilots	7	10	17
Total Target Pilot Compensation	\$3,476,718	\$4,966,740	\$8,443,458
Target Apprentice Pilot Compensation	\$178,803	\$178,803	\$178,803
Number of Apprentice Pilots			0
Total Target Apprentice Pilot Compensation	\$0	\$0	\$0

Table 19—Step 5: Revenue Needed for District Two

	District Two		
	Undesignated	Designated	Total
Adjusted Operating Expenses (Step 2)	\$1,270,047	\$1,905,070	\$3,175,117
Total Target Pilot Compensation (Step 4)	\$3,476,718	\$4,966,740	\$8,443,458
Total Target Apprentice Pilot Compensation (Step 4)	\$0	\$0	\$0
Total Revenue Needed	\$4,746,765	\$6,871,810	\$11,618,575

* As a result of rounding in Step 1, the total for each column may not sum across.

Table 20—Step 6: Time on Task for District Two (Hours)

Year	District Two	
	Undesignated	Designated
2025	6,665	9,454
2024	5,820	8,437
2023	6,424	8,181
2022	7,695	9,044
2021	5,290	6,762
2020	6,232	8,401
2019	6,512	7,715
2018	6,150	6,655
2017	5,139	6,074
2016	6,425	5,615
Average	6,235	7,634

In the 2026 final rule, the Coast Guard published a figure of 5,809 hours as the total 2024 undesignated hours and a figure of 8,308 as the total 2024

designated hours for District Two.²² Since that publication, the Coast Guard received a revised figure of 5,820 undesignated hours and 8,437

designated hours through the 2024 Revenue Report for District Two provided by CohnReznick.

Table 21—Step 6: Initial Rate Calculations for District Two

	Undesignated	Designated
Revenue Needed (Step 5)	\$4,746,765	\$6,871,810
Average Time on Task (Hours)	6,235	7,634
Initial Rate	\$761	\$900

²² See p.7133, 91 FR 7121.

Table 22—Step 7: Average Weighting Factor for District Two, Undesignated Areas

Vessel Class/Year	Number of Transits	Weighting Factor	Weighted Transits*
Class 1 (2016)	32	1	32
Class 1 (2017)	21	1	21
Class 1 (2018)	37	1	37
Class 1 (2019)	54	1	54
Class 1 (2020)	1	1	1
Class 1 (2021)	7	1	7
Class 1 (2022)	57	1	57
Class 1 (2023)	54	1	54
Class 1 (2024)	19	1	19
Class 1 (2025)	69	1	69
Class 2 (2016)	380	1.15	437
Class 2 (2017)	222	1.15	255
Class 2 (2018)	123	1.15	141
Class 2 (2019)	127	1.15	146
Class 2 (2020)	165	1.15	190
Class 2 (2021)	206	1.15	237
Class 2 (2022)	202	1.15	232
Class 2 (2023)	152	1.15	175
Class 2 (2024)	125	1.15	144
Class 2 (2025)	130	1.15	150
Class 3 (2016)	9	1.3	12
Class 3 (2017)	12	1.3	16
Class 3 (2018)	3	1.3	4
Class 3 (2019)	1	1.3	1
Class 3 (2020)	1	1.3	1
Class 3 (2021)	5	1.3	7
Class 3 (2022)	2	1.3	3
Class 3 (2023)	2	1.3	3
Class 3 (2024)	5	1.3	7
Class 3 (2025)	17	1.3	22
Class 4 (2016)	468	1.45	679
Class 4 (2017)	319	1.45	463
Class 4 (2018)	196	1.45	284
Class 4 (2019)	210	1.45	305
Class 4 (2020)	201	1.45	291
Class 4 (2021)	227	1.45	329
Class 4 (2022)	208	1.45	302
Class 4 (2023)	169	1.45	245
Class 4 (2024)	205	1.45	297
Class 4 (2025)	191	1.45	277
Total	4,634		6,003

Average Weighting Factor (Weighted Transits ÷ Number of transits)		1.30	
---	--	------	--

* Weighted transits are rounded to the nearest whole number for presentation, but the Total calculation uses unrounded figures.

Table 23— Average Weighting Factor for District Two, Designated Areas

Vessel Class/Year	Number of Transits	Weighting Factor	Weighted Transits*
Class 1 (2016)	28	1	28
Class 1 (2017)	15	1	15
Class 1 (2018)	42	1	42
Class 1 (2019)	48	1	48
Class 1 (2020)	7	1	7
Class 1 (2021)	12	1	12
Class 1 (2022)	53	1	53
Class 1 (2023)	56	1	56
Class 1 (2024)	24	1	24
Class 1 (2025)	79	1	79
Class 2 (2016)	224	1.15	258
Class 2 (2017)	127	1.15	146
Class 2 (2018)	153	1.15	176
Class 2 (2019)	281	1.15	323
Class 2 (2020)	342	1.15	393
Class 2 (2021)	240	1.15	276
Class 2 (2022)	327	1.15	376
Class 2 (2023)	318	1.15	366
Class 2 (2024)	318	1.15	366
Class 2 (2025)	389	1.15	447
Class 3 (2016)	4	1.3	5
Class 3 (2017)	4	1.3	5
Class 3 (2018)	14	1.3	18
Class 3 (2019)	1	1.3	1
Class 3 (2020)	5	1.3	7
Class 3 (2021)	2	1.3	3
Class 3 (2022)	4	1.3	5
Class 3 (2023)	5	1.3	7
Class 3 (2024)	11	1.3	14
Class 3 (2025)	7	1.3	9
Class 4 (2016)	281	1.45	407
Class 4 (2017)	185	1.45	268
Class 4 (2018)	379	1.45	550
Class 4 (2019)	403	1.45	584
Class 4 (2020)	405	1.45	587

Class 4 (2021)	268	1.45	389
Class 4 (2022)	391	1.45	567
Class 4 (2023)	349	1.45	506
Class 4 (2024)	474	1.45	687
Class 4 (2025)	471	1.45	683
Total	6,746		8,794
Average weighting Factor (Weighted Transits ÷ Number of Transits)		1.30	

* Weighted transits are rounded to the nearest whole number for presentation, but the Total calculation uses unrounded figures.

Table 24—Step 8: Revised Base Rates for District Two

Area	Initial Rate (Step 6)	Average Weighting Factor (Step 7)	Revised Rate (Initial Rate ÷ Average Weighting Factor)
District Two: Designated	\$900	1.30	\$692
District Two: Undesignated	\$761	1.30	\$585

Table 25—Step 9: Proposed Final Rates for District Two

Area	Name	Final 2026 pilotage rate	Proposed 2027 pilotage rate
District Two: Designated	Navigable waters from Southeast Shoal to Port Huron, MI	\$681	\$692
District Two: Undesignated	Lake Erie	\$555	\$585

Table 26—Step 1: Recognized 2024 Operating Expenses for District Three

	District Three			
	Undesignated	Designated	Undesignated	Total
Reported Expenses for 2024	Lakes Huron and Michigan; and the designated Straits of Mackinac	St. Marys River	Lake Superior	
<i>Applicant Pilot Compensation</i>				
Employee Benefits	\$35,800	\$15,131	\$17,058	\$67,989
Total Applicant Pilot Compensation	\$35,800	\$15,131	\$17,058	\$67,989
<i>Other Pilotage Costs</i>				
Pilot Subsistence	\$181,625	\$76,762	\$86,540	\$344,927
Hotel/Lodging Costs	\$155,596	\$65,761	\$74,138	\$295,495
Travel	\$177,468	\$75,005	\$84,559	\$337,032
Travel D3-24-02	-\$5,569	-\$2,354	-\$2,654	-\$10,577
License Renewal	\$963	\$407	\$459	\$1,828
Payroll Taxes	\$0	\$0	\$0	\$0
Payroll Taxes D3-24-01	\$229,172	\$96,856	\$109,195	\$435,223
Other Expenses	\$36,671	\$15,498	\$17,473	\$69,642
License Insurance	\$22,221	\$9,391	\$10,588	\$42,200
Total Other Pilotage Costs	\$798,147	\$337,326	\$380,298	\$1,515,770
<i>Pilot Boat and Dispatch Costs</i>				
Pilot Boat Costs	\$681,720	\$288,120	\$324,824	\$1,294,664
Dispatch Costs	\$165,853	\$70,095	\$79,025	\$314,973
Insurance	\$31,432	\$13,284	\$14,977	\$59,693
Total Pilot Boat and Dispatch Costs	\$879,005	\$371,499	\$418,826	\$1,669,330
<i>Administrative Expenses</i>				
Legal - General Counsel	\$2,806	\$1,186	\$1,337	\$5,329
Legal - Shared Counsel (K&L Gates)	\$15,101	\$6,382	\$7,195	\$28,679
Office Rent	\$6,770	\$2,861	\$3,226	\$12,857
Insurance	\$42,521	\$17,971	\$20,260	\$80,752
Employee Benefits	\$145,387	\$61,446	\$69,274	\$276,107
Employee Benefits D3-24-03, D3-24-02	-\$10,619	-\$4,488	-\$5,060	-\$20,167
Payroll Taxes	\$40,666	\$17,187	\$19,377	\$77,230
Other Taxes	\$3,069	\$1,297	\$1,462	\$5,829
Real Estate Taxes	\$3,187	\$1,347	\$1,518	\$6,052
Depreciation/Auto leasing/Other	\$111,638	\$47,182	\$53,193	\$212,014

Interest	\$10,809	\$4,568	\$5,150	\$20,527
American Pilots' Association (APA) Dues	\$34,171	\$14,442	\$16,282	\$64,895
Dues and Subscriptions	\$6,319	\$2,671	\$3,011	\$12,000
Utilities	\$42,387	\$17,914	\$20,196	\$80,497
Utilities D3-24-02	-\$9,282	-\$3,923	-\$4,423	-\$17,628
Salaries	\$97,899	\$41,376	\$46,647	\$185,921
Accounting/Professional Fees	\$32,905	\$13,907	\$15,678	\$62,490
Pilot Training	\$27,604	\$11,667	\$13,153	\$52,424
Other Expenses	\$43,582	\$18,420	\$20,766	\$82,768
Other Expenses (D3-24-02)	-\$4,528	-\$1,914	-\$2,158	-\$8,600
Total Administrative Expenses	\$642,392	\$271,499	\$306,084	\$1,219,976
Total Operating Expenses (Other Costs+ Applicant Cost + Pilot Boats + Admin)	\$2,355,344	\$995,455	\$1,122,266	\$4,473,065

*Where the total column for a line from the expense report did not match manual addition, the Coast Guard manually matched to the line total for that expense and continued to sum down the column. As a result, the ending total for each column (designated, undesignated, and total) may not sum across.

Table 27—Step 2: Adjusted Operating Expenses for District Three

	District Three		
	Undesignated	Designated	Total
Total Operating Expenses (Step 1)	\$3,477,610	\$995,455	\$4,473,065
2025 Inflation Modification (@2.8%)	\$97,373	\$27,873	\$125,246
2026 Inflation Modification (@2.5%)	\$89,375	\$25,583	\$114,958
2027 Inflation Modification (@2.1%)	\$76,952	\$22,027	\$98,979
Adjusted 2027 Operating Expenses	\$3,741,310	\$1,070,938	\$4,812,248

*As a result of rounding in Step 1, the total for each column may not sum across.

Table 28—Step 3: Authorized Pilots for District Three

Item	District Three
2027 Authorized Pilots (total)	23
Pilots Assigned to Designated Areas	5
Pilots Assigned to Undesignated Areas	18
2027 Apprentice Pilots	6

Table 29—Step 4: Target Pilot and Apprentice Pilot Compensation for District Three

	District Three		
	Undesignated	Designated	Total
Target Pilot Compensation	\$496,674	\$496,674	\$496,674
Number of Pilots	18	5	23
Total Target Pilot Compensation	\$8,940,132	\$2,483,370	\$11,423,502
Target Apprentice Pilot Compensation	\$178,803	\$178,803	\$178,803
Number of Apprentice Pilots			6
Total Target Apprentice Pilot Compensation	\$836,798	\$236,020	\$1,072,818

Table 30—Step 5: Revenue Needed for District Three

	District Three		
	Undesignated	Designated	Total
Adjusted Operating Expenses (Step 2)	\$3,741,310	\$1,070,938	\$4,812,248
Total Target Pilot Compensation (Step 4)	\$8,940,132	\$2,483,370	\$11,423,502
Total Target Apprentice Pilot Compensation (Step 4)	\$836,798	\$236,020	\$1,072,818
Total Revenue Needed	\$13,518,240	\$3,790,328	\$17,308,568

*As a result of rounding in Step 1, the total for each column may not sum across.

Table 31—Step 6: Time on Task for District Three (Hours)

Year	District Three	
	Undesignated	Designated
2025	25,486	3,553
2024	27,506	3,444
2023	25,690	3,501
2022	24,148	3,426
2021	18,149	2,484
2020	23,678	3,520
2019	24,851	3,395
2018	19,967	3,455
2017	20,955	2,997
2016	23,421	2,769
Average	23,385	3,254

Bridge hours attributable to the designated Straits of Mackinac are included in the undesignated waters average bridge hours. In the 2026 final rule, the Coast Guard published a figure

of 26,359 hours as the total 2024 undesignated hours and a figure of 3,437 as the total 2024 designated hours for District Three.²³ Since that publication, the Coast Guard received a

revised figure of 27,506 undesignated hours and 3,444 designated hours through the 2024 Revenue Report for District Three provided by CohnReznick.

²³ See p.7137, 91 FR 7121.

Table 32—Step 6: Initial Rate Calculations for District Three

	Undesignated	Designated
Revenue Needed (Step 5)	\$13,518,240	\$3,790,328
Average Time on Task (Hours)	23,385	3,254
Initial Rate	\$578	\$1,165

Table 33—Step 7: Average Weighting Factor for District Three, Undesignated Areas

Vessel Class/Year	Number of Transits	Weighting Factor	Weighted Transits*
Area 6			
Class 1 (2016)	136	1	136
Class 1 (2017)	148	1	148
Class 1 (2018)	103	1	103
Class 1 (2019)	173	1	173
Class 1 (2020)	4	1	4
Class 1 (2021)	8	1	8
Class 1 (2022)	116	1	116
Class 1 (2023)	155	1	155
Class 1 (2024)	52	1	52
Class 1 (2025)	201	1	201
Class 2 (2016)	236	1.15	271
Class 2 (2017)	264	1.15	304
Class 2 (2018)	169	1.15	194
Class 2 (2019)	279	1.15	321
Class 2 (2020)	332	1.15	382
Class 2 (2021)	273	1.15	314
Class 2 (2022)	276	1.15	317
Class 2 (2023)	295	1.15	339
Class 2 (2024)	287	1.15	330
Class 2 (2025)	298	1.15	343
Class 3 (2016)	10	1.3	13
Class 3 (2017)	19	1.3	25
Class 3 (2018)	9	1.3	12
Class 3 (2019)	9	1.3	12
Class 3 (2020)	4	1.3	5
Class 3 (2021)	5	1.3	7
Class 3 (2022)	3	1.3	4
Class 3 (2023)	5	1.3	7
Class 3 (2024)	9	1.3	12
Class 3 (2025)	11	1.3	14
Class 4 (2016)	332	1.45	481
Class 4 (2017)	367	1.45	532
Class 4 (2018)	337	1.45	489
Class 4 (2019)	334	1.45	484
Class 4 (2020)	339	1.45	492
Class 4 (2021)	356	1.45	516
Class 4 (2022)	363	1.45	526

Class 4 (2023)	356	1.45	516
Class 4 (2024)	433	1.45	628
Class 4 (2025)	399	1.45	579
Total for Area 6	7,505		9,564
Area 8			
Class 1 (2016)	4	1	4
Class 1 (2017)	4	1	4
Class 1 (2018)	0	1	0
Class 1 (2019)	0	1	0
Class 1 (2020)	1	1	1
Class 1 (2021)	5	1	5
Class 1 (2022)	10	1	10
Class 1 (2023)	5	1	5
Class 1 (2024)	6	1	6
Class 1 (2025)	15	1	15
Class 2 (2016)	174	1.15	200
Class 2 (2017)	151	1.15	174
Class 2 (2018)	102	1.15	117
Class 2 (2019)	120	1.15	138
Class 2 (2020)	180	1.15	207
Class 2 (2021)	124	1.15	143
Class 2 (2022)	89	1.15	102
Class 2 (2023)	118	1.15	136
Class 2 (2024)	122	1.15	140
Class 2 (2025)	82	1.15	94
Class 3 (2016)	7	1.3	9
Class 3 (2017)	18	1.3	23
Class 3 (2018)	7	1.3	9
Class 3 (2019)	6	1.3	8
Class 3 (2020)	1	1.3	1
Class 3 (2021)	1	1.3	1
Class 3 (2022)	6	1.3	8
Class 3 (2023)	0	1.3	0
Class 3 (2024)	4	1.3	5
Class 3 (2025)	3	1.3	4
Class 4 (2016)	204	1.45	296
Class 4 (2017)	269	1.45	390
Class 4 (2018)	188	1.45	273
Class 4 (2019)	254	1.45	368
Class 4 (2020)	265	1.45	384
Class 4 (2021)	319	1.45	463
Class 4 (2022)	243	1.45	352

Class 4 (2023)	268	1.45	389
Class 4 (2024)	345	1.45	500
Class 4 (2025)	194	1.45	281
Total for Area 8	3,914		5,266
Combined total	11,419		14,830
Average Weighting Factor (Weighted Transits÷Number of Transits)		1.30	

* Weighted transits are rounded to the nearest whole number for presentation, but the Total calculation uses unrounded figures.

Transits attributable to the designated Straits of Mackinac are included with the figures for undesignated Area 6.

Table 34— Step 8: Average Weighting Factor for District Three, Designated Areas

Vessel Class/Year	Number of Transits	Weighting Factor	Weighted Transits*
Class 1 (2016)	55	1	55
Class 1 (2017)	62	1	62
Class 1 (2018)	47	1	47
Class 1 (2019)	45	1	45
Class 1 (2020)	15	1	15
Class 1 (2021)	15	1	15
Class 1 (2022)	74	1	74
Class 1 (2023)	68	1	68
Class 1 (2024)	24	1	24
Class 1 (2025)	91	1	91
Class 2 (2016)	174	1.15	200
Class 2 (2017)	170	1.15	196
Class 2 (2018)	126	1.15	145
Class 2 (2019)	162	1.15	186
Class 2 (2020)	218	1.15	251
Class 2 (2021)	131	1.15	151
Class 2 (2022)	162	1.15	186
Class 2 (2023)	142	1.15	163
Class 2 (2024)	132	1.15	152
Class 2 (2025)	137	1.15	158
Class 3 (2016)	6	1.3	8
Class 3 (2017)	14	1.3	18
Class 3 (2018)	6	1.3	8
Class 3 (2019)	3	1.3	4
Class 3 (2020)	1	1.3	1
Class 3 (2021)	2	1.3	3

Class 3 (2022)	5	1.3	7
Class 3 (2023)	0	1.3	0
Class 3 (2024)	4	1.3	5
Class 3 (2025)	4	1.3	5
Class 4 (2016)	191	1.45	277
Class 4 (2017)	234	1.45	339
Class 4 (2018)	225	1.45	326
Class 4 (2019)	308	1.45	447
Class 4 (2020)	336	1.45	487
Class 4 (2021)	258	1.45	374
Class 4 (2022)	249	1.45	361
Class 4 (2023)	300	1.45	435
Class 4 (2024)	345	1.45	500
Class 4 (2025)	333	1.45	483
Total	4,874		6,371
Average weighting factor (weighted transits÷number of transits)		1.31	

* Weighted transits are rounded to the nearest whole number for presentation, but the Total calculation uses unrounded figures.

Table 35—Step 8: Revised Base Rates for District Three

Area	Initial Rate (Step 6)	Average Weighting Factor (Step 7)	Revised Rate (Initial Rate÷Average Weighting Factor)
District Three: Undesignated	\$578	1.30	\$445
District Three: Designated	\$1,165	1.31	\$889

Table 36—Step 9: Proposed Final Rates for District Three

Area	Name	Final 2026 Pilotage Rate	Proposed 2027 Pilotage Rate
District Three: Designated	St. Marys River	\$868	\$889
District Three: Undesignated	Lakes Huron, Michigan, and Superior; and the designated Straits of Mackinac	\$382	\$445

VIII. Regulatory Analyses

We developed this proposed rule after considering numerous statutes and Executive orders related to rulemaking. A summary of our analyses based on these statutes and Executive Orders follows.

A. Regulatory Planning and Review

Executive Orders 12866 (Regulatory Planning and Review) and 13563 (Improving Regulation and Regulatory Review) direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. Executive Order 13563 emphasizes the importance of quantifying costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 14192 (Unleashing Prosperity Through Deregulation) directs agencies to significantly reduce the private

expenditures required to comply with Federal regulations and provides that “any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.”

The Office of Management and Budget (OMB) has not designated this proposed rule a “significant regulatory action,” under section 3(f) of Executive Order 12866. Accordingly, OMB has not reviewed it.

Two additional Executive orders promote the goals of Executive Order 13563: Executive Order 13609 (Promoting International Regulatory Cooperation) and Executive Order 13610 (Identifying and Reducing Regulatory Burdens). Executive Order 13609 targets international regulatory cooperation to reduce, eliminate, or prevent unnecessary differences in regulatory requirements. Executive Order 13610 aims to modernize the

regulatory systems and to reduce unjustified regulatory burdens and costs on the public.

A regulatory analysis (RA) follows.

The purpose of this proposed rule is to conduct a full ratemaking to designate the Straits of Mackinac and issue new pilotage rates for the 2027 shipping season. For this proposed rule, the Coast Guard estimates an increase in costs of approximately \$3.98 million to industry. This is an approximately 10-percent increase due to the change in revenue needed in 2027 compared to the revenue needed in 2026, as shown in table 37. The biggest driver of the overall increase is an increase of four Pilots and one Apprentice compared to the 2026 season, which drives a total of 53 percent of the increase. The rest of the overall rate increase is driven by changes to inflation and vessel traffic which are equally 23 percent of the overall increase.

Table 37—Economic Impacts Due to Proposed Changes

Change	Description	Affected Population	Costs	Benefits
Rate changes.	In accordance with 46 U.S.C. Chapter 93, the Coast Guard is required to review and adjust base pilotage rates annually.	Owners and operators of 247 vessels transiting the Great Lakes system annually, 61 Pilots, 8 Apprentice Pilots, and 3 pilotage associations.	Increase of \$3,977,204 due to change in revenue needed for 2027 (\$44,428,413) from revenue needed for 2026 (\$40,451,209) as shown in table 38.	New rates cover an association's necessary and reasonable operating expenses. Promotes safe, efficient, and reliable pilotage service on the Great Lakes. Provides fair compensation, recruitment, retention, adequate training, and sufficient rest periods for Pilots.
Designating Straits of Mackinac	Implementing the designation of the Straits of Mackinac as directed in the NDAA 2026.	The Western Great Lakes Pilotage Association (District Three), the associated Pilots and Apprentice Pilots, and any vessel transiting District Three.	None.	Ensures consistency with the NDAA 2026 and improves clarity by specifying how established rates apply to the Straits of Mackinac.

The Coast Guard is required to review and adjust pilotage rates on the Great Lakes annually. See Section II. Basis and Purpose of this preamble for detailed discussions of the legal basis and purpose for this proposed rulemaking. Based on our annual review for this proposed rulemaking, we propose adjusting the pilotage rates for the 2027 shipping season to generate sufficient revenues for each district to reimburse its necessary and reasonable operating expenses and fairly

compensate trained and rested Pilots. The result would be an increase in rates for all areas in Districts One, Two, and Three. These changes would also lead to a net increase in the cost of service to shippers. The change in per unit cost to each individual shipper would be dependent on their area of operation.

A detailed discussion of our economic impact analysis follows.

Affected Population

This proposed rule would affect Pilots and Apprentice Pilots, the three pilotage associations, and the owners and operators of 247 oceangoing vessels that transit the Great Lakes annually, on average, from 2023 through 2025. We estimate that there would be 61 Pilots and 8 Apprentice Pilots during the 2027 shipping season. The shippers that would be affected by these rate changes are those owners and operators of domestic vessels operating “on register”

(engaged in foreign trade) and owners and operators of non-Canadian foreign vessels on routes within the Great Lakes system. These owners and operators must have Pilots or pilotage service as required by 46 U.S.C. 9302. There is no minimum tonnage limit or exemption for these vessels. The statute applies only to commercial vessels and not to recreational vessels. United States-flagged vessels not operating on register, and Canadian “lakers,” which account for most commercial shipping on the Great Lakes, are not required by 46 U.S.C. 9302 to have Pilots. However, these United States- and Canadian-flagged lakers may voluntarily choose to engage a Pilot. Vessels that are U.S.-flagged may opt to have a Pilot for varying reasons, such as unfamiliarity with designated waters and ports or for insurance purposes.

The Coast Guard used billing information from the years 2023 through 2025 from SeaPro to estimate the average annual number of vessels that would be affected by the proposed rate adjustment. SeaPro tracks data related to managing and coordinating the dispatch of Pilots on the Great Lakes and billing in accordance with the services. As described in the ratemaking methodology, we use a 10-year average to estimate the traffic for the rate. We used 3 years of the most recent billing data to estimate the affected population. Using 3 years of billing data is a better representation of the vessel population that is currently using pilotage services and impacted by this proposed rule. We found that 392 unique vessels used pilotage services during the years 2023 through 2025. That is, these vessels had a U.S. registered Pilot dispatched to the

vessel and billing information was recorded in SeaPro. Of these vessels, 376 were foreign-flagged vessels and 16 were U.S.-flagged vessels. Again, U.S.-flagged vessels not operating on register are not required to have a Pilot, per 46 U.S.C. 9302, but they can voluntarily choose to have one. Any such vessels that voluntarily choose to have a Pilot are accounted for in the methodology.

Numerous factors affect vessel traffic, which varies from year to year. Therefore, rather than using the total number of vessels over the time period, the Coast Guard took an average of the unique vessels using pilotage services from the years 2023 through 2025 as the best representation of vessels estimated to be affected by the rates in this proposed rule. From 2023 through 2025, an average of 247 vessels used pilotage services annually.²⁴ On average, 240 of these vessels were foreign-flagged, and 7 were U.S.-flagged vessels that voluntarily opted into the pilotage service (these figures are rounded averages).

Total Cost to Shippers

The proposed rate changes resulting from this adjustment to the rates result in a net increase in the cost of service to shippers. However, the change in per unit cost to each individual shipper would be dependent on their area of operation.

The Coast Guard estimates the effect of the proposed rate changes on shippers by comparing the total projected revenues needed to cover costs in 2026 with the total projected revenues needed to cover costs in 2027. We set pilotage rates, so pilotage associations receive enough revenue to

cover their necessary and reasonable expenses. Shippers pay these rates when they engage a Pilot as required by 46 U.S.C. 9302. Therefore, the aggregate payments of shippers to pilotage associations are equal to the projected necessary revenues for pilotage associations. The revenues each year represent the total costs that shippers must pay for pilotage services. The change in revenue from the previous year is the additional cost to shippers discussed in this proposed rule.

The impacts of the rate changes on shippers are estimated from the district pilotage projected revenues (shown in tables 8, 19, and 30 of this preamble). The Coast Guard estimates that, for the 2027 shipping season, the projected revenue needed for all three districts is \$44,428,413.

To estimate the change in cost to shippers from this proposed rule, the Coast Guard compared the 2027 total projected revenues to the 2026 projected revenues. Because we review and prescribe rates for Great Lakes pilotage annually, the effects are estimated as a single-year cost rather than annualized over a 10-year period. In the 2026 final rule, we estimated the total projected revenue needed for 2026 as \$40,451,209.²⁵ This is the best approximation of 2026 revenues because, at the time of publication of this proposed rule, the Coast Guard does not have enough audited data available for the 2026 shipping season to revise these projections. Table 38 shows the revenue projections for 2026 and 2027. The cost changes to shippers are detailed by area and district as a result of the proposed rate changes in traffic in Districts One, Two, and Three.

Table 38 — Effect of the Proposed Rule by Area and District (\$U.S.; Non-discounted)

Area	Revenue Needed in 2026	Revenue Needed in 2027	Additional Costs of this Proposed Rule
Total, District One	\$14,471,374	\$15,501,270	\$1,029,896
Total, District Two	\$10,965,841	\$11,618,575	\$652,734
Total, District Three	\$15,013,994	\$17,308,568	\$2,294,574
System Total	\$40,451,209	\$44,428,413	\$3,977,204

* All figures are rounded to the nearest dollar and may not sum.

²⁴ Some vessels entered the Great Lakes multiple times in a single year, affecting the average number

of unique vessels using pilotage services in any given year.

²⁵ 91 FR 7121, see table 37, p.7142. <https://www.govinfo.gov/content/pkg/FR-2026-02-17/pdf/2026-03054.pdf>; accessed 06/09/2026.

The resulting difference between the projected revenue in 2026 and the projected revenue in 2027 is the annual change in payments from shippers to Pilots as a result of this proposed rule's rate changes. The effect of the rate changes on shippers would vary by area and district. The proposed rate changes lead to affected shippers operating in District One experiencing an increase in payments of \$1,029,896 over 2026. District Two and District Three would experience an increase in payments of

\$652,734 and \$2,294,574, respectively, when compared with 2026. The overall adjustment in payments would be an increase in payments by shippers of \$3,977,204 across all three districts (a 10-percent increase when compared with 2026). Again, because the Coast Guard reviews and sets rates for Great Lakes pilotage annually, we estimate the impacts as single-year costs rather than annualizing them over a 10-year period.

Table 39 shows the difference in revenue by revenue-component from

2026 to 2027 and presents each revenue-component as a percentage of the total revenue needed. In both 2026 and 2027, the largest revenue-component was pilotage compensation (68 percent of total revenue needed in 2026 and 68 percent of total revenue needed in 2027), followed by operating expenses (29 percent of total revenue needed in 2026 and 29 percent of total revenue needed in 2027).

Table 39—Difference in Revenue by Revenue-Component

Revenue Component	Revenue Needed in 2026	Percentage of Total Revenue Needed in 2026	Revenue Needed in 2027	Percentage of Total Revenue Needed in 2027	Difference (2027 Revenue—2026 Revenue)	Percentage Change from Previous Year ((2027-2026)÷2026)
Adjusted Operating Expenses	\$11,783,878	29%	\$12,700,875	29%	\$916,997	8%
Total Target Pilot Compensation	\$27,453,594	68%	\$30,297,114	68%	\$2,843,520	10%
Total Target Apprentice Pilot Compensation	\$1,213,737	3%	\$1,430,424	3%	\$216,687	18%
Total Revenue Needed	\$40,451,209	100%	\$44,428,413	100%	\$3,977,204	9.83%

* All figures are rounded to the nearest dollar and may not sum.

We estimate that there would be a total increase in revenue needed by the pilotage associations of \$3,977,204. This represents an increase in revenue needed for total target Pilot compensation of \$2,843,520, an increase in revenue needed for total target Apprentice Pilot wage benchmark of \$216,687, and an increase in the revenue needed for adjusted operating expenses of \$916,997.

The change in revenue needed for target Pilot compensation, \$2,843,520, is

due to three factors: (1) The changes to adjust 2026 pilotage compensation to account for the difference between actual ECI inflation ²⁶ (3.4 percent) and predicted PCE inflation ²⁷ (2.4 percent) for 2026; (2) projected inflation of pilotage compensation in Step 2 of the methodology, using predicted inflation ²⁸ (2.1 percent) through 2027; and (3) an increase of 4 Pilots compared to 2026.

The target Pilot compensation would be \$496,674 per Pilot in 2027, compared

to \$481,642 in 2026. The proposed changes to modify the 2026 target Pilot compensation to account for the difference between predicted and actual inflation would increase the target Pilot compensation value by 1 percent for 2027. As shown in table 40, this inflation adjustment would increase total Pilot compensation by \$4,816 per Pilot, and the total revenue needed by \$293,802 when accounting for all 61 Pilots.

²⁶ BLS, "Table 5. Compensation (not seasonally adjusted): Employment Cost Index for total compensation, for private industry workers, by occupational group and industry—2026 Q1 Results," <https://www.bls.gov/news.release/eci.t05.htm>; accessed 06/03/2026.

²⁷ 3.4 percent was the latest figure available for the 2026 final rule. FOMC, "Summary of Economic Projections, Median Core PCE Inflation June Projection" September 17, 2025, <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20250917.pdf>; accessed 06/09/2026.

²⁸ FOMC, "Summary of Economic Projections, Median Core PCE Inflation December Projection" March 18, 2026, <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20260318.pdf>; accessed 06/09/2026.

Table 40—Change in Revenue Resulting from the Change to Inflation of Pilot Compensation Calculation in Step 4

2026 Target Pilot Compensation	\$481,642
Adjusted 2026 Compensation (\$481,642 x 1.01)	\$486,458
Difference between Adjusted Target 2026 Compensation and Target 2026 Compensation (\$486,458-\$481,642)	\$4,816
Change in total Revenue for 61 Pilots (\$4,816 x 61)	\$293,802

* All figures are rounded to the nearest dollar and may not sum.

Similarly, table 41 shows the impact of the difference between predicted and actual inflation on the target Apprentice Pilot compensation benchmark. The inflation adjustment increases the target Apprentice Pilot compensation benchmark by \$1,734 per Apprentice Pilot, and the total revenue needed by \$13,871 when accounting for all 8 Apprentice Pilots.

Table 41—Change in Revenue Resulting from the Change to Inflation of Apprentice Pilot Compensation Calculation in Step 4

2026 Target Apprentice Pilot Compensation	\$173,391
Adjusted 2026 Compensation (\$173,391x1.01)	\$175,125
Difference between Adjusted Target 2026 Compensation and Target 2026 Compensation (\$175,125-\$173,391)	\$1,734
Change in total Revenue for Apprentice Pilots (\$1,734 x 8)	\$13,871

* All figures are rounded to the nearest dollar and may not sum.

Another increase, \$582,288, would be the result of increasing compensation for the 57 Pilots predicted for the 2026 season to account for future inflation of 2.1 percent in 2027. This would increase total compensation by \$10,216 per Pilot when accounting for all 57 Pilots in the 2026 final rule, as shown in table 42.

Table 42—Change in Revenue Resulting from Inflating 2026 Compensation to 2027

Adjusted 2026 Pilot Compensation	\$486,458
2027 Target Compensation (\$486,458×1.021)	\$496,674
Difference between Adjusted 2026 Compensation and Target 2027 Compensation (\$496,674–\$486,458)	\$10,216
Change in total Revenue for 57 Pilots (\$10,216×57)	\$582,288

* All figures are rounded to the nearest dollar and may not sum.

Similarly, an increase of \$25,746 would be the result of increasing compensation for the 7 Apprentice Pilots predicted for 2026 season to

account for future inflation of 2.1 percent in 2027. This would increase total compensation by \$3,678 per Apprentice Pilot when accounting for

the 7 Apprentice Pilots in the 2026 final rule, as shown in table 43.

Table 43—Change in Revenue Resulting from Inflating 2026 Apprentice Pilot Compensation to 2027

Adjusted 2026 Apprentice Pilot Compensation	\$175,125
2027 Target Compensation (\$496,674×36%)	\$178,803
Difference between Adjusted 2026 Compensation and Target 2027 Compensation (\$178,803–\$175,125)	\$3,678
Change in total Revenue for 7 Apprentice Pilots (\$3,678×7)	\$25,746

* All figures are rounded to the nearest dollar and may not sum.

As noted earlier, the Coast Guard predicts that 61 Pilots would be needed for the 2027 season. This would be an increase of 4 Pilots compared to the 2026 season. The difference reflects an

increase of 1 Pilot in District One and 3 Pilots in District Three.

Table 44 shows the increase of \$1,967,430 in revenue needed solely for Pilot compensation. As noted previously, to avoid double counting,

this value excludes the change in revenue resulting from the change to adjust 2026 pilotage compensation to account for the difference between actual and predicted inflation.

Table 44—Change in Revenue Resulting from Increase of 4 Pilots

2027 Target Pilot Compensation	\$496,674
Total Number of New Pilots	4
Total Cost of New Pilots (\$496,674x4)	\$1,986,696
Difference between Adjusted Target 2026 Compensation and Target 2026 Compensation (\$486,458-\$481,642)	\$4,816
Change in total Revenue for 4 Pilots (\$4,816x4)	\$19,266
Net Change in total Revenue for 4 Pilots (\$1,986,696-\$19,266)	\$1,967,430

* All figures are rounded to the nearest dollar and may not sum.

Similarly, the Coast Guard predicts that 8 Apprentice Pilots would be needed for the 2027 season. This would be an increase of 1 Apprentice Pilot from the 2026 season. The difference

reflects an increase of 1 Apprentice Pilot for District Three.
Table 45 shows the increase of \$177,069 in revenue needed solely for Apprentice Pilot compensation. As noted previously, to avoid double

counting, this value excludes the change in revenue resulting from the change to adjust 2026 Apprentice Pilotage compensation to account for the difference between actual and predicted inflation.

Table 45—Change in Revenue Resulting from an Increase of 1 Apprentice Pilot

2027 Apprentice Pilot Target Compensation	\$178,803
Total Number of New Apprentice Pilots	1
Total Cost of new Apprentice Pilots (\$178,803x1)	\$178,803
Difference between Adjusted Target 2026 Compensation and Target 2026 Compensation (\$175,125-\$173,391)	\$1,734
Change in total Revenue for 1 Apprentice Pilot (\$1,734x1)	\$1,734
Net Change in total Revenue for 1 Apprentice Pilot (\$178,803-\$1,734)	\$177,069

* All figures are rounded to the nearest dollar and may not sum.

Table 46 presents the percentage change in revenue by area and revenue-

component, excluding surcharges, as they are applied at the district level.²⁹
BILLING CODE 9110-04-P

²⁹ The 2026 projected revenues are from, tables 7, 18, and 29 of the 2026 final rule. The 2027

projected revenues are from tables 8, 19, and 30 of this proposed rule.

Table 46—Difference in Revenue by Revenue-Component and Area

	Adjusted Operating Expenses		Percentage Change	Total Target Pilot Compensation			Total Target Apprenticeship Pilot Compensation			Total Revenue Needed		
	2026	2027		2026	2027	Percentage Change	2026	2027	Percentage Change	2026	2027	Percentage Change
District One: Designated	\$2,695,051	\$2,828,105	5%	\$5,298,062	\$5,463,414	3%	\$208,069	\$214,564	3%	\$8,201,182	\$8,506,083	4%
District One: Undesignated	\$1,796,702	\$1,885,405	5%	\$4,334,778	\$4,966,740	15%	\$138,713	\$143,042	3%	\$6,270,193	\$6,995,187	12%
District Two: Undesignated	\$1,111,171	\$1,270,047	14%	\$3,371,494	\$3,476,718	3%	\$0	\$0	0%	\$4,482,665	\$4,746,765	6%
District Two: Designated	\$1,666,757	\$1,905,070	14%	\$4,816,420	\$4,966,740	3%	\$0	\$0	0%	\$6,483,177	\$6,871,810	6%
District Three: Undesignated	\$3,509,590	\$3,741,310	7%	\$7,224,630	\$8,940,132	24%	\$676,225	\$836,798	24%	\$11,410,445	\$13,518,240	18%
District Three: Designated	\$1,004,612	\$1,070,938	7%	\$2,408,210	\$2,483,370	3%	\$190,730	\$236,020	24%	\$3,603,552	\$3,790,328	5%

* All figures are rounded to the nearest dollar and may not sum.

BILLING CODE 9110-04-C**Benefits**

This proposed rule allows the Coast Guard to meet the requirements in 46 U.S.C. 9303 to review the rates for

pilotage services on the Great Lakes. The rate changes promote safe, efficient, and reliable pilotage service on the Great Lakes by ensuring that rates cover an association's operating expenses and by providing fair compensation,

adequate training, and sufficient rest periods for Pilots. The rate changes also help recruit and retain Pilots, which ensures a sufficient number of Pilots to meet peak shipping demand, helping to reduce delays caused by Pilot shortages.

Maintaining safe, efficient, and reliable pilotage service also facilitates commerce throughout the Great Lakes region.

In addition, this proposed rule provides clarity on how the ratemaking applies to the Straits of Mackinac, as designated in the 2026 NDAA. Shippers would have a better understanding of what rates apply and what would be expected of a Pilot when transiting the Straits of Mackinac, which further facilitates commerce throughout the Great Lakes region.

B. Small Entities

Under the Regulatory Flexibility Act, 5 U.S.C. 601–612, we have considered whether this proposed rule would have a significant economic impact on a substantial number of small entities. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and

governmental jurisdictions with populations of less than 50,000 people. For the proposed rule, the Coast Guard reviewed recent company size and ownership data for the vessels identified in SeaPro, and business revenue and size data provided by publicly available sources, such as Data Axle Reference Solutions and Manta.³⁰ As described in Section VI. Regulatory Planning and Review, subsection A, of this preamble, we found that 392 unique vessels used pilotage services during the years 2023 through 2025. These vessels are owned by 59 entities, of which 44 are foreign entities that operate primarily outside the United States, and the remaining 15 entities are U.S. entities. We compared the revenue and employee data found in the company search to the Small Business Administration’s (SBA) small business threshold as defined in the SBA’s “Table of Size Standards” for small businesses to determine how many of these companies are considered small entities.³¹

In addition to the owners and operators discussed previously, the three pilotage associations that provide and manage pilotage services within the Great Lakes districts would be affected by this proposed rule. District One’s SLSPA uses the North American Industry Classification System (NAICS) code “Inland Water Freight Transportation,” with a small-entity size standard of 1,050 employees. District Two’s LPA uses the NAICS code, “Business Associations,” with a small-entity size standard of \$15,500,000 in revenue. District Three’s WGLPA did not have a registered NAICS code through Data Axle Reference Solutions Resources. All three associations are considered small entities by SBA size standards.

Table 47 shows the NAICS codes of the U.S. entities and the pilotage associations, and the respective small entity standard size established by the SBA.

BILLING CODE 9110–04–P

Table 47 — NAICS Codes and Small Entities Size Standards

NAICS	Description	Small Entity Size Standard
238910	Site Preparation Contractors	\$19,000,000
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	175 Employees
483211	Inland Water Freight Transportation	1,050 Employees
484230	Specialized Freight (Except Used Goods) Trucking, Long-Distance	\$34,000,000
488330	Navigational Services to Shipping	\$47,000,000
541611	Administrative Management and General Management Consulting Services	\$24,500,000
561510	Travel Agencies	\$25,000,000
561599	All Other Travel Arrangement and Reservation Services	\$32,500,000
562910	Remediation Services	\$25,000,000
713930	Marinas	\$11,000,000
813910	Business Associations	\$15,500,000

BILLING CODE 9110–04–C

Of the 15 U.S. entities, 5 exceed the SBA’s small business standards for small entities. To estimate the potential impact on the 10 small entities, the

Coast Guard increased their 2025 pilotage costs to account for the changes in pilotage rates for each district resulting from this proposed rule and the 2026 final rule. In past rules, we

applied the average change in the rate (9.8 percent for this year), but for this proposed rule, we applied the change in the rate within each area to better capture the impacts where the rates may

³⁰ See <https://referencesolutions.data-axle.com/>; accessed 05/22/2026. See <https://www.manta.com/>; accessed 06/17/2026.

³¹ See <https://www.sba.gov/document/support-table-size-standards>; accessed 06/22/2026. SBA has

established a “Table of Size Standards” for small businesses that sets small business size standards by NAICS code. A size standard, which is usually stated in number of employees or average annual receipts (“revenues”), represents the largest size

that a business (including its subsidiaries and affiliates) may be in order to remain classified as a small business for SBA and Federal contracting programs.

increase for some areas but decrease for others. For example, for a hypothetical trip in the designated area of District One which had a total cost of \$5,000 when the rate was \$986, we estimate that the 2026 cost would be approximately \$4,959 when the rate decreased to \$978 ($\$4,959 = [((\$978 - \$986) \div \$986) \times \$5,000] + \$5,000$), and that the 2027 cost would be approximately \$5,081, with a proposed rate of \$1,002 ($\$5,081 = [((\$1,002 - \$978) \div \$978) \times \$4,959] + \$4,959$). To assign what rate would have been charged, we took the listed area for that trip (listed as Lake, River, DES, UNDES, Harbor Move, or Harbor Move In River) and assumed that all but Lake and UNDES were charged at the designated rate.

We then estimated the change in cost to these entities resulting from this proposed rule by subtracting their estimated 2027 pilotage costs from their estimated 2026 pilotage costs and found the average impact to small firms would be approximately \$28,194, with a range of \$528 to \$86,079. We then compared the estimated change in pilotage costs between 2026 and 2027 with each firm's annual revenue, where revenue is known. The estimated impact on revenues ranges from 0.2 percent to 1.14 percent. One entity would experience an impact greater than 1 percent.

Finally, the Coast Guard did not find any small not-for-profit organizations that are independently owned and operated and are not dominant in their fields that would be impacted by this proposed rule. We also did not find any small governmental jurisdictions with populations of fewer than 50,000 people that would be impacted by this proposed rule. Based on this analysis, we conclude this proposed rulemaking would not affect a substantial number of small entities, nor have a significant economic impact on any of the affected entities.

Therefore, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities. If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment to the docket at the address listed in the **ADDRESSES** section of this preamble. In your comment, explain why you think it qualifies and how and to what degree this proposed rule would economically affect it.

C. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement

Fairness Act of 1996, Public Law 104–121, we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule. The Coast Guard will not retaliate against small entities that question or complain about this proposed rule or any policy or action of the Coast Guard.

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 the Regional Small Business Regulatory Fairness Boards. 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 the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247).

D. Collection of Information

This proposed rule would call for no new collection of information under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501–3520, nor would it alter an existing collection of information.

E. Federalism

A rule has implications for federalism under Executive Order 13132 (Federalism) if it has a substantial direct effect on 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 proposed rule under Executive Order 13132 and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132. Our analysis follows.

Congress directed the Coast Guard to establish “rates and charges for pilotage services” (46 U.S.C. 9303(f)). This regulation is issued pursuant to that statute and is preemptive of State law as specified in 46 U.S.C. 9306. Under 46 U.S.C. 9306, a “State or political subdivision of a State may not regulate or impose any requirement on pilotage on the Great Lakes.” As a result, States or local governments are expressly prohibited from regulating within this category. Therefore, this proposed rule is consistent with the fundamental

federalism principles and preemption requirements described in Executive Order 13132.

While it is well settled that States may not regulate in categories in which Congress intended the Coast Guard to be the sole source of a vessel's obligations, the Coast Guard recognizes the key role that State and local governments may have in making regulatory determinations. Additionally, for rules with federalism implications and preemptive effect, Executive Order 13132 specifically directs agencies to consult with State and local governments during the rulemaking process. If you believe this proposed rule would have implications for federalism under Executive Order 13132, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

F. Unfunded Mandates

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 million (adjusted for inflation) or more in any 1 year. Although this proposed rule would not result in such an expenditure, we do discuss the potential effects of this proposed rule elsewhere in this preamble.

G. Taking of Private Property

This proposed rule would not cause a taking of private property or otherwise have taking implications under Executive Order 12630 (Governmental Actions and Interference with Constitutionally Protected Property Rights).

H. Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, (Civil Justice Reform), to minimize litigation, eliminate ambiguity, and reduce burden.

I. Protection of Children

We have analyzed this proposed rule under Executive Order 13045 (Protection of Children from Environmental Health Risks and Safety Risks). This proposed rule is not an economically significant rule and would not create an environmental risk to health or risk to safety that might disproportionately affect children.

J. Indian Tribal Governments

This proposed rule does not have tribal implications under Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments) because it would not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

K. Energy Effects

We have analyzed this proposed rule under Executive Order 13211 (Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use). We have determined that it is not a “significant energy action” under that order because it is not a “significant regulatory action” under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

L. Technical Standards

The National Technology Transfer and Advancement Act, codified as a note to 15 U.S.C. 272, directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through OMB, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (for example, specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This proposed rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

M. Environment

We have analyzed this proposed rule under Department of Homeland Security (DHS) Management 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 made a preliminary determination this action is not likely to have a significant effect on the human environment. A preliminary 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.

This proposed rule would be categorically excluded under paragraph A3 and L54 of Appendix A, Table 1 of DHS Instruction Manual 023–01–01, Rev. 1. Paragraph A3 pertains to the promulgation of rules of the following nature: (a) those of a strictly administrative or procedural nature; (b) those that implement, without substantive change, statutory or regulatory requirements; (c) those that implement, without substantive change, procedures, manuals, and other guidance documents; (d) those that interpret or amend an existing regulation without changing its environmental effect; (e) those that provide technical guidance on safety and security matters; and (f) those that provide guidance for the preparation of security plans. Paragraph L54 pertains to regulations which are editorial or procedural. This proposed rule involves setting or adjusting the pilotage rates for the 2027 shipping season to account for changes in district operating expenses, changes in the number of Pilots, and anticipated inflation. All these changes are consistent with the Coast Guard’s maritime safety missions. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

IX. Public Participation and Request for Comments

The Coast Guard views public participation as essential to effective rulemaking and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this proposed rulemaking. If you submit a comment, please include the docket number for this proposed 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 www.regulations.gov. To do so, go to <https://www.regulations.gov>, type USCG–2026–0049 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 www.regulations.gov, call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions. We review all comments received.

Viewing material in docket. To view documents mentioned in this proposed rule as being available in the docket, find the docket as described in the

previous paragraph, and then select “Supporting & Related Material” in the Document Type column. Public comments will also be placed in our online docket and can be viewed by following the instructions on the Frequently Asked Questions web page, available at www.regulations.gov/faq. That page also explains how to subscribe for email alerts that will notify you when comments are posted or if a final rule is published.

Personal information. We accept anonymous comments. Comments we post to www.regulations.gov will include any personal information you have provided. For more about privacy and submissions to the docket in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

Public meeting. We do not plan to hold a public meeting, but we will consider doing so if we determine from public comments that a meeting would be helpful. We would issue a separate **Federal Register** notice to announce the date, time, and location of such a meeting.

List of Subjects

46 CFR Part 401

Administrative practice and procedure, Great Lakes, Navigation (water), Penalties, Reporting and recordkeeping requirements, Seamen.

46 CFR Part 404

Great Lakes, Navigation (water), Seamen.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 46 CFR parts 401 and 404 as follows:

PART 401—GREAT LAKES PILOTAGE REGULATIONS

■ 1. The authority citation for part 401 continues to read as follows:

Authority: 46 U.S.C. 2103, 2104(a), 6101, 7701, 8105, 9303, 9304; DHS Delegation No. 00170.1, Revision No. 01.4.

■ 2. Amend § 401.405 by revising paragraphs (a)(1) through (6) to read as follows:

§ 401.405 Pilotage rates and charges.

- (a) * * *
- (1) The St. Lawrence River is \$1,002;
- (2) Lake America is \$678;
- (3) Lake Erie is \$585;
- (4) The navigable waters from Southeast Shoal to Port Huron, MI are \$692;
- (5) Lakes Huron, Michigan, and Superior; and the Straits of Mackinac are \$445; and

(6) The St. Marys River is \$889.

* * * * *

PART 404—GREAT LAKES PILOTAGE RATEMAKING

■ 3. The authority citation for part 404 continues to read as follows:

Authority: 46 U.S.C. 2103, 2104(a), 9303, 9304; DHS Delegation No. 00170.1, Revision No. 01.4.

■ 4. Amend § 404.106 by adding the following text after the first sentence: “For District Three, the Straits of Mackinac bridge hours are included with the undesignated waters average hours.”

Dated: September 16, 2026.

Robert C. Compber,

Rear Admiral, U.S. Coast Guard, Assistant Commandant for Prevention Policy.

[FR Doc. 2026–19254 Filed 9–18–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 571

[Docket No. NHTSA–2026–2047]

Federal Motor Vehicle Safety Standards; Denial of a Petition for Rulemaking

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Denial of petition for rulemaking.

SUMMARY: This document denies the September 11, 2025, petition for rulemaking submitted by Eric Dauster (“petitioner”). The petitioner requested that the agency initiate rulemaking to establish new standards for a centralized National Map Database (NMD) containing static roadway information and requiring global mapping providers to conform to these standards. The petitioner stated that the NMD standards should apply to entities responsible for the installation and maintenance of road infrastructure, including local municipalities, state transportation agencies, and private contractors. NHTSA is denying the petition based on a lack of information necessary for the agency to take action under the National Traffic and Motor Vehicle Safety Act, as well as the agency’s view concerning the efficient allocation of agency resources.

DATES: September 21, 2026.

ADDRESSES: National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: For technical issues, please contact Mr. Michael Venegas, Office of Automation Safety; Telephone: 202–366–1810; Email: michael.venegas@dot.gov. For legal issues, please contact David Jasinski, Office of the Chief Counsel; Email: david.jasinski@dot.gov. The mailing address for these officials is: National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Background
- II. Petitions for Rulemaking
- III. NHTSA’s Analysis and Decision

I. Background

The National Traffic and Motor Vehicle Safety Act (“Safety Act”) (49 U.S.C. 3010 *et seq.*) authorizes NHTSA to issue safety standards for new motor vehicles and new items of motor vehicle equipment. Each safety standard must be practicable, meet the need for motor vehicle safety, and be stated in objective terms. NHTSA does not endorse or approve any vehicles or items of equipment. Further, NHTSA does not approve or certify vehicles or equipment. Instead, the Safety Act establishes a self-certification process under which each manufacturer is responsible for certifying that its products meet all applicable safety standards.

Petitions for rulemaking are governed by 49 CFR part 552. Pursuant to section 552.6, the agency conducts a technical review of the petition, which may consist of an analysis of the material submitted, together with information already in possession of the agency. In deciding whether to grant or deny a petition, the agency considers this technical review as well as appropriate factors, which include, among others, allocation of agency resources and agency priorities.¹

II. Petition for Rulemaking

The petitioner submitted a letter, dated September 11, 2025, that includes a rulemaking petition pursuant to 49 CFR part 552.² The rulemaking petition requests that NHTSA establish standards for a NMD that would serve as a centralized repository of static roadway information. The petition further requests all entities responsible for the installation and maintenance of

road infrastructure maintain the NMD and all global map providers conform existing map databases to the new NMD standards. The petitioner states that the NMD standards should be established due to the increasing deployment of Automated Driving Systems (ADS) and the reliance of ADS on accurate and consistent static map data to operate safely. As supporting information, the petition includes various references, such as short descriptions and links to articles and videos.

III. NHTSA’s Analysis and Decision

After a thorough review of the petition and accompanying materials provided by the petitioner, NHTSA has decided to deny the NMD rulemaking petition based on a lack of sufficient data necessary to proceed under the Motor Vehicle Safety Act, 49 U.S.C. 30111(a) and (b) the allocation of agency resources.

Insufficient Information To Suggest NMD Will Address Safety Need

Although conformance of map standards may have safety benefits for the deployment and operation of ADS-equipped vehicles, the petitioner has not provided sufficient information to establish the extent to which the proposed NMD standards will address ADS relevant safety needs.

NHTSA reviewed all sources provided by the petitioner to determine whether and to what extent a safety need exists that could be resolved by introducing NMD standards. Without more detailed evidence, it is inconclusive whether map data inaccuracies are the root cause for the ADS performance errors described by each of the provided sources. Some sources do not directly reference map inaccuracies but instead point to localization, perception, or other software errors. For example, the petitioner references UC Irvine research from 2025 and summarily states the research “demonstrated that multicolored stickers placed on traffic signs can cause self-driving systems to misinterpret commands, resulting in hazardous braking or speeding.” In reviewing the research, UC Irvine points to possible limitations with regards to traffic sign recognition due to physical patches or posters applied to stop signs and speed limit signs, which NHTSA interprets as vision-based inaccuracies rather than map inaccuracy issues.

Other sources cited in the petition and incidents reviewed by the petitioner and included in the petition make claims that map data inaccuracies are the root cause of incidents with ADS-equipped vehicles. However, upon

¹ 49 CFR 552.8.

² See the petition in the docket for this notice.

NHTSA's review, depending on implementation specifics, such claims are inconclusive and could equally be attributed to localization, perception, or other software errors. Where map updates are included as a remedy, they conform to the specification of the particular ADS entity. For example, the petitioner provided links to articles referring to two recalls conducted by Waymo. One recall involved a software update to avoid incidents involving stationary and semi-stationary roadway barriers, such as chains and gates, by improving detection and avoidance of such roadway barriers.³ The second recall relates to a collision with a pole in Phoenix, Arizona.⁴ The remedy included (among other software updates) a map update to include a hard road edge between the driveable surface area and pole-like permanent objects which reside within the boundaries of the road rather than the accuracy of the placement of the object itself. The map update remedy is pertinent to Waymo's specifications for mapping near particular objects; however, the specific approach or application of such boundaries may not be pertinent or directly transferable to all ADS developers or operators. While the sources provided support the importance of maps in maintaining ADS safety, the petitioner has not demonstrated sufficient information to establish the extent to which the proposed NMD standards will address ADS safety needs across the industry.

Insufficient Information To Support Statutory Authority

The petitioner has not provided information on the practical means or solutions by which NHTSA may establish a standard.

Consistent with the Motor Vehicle Safety Act, the Federal Motor Vehicle

Safety Standards apply to manufacturers of motor vehicles and motor vehicle equipment. The proposed rulemaking calls for a national map database of static road features which is to be maintained by entities responsible for installing and maintaining road infrastructure. Since these entities are not manufacturers of motor vehicle equipment, NHTSA would likely not have authority to regulate these entities under the Motor Vehicle Safety Act.

Furthermore, the petition provides enumerated rule requirements, including accuracy standards, update frequency and validation, data integrity and cybersecurity, and reconciliation and standardization for external mapping companies, which may present significant challenges to practicability. High-definition maps are not specifically called out in the petition but are implied as the solution based on the proposed standards for positional accuracy, resolution, and acceptable error margins. To generate this level of accuracy at the frequency (the petition states daily at minimum) and resolving map errors (petition states within 72 hours) is likely to be a significant burden to the responsible entities. In addition, the entities responsible for installing and maintaining road infrastructure may not have the existing expertise or resources to collect and maintain such detailed level of information. The petition also calls for a public error-reporting portal to catch possible map errors. This could result in questionable error reporting which would need to be verified first before taking action to correct. No practicable solutions are provided for responsible entities to verify such error reporting nor means to determine resolution criticality based on safety impact considering the multitude of different ADS implementations and areas of operation, influencing their sensitivities to such errors. Finally, a phased rollout

approach is proposed to prioritize high-traffic and high-risk areas along with error update time windows based on what is deemed critical or non-critical. Given the variety of ADS applications and operating areas, it is not clear by what means or methods error criticality is to be determined nor prioritization of update rollout to avoid the potential for uneven advantages given to specific ADS manufacturers or operators.

The Department's Automated Vehicle (AV) Framework⁵ follows three guiding principles to: (1) prioritize the safety of ongoing ADS-equipped vehicle operations on public roads, (2) unleash innovation by removing unnecessary regulatory barriers, and (3) enable commercial deployment of ADS-equipped vehicles to enhance safety and mobility for the American public. NHTSA has already begun allocation of resources to meet the principles of this framework, including through initiating rulemakings related to ADS and reforming its exemption processes, as well as continuing to monitor ADS-equipped vehicles through the Standing General Order on Crash Reporting (SGO) and other enforcement activities. At this time, due in part to the concerns identified above, NHTSA does not believe its resources promoting ADS safety are best used in pursuing a rulemaking based on this petition.

Therefore, NHTSA is denying Eric Dauster's rulemaking petition.

Authority: 49 U.S.C. 30113; delegation of authority at 49 CFR 1.95.

Issued on in Washington, DC, under authority delegated in 49 CFR 1.95 and 501.5.

Jonathan Morrison,
Administrator.

[FR Doc. 2026-19242 Filed 9-18-26; 8:45 am]

BILLING CODE 4910-59-P

⁵ See <https://www.transportation.gov/briefing-room/trumps-transportation-secretary-sean-p-duffy-unveils-new-automated-vehicle-framework>.

³ <https://www.nhtsa.gov/?nhtsaId=25E034000>.

⁴ <https://www.nhtsa.gov/?nhtsaId=24E049000>.

Notices

Federal Register

Vol. 91, No. 181

Monday, September 21, 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; 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 October 21, 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 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 person are not required to respond to the collection of information unless it

displays a currently valid OMB control number.

Office of the Chief Financial Officer

Title: Build America, Buy America (BABA) Waiver.

OMB Control Number: 0505–0028.

Summary of Collection: In accordance with section 70914 of the Build America Buy America Act (Pub. L. 117–58 §§ 70901–70952) (BABAA), recipients and subrecipients funded under USDA Federal financial assistance programs for infrastructure projects may not use their funds for these infrastructure projects unless they comply with the following BABAA sourcing requirements:

1. All iron and steel used in the project are produced in the United States.
2. All manufactured products used in the project are produced in the United States.
3. All construction materials are manufactured in the United States.

USDA agencies and staff offices may, in accordance with BABAA sections 70914(b) and (d), 70921(b), and 70935, and the Office of Management and Budget (OMB) Memorandum M 22–11, Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure, approve waivers to BABAA sourcing requirements submitted by recipients and subrecipients under a Federal financial assistance program the USDA agency or staff office has identified as an infrastructure project, regardless of whether infrastructure is the primary purpose of the award.

Need and Use of the Information: The information will be collected by accessing the data collection electronically submitted by recipients and subrecipients. BABAA Waiver Request Data Collection and supporting documentation will be submitted via email to the USDA awarding agency or staff office point of contact. The information for each recipient and subrecipient is unique and, therefore, cannot take significant advantage of this technology. The BABAA Waiver Request Data Collection will be provided to the recipient and subrecipient to submit a waiver request from BABAA requirements as explained in the OMB Memorandum M–22–11 and required by the Infrastructure,

Investments and Jobs Act (IIJA) sections 70901 through 70952.

The General Services Administration (GSA), in accordance with BABAA, is working with Federal agencies and OMB to develop a web based BABAA electronic data submission system that USDA anticipates participating in when the system becomes available. GSA began work on this endeavor and a completion date has not been established.

Description of Respondents: State, local and Indian tribal governments, Institutions of Higher Education (IHE), and nonprofit organizations.

Number of Respondents: 200.

Frequency of Responses: Reporting: Annually.

Total Burden Hours: 6,000.

Levi S. Harrell,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–19236 Filed 9–18–26; 8:45 am]

BILLING CODE 3410–KS–P

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding; whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments regarding this information collection received by October 21, 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: FNS–380–1—Supplemental Nutrition Assistance Program’s Quality Control Review Schedule.

OMB Control Number: 0584–0299.

Summary of Collection: The FNA–380–1, Quality Control Review Schedule, was developed by the Food and Nutrition Administration (FNA) for State use to collect both Quality Control (QC) data and case characteristics for SNAP and to serve as the comprehensive data entry form for SNAP QC reviews. As required by the Food and Nutrition Act of 2008, as amended (the Act), FNA is required to collect QC data, and State agencies are required to perform QC reviews for SNAP.

Need and Use of the Information: The information needed to complete this form is obtained from the SNAP case record, through State agency quality control interviews with households and collateral contacts, data matches, and verification documents obtained during the QC review. The information is used to monitor and reduce errors, develop policy strategies, and analyze household data.

Description of Respondents: Local and Tribal Governments.

Number of Respondents: 53.

Frequency of Responses: Reporting: Monthly.

Total Burden Hours: 50,436.

Rachelle Ragland-Greene,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–19278 Filed 9–18–26; 8:45 am]

BILLING CODE 3410–30–P

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

[Docket No. APHIS–2026–0859]

Bayer U.S.-Crop Science: Availability of a Petition for a Determination of Nonregulated Status and Draft Plant Pest Risk Assessment for MON 89151 Lepidopteran-Protected Cotton (*Gossypium hirsutum*)

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Notice of availability.

SUMMARY: We are advising the public that the Animal and Plant Health Inspection Service has received a petition from Bayer U.S.-Crop Science seeking a determination of nonregulated status for MON 89151 lepidopteran-protected cotton (*Gossypium hirsutum*) which has been developed using genetic engineering to express three insecticidal proteins to protect against feeding damage caused by target lepidopteran pests. We are making the petition and draft plant pest risk assessment available for public review and comment.

DATES: We will consider all comments that we receive on or before November 20, 2026.

ADDRESSES: You may submit comments by either of the following methods:

- **Federal eRulemaking Portal:** Go to www.regulations.gov. Enter APHIS–2026–0859 in the Search field. Select the Documents tab, then select the Comment button in the list of documents.
- **Postal Mail/Commercial Delivery:** Send your comment to Docket No. APHIS–2026–0859, Regulatory Analysis and Development, PPD, APHIS, 5601 Sunnyside Avenue #AP760, Beltsville, MD 20705.

The petition, draft plant pest risk assessment, and any comments we receive on this docket may be viewed at www.regulations.gov, or in our reading room, which is located in 1620 of the USDA South Building, 14th Street and Independence Avenue SW, Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 799–7039 before coming.

FOR FURTHER INFORMATION CONTACT: Mr. Alan Pearson, Biotechnology Regulatory Services, APHIS, USDA, 5601 Sunnyside Avenue, AP100–3–WS–1151, Beltsville, MD 20705; (301) 851–3944; email: alan.pearson@usda.gov.

SUPPLEMENTARY INFORMATION: Under the authority of the plant pest provisions of the Plant Protection Act (7 U.S.C. 7701 *et seq.*), the regulations in 7 CFR part 340, “Introduction of Organisms and Products Altered or Produced Through Genetic Engineering Which Are Plant Pests or Which There Is Reason to Believe Are Plant Pests,” regulate, among other things, the introduction (importation, interstate movement, or release into the environment) of organisms and products altered or produced through genetic engineering that are plant pests or that there is reason to believe are plant pests. Such organisms and products are considered “regulated articles.”

Section 340.6(a) of the regulations provides that any person may submit a petition to the Animal and Plant Health Inspection Service (APHIS) seeking a determination that an article should not be regulated under 7 CFR part 340. Paragraphs (b) and (c) of § 340.6 describe the form that a petition for a determination of nonregulated status must take and the information that must be included in the petition.

APHIS has received a petition (APHIS Petition Number 25–323–01p) from Bayer U.S.-Crop Science seeking a determination of nonregulated status for MON 89151 lepidopteran-protected cotton (*Gossypium hirsutum*), referred to as MON 89151, which has been developed using genetic engineering to express three insecticidal proteins (Vip3Cb1.1, Cry1Da₇, and Cry1B.3) to protect against feeding damage caused by target lepidopteran pests. The petition states that the information provided indicates that MON 89151 is unlikely to pose a plant pest risk and therefore should not be regulated under APHIS’ regulations in 7 CFR part 340.

As part of our decision-making process regarding the organism’s regulatory status, APHIS prepared a draft plant pest risk assessment (PPRA) to assess the plant pest risk of the organism. APHIS’ draft PPRA compared the pest risk posed by MON 89151 with that of the nonmodified variety from which it was derived. The draft PPRA concluded that MON 89151 is unlikely to pose an increased plant pest risk compared to the nonmodified cotton.

Paragraph (d) of § 340.6 provides that APHIS will publish a notice in the **Federal Register** providing 60 days for public comment on petitions for a determination of nonregulated status. In accordance with § 340.6(d), we are publishing this notice to inform the public that APHIS will accept written comments regarding the petition and draft PPRA from interested or affected persons for a period of 60 days from the

date of this notice. The petition and draft PPRA are available for public review and comment, and copies are available as indicated under **ADDRESSES** and from the individual listed under the **FOR FURTHER INFORMATION CONTACT** section of this notice. We are particularly interested in receiving comments regarding biological or ecological issues, and we encourage the submission of scientific data, studies, or research to support your comments.

After the comment period closes, APHIS will review and evaluate any information received during the comment period and any other relevant information. Based upon available information, APHIS will respond to the petitioner either approving or denying the petition. APHIS will post its regulatory determination on its website and publish a notice of availability in the **Federal Register**.

(Authority: 7 U.S.C. 7701–7772 and 7781–7786; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.3.)

Done in Washington, DC, this 16th day of September 2026.

Kelly Moore,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 2026–19239 Filed 9–18–26; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

[Docket No. APHIS–2026–1387]

Bayer U.S.–Crop Science: Availability of a Petition for a Determination of Nonregulated Status and Draft Plant Pest Risk Assessment for Herbicide Resistant MON 96012 Cotton (*Gossypium hirsutum*)

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Notice of availability.

SUMMARY: We are advising the public that the Animal and Plant Health Inspection Service has received a petition from Bayer U.S.–Crop Science seeking a determination of nonregulated status for herbicide resistant MON 96012 cotton (*Gossypium hirsutum*) which has been developed using genetic engineering to tolerate glyphosate, glufosinate, dicamba, triketone 4-hydroxyphenylpyruvate dioxygenase-inhibiting, and PPO-inhibiting herbicides. We are making the petition and draft plant pest risk assessment available for public review and comment.

DATES: We will consider all comments that we receive on or before November 20, 2026.

ADDRESSES: You may submit comments by either of the following methods:

- *Federal eRulemaking Portal:* Go to www.regulations.gov. Enter APHIS–2026–1387 in the Search field. Select the Documents tab, then select the Comment button in the list of documents.
- *Postal Mail/Commercial Delivery:* Send your comment to Docket No. APHIS–2026–1387, Regulatory Analysis and Development, PPD, APHIS, 5601 Sunnyside Avenue #AP760, Beltsville, MD 20705.

The petition, draft plant pest risk assessment, and any comments we receive on this docket may be viewed at www.regulations.gov, or in our reading room, which is located in 1620 of the USDA South Building, 14th Street and Independence Avenue SW, Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 799–7039 before coming.

FOR FURTHER INFORMATION CONTACT: Mr. Alan Pearson, Biotechnology Regulatory Services, APHIS, USDA, 5601 Sunnyside Avenue, AP100–3–WS–1151, Beltsville, MD 20705; (301) 851–3944; email: alan.pearson@usda.gov.

SUPPLEMENTARY INFORMATION: Under the authority of the plant pest provisions of the Plant Protection Act (7 U.S.C. 7701 *et seq.*), the regulations in 7 CFR part 340, “Introduction of Organisms and Products Altered or Produced Through Genetic Engineering Which Are Plant Pests or Which There Is Reason to Believe Are Plant Pests,” regulate, among other things, the introduction (importation, interstate movement, or release into the environment) of organisms and products altered or produced through genetic engineering that are plant pests or that there is reason to believe are plant pests. Such organisms and products are considered “regulated articles.”

Section 340.6(a) of the regulations provides that any person may submit a petition to the Animal and Plant Health Inspection Service (APHIS) seeking a determination that an article should not be regulated under 7 CFR part 340. Paragraphs (b) and (c) of § 340.6 describe the form that a petition for a determination of nonregulated status must take and the information that must be included in the petition.

APHIS has received a petition (APHIS Petition Number 25–318–01p) from Bayer U.S.–Crop Science seeking a determination of nonregulated status for

herbicide resistant MON 96012 cotton (*Gossypium hirsutum*), referred to as MON 96012, which has been developed using genetic engineering to tolerate glyphosate, glufosinate, dicamba, triketone 4-hydroxyphenylpyruvate dioxygenase (HPPD)-inhibiting, and PPO-inhibiting herbicides. The petition states that the information provided indicates that MON 96012 is unlikely to pose a plant pest risk and therefore should not be regulated under APHIS’ regulations in 7 CFR part 340.

As part of our decision-making process regarding the organism’s regulatory status, APHIS prepared a draft plant pest risk assessment (PPRA) to assess the plant pest risk of the organism. APHIS’ draft PPRA compared the pest risk posed by MON 96012 with that of the nonmodified variety from which it was derived. The draft PPRA concluded that MON 96012 is unlikely to pose an increased plant pest risk compared to the nonmodified cotton.

Paragraph (d) of § 340.6 provides that APHIS will publish a notice in the **Federal Register** providing 60 days for public comment on petitions for a determination of nonregulated status. In accordance with § 340.6(d), we are publishing this notice to inform the public that APHIS will accept written comments regarding the petition and draft PPRA from interested or affected persons for a period of 60 days from the date of this notice. The petition and draft PPRA are available for public review and comment, and copies are available as indicated under **ADDRESSES** and from the individual listed under the **FOR FURTHER INFORMATION CONTACT** section of this notice. We are particularly interested in receiving comments regarding biological or ecological issues, and we encourage the submission of scientific data, studies, or research to support your comments.

After the comment period closes, APHIS will review and evaluate any information received during the comment period and any other relevant information. Based upon available information, APHIS will respond to the petitioner either approving or denying the petition. APHIS will post its regulatory determination on its website and publish a notice of availability in the **Federal Register**.

Authority: 7 U.S.C. 7701–7772 and 7781–7786; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.3.

Done in Washington, DC, this 16th day of September 2026.

Kelly Moore,
Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 2026–19237 Filed 9–18–26; 8:45 am]

BILLING CODE 3410–34–P

CIVIL RIGHTS COLD CASE RECORDS REVIEW BOARD

[Agency Docket Number: CRCCRRB–2026–0020–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 incidents 2023–002–001, 2023–002–008, 2023–002–009, 2024–003–003, and 2024–003–041 in which the Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) proposed postponements. The agencies later proposed 22 additional postponements. In September 2026, the Review Board approved 3 of these additional postponements. 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
2023–002–001	2024–DOJ–02–1068a	Approve.
2023–002–008	2024–DOJ–02–0258a	Reject.
2023–002–008	2024–DOJ–02–0289a	Reject.
2023–002–008	2024–DOJ–02–0300a	Reject.
2023–002–009	2024–DOJ–02–0787a	Approve.
2023–002–009	2024–DOJ–02–0791a	Approve.
2024–003–003	2024–FBI–03–0258a	Reject.
2024–003–003	2024–FBI–03–0356a	Reject.
2024–003–003	2024–FBI–03–0381a	Reject.
2024–003–041	2024–DOJ–03–0627a	Reject.
2024–003–041	2024–DOJ–03–0628a	Reject.
2024–003–041	2024–DOJ–03–0629a	Reject.
2024–003–041	2024–DOJ–03–0630a	Reject.
2024–003–041	2024–DOJ–03–0631a	Reject.
2024–003–041	2024–DOJ–03–0632a	Reject.
2024–003–041	2024–DOJ–03–0633a	Reject.
2024–003–041	2024–DOJ–03–0634a	Reject.
2024–003–041	2024–DOJ–03–0716a	Reject.
2024–003–041	2024–DOJ–03–0717a	Reject.
2024–003–041	2024–DOJ–03–0720a	Reject.
2024–003–041	2024–DOJ–03–0721a	Reject.
2024–003–041	2024–DOJ–03–0723a	Reject.

Authority: Public Law 115–426, 132 Stat. 5489 (44 U.S.C. 2107).

Dated: September 16, 2026.

Stephannie Oriabure,
Chief of Staff.

[FR Doc. 2026–19229 Filed 9–18–26; 8:45 am]

BILLING CODE 6820–SY–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–228]

Tin Mill Products From the People’s Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances and Extension of Provisional Measures

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that tin mill products from the People’s Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is October 1, 2025, through March

31, 2026. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable September 21, 2026.

FOR FURTHER INFORMATION CONTACT: Blair Hood, 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) 482–8329.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the *Initiation Notice* of this investigation on May 5, 2026.¹ For a complete

¹ See *Tin Mill Products from the People’s Republic of China, Taiwan, and the Republic of Türkiye: Initiation of Less-Than-Fair-Value*

description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.² A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary 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 Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Investigation

The product covered by this investigation is tin mill products from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,³ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁴ We received comments concerning the scope of this investigation, as well as in the other LTFV and companion countervailing duty (CVD) investigations of tin mill products, as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁵ Commerce is preliminarily modifying the scope language as it appeared in the

Initiation Notice, *see* Appendix I of this notice.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Pursuant to sections 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide entity, which includes the companies listed in Appendix III that did not rebut the presumption of state control due to their failure to: (1) respond to the quantity and value questionnaire; (2) submit a separate rate application; and/or (3) respond to the initial questionnaire by withdrawing from this investigation. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

Preliminary Affirmative Determination of Critical Circumstances

In accordance with section 733(e) of the Act and 19 CFR 351.206, Commerce preliminarily determines that critical circumstances exist with respect to imports of tin mill products from China for the China-wide entity. For a full description of the methodology and results of Commerce's critical circumstances analysis, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*,⁶ Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁷ In this case, because no respondent qualified for a separate rate, producer/exporter combination rates were not calculated.

Separate Rates

The Act does not address the establishment of a separate rate for non-examined companies when Commerce limits its examination in an administrative review covering a non-market economy pursuant to section 777A(c)(2) of the Act. However, Commerce's regulation at 19 CFR 351.109(g) states that Commerce will determine the separate rate by following the process set forth in 19 CFR 351.109(f)(1)–(2), which generally parallels the process for determining the all-others rate in an investigation under section 735(c)(5) of the Act. Section 735(c)(5)(A) of the Act and 19 CFR 351.109(f) state that for non-examined companies, in general, we will determine an all-others rate by weight averaging the estimated weighted average dumping margins established for each of the individually examined companies, excluding zero and *de minimis* rates or any rates based entirely on facts available. Accordingly, to determine the rate for non-examined separate rate companies, Commerce's practice is to weight average the weighted-average dumping margins for the selected mandatory respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available. In this investigation, we determine that that Jiangsu Ninesky and Shougang HK are ineligible for a separate rate and are, thus, part of the China-wide entity, which is subject to a rate pursuant to sections 776(a)(1) and (2) of the Act, as discussed above.

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

Producer/exporter	Weighted-average dumping margin (percent)	Cash deposit rate (adjusted for subsidy offsets) (percent)
China-Wide Entity	136.52 *	130.17

** Rate is based on facts available with adverse inferences.

² See Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Tin Mill Products from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

³ See Memorandum, "Antidumping and Countervailing Duty Investigations of Tin Mill Products from the People's Republic of China, Taiwan, and the Republic of Türkiye: Preliminary Scope Decision Memorandum," dated September 8, 2026 (Preliminary Scope Decision Memorandum).

⁴ See *Initiation Notice*.

⁵ See Memorandum, "Antidumping and Countervailing Duty Investigations of Tin Mill Products from the People's Republic of China, Taiwan, and the Republic of Türkiye: Preliminary Scope Decision Memorandum," dated September 8, 2026 (Preliminary Scope Decision Memorandum).

⁶ See *Initiation Notice*, 91 FR at 24161.

⁷ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's website at <https://www.trade.gov/enforcement-and-compliance-policy-bulletins-0>.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of: (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered; or (b) the date on which notice of initiation of the investigation was published. Commerce preliminarily finds that critical circumstances exist for imports of subject merchandise from the China-wide entity. In accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to all unliquidated entries of merchandise from the producer/exporter combinations identified in this paragraph that were entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic

subsidy pass-through and export subsidies determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce has made a preliminary affirmative determination for domestic subsidy pass-through or export subsidies, Commerce has offset the calculated estimated weighted-average dumping margin by the appropriate rate(s). Any such adjusted rates may be found in the "Preliminary Determination" section's chart of estimated weighted-average dumping margins above.

Should provisional measures in the companion CVD investigation expire prior to the expiration of provisional measures in this LTFV investigation, Commerce will direct CBP to begin collecting cash deposits at a rate equal to the estimated weighted-average dumping margins calculated in this preliminary determination unadjusted for the passed-through domestic subsidies or for export subsidies at the time the CVD provisional measures expire.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with a preliminary determination 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). However, because Commerce preliminarily determined that all companies are part of the China-wide entity and assigned to the China-wide entity and AFA rate that is based solely on the margin alleged in the Petition, 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 no later than 14 days after the date of publication of the preliminary determination, unless the Secretary alters the time limit. 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.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

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 determination in this investigation. 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, 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, 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.

Final Determination

Section 735(a)(1) of the Act and 19 CFR 351.210(b)(1) provide that Commerce will issue the final determination within 75 days after the date of its preliminary determination. Accordingly, Commerce will make its final determination no later than 75 days after the signature date of this preliminary determination.

U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45

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 APO and Service Final Rule.

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) (APO and Service Final Rule).

days after the final determination whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: September 16, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The products within the scope of the investigation are tin mill flat-rolled products that are coated or plated with tin, chromium, or chromium oxides. Flat-rolled steel products coated with tin are known as tinplate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such as scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material.

Excluded from the scope of the investigation is certain single-reduced electrolytically chromium-coated steel tape for use as an armoring and shielding layer for fiber optic and telecommunications cables (commonly known in the industry as “copolymer coated steel tape”). Such excluded certain single-reduced electrolytically chromium-coated steel tape is excluded only if it meets all seven (7) of the below requirements:

- (1) Single-reduced electrolytically chromium-coated steel,
 - (2) Actual thickness of 0.160 mm or less (55-pound base box weight),
 - (3) Type MR steel,
 - (4) T2–T3 temper,
 - (5) With a tensile range of 45–57 KSI or 310.20–393.00 Mpa,
 - (6) 15% minimum elongation, and
 - (7) 0.06–0.12 g/m² chromium coating.
- The merchandise subject to the investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS), under HTSUS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0020, 7210.50.0090, 7212.10.0000, 7212.50.0000, if of non-alloy steel and under HTSUS subheadings 7225.99.0090, and 7226.99.0180 if of alloy steel. Although the subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Discussion of the Methodology
- V. Preliminary Affirmative Determination of Critical Circumstances
- VI. Adjustment Under Section 777(A)(F) of the Act
- VII. Adjustments to Cash Deposit Rates for Export Subsidies in the Companion Countervailing Duty Investigation
- VIII. Recommendation

Appendix III

Companies Preliminarily Determined To Be Part of the China-Wide Entity

1. GDH Zhongyue Tinplate Industrial Company Limited
2. Jiangsu Ninesky Optoelectronics Technology Co., Ltd.
3. Jiangsu Suxun New Material Co., Ltd.
4. Jiangsu Youfu Sheet Technology Co., Ltd.
5. Jintai Packing Material Co., Ltd.
6. Nanjing Kemision Chemicals Co., Ltd.
7. Shougang Holding Trade (Hong Kong) Limited

[FR Doc. 2026–19274 Filed 9–18–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–838]

Seamless Refined Copper Pipe and Tube From Mexico: 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 Nacional de Cobre, S.A. de C.V. (Cobre) made sales of seamless refined copper pipe and tube (copper pipe and tube) from Mexico below normal value (NV) during the period of review (POR), November 1, 2024, through October 31, 2025. In addition, we are rescinding the review with respect to GD Affiliates S. De R. L. de C.V. (Golden Dragon) and IUSA, S.A. de C.V. (IUSA). Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable September 21, 2026.

FOR FURTHER INFORMATION CONTACT:

Hannah Lee, 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) 482–1216.

SUPPLEMENTARY INFORMATION:

Background

On January 27, 2026, 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 copper pipe and tube from Mexico.¹ On February 26, 2026, Commerce selected Cobre and Golden Dragon as mandatory respondents in this review.² On April 27, 2026, Mueller Copper Tube Products, Inc., Mueller Copper Tube West Co., Mueller Copper Tube Company, Inc., Howell Metal Company, and Linesets, Inc., and Cerro Flow Products LLC, (collectively, domestic interested parties) withdrew their review request with respect to Golden Dragon and IUSA.³ On September 2, 2026, Commerce extended the preliminary results deadline by additional 14 days.⁴ Accordingly, the current deadline for the preliminary results of this review is September 16, 2026.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ 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 Antidumping and Countervailing Duty Centralized Electronic Service System (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 Seamless Refined Copper Pipe and Tube from Mexico and the People’s Republic of China: Antidumping Duty Orders and Amended Final Determination of Sales at Less Than Fair Value from Mexico*, 75 FR 71070 (November 22, 2010) (Order); and *Initiation of Antidumping and Countervailing Duty Administrative Review*, 91 FR 3421 (January 27, 2026) (Initiation Notice).

² *See* Memorandum, “Respondent Identification,” dated February 26, 2026.

³ *See* Domestic Interested Parties’ Letter, “Withdrawal of Request for Administrative Review of Antidumping Duty Order,” dated April 27, 2026.

⁴ *See* Memorandum, “Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated September 2, 2026.

⁵ *See* Memorandum, “Decision Memorandum for Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope of the Order

The merchandise covered by the *Order* are copper pipe from Mexico. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Partial Rescission of Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if a party that requested a review withdraws its request within 90 days of the date of publication of the notice of initiation of the requested review in the **Federal Register**. 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: Golden Dragon and IUSA. Therefore, we are rescinding this administrative review with respect to these companies, pursuant to 19 CFR 351.213(d)(1).

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Pursuant to section 776(a) of the Act, Commerce has preliminarily relied upon facts otherwise available for Cobre, the mandatory respondent in this investigation, because the company failed to submit the necessary information to calculate an antidumping duty (AD) margin in this investigation. Further, Commerce preliminarily determines that Cobre failed to cooperate by not acting to the best of its ability to comply with Commerce’s requests for information and Commerce is using an adverse inference in selecting from among the facts otherwise available (*i.e.*, applying adverse facts available (AFA) to these respondents, in accordance with section 776(b) of the Act). For a full description of the methodology underlying the preliminary determination, see the Preliminary Decision Memorandum.

Preliminary Results

Commerce preliminarily determines that the following estimated weighted-average dumping margin exists for the period, November 1, 2024, through October 31, 2025:

Producer or exporter	Weighted-average dumping margin (percent)
Nacional de Cobre, S.A. de C.V	56.43

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with 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 AFA to Cobre, the sole respondent under review, in accordance with section 776 of the Act, 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 14 days after the date of the publication of this notice.⁶ 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.⁷ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.⁸ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.⁹ Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note

⁶ See 19 CFR 351.309.
⁷ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).
⁸ See 19 CFR 351.309(c)(2) and (d)(2).
⁹ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 14 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.¹¹

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

In accordance with Commerce’s “automatic assessment” practice, for entries of subject merchandise during the POR produced by Cobre 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 involved in the transaction.¹²

For the two companies discussed 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 41 days after the date of publication of this notice in the **Federal Register**.

Commerce intends to issue assessment instructions to CBP regarding Cobre no earlier than 41 days after the date of publication of the final

¹⁰ See *APO and Service Procedures*.
¹¹ See 19 CFR 351.310(d).
¹² For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

results of this review in the **Federal Register**, in accordance with 19 CFR 356.8(a). 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 Instructions

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 Cobre will be equal to weighted-average dumping margin established in the final results of this review; (2) for merchandise exported by a company not covered in this review but covered in a prior completed segment of the proceeding, the cash deposit rate will continue to be the company specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review or another completed segment of this proceeding, but the producer is, then the cash deposit rate will be the company-specific rate established for 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 26.03 percent, the all-others rate established in the less-than-fair-value investigation.¹³ 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 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 in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: September 16, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

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 Adverse Inferences
- V. Recommendation

[FR Doc. 2026-19273 Filed 9-18-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-951, C-489-859]

Welded Stainless Line and Pressure Pipe From India and the Republic of Türkiye: Postponement of Preliminary Determinations in the Countervailing Duty Investigations

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

DATES: Applicable September 21, 2026.

FOR FURTHER INFORMATION CONTACT:

Shane Subler at (202) 482-6241 (India); and Samuel Evans at (202) 482-2420 (Republic of Türkiye (Türkiye)), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On August 4, 2026, the U.S. Department of Commerce (Commerce) initiated countervailing duty (CVD) investigations of imports of welded stainless line and pressure pipe (welded pipe) from India and Türkiye.¹ Currently, the preliminary determinations in these CVD investigations are due no later than October 8, 2026.

Postponement of Preliminary Determinations

Section 703(b)(1) of the Tariff Act of 1930, as amended (the Act), requires Commerce to issue the preliminary determination in a CVD investigation within 65 days after the date on which

Commerce initiated the investigation. However, section 703(c)(1) of the Act permits Commerce to postpone the preliminary determination until no later than 130 days after the date on which Commerce initiated the investigation if: (A) the petitioner makes a timely request for a postponement; or (B) Commerce concludes that the parties concerned are cooperating, that the investigation is extraordinarily complicated, and that additional time is necessary to make a preliminary determination. Under 19 CFR 351.205(e), the petitioner must submit a request for postponement 25 days or more before the scheduled date of the preliminary determination and must state the reasons for the request. Commerce will grant the request unless it finds compelling reasons to deny the request.

On September 10, 2026, the petitioners² submitted timely requests that Commerce postpone the preliminary CVD determinations.³ The petitioners stated that they request postponement due to the complexity of the issues and the number of subsidy programs under investigation, and because the respondents have yet to file responses to Commerce's initial questionnaires.⁴

In accordance with 19 CFR 351.205(e), the petitioners have stated the reasons for requesting a postponement of the preliminary determinations, and Commerce finds no compelling reason to deny the request. Therefore, in accordance with section 703(c)(1)(A) of the Act, Commerce is postponing the deadline for the preliminary determinations to no later than 130 days after the date on which these investigations were initiated, *i.e.*, December 14, 2026.⁵ Pursuant to section 705(a)(1) of the Act and 19 CFR 351.210(b)(1), the deadline for the final determinations of these investigations will continue to be 75 days after the date of the preliminary determinations.

² The petitioners are Bristol Pipe and Tube Inc., Felker Brothers Corporation, and Primus Pipe and Tube Inc.

³ See Petitioner's Letters, "Request to Postpone the Preliminary Determination," dated September 10, 2026.

⁴ *Id.*

⁵ Postponing the preliminary determination to 130 days after initiation would place the deadline on Saturday, December 12, 2026. Commerce's practice dictates that where 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).

¹³ See *Order*.

¹ See *Welded Stainless Line and Pressure Pipe from India and the Republic of Türkiye: Initiation of Countervailing Duty Investigations*, 91 FR 51432 (August 10, 2026).

Notification to Interested Parties

This notice is issued and published pursuant to section 703(c)(2) of the Act and 19 CFR 351.205(f)(1).

Dated: September 17, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–19263 Filed 9–18–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–880]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes From the Republic of Korea: Final Results of the Antidumping Duty Administrative Review; 2023–2024

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that heavy walled rectangular welded carbon steel pipes and tubes from the Republic of Korea (Korea) were not sold at less than normal value during the period of review (POR) September 1, 2023, through August 31, 2024.

DATES: Applicable September 21, 2026.

FOR FURTHER INFORMATION CONTACT: Kayden Jenson, 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) 482–0967.

SUPPLEMENTARY INFORMATION:

Background

On March 20, 2026, Commerce published the *Preliminary Results* of this administrative review and invited comments from interested parties.¹ This review covers two companies: HiSteel Co., Ltd. (HiSteel) and Dong-A-Steel Co., Ltd. (DOSCO). On April 10, 2026, we received case briefs from Nucor Tubular Products Inc. (the petitioner).² On August 17, 2026, we received case briefs from HiSteel, DOSCO, and Kukje Steel Co., Ltd. (Kukje Steel).³ On August 24,

2026, we received rebuttal comments from HiSteel, DOSCO, and the petitioner.⁴ On July 8, 2026, Commerce extended the deadline of these final results by 53 days, until September 9, 2026.⁵ On September 1, 2026, Commerce again extended the deadline of these final results by 7 days, until September 16, 2026.⁶

For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁷ Commerce conducted this administrative review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The merchandise subject to the *Order* is certain heavy walled rectangular welded steel pipes and tubes from Korea. For a full description of the scope of the *Order*, see Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case briefs filed by interested parties in this administrative review are addressed in the Issues and Decision Memorandum and are listed in an 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, which is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding the *Preliminary Results*, and for the reasons explained in the Issues and Decision Memorandum,

of Dong-A-Steel Co. Ltd.,” dated August 17, 2026; and Kukje Steel’s Letter, “Kukje Steel’s Case Brief,” dated August 17, 2026.

⁴ See HiSteel’s Letter, “HiSteel’s Rebuttal Brief,” dated August 24, 2026; see also DOSCO’s Letter, “DOSCO’s Rebuttal Brief,” dated August 24, 2026; and Petitioner’s Letter, “Nucor Tubular’s Rebuttal Brief,” dated August 24, 2026.

⁵ See Memorandum, “Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated July 8, 2026.

⁶ See Memorandum, “Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated September 1, 2026.

⁷ See Memorandum, “Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea; 2023–2024,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Commerce changed the rate for Kukje Steel to 0.00 percent, adjusted the window period in SAS for HiSteel, disregarded certain transactions between DOSCO and SeAH and affiliated companies, and corrected the indirect selling expense ratio calculation in regard to SeAH’s home market sales.⁸

Rate for Non-Individually Examined Company

The Act and Commerce’s regulations do not address the establishment of a weighted-average dumping margin 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 less-than-fair-value (LTFV) investigation, for guidance when calculating the weighted average dumping margin for companies which were not selected for individual examination in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” Where the dumping margin for individually examined respondents are all zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use “any reasonable method to establish the estimated weighted average dumping margins determined for the exporters and producers individually investigated.”

In this review, we calculated a dumping margin of zero percent for both mandatory respondents. Following the guidance provided in the SAA⁹ using the “expected method (*i.e.*, to weight average the zero and *de minimis* margins, and margins determined pursuant to facts available),” the dumping margin calculated for the non-selected company, Kukje Steel, is zero percent.

Final Results of Administrative Review

As a result of this review, we determine that the following estimated weighted-average dumping margins

⁸ See Issues and Decision Memorandum.

⁹ See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103–316, vol. 1 (1994) (SAA) at 873.

¹ See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes From the Republic of Korea: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2023–2024*, 91 FR 13588 (March 20, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Petitioner’s Letter, “Nucor Tubular’s Case Brief,” dated April 10, 2026.

³ See HiSteel’s Letter, “HiSteel’s Case Brief,” dated August 17, 2026; DOSCO’s Letter, “Case Brief

exist for the period September 1, 2023, through August 31, 2024:

Producer/exporter	Weighted-average dumping margin (percent)
Dong-a-Steel Co., Ltd	0.00
HiSteel Co., Ltd	0.00
Kukje Steel Co., Ltd	0.00

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 this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), because HiSteel and DOSCO reported the entered value of their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of those sales. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For entries of subject merchandise during the POR produced by each individually examined respondent for which the producer 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 established in the LTFV investigation (*i.e.*, 3.24 percent)¹⁰ if there is no rate for the intermediate company(ies) involved in the transaction.¹¹

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of

publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Upon publication of this notice in the **Federal Register**, 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 each company listed above 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 covered in this review but covered in a prior completed segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation, but the producer has been covered in a prior completed segment of this proceeding, then the cash deposit rate will be the rate established in the completed segment for the most recent period for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 3.24 percent, the all-others rate established in the LTFV investigation for this proceeding.¹² These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the

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

Notification to Interested Parties

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

Dated: September 16, 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. Changes Since the *Preliminary Results*
- IV. Scope of the *Order*
- V. Discussion of the Issues
 - Comment 1: Whether to Modify the Rate Assigned to Kukje Steel
 - Comment 2: Whether to Include HiSteel's April and May 2023 Home Market Sales in the Analysis
 - Comment 3: Whether to Grant HiSteel a Constructed Export Price Offset
 - Comment 4: Commerce's Differential Pricing Analysis
 - Comment 5: Whether to Incorporate the Minor Corrections Accepted During Verification
 - Comment 6: Whether to Apply the Transactions Disregarded Rule to Purchases from Affiliated Parties
 - Comment 7: Whether to Disallow Certain General and Administrative (G&A) Offsets Related to Miscellaneous Income
 - Comment 8: Whether to Disallow the Investment-Related Offset to SeAH Steel's G&A Expenses
 - Comment 9: Whether to Include SeAH Steel's Headquarter Expense in its Reported G&A Expenses
 - Comment 10: Whether to Apply a Single Interest Expense Ratio to the Consolidated Cost Database
 - Comment 11: Whether to Deny HiSteel's Claimed Scrap Offsets
- VI. Recommendation

[FR Doc. 2026–19272 Filed 9–18–26; 8:45 am]

BILLING CODE 3510–DS–P

¹⁰ See *Order*.

¹¹ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹² *Id.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-601]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final 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) determines that Shanghai Tainai Bearing Co., Ltd. (Tainai) did not qualify for a separate rate, and, therefore, is considered part of the People's Republic of China (China)-wide entity during the period of review (POR), June 1, 2024, through May 31, 2025.

DATES: Applicable September 21, 2026.

FOR FURTHER INFORMATION CONTACT: Jerry Xiao, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-2273.

SUPPLEMENTARY INFORMATION:**Background**

On May 15, 2026, Commerce published in the **Federal Register** the preliminary results of this administrative review of the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished (TRBs) from China.¹ This review covers one company, Tainai, which we preliminarily determined to be part of the China-wide entity. We invited parties to comment on the *Preliminary Results*.² No interested party submitted comments. Accordingly, the final results are unchanged from the *Preliminary Results*, the *Preliminary Results* are hereby adopted as the final results, and no decision memorandum accompanies this **Federal Register** notice. Commerce conducted this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order³

The merchandise subject to the *Order* is TRBs from China. For a full

description of the scope of the *Order*, see the *Preliminary Results*.⁴

Final Results of Review

Consistent with the *Preliminary Results*, we continue to determine that the sole respondent under review, Tainai, did not establish its eligibility for a separate rate and is part of the China-wide entity.

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 has not performed any calculations in this review, there are no calculations to disclose in accordance with 19 CFR 351.224(b) for these final results.

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If 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).

We have not calculated any assessment rates in this administrative review. As Commerce continues to find that Tainai is ineligible for a separate rate and part of the China-wide entity, we will instruct CBP to assess any suspended entries of subject merchandise associated with Tainai at the China-wide rate (*i.e.*, 92.84 percent).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise 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 previously investigated or reviewed China and non-China exporters that are not under review in this segment of the proceeding but have separate rates, the cash deposit rate will continue to be the exporter's existing cash deposit rate; (2) for all China exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the existing rate for the China-wide entity of 92.84 percent; and (3) for all non-China exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the China exporter that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of 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 final results are issued and published in accordance with sections 751(a)(1)(B) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: September 14, 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. 2026-19262 Filed 9-18-26; 8:45 am]

BILLING CODE 3510-DS-P

¹ See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Preliminary Results of Antidumping Administrative Review; 2024-2025*, 91 FR 27920 (May 15, 2026) (*Preliminary Results*).

² See *Preliminary Results* at 27921.

³ See *Tapered Roller Bearings from the People's Republic of China; Amendment to Final*

Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance with Decision Upon Remand, 55 FR 6669 (February 26, 1990) (*Order*).

⁴ See *Preliminary Results*.

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration**

[RTID 0648–XG064]

Gulf Fishery Management Council and South Atlantic Fishery Management Council; Public Meetings

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

ACTION: Notice; public hearing webinar.

SUMMARY: The Gulf Fishery Management Council (Gulf Council) in partnership with the South Atlantic Fishery Management Council (South Atlantic Council) will hold a public hearing via webinar to solicit public comments on *Gulf Reef Fish* Amendment 55/South Atlantic *Snapper Grouper* Amendment 44.

DATES: The public hearing webinar will take place Tuesday, October 20, 2026. The webinar will begin at 6 p.m. EDT and will conclude no later than 9 p.m. EDT. For specific dates and times, see **SUPPLEMENTARY INFORMATION**. Written public comments must be received by the Gulf Council on or before 5 p.m. EDT on October 20, 2027, and by the South Atlantic Council on or before 5 p.m. on October 23, 2027.

ADDRESSES: Please visit the Gulf Council website at www.gulfcouncil.org or the South Atlantic Council website at <https://safmc.net/> for meeting materials and webinar registration information.

Meeting addresses: The public hearing will be held via virtual webinar. For dates and times see **SUPPLEMENTARY INFORMATION** below.

Council address: Gulf Fishery Management Council, 4107 W Spruce Street, Suite 200, Tampa, FL 33607; telephone: (813) 348–1630.

South Atlantic Fishery Management Council, 4055 Faber Place Drive, Suite 201, North Charleston, SC 29405.

FOR FURTHER INFORMATION CONTACT: Emily Muehlstein; Public Information Officer; emily.muehlstein@gulfcouncil.org, Gulf Fishery Management Council; telephone: (813) 348–1630 or Allie Iberle, Fishery Scientist; allie.iberle@safmc.net, South Atlantic Fishery Management Council; telephone: (843) 571–4366.

SUPPLEMENTARY INFORMATION: The agenda for the virtual public hearings is as follows: Council staff will begin with a brief presentation on the Amendment to modify the *Gulf Reef Fish* and South Atlantic *Snapper Grouper* Fishery Management Plans. The Amendment

considers modifying stock catch limits, jurisdictional apportionment of the stocks, regional annual catch limits, and South Atlantic sector allocations for both species within the South Atlantic Council's jurisdiction.

Staff and a Council member from each region will be available to answer any questions, and the public will have the opportunity to provide testimony on the amendment and other related testimony.

Scheduled Webinar

Tuesday, October 20, 2026; via Webinar

Visit www.gulfcouncil.org website and click on the “meetings and public hearings” tab for registration information. The South Atlantic Council will house meeting information here: <https://safmc.net/events/oct-2026-public-hearings-snapper-grouper-amendment-44/>. After registering, you will receive a confirmation email containing information about joining the webinar.

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

Dated: September 17, 2026.

Rey Israel Marquez,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026–19258 Filed 9–18–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF DEFENSE**Office of the Secretary****President's Military Spouse Commission; Notice of Federal Advisory Committee Meeting**

AGENCY: Under Secretary of Defense for Personnel and Readiness (USD(P&R)), Department of Defense (DoD).

ACTION: Notice of Federal Advisory Committee meeting.

SUMMARY: The DoD (referred to herein as “Department of War”) is publishing this notice to announce that the following Federal Advisory Committee meeting of the President's Military Spouse Commission will take place.

DATES: Open to the public via livestream, Monday, September 21, 2026, from 1:00 p.m. to 3:00 p.m.

ADDRESSES: This meeting will be held at the White House and viewable by the public at <https://www.whitehouse.gov/military-spouse-commission/>. Registration is not required.

FOR FURTHER INFORMATION CONTACT: The President's Military Spouse Commission at <https://www.whitehouse.gov/military-spouse-commission/contact/or/JosieBeets>, Designated Federal Officer, at

osd.mc-alex.ousd-p-r.mbx.spouse-employment-team@mail.mil.

SUPPLEMENTARY INFORMATION: This meeting is being held under the provisions of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C. Appendix, as amended), the Government in the Sunshine Act of 1976 (5 U.S.C. 552b, as amended), and 41 CFR 102–3.140 and 102–3.150.

Due to circumstances beyond the control of the Designated Federal Officer and the Department of War, the President's Military Spouse Commission was unable to provide public notification required by 41 CFR 102–3.150(a) concerning its September 21, 2026 meeting. Accordingly, the Advisory Committee Management Officer for the Department of War, pursuant to 41 CFR 102–3.150(b), waives the public notification requirement.

Purpose of the Meeting: The purpose of the meeting is to execute the provisions of Executive Order 14417, titled “Establishing the President's Military Spouse Commission.” Per the Executive Order, the Commission will discuss strengthening military families, improving retention, and ensuring military spouses and families are ready to meet any challenge. The Commission will advise and assist the President on policies affecting military spouses and military families by identifying challenges and developing policy recommendations to address housing, employment, healthcare, education, childcare, and deployment-related support.

Agenda: Monday, September 21, 2026, from 1:00 p.m. to 3:00 p.m. Official Call to Order, Opening Remarks, Welcome, Keynote Speaker, Briefing: Public Submissions & Member Survey Synthesis, Commission Participation, Administrative Review & Next Steps, Adjournment.

Meeting Accessibility: Pursuant to 5 U.S.C. 552b and 41 CFR 102–3.140 through 102–3.165, this meeting is open to the public from 1:00 p.m. to 3:00 p.m. on September 21, 2026, via livestream. **Written Statements:** Written comments must be received by the President's Military Spouse Commission at least one (1) business day prior to the meeting date so that they may be made available to the Commission members for their consideration prior to the meeting. Written comments not received by the President's Military Spouse Commission at least one (1) business day prior to the meeting date, or after, will be provided to the Chair of the President's Military Spouse Commission for consideration. Written comments

may be submitted via <https://www.whitehouse.gov/military-spouse-commission/contact/>. Written comments may also be emailed to osd.mc-alex.ousd-p-r.mbx.spouse-employment-team@mail.mil. Please note that since the President's Military Spouse Commission operates under the provisions of the FACA, all written comments received will be treated as public documents and will be made available for public inspection. Those who make submissions are requested to avoid including personally identifiable information such as names of adults and children, phone numbers, addresses, Social Security Numbers and other contact information within the body of the written statement.

Dated: September 16, 2026.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2026-19224 Filed 9-18-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF EDUCATION

2025–26 Award Year Deadline Date for Reports and Other Records Associated With Prison Education Programs Accessing the Federal Pell Grant

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice.

SUMMARY: The Department of Education (Department) announces the 2025–26 award year reporting deadline for institutions participating in the Prison Education Programs (PEP) authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). PEPs expand access to programs of study, such as a certificate, degree, or another recognized postsecondary credential for confined or incarcerated individuals. These programs must meet eligibility requirements as outlined in 34 CFR 600 and 34 CFR 668.234. In PEPs must be provided by a Title IV, HEA eligible postsecondary institution that has been approved to operate in correctional facilities by the appropriate State authority of the Bureau of Prisons per 34 CFR 668.235, and ensure programs serve

students' best interests, offer transferable credits, and satisfy licensure or certification requirements under 34 CFR 668.236.

These PEPs, administered by the Department, provide financial assistance to confined or incarcerated students to help them pay their educational costs. PEPs must submit reports to the Department in accordance with deadlines established and published by the Secretary in the **Federal Register**. This notice establishes the reporting deadline for the award year.

The Federal student aid programs (Title IV, HEA programs) covered by this deadline date notice are the Prison Education Programs accessing the Pell Grant program.

Assistance Listing Number: 84.063 Pell Grant Program.

DATES: *Deadline and Submission Dates:* See Table A.

FOR FURTHER INFORMATION CONTACT:

Sean Addie, U.S. Department of Education, Federal Student Aid. Address: 77 K St NE, Washington, DC 20202. Telephone: (202) 245-3734. Email: Sean.Addie@ed.gov.

If you are deaf, hard of hearing, or have a speech disability and wish to access telecommunications relay services, please dial 7-1-1.

SUPPLEMENTARY INFORMATION:

Table A—2025–26 Award Year Deadline Date by Which a School Must Submit their Prison Education Program Annual Report.

Table A provides information and the deadline date for receipt of the Prison Education Program annual report.

For the 2025–26 Award Year, an institution must submit an annual report to Common Origination and Disbursement (COD) System, no later than December 31, 2026. In accordance with 34 CFR 668.239, this report must contain transfer and release dates of confined or incarcerated individuals who participated in an institution's PEP.

An institution's failure to submit a complete annual report may result in the initiation of an adverse action, such as a fine or other penalty for such failure, in accordance with subpart G of the General Provisions regulations in 34 CFR part 668.

Other Sources for Detailed Information

The Department published a detailed discussion of the PEP application process in the Federal Student Aid Knowledge Center. The Department also maintains Q and A's and other resources that provide information about PEPs. PEPs will also be discussed in the 2026–27 *Federal Student Aid Handbook* in a forthcoming PEP appendix.

Applicable Regulations: The following regulations apply:

(1) Student Assistance General Provisions, 34 CFR part 668.

(2) Prison Education Programs, 34 CFR part 668, subpart P.

(3) Federal Pell Grant Program, 34 CFR part 690.

Accessible Format: On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, compact disc, or other accessible format.

Electronic Access to This Document: The official version of this document is published in the **Federal Register**. You may access the official edition of the **Federal Register** and the Code of Federal Regulations at www.govinfo.gov. At this site you can view this document, as well as all other Department documents published in the **Federal Register**, in text or Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site.

You may also access Department documents published in the **Federal Register** by using the article search feature at www.federalregister.gov. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Program Authority: 20 U.S.C. 1070a, 1070b *et seq.*, 1070g, 1087a *et seq.*, 1087 *et seq.*, and 1087–51 *et seq.*

Wayne Sullivan,

Acting Principal Deputy Chief Operating Officer, Federal Student Aid.

TABLE A—2025–26 AWARD YEAR DEADLINE DATE BY WHICH AN INSTITUTION MUST SUBMIT THE PRISON EDUCATION PROGRAM ANNUAL REPORT FORM

Who submits?	What is submitted?	Where is it submitted?	What is the deadline for receipt?
Institution	Prison Education Program Annual Report.	To the Common Origination and Disbursement (COD) System using the Student Aid Internet Gateway (SAIG); or to the COD System using the COD website at: https://cod.ed.gov .	December 31, 2026.

The deadline for electronic transactions is 11:59 p.m. (Central Time) on the deadline date. Transmissions must be completed and accepted before 12:00 midnight to meet the deadline. We suggest submitting your information at least 10 days in advance of the deadline. Submissions started before 12:00 midnight but that complete transmission after 12:00 midnight will not meet the deadline. In addition, any submission made on or just prior to the deadline that is rejected may not be reprocessed if the deadline passed.

[FR Doc. 2026–19235 Filed 9–18–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

Notice Announcing Impact Aid Discretionary Construction Grant Program Competition

AGENCY: Department of Education, Department of Labor.

ACTION: Notice.

SUMMARY: The Employment and Training Administration at the U.S. Department of Labor (DOL) is soliciting applications in support of the administration of the Fiscal Year (FY) 2026 Impact Aid Discretionary Construction Grant Program, Assistance Listing Number (ALN) 84.041C, on behalf of the U.S. Department of Education (ED).

DATES: Complete proposals must be submitted electronically through the *Grants.gov* “APPLY” function by 11:59:59 p.m. Eastern time, November 10, 2026.

FOR FURTHER INFORMATION CONTACT:

Jacqueline Bass, (202) 987–1743, Jacqueline.Bass@ed.gov.

SUPPLEMENTARY INFORMATION: The Impact Aid Discretionary Construction Grant Program provides grants to eligible Impact Aid Local Educational Agencies (LEAs) to assist in addressing their school facility emergency and modernization needs. Eligible Impact Aid LEAs have a limited ability to raise local revenue for capital improvements because they have large areas of Federal land within their boundaries. As a result, these districts face difficulties in responding when their school facilities need emergency repairs. The FY 2026 competition includes one absolute priority, selection criteria, and requirements. The absolute priority is: Emergency Grant Repairs.

Eligible Applicants: An LEA is eligible to apply for an emergency grant if it—

(a) Is eligible to receive formula construction funds for the fiscal year under section 7007(a) of the Act (20 U.S.C. 7707(a)) because it enrolls a high percentage (at least 50 percent) of federally connected children in average daily attendance who either reside on Indian lands or who have a parent on active duty in the U.S. uniformed services;

(b)

(1) Has no practical capacity to issue bonds (as defined in 34 CFR 222.176);

(2) Has minimal capacity to issue bonds (as defined in 34 CFR 222.176) and has used at least 75 percent of its bond limit; or

(3) Is eligible to receive funds for the fiscal year for heavily impacted districts under section 7003(b)(2) of the Act (20 U.S.C. 7703(b)(2)); and

(c) Has a school facility emergency that the Secretary of Education has determined, consistent with 34 CFR 222.172(a) and 222.173, poses a health or safety hazard to students and school personnel.

Program Authority: 20 U.S.C. 7707(b).

To Apply: The complete funding opportunity announcement and all information needed to apply, including the priorities and program requirements, are available on ED’s website at <https://www.ed.gov/grants-and-programs/formula-grants/impact-aid-grants/discretionary-construction-grants-impact-aid-section-7007b>, on DOL’s website at www.dol.gov/agencies/eta/grants/apply/find-opportunities, and on *Grants.gov* at <https://www.grants.gov/search-results-detail/363825>. The application notice and instructions on *Grants.gov* is the official document governing the grant competition.

Accessible Format: On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**. Individuals with disabilities can obtain this document in an accessible format.

Note: Marek Laco signs this notice in furtherance of DOL’s role in providing support to ED.

Kirsten Baesler,

Assistant Secretary, Office of Elementary and Secondary Education, Department of Education.

In concurrence:

Marek Laco,

Acting Assistant Secretary for Employment and Training, Department of Labor.

[FR Doc. 2026–19240 Filed 9–18–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 1869–066]

NorthWestern Energy; Notice of Application Accepted for Filing, Soliciting Motions To Intervene and Protests, Ready for Environmental Analysis, and Soliciting Comments, Recommendations, Preliminary Terms and Conditions, and Preliminary Fishway Prescriptions

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection.

a. *Type of Application:* New Major License.

b. *Project No.:* 1869–066.

c. *Date Filed:* December 29, 2023.

d. *Applicant:* NorthWestern Energy (NorthWestern).

e. *Name of Project:* Thompson Falls Hydroelectric Project (project).

f. *Location:* On the Clark Fork River in Sanders County in the city of Thompson Falls, Montana. The project occupies 103.80 acres of federal lands administered by the US Forest Service.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. *Applicant Contact:* Andrew Welch, Manager, Hydro License Compliance,

NorthWestern Energy, 208 N Montana Avenue, Suite 200, Helena, Montana 59601; phone: (406) 444-8115 or via email at andrew.welch@northwestern.com.

i. *FERC Contact:* John Baummer at (202) 502-6837 or john.baummer@ferc.gov.

j. *Deadline for filing motions to intervene and protests, comments, recommendations, terms and conditions, and prescriptions:* on or before 5:00 p.m. Eastern Time on November 16, 2026; reply comments are due on or before 5:00 p.m. Eastern Time on December 30, 2026.

The Commission strongly encourages electronic filing. Please file motions to intervene, protests, comments, recommendations, preliminary terms and conditions, and preliminary fishway prescriptions using the Commission's eFiling system at <https://ferconline.ferc.gov/FEROnline.aspx>. Commenters can submit brief comments up to 10,000 characters, without prior registration, using the eComment system at <https://ferconline.ferc.gov/QuickComment.aspx>. For assistance, please contact FERC Online Support at FEROnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include docket number P-1869-066.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

k. This application has been accepted for filing and is now ready for environmental analysis.

l. The existing project consists of two dams that form the project reservoir and two powerhouses. The project includes: (1) a 1,016-foot-long, 54-foot-high, concrete gravity dam (*i.e.*, Main Channel Dam) with a 913-foot-long overflow section with 8-foot-high fixed wheel panels atop 8-foot-high stoplogs and

four radial gates; (2) an upstream fish passage facility on Main Channel Dam; (3) a 449-foot-long, 45-foot-high concrete gravity dam (*i.e.*, Dry Channel Dam) located downstream of the Main Channel Dam with a 289-foot-long overflow section with 8-foot-high fixed wheel panels atop 4-foot-high stoplogs; (4) a 1,226-acre reservoir impounded by the two dams (Thompson Falls Reservoir); (5) a 300-foot-long, 78-foot-wide excavated channel leading to a 200-foot long, 78-foot-wide reinforced concrete intake structure; (6) three 39-foot-high, 18-foot-wide, and 75-foot-long rectangular conduits extending from the intake to a 200-foot-long, 78-foot-wide concrete powerhouse containing a Kaplan-type turbine-generator unit with an installed capacity of 52.61 megawatts (MW); (7) a 450-foot-long, 80-foot-wide forebay channel leading to a 258-foot-long, 40-foot-high second intake structure (adjacent to the other intake structure); (8) six steel, 14-foot-diameter main turbine penstocks and two 6-foot-8-inch-diameter exciter turbine penstocks extend from the second intake to a 292-foot-long, 97-foot-wide second powerhouse containing six Francis-type turbine-generating units, with three rated at 7.0 MW, two rated at 6.38 MW, and one rated at 6.0 MW; (9) a 1,000-foot-long, 100-foot-wide tailrace channel leading from the outlet of the first powerhouse; (10) a 800-foot-long, 130-foot-wide tailrace channel leading from the outlet of the second powerhouse; (11) three generator step-up transformers; (12) a 300-foot-long, 115-kilovolt generator lead line extending from the first powerhouse to the second powerhouse and two 50-foot-long, 6.6-kilovolt generator lead lines connecting to a breaker within the second powerhouse serving as the interconnection point for both powerhouses; (13) a 1,000-foot long access road; and (14) appurtenant facilities. The project bypasses approximately 3,500 feet of the Clark Fork River.

NorthWestern operates a fish ladder to pass target species (*i.e.*, Bull trout, other native salmonids and non-sport fish, and certain non-native sport fish) upstream of the Main Channel Dam from mid-March to mid-October. The fish ladder is designed for river flows up to 48,000 cubic feet per second (cfs) and has an operating flow of 83 cfs, including fish attraction flows. Fish ascending the ladder are collected in a holding pool at the top of ladder where they are sorted and released upstream into the reservoir upstream. The project does not include a downstream fish passage facility.

The project includes three licensed recreation facilities: (1) Island Park managed by NorthWestern which features a trail network with interpretive signage, picnic tables, benches, an accessible restroom, parking area, and a viewing platform;¹ (2) Wild Goose Landing Park managed by the City of Thompson Falls under an off-license agreement, which offers open space, picnic facilities, a plumbed restroom, a boat launch with a stationary dock, a floating swim dock, shoreline fishing access, and parking for approximately 20 vehicles; and (3) the South Shore Dispersed Recreation Area managed by NorthWestern which includes parking for four vehicles, signage addressing fluctuating water levels, an accessible vault toilet and garbage facilities, and provides access for fishing the mouth of Prospect Creek and in the main river channel.²

NorthWestern is currently authorized to operate as a peaking facility and provides both baseload and flexible generation within the constraints of its existing license. NorthWestern Energy is authorized to operate the project to maintain the reservoir elevation within a four-foot operating band (*i.e.*, between 2,396.5 feet and 2,392.5 feet); however in practice, it typically operates to maintain the reservoir within 1.5 feet from the full operating level (*i.e.*, between 2,396.5 and 2395.0 feet) while also maintaining a minimum flow of 6,000 cfs or inflow, whichever is less, in the Clark Fork River downstream of the project to protect and enhance aquatic resources. The average annual generation of the project was approximately 504,300 megawatt-hours between 2014 and 2018.

NorthWestern proposes to continue operating the project in peaking mode but maintain the reservoir elevation within a 2.5-foot operating band (*i.e.*, between 2,396.5 feet and 2,394.0 feet) while also continuing to maintain a minimum flow of 6,000 cfs or inflow, if less, in the Clark Fork River downstream of the powerhouses. NorthWestern also proposes to continue to operate the existing upstream fish passage facility from March to October, refine operation of the new radial gates at the main channel dam to minimize total dissolved gas levels downstream of

¹ Island Park is within the project boundary; however, the parking area owned by NorthWestern that provides walk-in access to the park via the Gallatin Street Bridge is on the north shore, adjacent to the project boundary.

² Because the project boundary follows the south shoreline closely, some of the amenities of the South Shore Dispersed Recreation Area, such as the vault toilet and garbage facilities are adjacent to the project boundary.

the dam, and develop and implement a reservoir drawdown management plan.

NorthWestern also proposes to fully enclose Island Park, Wild Goose Landing Park, South Shore Dispersed Recreation Area, Power Park, Cherry Creek Boat Launch, and the historic Prospect Creek Powerhouse within the project boundary and exclude certain federal and private lands that it says do not serve a project purpose which would reduce the size of the current project boundary by 465 acres.

m. A copy of the application can be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, contact FERC Online Support. A copy is also available for inspection and reproduction at the address in item h above.

Register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

n. Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, and .214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

All filings must (1) bear in all capital letters the title "PROTEST", "MOTION TO INTERVENE", "COMMENTS," "REPLY COMMENTS," "RECOMMENDATIONS," "PRELIMINARY TERMS AND CONDITIONS," or "PRELIMINARY PRESCRIPTIONS"; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name of the person protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, recommendations, terms and conditions, or prescriptions must set forth their evidentiary basis and otherwise comply with the requirements of 18 CFR 4.34(b). Agencies may obtain copies of the application directly from the applicant. A copy of any protest or motion to intervene must be served upon each representative of the

applicant specified in the particular application. A copy of all other filings in reference to this application must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 4.34(b) and 385.2010.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

o. Final amendments to the application must be filed with the Commission on or before 5:00 p.m. Eastern Time October 16, 2026.

p. A license applicant must file no later than 60 days following the date of issuance of the notice of acceptance and ready for environmental analysis provided for in 5.22: (1) a copy of the water quality certification; (2) a copy of the request for certification, including proof of the date on which the certifying agency received the request; or (3) evidence of waiver of water quality certification.

(Authority: 18 CFR 2.1.)

Dated: September 16, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026-19241 Filed 9-18-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: RP26-1257-000.
Applicants: Elba Express Company, L.L.C.

Description: § 4(d) Rate Filing: EEC NRA Amendment Filing September 2026 to be effective 10/1/2026.

Filed Date: 9/16/26.

Accession Number: 20260916-5086.
Comment Date: 5 p.m. ET 9/28/26.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding. The filings are accessible in

the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercgensearch.asp>) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502-6595 or OPP@ferc.gov.

Dated: September 16, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026-19244 Filed 9-18-26; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 1388-082]

Southern California Edison; Notice of Reasonable Period of Time for Water Quality Certification Application

On August 18, 2026, the California State Water Resources Control Board (Water Board) submitted to the Federal Energy Regulatory Commission (Commission), notice that it received a complete application for a Clean Water Act section 401(a)(1) water quality certification as defined in 40 CFR 121.5, from the above captioned project on July 21, 2026. Pursuant to section 5.23(b) of the Commission's regulations,¹ we hereby notify the Water Board of the following:

Date of Receipt of the Certification Request: July 21, 2026.

Reasonable Period of Time to Act on the Certification Request: July 21, 2027.

If the Water Board 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: September 16, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-19279 Filed 9-18-26; 8:45 am]

BILLING CODE 6717-01-P

¹ 18 CFR 5.23(b).

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: EC26–161–000.

Applicants: Craven County Wood Energy Limited Partnership, Fangorn Forest OpCo Holdings NC I LLC.

Description: Amendment to 08/28/2026 Joint Application for Authorization Under Section 203 of the Federal Power Act of Craven County Wood Energy Limited Partnership, et al.

Filed Date: 9/15/26.

Accession Number: 20260915–5183.

Comment Date: 5 p.m. ET 10/6/26.

Take notice that the Commission received the following Electric Rate filings:

Docket Numbers: ER26–3310–001.

Applicants: Midcontinent

Independent System Operator, Inc.

Description: Tariff Amendment:

2026–09–16 SA 4814 NIPSCO–Mayapple Solar Sub FCA (AG1–349) to be effective 7/22/2026.

Filed Date: 9/16/26.

Accession Number: 20260916–5048.

Comment Date: 5 p.m. ET 10/7/26.

Docket Numbers: ER26–3536–001.

Applicants: Big Sandy Peaker Plant, LLC.

Description: Tariff Amendment: Notice of Effective Date for Cancellation of Market-Based Rate Tariff to be effective 9/4/2026.

Filed Date: 9/16/26.

Accession Number: 20260916–5050.

Comment Date: 5 p.m. ET 10/7/26.

Docket Numbers: ER26–3773–000.

Applicants: Walker Solar LLC.

Description: Initial Rate Filing: Market-Based Rate Application to be effective 11/15/2026.

Filed Date: 9/15/26.

Accession Number: 20260915–5156.

Comment Date: 5 p.m. ET 10/6/26.

Docket Numbers: ER26–3774–000.

Applicants: Dominion Energy South Carolina, Inc.

Description: § 205(d) Rate Filing: Carolinas Reserve Sharing Group Manual to be effective 1/1/2027.

Filed Date: 9/16/26.

Accession Number: 20260916–5062.

Comment Date: 5 p.m. ET 10/7/26.

Docket Numbers: ER26–3775–000.

Applicants: Midcontinent

Independent System Operator, Inc.

Description: § 205(d) Rate Filing: 2026–09–16 SA 3332 SIGE–Grandview Solar 3rd Rev GIA (J783) to be effective 9/1/2026.

Filed Date: 9/16/26.

Accession Number: 20260916–5063.

Comment Date: 5 p.m. ET 10/7/26.

Docket Numbers: ER26–3776–000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Revisions to CTOA for NextEra Energy Transmission MidAtlantic, Inc. Legal Name to be effective 11/16/2026.

Filed Date: 9/16/26.

Accession Number: 20260916–5092.

Comment Date: 5 p.m. ET 10/7/26.

Docket Numbers: ER26–3777–000.

Applicants: Midcontinent

Independent System Operator, Inc.

Description: § 205(d) Rate Filing: 2026–09–16 Att X—ERAS Sunset Extension to be effective 11/16/2026.

Filed Date: 9/16/26.

Accession Number: 20260916–5117.

Comment Date: 5 p.m. ET 10/7/26.

Docket Numbers: ER26–3778–000.

Applicants: Westlands Grape, LLC.

Description: Initial rate filing:

Westlands Grape MBR Application to be effective 10/31/2026.

Filed Date: 9/16/26.

Accession Number: 20260916–5158.

Comment Date: 5 p.m. ET 10/7/26.

Take notice that the Commission received the following Electric Securities filings:

Docket Numbers: ES26–76–000.

Applicants: Wabash Valley

Transmission Company, LLC.

Description: Application Under Section 204 of the Federal Power Act for Authorization to Issue Securities of Wabash Valley Transmission Company, LLC.

Filed Date: 9/15/26.

Accession Number: 20260915–5190.

Comment Date: 5 p.m. ET 10/6/26.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercgensearch.asp>) by querying the docket number.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: <http://www.ferc.gov/docs-filing/efiling/filing-req.pdf>. For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or OPP@ferc.gov.

Dated: September 16, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–19246 Filed 9–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Project No. 3428–205]

Brown Bear II Hydro, Inc.; Notice of Reasonable Period of Time for Water Quality Certification Application

On September 8, 2026, the Maine Department of Environmental Protection (Maine DEP) submitted to the Federal Energy Regulatory Commission (Commission) notice that it received a request for a Clean Water Act section 401(a)(1) water quality certification as defined in 40 CFR 121.5, from Brown Bear II Hydro, Inc., in conjunction with the above captioned project on August 27, 2026. Pursuant to the Commission's regulations,¹ we hereby notify Maine DEP of the following:

Date of Receipt of the Certification Request: August 27, 2026.

Reasonable Period of Time to Act on the Certification Request: One year, August 27, 2027.

If Maine DEP 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: September 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–19280 Filed 9–18–26; 8:45 am]

BILLING CODE 6717–01–P

¹ 18 CFR 5.23(b)(2).

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[P-2232-950]

Duke Energy Carolinas, LLC; Notice of Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection.

a. *Type of Application:* Amendment of hydropower license to decommission turbine-generator units.

b. *Project No.:* P-2232-950.

c. *Date Filed:* July 8, 2026.

d. *Applicant:* Duke Energy Carolinas, LLC.

e. *Name of Project:* Catawba-Wateree Project.

f. *Location:* The Great Falls-Dearborn development is located on the Catawba River in Chester County, South Carolina.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791(a)-825(r).

h. *Applicant Contact:* Mr. Jeffrey G. Lineberger, Mail Code DEP-35B, 525 South Tryon Street, Charlotte, NC 28202, (704) 382-5942.

i. *FERC Contact:* Mr. Steven Sachs, (202) 502-8666, Steven.Sachs@ferc.gov.

j. *Cooperating agencies:* With this notice, the Commission is inviting federal, state, local, and Tribal agencies with jurisdiction and/or special expertise with respect to environmental issues affected by the proposal, that wish to cooperate in the preparation of any environmental document, if applicable, to follow the instructions for filing such requests described in item k. below. Cooperating agencies should note the Commission's policy that agencies that cooperate in the preparation of any environmental document cannot also intervene. *See* 94 FERC ¶ 61,076 (2001).

k. *Deadline for filing comments, motions to intervene, and protests:* October 16, 2026, 5:00 p.m. Eastern Time.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, and protests using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866)

208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include the docket number P-2232-950. Comments emailed to Commission staff are not part of the Commission record.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person whose name appears on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

l. *Description of Request:* The applicant requests an amendment of the project license to decommission the four remaining and inoperative turbine-generator units in the Great Falls powerhouse. Decommissioning work would involve dewatering the intakes for the units; closing, sealing, and securing the headgates; and separating each unit from the electrical grid. The applicant also proposes to remove two approximately 1,000-foot-long transmission lines connecting the Great Falls powerhouse to the Great Falls Switching Station. The applicant is not proposing any external changes to the Great Falls powerhouse and would continue to inspect and maintain the facilities. Decommissioning is expected to take place between May and December 2028 and would involve the use of barges within the Great Falls-Dearborn canal.

m. *Locations of the application:* This filing may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1-866-208-3676 or email FERCOnlineSupport@ferc.gov, for TTY, call (202) 502-8659.

n. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

o. *Comments, Protests, or Motions to Intervene:* Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214, respectively. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

p. *Filing and Service of Documents:* Any filing must: (1) bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person commenting, protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis. Any filing made by an intervenor must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 385.2010.

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: September 16, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026-19245 Filed 9-18-26; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[CERCLA-04-2026-7001(b); FRL-13349-01-R4]

CTS of Asheville, Inc. Superfund Site, Asheville, North Carolina; Proposed Settlement

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of proposed settlement.

SUMMARY: Under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the United States Environmental Protection Agency (EPA) is proposing to enter into a Administrative Settlement Agreement with three parties concerning the CTS of Asheville, Inc. Superfund Site located in Asheville, North Carolina. The settling parties are CTS Corporation, Mills Gap Road Associates and Northrop Grumman Systems Corporation. The proposed settlement addresses recovery of CERCLA costs incurred by EPA for a cleanup performed at the Site.

DATES: The Agency will consider public comments on the proposed settlement until October 21, 2026. The Agency will consider all comments received and may modify or withdraw its consent to the proposed settlement if comments received disclose facts or considerations which indicate that the proposed settlement is inappropriate, improper, or inadequate.

ADDRESSES: Copies of the proposed settlement are available from the Agency by contacting Mrs. Paula V. Painter, Program Analyst using the contact information provided in this notice. Comments may also be submitted by referencing the Site's name through one of the following methods:

Internet: <https://www.epa.gov/aboutepa/about-epa-region-4-southeast#r4-public-notice>.

Email: Painter.Paula@epa.gov.

FOR FURTHER INFORMATION CONTACT: Paula V. Painter at (404)–562–8887.

(Authority: Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. 9601–9675.)

Maurice Horsey,

Branch Chief, Enforcement Branch,
Superfund & Emergency Management
Division.

[FR Doc. 2026–19249 Filed 9–18–26; 8:45 am]

BILLING CODE 6560–50–P

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–XXXX; Docket No. 2026–0497; Sequence No. 1]

Information Collection; General Services Administration Acquisition Regulation; GSA Voluntary FSS Domestic End Product Certification on GSA Federal Supply Schedule, GSAR Clause 552.238–130

AGENCY: Office of Acquisition Policy, General Services Administration (GSA).

ACTION: Notice; request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, and the Office of Management and Budget (OMB) regulations, GSA invites the public to comment on: whether this collection of information is necessary; whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

DATES: GSA will consider all comments received by November 20, 2026.

ADDRESSES: Submit comments on this information collection to <https://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for “Information Collection 3090–XXXX, GSA Voluntary FSS Domestic End Product Certification on GSA Federal Supply Schedule.” Select the link “Comment Now”, and follow the instructions provided on the screen. Please include your name, company name (if any), and “Information Collection 3090–XXXX” on your attached document.

Instructions: Please submit comments only and cite “Information Collection 3090–XXXX, GSA Voluntary FSS Domestic End Product Certification on GSA Federal Supply Schedule, GSAR clause: 552.238–130” in all correspondence related to this collection. Comments received generally will be posted without change to [regulations.gov](https://www.regulations.gov), including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check [regulations.gov](https://www.regulations.gov) approximately two-to-three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT:

Email Mr. Bryon Boyer at bryon.boyer@gsa.gov or call 817–850–5580.

SUPPLEMENTARY INFORMATION:**A. OMB Control Number, Title, and Any Associated Form(s)**

3090–XXXX, GSA Voluntary FSS Domestic End Product Certification on GSA Federal Supply Schedule.

B. Need and Uses

This justification supports a new information collection to comply with Executive Order (E.O.) 14392, Ensuring

Truthful Advertising of Products Claiming to be Made in America and to revitalize American manufacturing and promote American workers (91 FR 13201, March 13, 2026). The E.O. requires agencies review the compliance of “Made in America” representations for products and report false representations to the Department of Justice. Information collected in response to this new clause will allow GSA to meet this mandate. This clearance covers the information that GSA contractors and offerors on the Federal Supply Schedule (FSS) may voluntarily submit if their products qualify as “FSS domestic end products” as defined in the General Services Acquisition Regulation (GSAR) clause 552.238–130. The proposed clause contains a fillable table where contractors may make their certification and provide the following information: 1. product name, 2. manufacturer part number, and 3. manufacturer name. This certification is voluntary and not required.

GSA intends to issue rulemaking to provide the opportunity for the public to comment on the policy to implement E.O. 14392 in the GSAR.

C. Annual Reporting Burden

Public reporting burden for GSAR clause 552.238–130, is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The annual reporting burden is estimated as follows:

Total annual responses: 18,255.

Preparation hours per response: 0.5.

Total response burden hours: 9,128.

Obtaining Copies of Proposals:

Requesters may obtain a watermarked “DRAFT” copy of the supporting statement via the Federal eRulemaking portal at [regulations.gov](https://www.regulations.gov) and searching for Docket ID “GSA–GSA–2026–0497.” Select the document titled “Supporting Statement: 3090–XXXX–GSA Voluntary FSS Domestic End Product Certification on GSA Federal Supply Schedule, GSAR clause: 552.228–130—DRAFT” located under Supporting and Related Materials.

Richard Speidel,

Deputy Chief Data Officer, General Services Administration.

[FR Doc. 2026–19210 Filed 9–18–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Disease Control and Prevention****[Docket CDC–2026–1519]****Data Intermediaries and Approaches To Strengthen Public Health Data Exchange**

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Request for information.

SUMMARY: The Centers for Disease Control and Prevention (CDC) seeks broad public input on how data intermediaries can be used to support secure, scalable, standards-based public health data exchange. CDC invites public comment to inform the evaluation and to explore how data intermediaries can advance broader goals to prevent disease, detect emerging threats, drive state-of-the-art solutions that empower communities, and strengthen public health systems for a safer, healthier nation.

DATES: To be assured consideration, written or electronic comments must be received on or before November 20, 2026.

ADDRESSES: You may submit comments, identified by docket number CDC–2026–1519, by any of the following methods. Please do not submit comments by email.

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Attention: Request for Information: Office of Public Health Data, Surveillance, and Technology, Centers for Disease Control and Prevention, 1600 Clifton Rd. NE, MS H21–8, Atlanta, GA 30329

Instructions: All submissions received must include the agency name and Docket Number. All relevant comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Abigail Viall, Acting Lead, Technology Implementation Office Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, GA 30329. Phone: 1–800–232–4636. Email: OPHDSTPolicy@cdc.gov.

SUPPLEMENTARY INFORMATION:**I. Purpose/Introduction**

The ability to prevent disease, detect threats, and respond effectively to

public health events, including public health emergencies, depends on timely, accurate, and actionable data flowing across a complex ecosystem of patients, healthcare providers, public health agencies, and communities. Without data, public health professionals cannot see patterns, identify risks, or inform and evaluate interventions. With high-quality, well-connected data, public health practitioners are better able to act with speed and precision. Increasingly, public health action depends not only on access to data, but also on the ability to integrate, interpret, and apply those data across multiple levels—from the individual case to the community to the larger population level.

Over the past several years, public health has made meaningful progress in strengthening its connection to the broader health information technology (health IT) ecosystem. CDC's data modernization investments have improved the ability of public health agencies to access and use electronic health data. Public health programs now routinely leverage electronic laboratory reporting, electronic case reporting, and other digital data streams to support surveillance and response. CDC has adopted an agency-wide data modernization approach through the Public Health Data Strategy (<http://www.cdc.gov/Ph.D.s>). Through the development of the One CDC Data Platform (1CDP) (<https://www.cdc.gov/data-modernization/php/one-cdc-data-platform>), the agency is creating a unified data platform to support CDC's everyday work as well as public health emergency response.

Despite this progress, data inconsistency, siloing, and interoperability challenges across systems continue to limit public health's ability to respond swiftly to both chronic and emerging threats. Addressing these challenges will require approaches that build on existing investments to make data more accessible, standardized, and usable across all levels of public health. Data intermediaries—trusted organization, network, platform, or governed service that enables secure, standards-based exchange and stewardship of health-related data—have long supported critical aspects of data exchange among public health agencies and between public health and healthcare (see Section II.A. for a comprehensive definition). However, the evolving health IT ecosystem presents new opportunities to consider how a range of intermediary models and capabilities can more effectively support public health data needs while also delivering value to healthcare. The continued

evolution of health information exchanges (HIEs), including the emergence of health data utilities (HDUs), alongside broader developments such as the Trusted Exchange Framework and Common Agreement (TEFCA) and the Centers for Medicare & Medicaid Services (CMS) Digital Health Tech Ecosystem, provides an opportunity to examine how intermediaries can collectively enable more seamless, timely, and scalable data exchange, and move the ecosystem beyond technical interoperability toward greater data liquidity.

Given these developments, CDC is evaluating how data intermediaries can be used to support secure, scalable, standards-based public health data exchange, while protecting privacy.

II. Solicitation of Public Comments

CDC is evaluating how data intermediaries can support secure, scalable, standards-based public health data exchange. CDC invites public comment to inform that evaluation and to explore how data intermediaries can advance broader goals to prevent disease, detect emerging threats, drive state-of-the-art solutions that empower communities, and strengthen public health systems for a safer, healthier nation.

We encourage interested parties to respond to as many of the questions below as possible. The questions are intended to solicit input from multiple individuals and groups. To support CDC's review of responses, please prioritize clarity and conciseness and identify the applicable question label(s) (for example, XX–1).

Please note that comments received, including attachments and other supporting materials, are part of the public record and are subject to public disclosure. Comments will be posted on <https://www.regulations.gov>. Therefore, do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure. If you include your name, contact information, or other information that identifies you in the body of your comments, that information will be on public display. CDC will review all submissions and may choose to redact, or withhold, submissions containing private or proprietary information such as Social Security numbers, medical information, inappropriate language, or duplicate/near duplicate examples of a mass-mail campaign. Do not submit comments by email.

A. Definition of Public Health Data Intermediary

For the purposes of this RFI, CDC defines a public health data intermediary (data intermediary) as a trusted organization, network, platform, or governed service that enables secure, standards-based exchange and stewardship of health-related data among data sources and public health authorities by providing shared technical, operational, and governance capabilities that seek to reduce connectivity burden and improve the quality, timeliness, and usefulness of data for public health practice, while protecting individual privacy and confidentiality. Data intermediaries may provide additional services such as analytics, visualization, technical assistance, and community engagement to make data actionable for public health.

Data intermediaries can be centralized or decentralized; operate at local, regional, state, territorial, tribal, or national scale; and receive data from diverse sources, including healthcare providers, payers, laboratories, pharmacies, non-traditional testing and reporting sites (e.g., schools and pop-up clinics), and federal contributors and platforms. Data intermediaries that already do or potentially could support public health include HIEs, HDUs, TEFCA, Qualified Health Information Networks (QHINs), CMS-Aligned Networks, Health Center Controlled Networks (HCCNs), public health data hubs and exchange platforms, or other entities that provide shared technical, operational, governance, or analytic capabilities for public health purposes.

Question II.A-1: How does this definition of “public health data intermediary” align or conflict with other established definitions, or on-the-ground experiences, used across public health and health IT, and what changes would improve distinction or alignment?

B. Standards and Technical Capabilities

Data intermediaries vary in function, technical capability, use of standards, and maturity. CDC is developing a Public Health Intermediary Framework to help public health organizations specify, select, and evaluate intermediary capabilities while allowing for different architectures, services, and public health use cases. For purposes of this RFI, CDC is considering a layered framework consisting of the following:

- **Universal intermediary baseline:** Core capabilities, safeguards, and practices applicable to any intermediary serving public health.

- **Service-specific profiles:** Additional expectations based on services provided, such as routing, aggregation, transformation, record linkage, terminology management, analytics, or workflow orchestration.

- **Public health use-case profiles:** Additional expectations based on specific public health programs, data streams, or workflows, such as electronic case reporting, electronic laboratory reporting, immunization data exchange, syndromic surveillance, or emergency response.

Expectations may also vary by maturity level, from minimum participation requirements to more advanced operational capabilities. This section seeks input on the technical and operational capabilities, standards, maturity, and performance expectations that should inform the framework; Section II.D addresses governance considerations.

Question II.B-1: Which public health data capabilities, functions, and data sources (e.g., clinical, laboratory, claims, pharmacy, schools, social services) are data intermediaries currently supporting or well positioned to potentially support in the future? For which public health use cases do data intermediaries offer meaningful advantages over direct data exchange or other approaches? Where might the use of data intermediaries add unnecessary cost, complexity, latency, governance burden, or introduce risk? In your response, consider intermediary type, required technical and operational capabilities, and interoperability challenges, informed by: Public Health Data Modernization in Practice: Identification of Core Data Capabilities and Functions (https://cdn.ymaws.com/www.cste.org/resource/resmgr/logo/identi_2_1_.pdf).

Question II.B-2: With the proposed layered approach, which capabilities and standards should sit in the universal baseline versus service-specific or use-case-specific profiles—for example: data quality/provenance (terminology normalization, record matching, longitudinal reconciliation, preservation of source values and transformation rules); exchange/routing (push/query/subscribe, bulk transfer, acknowledgments, jurisdiction-aware routing); security/trust (authentication, authorization, consent enforcement, auditability, incident response); and operational reliability (availability, latency, error rates, incident communication)? Please be specific about minimum requirements.

Question II.B-3: How should data intermediaries be assessed to determine whether they meet applicable capability, standards, performance

expectations, security and data protection, and assessment of data quality? What standardized metrics, evidence, and testing approaches (e.g., conformance testing, certification, validation services) should be used, including to assess onboarding efficiency, scalability, and reach? What existing tools, programs, or approaches could be leveraged?

Question II.B-4: How can a maturity model be useful for advancing data intermediary capabilities over time? If used, in what ways should a maturity model distinguish progression from minimum viable participation to repeatable production and advanced or adaptive capabilities? What capabilities or performance thresholds should characterize each maturity level, and what evidence, including attestation methods, should be required for progression?

Question II.B-5: How might artificial intelligence (AI) capabilities affect data intermediaries’ technical, governance, and operational roles—including accelerating, replacing, or distributing functions?

C. Shared Infrastructure: Funding and Sustainability

Shared data intermediary infrastructure has the potential to increase data liquidity and accelerate timely public health action, but its sustainability requires funding that extends beyond initial implementation to cover ongoing operations, maintenance, governance, security, and scalability. CDC seeks input on sustainable funding approaches and the allocation of financial responsibility for shared infrastructure.

Question II.C-1: What funding and revenue sources do data intermediaries currently rely on to support public health services, which entities bear those costs, and which entities receive the resulting benefits? How does this vary between public health-specific services and shared infrastructure supporting multiple participants or purposes (e.g., healthcare delivery)?

Question II.C-2: What funding models are most likely to sustain and scale data intermediary services for public health over time? What factors most affect data intermediary costs and technical burden, and how should shared funding models account for differences in use, cost, and benefits across participants? Please provide examples from current practice where available.

Question II.C-3: How could funding models, fee structures, contract terms, or onboarding processes reduce financial barriers for rural providers, small laboratories, under-resourced public

health jurisdictions, tribal entities, safety-net providers, and community-based organizations? Please provide examples from current practice where available.

Question II.C-4: What funding and contracting approaches could CDC or other public-sector funders use to promote portability, competition, open standards, and sustainable market participation while avoiding unintended market distortion or vendor lock-in? (See also Section II.D for the broader governance section about this issue.)

D. Governance

CDC is seeking input on the governance framework needed to support effective use of data intermediaries, covering accountability, neutrality, authority, oversight, and equitable implementation. As in Section II.B, CDC is applying a layered approach—a universal governance baseline, service-specific governance profiles, and use-case/jurisdictional governance profiles—so that requirements scale appropriately with the functions an intermediary performs and the laws that apply to it.

Respondents should consider how governance expectations address roles and delegated authority, participant obligations, permitted and prohibited uses, audit and oversight rights, dispute resolution, corrective action, continuity, and reliance on downstream entities.

Question II.D-1: What governance and accountability expectations should apply to data intermediaries, and should these vary based on the functions performed, the data handled, the entities/communities served, or the jurisdiction's laws and authorities?

Question II.D-2: What safeguards would ensure transparent access to data intermediary services and prevent conflicts of interest, biased routing, vendor lock-in, proprietary dependencies, or market concentration—including across jurisdictions with differing legal requirements? (See also Section II.C for funding-specific mechanisms addressing the same risks.)

Question II.D-3: What requirements should govern a data intermediary's authority to receive, access, route, transform, enrich, or disclose public health data, including delegated authority, reciprocal exchange, and compliance with jurisdiction-specific laws?

Question II.D-4: What roles should CDC, other federal agencies, state, tribal, local, and territorial (STLT) public health authorities, data intermediary governing bodies, participants, and

other relevant entities play in oversight and accountability? How should these roles be coordinated, and what monitoring, audit, corrective-action, suspension, sanction, or termination mechanisms are appropriate?

Question II.D-5: How should governance accommodate jurisdictional differences in law, reporting mandates, privacy, consent, data use agreements, and public health authority while minimizing administrative, technical, and financial burden and supporting equitable participation?

E. Implementation

CDC seeks input on the practical assistance, readiness conditions, partnerships, and learning approaches needed to integrate intermediaries into public health data modernization. Because needs vary across settings, respondents should provide relevant context, such as jurisdiction or data intermediary type, organization size, technical maturity, primary use cases, and material timing or resource constraints.

Question II.E-1: What tools, templates, or guidance (e.g., implementation playbooks, procurement language, data use/service-level agreement templates, security checklists, evaluation tools, governance models) do public health agencies need to evaluate, select, implement, and oversee data intermediary partnerships, and their associated outcomes?

Question II.E-2: What barriers (e.g., workforce, funding, procurement, legal authority, governance, technical infrastructure, trust, sustainability, jurisdictional variation)—limit STLT public health agency readiness to use data intermediary services, and what support would address them? How should implementation build on existing investments and support coexistence, migration, or transition without unnecessarily replacing already functioning infrastructure? Where relevant, note differences by data intermediary type.

Question II.E-3: What approaches should CDC consider to test, learn from, and scale promising intermediary models or capabilities for public health purposes? How can pilots, demonstrations, learning collaboratives, phased implementation, or other approaches build evidence and trust while informing decisions about whether, when, and how to scale?

Question II.E-4: Where do public health needs and capabilities align with those of healthcare providers, payers, laboratories, community organizations, and other partners? What data, information, services, or capabilities

could public health provide to partners (e.g., providers) through intermediaries to create shared value and strengthen reciprocal exchange? What collaboration approaches could enable this value, and what constraints, tensions, or tradeoffs should be considered?

Question II.E-5: Where can CDC add the greatest value in strengthening the data intermediary ecosystem, and through what role(s)—for example, as a convener, funder, purchaser, technical assistance provider, standards advocate, evaluator, or facilitator of shared infrastructure? Where should CDC instead leverage, align with, or defer to existing public- and private-sector efforts?

F. Dynamic Evaluation

CDC seeks input on how to evaluate the outcomes, value, and cost efficiency of its intermediary framework over time. This section focuses on CDC's framework-level strategic impact and learning rather than the intermediary capability and performance measures addressed in Section II.B. or implementation, partnership, and oversight addressed in Section II.E. Evidence generated at the intermediary and implementation levels may inform this broader evaluation. Evaluation should be feasible, minimize reporting burden, account for context and unintended consequences, and inform decisions to sustain, modify, expand, replace, or discontinue approaches, and used to refine the intermediary framework.

Question II.F-1: Where can CDC add the greatest value as an evaluator (e.g., in providing guidance on evaluating pilots or implementation models, synthesizing evaluation evidence across settings, or evaluating the strategic outcomes and value of the broader intermediary framework)?

Question II.F-2: What frameworks, benchmarks, and measures should CDC use to evaluate the intermediary framework, including impacts on workflows, workforce burden, user experience, data usability, situational awareness, and response capacity? What data sources and methods could support feasible measurement and assess the contribution of intermediary-enabled exchange to observed changes and, where feasible, support causal attribution?

Question II.F-3: How should CDC and STLT public health partners assess value and cost efficiency, including startup and recurring costs, costs borne by different parties, avoided costs, and monetary and non-monetary benefits to public health, healthcare, and other ecosystem participants? How should

evaluation account for the distribution of costs and benefits and unintended consequences such as added burden, cost shifting, reduced flexibility, inequitable distribution of benefits, or vendor dependency?

(Authority: 42 U.S.C. 241 and 42 U.S.C. 247d-4)

Noah Aleshire,

Chief Regulatory Officer, Centers for Disease Control and Prevention.

[FR Doc. 2026-19271 Filed 9-18-26; 8:45 am]

BILLING CODE 4163-18-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2026-N-3400]

Agency Information Collection Activities; Submission for Office of Management and Budget Review; Comment Request; Orphan Drugs

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) is announcing that a proposed collection of information has been submitted to the Office of Management and Budget (OMB) for review and clearance under the Paperwork Reduction Act of 1995.

DATES: Submit written comments (including recommendations) on the collection of information by October 21, 2026.

ADDRESSES: To ensure that comments on the information collection are received, OMB recommends that written comments be submitted to <https://www.reginfo.gov/public/do/PRAMain>. Find this particular information collection by selecting “Currently under Review—Open for Public Comments” or by using the search function. The OMB control number for this information collection is 0910-0167. Also include the FDA docket number found in brackets in the heading of this document.

FOR FURTHER INFORMATION CONTACT: Domini Bean, Office of Operations, Food and Drug Administration, Three White Flint North, 10A-12M, 11601 Landsdown St., North Bethesda, MD 20852, 240-402-5733, PRASStaff@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: In compliance with 44 U.S.C. 3507, FDA has submitted the following proposed collection of information to OMB for review and clearance.

Orphan Drugs—21 CFR Part 316

OMB Control Number 0910-0167—Extension

This information collection helps support implementation of sections 525, 526, 527, and 528 of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 360aa, 360bb, 360cc, and 360dd), as well as related guidance and Agency forms. Sections 525, 526, 527, and 528 of the FD&C Act pertain to the development of drugs for rare diseases or conditions, including biological products and antibiotics, otherwise known or referred to as “orphan drugs.” Specifically, section 525 of the FD&C Act requires written recommendations on studies required for approval of a marketing application for a drug for a rare disease or condition. Section 526 of the FD&C Act provides for designation of drugs as orphan drugs when certain conditions are met; section 527 provides conditions under which a sponsor of an approved orphan drug enjoys exclusive FDA marketing approval for that drug for the orphan indication for a period of 7 years; and, finally, section 528 is intended to encourage sponsors to make investigational orphan drugs available for treatment of persons in need on an open protocol basis before the drug has been approved for general marketing. Open protocols may permit patients who are not part of the formal clinical investigation to obtain treatment where adequate supplies exist and no alternative effective therapy is available.

Agency regulations in part 316, subpart A (21 CFR part 316, subpart A) (§§ 316.1 through 316.4) identify the scope of coverage, applicable definitions, and statutory provisions applicable to orphan drugs. The regulations in part 316, subpart B (§§ 316.10 through 316.14) set forth content and format elements for written recommendation requests and discuss FDA providing or refusing to provide the requested written recommendations. Similarly, regulations in part 316, subpart C (§§ 316.20 through 316.30) prescribe content and format elements for requesting orphan drug designation; identify submission schedules for requisite information including amendments, updates, and reports; and provide for publication and revocation of orphan drug designation. Regulations in part 316, subparts D and E (§§ 316.31 through 316.40) address orphan drug exclusive approval and open protocols for investigations, respectively. Finally, regulations in part 316, subpart F (§§ 316.50 through 316.52) provide for the issuance of guidance documents that apply to the orphan drug provisions of the FD&C Act and regulations in part

316. The list is maintained on the internet and guidance documents are issued in accordance with our good guidance practices regulation in 21 CFR 10.115, which provide for public comment at any time.

The information collection includes the Agency guidance document entitled “Meetings with the Office of Orphan Products Development: Guidance for Industry, Researchers, Patient Groups, and Food and Drug Administration Staff” (July 2015), available for download at: <https://www.fda.gov/regulatory-information/search-fda-guidance-documents/meetings-office-orphan-products-development>. It provides recommendations to industry, researchers, patient groups, and other stakeholders interested in requesting a meeting, including a teleconference, with the Office of Orphan Products Development (OOPD) on issues related to orphan drug designation requests, humanitarian use device designation requests, rare pediatric disease designation requests, funding opportunities through the Orphan Products Grants Program and the Pediatric Device Consortia Grants Program, and orphan product patient-related topics of concern. It is also intended to assist OOPD staff in addressing such meeting requests. The guidance describes procedures for requesting, preparing, scheduling, conducting, and documenting such meetings and discusses background information we recommend be included in such requests.

The information collection includes Form FDA 4035, FDA Orphan Drug Designation Request Form, intended to benefit sponsors who desire to seek orphan designation of drugs intended for rare diseases or conditions from FDA. The form is a simplified method for sponsors to provide only the information required by § 316.20 for FDA decision making. Orphan drug designation requests and related submissions (amendments, annual reports, etc.), humanitarian use device designation, and rare pediatric disease designation requests and submissions may be submitted electronically by email to the OOPD.

As communicated on our website at <https://www.fda.gov/industry/medical-products-rare-diseases-and-conditions/designating-orphan-product-drugs-and-biological-products>, respondents may submit orphan drug designation requests electronically through the Center for Drug Evaluation and Research (CDER) NextGen portal, or by emailing the required information to orphan@fda.hhs.gov; or by mailing the required information to the OOPD at the address

found on our website. New users of the CDER NextGen Portal must register for an account. For designation requests submitted by email, the Agency recommends using automated read receipt to verify receipt of the email.

Sponsors and others who plan to email information to FDA that is private, sensitive, proprietary, or commercial confidential are strongly encouraged to send it from an FDA-secured email address so the transmission is encrypted. The Agency will assume the addresses of emails received or email addresses provided as a point of contact are secure when

responding to those email addresses. Sponsors and others can establish a secure email address link to FDA by sending a request to SecureEmail@fda.hhs.gov. There may be a fee to a commercial enterprise for establishing a digital certificate before encrypted emails can be sent to FDA.

Respondents to the information collection are sponsors who develop investigational drugs and biologicals for commercial use and who seek orphan drug designation, and upon approval or licensure, orphan drug exclusivity.

In the **Federal Register** of April 16, 2026 (91 FR 20460), we published a 60-

day notice requesting public comment on the proposed collection of information. One comment was received encouraging FDA to offer more incentives toward the development of drug products to treat specific conditions and we appreciate this comment. At the same time, the comment did not suggest any modification to the estimates in our 60-day notice nor appear to question the Agency's need for the information collection.

We estimate the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL RECORDKEEPING BURDEN¹

21 CFR part or section; activity	Number of respondents	Number of records per recordkeeper	Total annual records	Average burden per record	Total hours
Part 316 associated records	864	1	1,080	135	145,800
§§ 316.20, 316.21, 316.26 (Form FDA 4035)	864	1	1,080	32	34,560
§ 316.22; Notifications of changes in agents	305	1	305	0.5	153
§ 316.24(a); Deficiency letters and granting orphan-drug designation	756	1	756	2	1,512
§ 316.27; Submissions to change ownership of orphan-drug designation	110	1	110	3	330
§ 316.30; Annual reports	2,210	1	2,210	3	6,630
§ 316.36; Assurance of the availability of sufficient quantities of the orphan drug; holder's consent for the approval of other marketing applications for the same drug	1	3	3	15	45
Guidance Recommendations: Meeting requests to OOPD and related submission packages	800	1.5	1,200	4	4,800
Total .....	.....	.....	6,744	.....	193,830

¹ There are no capital costs or operating and maintenance costs associated with this collection of information.

We base our burden figures on the number of submissions received and include those activities relating to: (1) requesting orphan drug designation; (2) responding to deficiencies letters with submissions of amendments; (3) keeping files current with contact information for agents and transfer of ownership, when applicable; (4) submitting annual reports while products have designation status; and (5) requesting and preparing for both informal and formal meetings. Because the PRA defines a recordkeeping requirement to include reporting those records to the Federal government, we account for these activities cumulatively in table 1 above. Our burden estimate reflects a nominal increase of approximately 9% annually.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026-19284 Filed 9-18-26; 8:45 am]

BILLING CODE 4164-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2026-N-10430]

Agency Information Collection Activities; Proposed Collection; Comment Request; State Petitions for Exemption From Preemption

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing an opportunity for public comment on the proposed 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 in response to the notice. This notice solicits comments on the information collection provisions of our reporting

requirements contained in FDA regulations governing state petitions for exemption from preemption.

DATES: Either electronic or written comments on the collection of information must be submitted by November 20, 2026.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. The <https://www.regulations.gov> electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of November 20, 2026. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are received on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your

comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see "Written/Paper Submissions" and "Instructions").

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in "Instructions."

Instructions: All submissions received must include the Docket No. FDA-2026-N-10430 for "Agency Information Collection Activities; Proposed Collection; Comment Request; State Petitions for Exemption from Preemption." Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as "Confidential Submissions," publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states "THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION." The Agency will review this copy, including

the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as "confidential." Any information marked as "confidential" will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the "Search" box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

FOR FURTHER INFORMATION CONTACT:

Christopher Colburn, Office of Operations, Food and Drug Administration, Three White Flint North, 10A-12M, 11601 Landsdown St., North Bethesda, MD 20852, 301-796-8758, PRASStaff@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501-3521), 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. 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, FDA is publishing notice

of the proposed collection of information set forth in this document.

With respect to the following collection of information, FDA invites comments on these topics: (1) whether the proposed collection of information is necessary for the proper performance of FDA's functions, including whether the information will have practical utility; (2) the accuracy of FDA'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 respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

State Petitions for Exemption from Preemption—21 CFR 100.1

OMB Control Number 0910-0277—Extension

This information collection supports FDA regulations. Under section 403A(b) of the Federal Food, Drug, and Cosmetic Act (the FD&C Act) (21 U.S.C. 343-1(b)), States may petition FDA for exemption from Federal preemption of State food labeling and standard-of-identity requirements. Section 100.1(c) (21 CFR 100.1(c)) provides prerequisites a petition must satisfy for an exemption from preemption. Section 100.1(d) sets forth the information a State is required to submit in such a petition. The petition may be submitted either as: (1) an original and one copy or (2) an original and a computer-readable disk containing the petition. Contents of the disk should be in a standard format. The petition must be submitted to the Dockets Management Staff at the address provided in the section "Written/Paper Submissions." The information required under § 100.1 enables FDA to determine whether the State food labeling or standard-of-identity requirement satisfies the criteria of section 403A(b) of the FD&C Act for granting exemption from Federal preemption.

Description of Respondents: The respondents to this collection of information are State and local governments who regulate food labeling and standards of identity.

We estimate the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN ¹

21 CFR Section; activity	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
100.1; petition for exemption from preemption	1	1	1	40	40

¹ There are no capital costs or operating and maintenance costs associated with this collection of information.

The reporting burden for § 100.1 is minimal because petitions for exemption from preemption are seldom submitted by States. In the next 3 years, we estimate that one or fewer petitions will be submitted annually.

Based on a review of the information collection since our last request for OMB approval, we have made no adjustments to our burden estimate.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–19282 Filed 9–18–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2022–N–2396]

Chemistry, Manufacturing, and Controls Development and Readiness Pilot Program; Program Announcement

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing year five of the Chemistry, Manufacturing, and Controls (CMC) Development and Readiness Pilot (CDRP). This program facilitates the expedited CMC development of products under an investigational new drug application (IND) based on the anticipated clinical benefit of earlier patient access to the products. FDA has implemented this pilot program to assist with CMC readiness for products regulated by both the Center for Biologics Evaluation and Research (CBER) and the Center for Drug Evaluation and Research (CDER) that have accelerated clinical development timelines. To accelerate CMC development and facilitate CMC readiness, the pilot features increased communication between FDA and sponsors and explores the use of science- and risk-based regulatory approaches, as applicable. This notice outlines the eligibility criteria and

process for submitting a request to participate in the pilot.

DATES: Starting October 1, 2026, FDA will accept requests to participate in year five of the CDRP program. See the “Participation” section of this document for eligibility criteria, instructions on how to submit a request to participate, and selection criteria and process.

FOR FURTHER INFORMATION CONTACT:

Tanya Clayton, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 75, Rm. 4506, Silver Spring, MD 20993–0002, 301–796–0871; or Phillip Kurs, Center for Biologics Evaluation and Research, Food and Drug Administration, 240–402–7911.

For general questions about the CDRP Program for CBER: industry.biologics@fda.hhs.gov.

For general questions about the CDRP Program for CDER: cder-opq-opro-crad-inquiries@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Development programs for CBER- and CDER-regulated drugs and biologics intended to diagnose, treat, or prevent a serious disease or condition where there is an unmet medical need may have accelerated clinical development timelines. Yet, marketing applications for products in expedited development programs still need to meet FDA’s approval standards, including manufacturing facility compliance with current good manufacturing practice (CGMP). Products with accelerated clinical development activities may face challenges in expediting CMC development activities to align with the accelerated clinical timelines.

Successfully expediting CMC readiness may require additional interactions with FDA during product development and, if applicable, warrant the use of science- and risk-based regulatory approaches to streamline CMC development activities so that clinical benefits of earlier patient access to these products can be realized.

As described in the FDA Prescription Drug User Fee Act (PDUFA) VII Commitment Letter for fiscal years (FYs) 2023 Through 2027 (Ref. 1), FDA implemented the CDRP program to facilitate CMC readiness for selected

CBER- and CDER-regulated products with accelerated clinical development timelines in FY 2023. To accelerate CMC development and facilitate CMC readiness, the pilot features increased communication between FDA and sponsors and explores the use of science- and risk-based regulatory approaches, such as those described in the FDA guidance for industry titled “Expedited Programs for Serious Conditions—Drugs and Biologics” (May 2014) (Ref. 2), as applicable.

FDA (CBER and CDER) is continuing to administer the CDRP throughout the PDUFA VII program to facilitate the CMC development of selected products under INDs which have expedited clinical development timeframes, based on the anticipated clinical benefits of earlier patient access to the products. For sponsors participating in the pilot, FDA will provide product-specific CMC advice during product development, including two additional CMC-focused Type B meetings, as well as additional CMC-focused discussions. To support these interactions, once a sponsor is admitted to the pilot, FDA will expand the IND quality assessment team so as to ensure it has representation from the full complement of relevant disciplines. The increased communication between FDA review staff and sponsors is intended to ensure a mutual understanding of approaches to completing CMC activities, including what information should be provided at the appropriate timepoint (*i.e.*, at the time of new drug application (NDA) or biologics license application (BLA) submission, prior to the end of the review cycle, or post-approval) to ensure CMC readiness for a marketing application.

To promote innovation and understanding in this area, FDA held a public workshop on September 10, 2025, and issued a strategy document on July 23, 2026, focused on CMC aspects of expedited development incorporating lessons from the CDRP (Ref. 3). The public workshop explored the benefits and challenges of expedited CMC development. During the workshop, FDA participants described the aims of, and experience with, the CDRP. Participating sponsors and industry experts discussed their experience with

the CDRP and opportunities for its improvement. FDA then issued the strategy document based on the experience and learnings from the CDRP and workshop, as well as on the experience from other submissions for products with accelerated clinical development timelines.

II. Participation

FDA will accept requests to participate in the CDRP program continuously throughout the fiscal year. FDA will select no more than nine proposals per fiscal year, with approximately two-thirds being CBER-regulated products and one-third CDER-regulated products. FDA will renew the CDRP program each fiscal year and announce the opening of the pilot program in the **Federal Register** for the remainder of this PDUFA VII period (until the end of FY 2027). However, once enrolled in the pilot a participating firm will continue to be enrolled in the program until their marketing application is filed. Sponsors who are interested in participating in the pilot program should submit a request to participate in the pilot as an amendment to their IND. The cover letter should state "Request To Participate in the CMC Development and Readiness Pilot."

A. Eligibility Criteria

The following eligibility criteria apply for consideration for participation in the pilot program:

1. Joint CBER and CDER Eligibility Criteria

- An active commercial IND (see the definition of commercial IND at <https://www.fda.gov/drugs/cder-small-business-industry-assistance-sbia/research-investigational-new-drug-applications-what-you-need-know>).

- IND has been submitted in, or converted to, Electronic Common Technical Document (eCTD) format, unless the IND is of a type granted a waiver from eCTD format as per FDA's guidance for industry titled "Providing Regulatory Submissions in Electronic Format—Certain Human Pharmaceutical Product Applications and Related Submissions Using the eCTD Specifications" (September 2024) (Ref. 4).

- INDs for combination products (21 CFR 3.2(e)) are eligible; products that require significant cross-Center interactions (e.g., complex combination products) may be less likely to be selected for the pilot.

- In general, there should be enough time remaining before submission of the

marketing application to allow the pilot to have an impact on CMC readiness.

- CMC-related information is provided to demonstrate a commitment to pursue a CMC development plan that aligns with the expedited clinical development program (see "CMC Development Plan" in section II.B of this document for details).

- Due to the differences in product complexity between CBER- and CDER-regulated products, the following eligibility and selection criteria differ between the Centers.

2. CBER-Specific Eligibility Criteria

- IND is an existing, CBER-regulated IND intended for submission as an application for licensure of a biological product under section 351(a) of the Public Health Service Act (PHS Act) (42 U.S.C. 262(a)) for cellular therapies, gene therapies, and other products regulated by the Office of Therapeutic Products/CBER or vaccines regulated by the Office of Vaccines Research and Review/CBER.

- IND has a Breakthrough Therapy (BT) or Regenerative Medicine Advance Therapy (RMAT) designation.

3. CDER-Specific Eligibility Criteria

- IND is an existing, CDER-regulated IND for a product intended for submission as an application for: (1) approval of a new drug submitted under section 505(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)), or (2) licensure of a biological product under section 351(a) of the PHS Act.

- IND has an expedited clinical timeframe warranted based on anticipated clinical benefits of earlier patient access. This would include INDs with BT or Fast Track designations as well as other INDs that meet this criterion, with eligibility to be determined by FDA.

B. What To Submit in a Request To Participate in the Pilot

To participate in the CDRP, sponsors should submit a written request as an amendment to the IND. In addition to providing a point of contact and noting any expedited program designations the IND has received to date, the request should include the following information.

CMC Development Plan

To focus pilot resources where they will be most useful and have an impact on the timeliness with which CMC readiness is achieved, prospective applicants to the pilot program should include in their Request to Participate a brief description of their CMC

development plan, with a prospective timeline for CMC development that would align with when the clinical development program is expected to be complete:

- The plan should list the remaining CMC tasks and activities anticipated to be necessary, with estimated timeframes. This part of the plan should cover the following CMC-related areas:

- Currently available product characterization and preliminary identification of critical quality attributes.

- Summary of the current drug substance and drug product manufacturing process and control strategy (including assays, noting any that are still under development).

- A brief description of the proposed commercial scale manufacturing and control strategy, including any necessary microbial control strategy—focusing on important differences from clinical scale.

- Identification of potential commercial manufacturing facilities, including any contract facilities, or, at least, the type (in house, contract manufacturing organization) of facilities anticipated.

- Plans for ensuring product availability at approval.

- Drug substance and drug product stability assessment plan.

- Strategy for process validation (see FDA's guidance for industry titled "Process Validation: General Principles and Practices" (January 2011) (Ref. 5)).

- Given the expedited clinical timeframe, mapping out a plan for manufacturing readiness within the same overall timespan may reveal potential challenges in accomplishing CMC readiness. The plan should highlight any anticipated CMC challenges—whether related to the bullets above or otherwise. This will facilitate FDA engagement and collaboration. Participants in the pilot should plan to discuss these challenges with FDA during the pilot. For CDER-regulated products, see MAPP 5015.13, "Quality Assessment for Products in Expedited Programs" (July 2025) (Ref. 6).

- The CMC Development Plan should include proposed timing (i.e., month and year) for the first CMC-specific Type B meeting afforded by the pilot.

C. Selection Criteria and Process

FDA intends to select CBER and CDER INDs based on the criteria outlined below. Requests will be acknowledged and reviewed when received. FDA intends to issue a Proceed to Disclosure Agreement letter,

if selected into the pilot, or deny letter within 90 days of receipt.

In selecting INDs for the pilot program, FDA intends to consider factors such as: (1) anticipated clinical benefits of facilitating earlier patient access to the product, (2) novelty of the product, (3) complexity of the product or its manufacturing process, including technology, and (4) anticipated CMC challenges. Overall, FDA intends to seek balance and diversity in product types and therapeutic indications to obtain a variety of relevant experience and learnings from the pilot.

D. FDA-Sponsor Interactions During the Pilot

During this CDRP program, sponsors will have the ability to discuss their product development strategies and goals with FDA review staff during the two dedicated Type B meetings, as well as in additional CMC-focused discussions. Besides additional interactions and collaboration with FDA, for those INDs in the pilot, FDA will assemble a team to support the CMC development and readiness of the IND, *e.g.*, participating in the meetings and other discussions under the pilot.

In preparation for a meeting, sponsors should submit written questions along with a background information package clearly marked as a “PDUFA VII CDRP meeting” as part of the cover letter to enable FDA review staff to address the questions. The briefing package should be submitted to the corresponding IND. Meetings associated with the pilot should be requested by sponsors. For additional information on meetings and other communications between the sponsors and FDA, see the FDA guidance for industry titled “Formal Meetings Between the FDA and Sponsors or Applicants of PDUFA Products” (August 2026) (Ref. 7), CDER MAPP 6025.6: “Good Review Practice: Management of Breakthrough Therapy-Designated Drugs and Biologics” (Rev. 1) (February 2024) (Ref. 8), CBER “SOPP 8101.1: Regulatory Meetings with Sponsors and Applicants for Drugs and Biological Products” (December 2025) (Ref. 9), and CBER “SOPP 8212: Breakthrough Therapy Products—Designation and Management” (April 2026) (Ref. 10).

III. Paperwork Reduction Act of 1995

Collections of information from fewer than 10 respondents within any 12-month period are not subject to the Paperwork Reduction Act of 1995 (PRA) (5 CFR 1320.3(c)(4)). To the extent this information collection involves 10 or more respondents within any 12-month period, the collections of information

are subject to the PRA. These collections of information are subject to review by the Office of Management and Budget (OMB) under the PRA (44 U.S.C. 3501–3521). The collections of information for NDAs, formal meetings with sponsors and applicants for PDUFA products, and the PDUFA VII Commitment Letter have been approved under OMB control number 0910–0001. The collections of information for INDs have been approved under OMB control number 0910–0014. The collections of information for BLAs have been approved under OMB control number 0910–0338. The collections of information pertaining to CGMP requirements have been approved under OMB control number 0910–0139. The collections of information pertaining to expedited programs for serious conditions for drugs and biologics and breakthrough therapy-designation for drugs and biologics have been approved under OMB control number 0910–0765.

IV. References

The following references are on display at the Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500, and are available for viewing by interested persons between 9 a.m. and 4 p.m., Monday through Friday; they are also available electronically at <https://www.regulations.gov>. Although FDA verified the website addresses in this document, please note that websites are subject to change over time.

1. “PDUFA Reauthorization Performance Goals and Procedures Fiscal Years 2023 Through 2027.” Available at <https://www.fda.gov/media/151712/download>.
2. FDA, Guidance for Industry: “Expedited Programs for Serious Conditions—Drugs and Biologics” (May 2014). Available at <https://www.fda.gov/media/86377/download>.
3. FDA’s Strategy Document on Facilitating Chemistry, Manufacturing, and Controls Readiness for Products with Accelerated Clinical Development (July 2026). Available at <https://www.fda.gov/media/193747/download?attachment>.
4. FDA, Guidance for Industry: “Providing Regulatory Submissions in Electronic Format—Certain Human Pharmaceutical Product Applications and Related Submissions Using the eCTD Specifications” (Rev. 8) (September 2024). Available at <https://www.fda.gov/media/135373/download>.
5. FDA, Guidance for Industry: “Process Validation: General Principles and Practices” (Rev. 1) (January 2011): <https://www.fda.gov/media/71021/download>.
6. CDER MAPP 5015.13: “Quality Assessment for Products in Expedited Programs” (Rev. 1) (July 2025). Available

at <https://www.fda.gov/media/187958/download?attachment>.

7. FDA, Guidance for Industry: “Formal Meetings Between the FDA and Sponsors or Applicants of PDUFA Products” (August 2026): <https://www.fda.gov/media/172311/download>.
8. CDER MAPP 6025.6: “Good Review Practice: Management of Breakthrough Therapy-Designated Drugs and Biologics” (Rev. 1) (February 2024). Available at <https://www.fda.gov/media/89155/download>.
9. CBER “SOPP 8101.1: “Regulatory Meetings with Sponsors and Applicants for Drugs and Biological Products” (December 2025). Available at <https://www.fda.gov/media/84040/download?attachment>.
10. CBER “SOPP 8212: Breakthrough Therapy Products—Designation and Management” (April 2026). Available at <https://www.fda.gov/media/98351/download?attachment>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–19277 Filed 9–18–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–N–10033]

Agency Information Collection Activities; Proposed Collection; Comment Request; Prior Notice of Imported Food Under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing an opportunity for public comment on the proposed 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 in response to the notice. This notice solicits comments on Prior Notice of Imported Food Under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.

DATES: Either electronic or written comments on the collection of information must be submitted by November 20, 2026.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. The <https://www.regulations.gov> electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of November 20, 2026. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are received on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see "Written/Paper Submissions" and "Instructions").

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in "Instructions."

Instructions: All submissions received must include the Docket No. FDA-2026-N-10033 for "Prior Notice of Imported Food Under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002." Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those

submitted as "Confidential Submissions," publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions—**To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states "THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION." The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as "confidential." Any information marked as "confidential" will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the "Search" box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

FOR FURTHER INFORMATION CONTACT:

Amber Barrett, Office of Operations, Food and Drug Administration, Three White Flint North, 10A-12M, 11601 Landsdown St., North Bethesda, MD 20852, 301-796-8867, PRASStaff@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501-3521), 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. 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, FDA is publishing notice of the proposed collection of information set forth in this document.

With respect to the following collection of information, FDA invites comments on these topics: (1) whether the proposed collection of information is necessary for the proper performance of FDA's functions, including whether the information will have practical utility; (2) the accuracy of FDA'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 respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Prior Notice of Imported Food Under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002—21 CFR 1.278 to 1.285

OMB Control Number 0910-0520—Extension

The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) added section 801(m) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 381(m)), which requires that FDA receive prior notice for food, including food for animals, that is imported or offered for import into the United States. Sections 1.278 to 1.282 of FDA regulations (21 CFR 1.278 to 1.282) set forth the requirements for submitting prior notice; §§ 1.283(d) and 1.285(j) (21 CFR 1.283(d) and 1.285(j)) set forth the procedure for requesting Agency review after FDA has refused admission of an article of food under section 801(m)(1) of the FD&C Act or placed an article of food under hold under section 801(l) of the FD&C Act; and § 1.285(i) sets forth the procedure for post-hold submissions.

Section 304 of the FDA Food Safety Modernization Act (Pub. L. 111-353)

amended section 801(m) of the FD&C Act to require a person submitting prior notice of imported food, including food for animals, to report, in addition to other information already required, “any country to which the article has been refused entry.” Advance notice of imported food allows FDA, with the support of the U.S. Customs and Border Protection (CBP), to target import inspections more effectively and help protect the nation’s food supply against terrorist acts and other public health emergencies. By requiring that a prior notice contain specific information that indicates prior refusals by any country and identifies the country or countries, the Agency may better identify imported food shipments that may pose safety and security risks to U.S. consumers.

This information collection enables FDA to make better informed decisions in managing the potential risks of imported food shipments into the United States. Any person with knowledge of the required information may submit prior notice for an article of food. Thus, the respondents to this information collection may include importers, owners, ultimate consignees, shippers, and carriers.

FDA regulations require that prior notice of imported food be submitted electronically using CBP’s Automated Broker Interface of the Automated Commercial Environment (ABI/ACE) (§ 1.280(a)(1)) or the FDA Prior Notice System Interface (PNSI) (Form FDA 3540) (§ 1.280(a)(2)). PNSI is an electronic submission system available on the FDA Industry Systems page at <https://www.access.fda.gov>. Information the Agency collects in the prior notice submission includes: (1) the submitter and transmitter (if different from the submitter); (2) entry type and CBP entry identifier; (3) the article of food, including complete FDA product code, common or usual name or market name, and quantity; (4) the manufacturer, for

an article of food no longer in its natural state; (5) the grower, if known, for an article of food that is in its natural state; (6) the FDA Country of Production; (7) the name of any country that has refused entry of the article of food; (8) the shipper; (9) the country from which the article of food is shipped or, if the food is imported by international mail, the anticipated date of mailing and country from which the food is mailed; (10) the anticipated arrival information or, if the food is imported by international mail, the U.S. recipient; (11) the importer, owner, and ultimate consignee, except for food imported by international mail or transshipped through the United States; (12) the carrier and mode of transportation, or name of the mail service for international mail shipments; and (13) planned shipment information, or mail tracking number for food imported by international mail (§ 1.281).

Much of the information collected for prior notice is identical to the information collected for FDA importer’s entry notice, which has been approved under OMB control number 0910–0046. The information in an importer’s entry notice is collected electronically via CBP’s ABI/ACE at the same time the respondent files an entry for import with CBP. To avoid double-counting the burden hours already counted in the importer’s entry notice information collection, the burden hour analysis in table 1 reflects FDA’s estimate of the reduced burden for prior notice submitted through ABI/ACE in column 6 entitled “Average Burden per Response.”

In addition to submitting a prior notice, a submitter should cancel a prior notice and must resubmit the information to FDA if information changes after the Agency has confirmed a prior notice submission for review (e.g., if the identity of the manufacturer changes) (§ 1.282). However, changes in

the estimated quantity, anticipated arrival information, or planned shipment information do not require resubmission of prior notice after the Agency has confirmed a prior notice submission for review (§ 1.282(a)(1)(i) to (iii)). If FDA refuses admission of an article of food under section 801(m)(1) of the FD&C Act, § 1.283(c) sets forth the procedure for submitting prior notice after refusal. In the event that FDA refuses admission to an article of food under section 801(m)(1) or the Agency places it under hold under section 801(l) of the FD&C Act, §§ 1.283(d) and 1.285(j) set forth the procedure for requesting FDA’s review and the information required in a request for review. In the event that the Agency places an article of food under hold under § 801(l) of the FD&C Act, § 1.285(i) sets forth the procedure for, and the information to be included in, a post-hold submission.

This information collection incorporates the reporting requirements established by the final rule, *Prior Notice: Adding Requirement to Submit Mail Tracking Number for Articles of Food Arriving by International Mail and Timeframe for Post-refusal and Post-hold Submissions* (90 FR 46046, September 25, 2025). The final rule amended § 1.281(b)(10) (21 CFR 1.281(b)(10)) to require submitters of prior notice for articles of food arriving by international mail to provide the name of the mail service and the mail tracking number beginning October 1, 2026. The rule also amended §§ 1.283 and 1.285 (21 CFR 1.283 and 1.285) to establish timeframes for post-refusal prior notice submissions and post-hold food facility registration submissions. These reporting requirements are incorporated into this information collection and reflected in the burden estimates below.

FDA estimates the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN ¹

21 CFR section	FDA form No.	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
Prior Notice Submissions: Through ABI/ACE.						
1.280 through 1.281	N/A	3,294	5,898	19,428,012	0.167 (10 minutes)	3,244,478
Through PNSI.						
1.280 through 1.281	³ 3540	225,075	24	5,401,800	0.384 (23 minutes)	2,074,291
Subtotal .....	.....	.....	.....	.....	.....	5,318,769
Cancellations: Through ABI/ACE						
1.282	N/A	27,666	1	27,666	0.25 (15 minutes) ...	6,917
Through PNSI:.						

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN ¹—Continued

21 CFR section	FDA form No.	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
1.282 and 1.283(a)(5)	3540	64,621	1	64,621	0.25 (15 minutes) ...	16,155
Subtotal .....	.....	.....	.....	.....	.....	23,072
Requests for Review and Post-hold Submissions:						
1.283(d) and 1.285(j)	N/A	1	0	1	8	8
1.285(i)	N/A	189	1	189	1	189
Subtotal .....	.....	.....	.....	.....	.....	189
Mail Service and Tracking Number:						
One-Time Burden .....	.....	5,460	1	5,460	0.50 (30 minutes) ..	2,730
Recurring Burden .....	.....	.....	143	780,780	0.07 (4 minutes)	54,655
Subtotal .....	.....	.....	.....	.....	.....	57,385
Overall Total .....	.....	331,765	.....	25,761,671	.....	5,419,656

¹ There are no capital costs or operating and maintenance costs associated with this collection of information.

² The term “Form FDA 3540” refers to the electronic submission system known as PNSI, which is available at <https://www.access.fda.gov>.

Since the last OMB approval, FDA has revised this information collection to consolidate the previously approved information collection under OMB Control No. 0910–0923, which covers the reporting requirements for the mail service and mail tracking number associated with prior notice submissions for articles of food arriving by international mail. Our estimated burden for this information collection reflects an overall increase of 7,629,528 hours and a corresponding increase of 1,721,959 responses. We attribute this adjustment to the overall growth in United States food importation, changes in *de minimis* exemptions, and the aforementioned new requirements for international mail shipments.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–19281 Filed 9–18–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–N–10363]

Agency Information Collection Activities; Proposed Collection; Comment Request; Temporary Marketing Permit Applications

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is

announcing an opportunity for public comment on the proposed 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 in response to the notice. This notice solicits comments on reporting requirements contained in existing FDA regulations governing temporary marketing permit applications.

DATES: Either electronic or written comments on the collection of information must be submitted by November 20, 2026.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. The <https://www.regulations.gov> electronic filing system will accept comments until 11:59 p.m. Eastern Time at the end of November 20, 2026. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are received on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your

comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. FDA–2026–N–10363 for “Agency Information Collection Activities; Proposed Collection; Comment Request; Temporary Marketing Permit

Applications.” Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

• **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states “THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

FOR FURTHER INFORMATION CONTACT: Christopher Colburn, Office of

Operations, Food and Drug Administration, Three White Flint North, 10A–12M, 11601 Landsdown St., North Bethesda, MD 20852, 301–796–8758, PRAStaff@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501–3521), 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. 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, FDA is publishing notice of the proposed collection of information set forth in this document.

With respect to the following collection of information, FDA invites comments on these topics: (1) whether the proposed collection of information is necessary for the proper performance of FDA’s functions, including whether the information will have practical utility; (2) the accuracy of FDA’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 respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Temporary Marketing Permit Applications—21 CFR 21 CFR 130.17(c) and (i)

OMB Control Number 0910–0133—Extension

This information collection request supports FDA regulations found in 21

CFR 130.17. Section 401 of the Federal Food, Drug, and Cosmetic Act (the FD&C Act) (21 U.S.C. 341) directs FDA to issue regulations establishing definitions and standards of identity (SOIs) for food. Under section 403(g) of the FD&C Act (21 U.S.C. 343(g)), a food that is subject to a definition and SOI prescribed by regulation is misbranded if it does not conform to such definition and SOI. Section 130.17 provides for the issuance by FDA of temporary marketing permits (TMPs) that enable the food industry to test consumer acceptance and measure the technological and commercial feasibility in interstate commerce of experimental packs of food that deviate from applicable definitions and SOIs. Section 130.17(c) enables the Agency to monitor the manufacture, labeling, and distribution of experimental packs of food that deviate from applicable definitions and SOIs. The information obtained can be used in support of a petition to establish or amend the applicable definition or SOI to provide for the variations. Section 130.17(i) specifies the information that a firm must submit to FDA to obtain an extension of a TMP. To assist respondents with the TMP process, we have developed guidance entitled “Temporary Permits for Interstate Shipment of Experimental Packs of Food Varying from the Requirements of Definitions and Standards of Identity: Guidance for Industry” (November 2021). This resource can be found on our website at <https://www.fda.gov/regulatory-information/search-fda-guidance-documents/guidance-industry-temporary-permits-interstate-shipment-experimental-packs-food-varying-requirements>.

Description of Respondents: Respondents to this collection of information include private sector businesses including institutional and/or industrial customers and food industry members such as manufacturers, packers, or distributors desiring to apply for a TMP or TMP extension.

We estimate the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN ¹

21 CFR section; activity	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
130.17(c); Request for TMP	13	2	26	25	650
130.17(i); Request for TMP extension	1	2	2	2	4

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN ¹—Continued

21 CFR section; activity	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
Total	654				

¹ There are no capital costs or operating and maintenance costs associated with this collection of information.

Based on a review of the information collection since our last request for OMB approval, we have made no adjustments to our burden estimate.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–19283 Filed 9–18–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Notice of Supplemental Funding, Medicare Rural Hospital Flexibility Program Evaluation Cooperative Agreement

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice of supplemental funding.

SUMMARY: HRSA is awarding supplemental funding under the Medicare Rural Hospital Flexibility (Flex) Program Evaluation Cooperative Agreement to one award recipient in fiscal year 2026 to expand analysis,

evaluation, and dissemination activities that support Critical Access Hospitals (CAHs) and State Flex Programs.

FOR FURTHER INFORMATION CONTACT:

Sheena Johnson, Deputy Division Director, Hospital State Division, Federal Office of Rural Health Policy, HRSA, at sjohnson@hrsa.gov and 872–271–6370.

SUPPLEMENTARY INFORMATION:

Intended Recipient of the Award: Regents of the University of Minnesota.

Amount of Non-Competitive Award: \$420,000.

Project Period: July 1, 2026, to June 30, 2027.

Assistance Listing Number: 93.241.

Award Instrument: Cooperative Agreement.

Authority: Section 711(b)(5) of the Social Security Act.

TABLE 1—RECIPIENT AND AWARD AMOUNT

Grant No.	Award recipient name	City, state	Award amount
U27RH01080	Regents of the University of Minnesota	Minneapolis, MN	\$420,000

Justification: The FLEX Program Evaluation Cooperative Agreement supports rural health care improvement by analyzing and presenting CAH data, capturing best practices, and developing resources that inform quality, financial, operational, population health, and emergency medical services improvement efforts. This funding will provide a one-time supplement to the Regents of the University of Minnesota to expand analytic, evaluation, dissemination, and technical assistance support for CAHs and State Flex Programs. The recipient will use supplemental funding to conduct additional analysis using new Flex Program data, feedback on the annual CAH assessment, strengthen dissemination activities and accessibility to products and resources, and develop new resources to help inform tribal hospitals on feasibility of

converting to another hospital provider type (e.g., CAH).

Thomas J. Engels,

Administrator.

[FR Doc. 2026–19234 Filed 9–18–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Notice of Supplemental Funding, State Offices of Rural Health Coordination and Development Program

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice of supplemental funding.

SUMMARY: HRSA is awarding supplemental funding under the State Offices of Rural Health (SORH)

Coordination and Development Program to one award recipient in fiscal year 2026 to support expanded technical assistance, capacity-building, and coordination activities for SORH and rural stakeholders nationwide.

FOR FURTHER INFORMATION CONTACT:

Sheena Johnson, Deputy Division Director, Hospital State Division, Federal Office of Rural Health Policy, HRSA, at sjohnson@hrsa.gov and 872–271–6370.

SUPPLEMENTARY INFORMATION:

Intended Recipient of the Award: National Organization of State Offices of Rural Health, Inc.

Amount of Non-Competitive Award: \$345,000.

Project Period: August 1, 2026, to July 31, 2027.

Assistance Listing Number: 93.913.

Award Instrument: Cooperative Agreement.

Authority: Section 711(b) of the Social Security Act.

TABLE 1—RECIPIENT AND AWARD AMOUNT

Grant No.	Award recipient name	City, state	Award amount
U14RH19776	National Organization of State Offices of Rural Health, Inc	Sterling Heights, MI	\$345,000

Justification: This funding will provide a one-time supplement to the National Organization of State Offices of Rural Health, Inc. to expand technical assistance, capacity-building, and coordination activities for SORHs and rural stakeholders nationwide. The supplemental funding will support activities aligned with the goals of the cooperative agreement, including training, capital-related technical assistance, and planning and communications activities linked to national rural health priorities. This supplemental funding will allow the recipient to respond to emerging needs, strengthen support for SORH capacity and coordination, and advance activities that help rural stakeholders better access resources, share promising

practices, and support rural health care delivery systems.

Thomas J. Engels,

Administrator.

[FR Doc. 2026–19233 Filed 9–18–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Notice of Supplemental Funding, Rural Quality Improvement Technical Assistance Program

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice of supplemental funding.

SUMMARY: HRSA is awarding supplemental funding under the Rural Quality Improvement Technical Assistance Program to one award

recipient in fiscal year 2026 to advance efforts to improve health care and quality of care in rural areas by supporting quality measure implementation, data reporting, and the use of data to drive improvements in quality of care.

FOR FURTHER INFORMATION CONTACT:

Sheena Johnson, Deputy Division Director, Hospital State Division, Federal Office of Rural Health Policy, HRSA, at sjohnson@hrsa.gov and 872–271–6370.

SUPPLEMENTARY INFORMATION:

Intended Recipient(s) of the Award: Telligen, Inc.

Amount of Non-Competitive Award: One award for \$260,000.

Project Period: September 1, 2026, to August 31, 2027.

Assistance Listing Number: 93.241.

Award Instrument: Cooperative Agreement.

Authority: Section 711(b)(5) of the Social Security Act (42 U.S.C. 912(b)(5)).

TABLE 1—RECIPIENT AND AWARD AMOUNT

Grant No.	Award recipient name	City, state	Award amount
U1RRH49251	Telligen, Inc	West Des Moines, IA	\$260,000

Justification: This funding will provide a one-time supplement to Telligen, Inc. to provide additional technical assistance to Medicare Rural Hospital Flexibility Program beneficiaries, Critical Access Hospitals, and Small Health Care Provider Quality Improvement Program (SHCPQIP) to support quality measure implementation, data reporting, and drive quality improvement activities. Additionally, the grant recipient will use funding to build on past and ongoing technical assistance provided to SHCPQIP recipients, supporting quality improvement efforts across levels of the health care system in rural communities by (1) preparing rural health care providers to develop sustained quality improvement strategies within their organizations, (2) strengthening organizational capacity for collecting and analyzing data, (3) using technology tools for building efficiencies and, (4) building financial sustainability by training workforce and building systems around billing and coding and other

reimbursement strategies. The award will provide the Rural Quality Improvement Technical Assistance Program the resources to refine, enhance, and strengthen technical assistance delivery across the Medicare Rural Hospital Flexibility Program, Critical Access Hospitals, and SHCPQIP participants.

Thomas J. Engels,

Administrator.

[FR Doc. 2026–19221 Filed 9–18–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Docket No. HHS–OASH–2026–16399]

Solicitation of Nominations for Membership on the National Vaccine Advisory Committee

AGENCY: Office of the Assistant Secretary for Health, Office of Infectious Disease and HIV/AIDS Policy, Office of

the Secretary, Department of Health and Human Services.

ACTION: Notice; solicitation of nominations for appointment to the National Vaccine Advisory Committee (NVAC); extension of solicitation period for nominations for appointment to the National Vaccine Advisory Committee (NVAC).

SUMMARY: The Office of the Assistant Secretary for Health (OASH) is extending the solicitation period for nominations for appointment to the National Vaccine Advisory Committee (NVAC) that appeared in the **Federal Register** of August 12, 2026. All nominations received will be provided to the Assistant Secretary for Health for consideration and appointment. We are taking this action in response to a request for an extension to allow interested persons additional time to provide nominations.

DATES: Nominations for membership on the NVAC must be received no later than thirty days from publication of this

extension. Packages received after this time will not be considered for the current membership cycle.

ADDRESSES: All nominations should be emailed in one email to oidp@hhs.gov with the subject line “NVAC Application 2026.”

FOR FURTHER INFORMATION CONTACT:

Acting Designated Federal Officer, U.S. Department of Health and Human Services, Office of the Assistant Secretary for Health, Office of Infectious Disease and HIV/AIDS Policy, Hubert H. Humphrey Building, 200 Independence Avenue SW, Washington, DC 20201.

Email: oidp@hhs.gov.

SUPPLEMENTARY INFORMATION: In the *Federal Register* of August 12, 2026, we published a solicitation for nominations entitled “Solicitation of Nominations for Membership on the National Vaccine Advisory Committee” with an open solicitation that closed on September 11, 2026. This announcement was to solicit nominations of qualified candidates to fill vacancies on the NVAC.

OASH has received a request for an extension of the solicitation period to allow any interested persons additional time to submit nominations to fill vacancies on the NVAC. OASH has considered the request and is granting the extension of the solicitation period. OASH believes that this extension allows adequate time for any interested persons to fully consider and submit nominations.

Sarah McClelland,

Health advisor, Office of the Assistant Secretary for Health.

[FR Doc. 2026–19238 Filed 9–18–26; 8:45 am]

BILLING CODE 4150–44–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Request for Information on Electromagnetic Fields (EMFs), Radiofrequency (RF) Radiation, and Wireless Radiation Exposure

AGENCY: U.S. Department of Health and Human Services (HHS or the Department).

ACTION: Notice of Request for Information (RFI) on electromagnetic field (EMF) exposure and human health.

SUMMARY: Consistent with the Department of Health and Human Services’ emphasis on evaluating environmental factors that may affect human health, particularly among children and other potentially vulnerable populations, HHS seeks information on electromagnetic field

(EMF) emissions and exposure, particularly RF and wireless, and human health. RF radiation and other forms of non-ionizing electromagnetic (EMF) exposure, will hereafter be referred to as “RF/EMF.” Responses will help identify and assess the current state of the scientific evidence on RF/EMF exposures and health outcomes, compare existing domestic and international safety standards and regulatory approaches, identify research gaps and priority areas for future study, and inform practical, evidence-based recommendations for policymakers, public health stakeholders, families, schools, and communities. HHS welcomes input from researchers, clinicians, public health professionals, industry, standards organizations, educators, advocacy groups, and members of the public to clearly distinguish established evidence from emerging findings and areas of uncertainty, and supports transparent, science-informed decision-making.

DATES: Comments on this notice must be received no later than October 21, 2026.

ADDRESSES: *RFI Docket:* You may examine the RFI docket at [regulations.gov](https://www.regulations.gov) under HHS–OASH–2026–0397. The docket contains this RFI and all comments received to date. To submit a response, click the “Comment” button inside Docket: HHS–OASH–2026–0397 and follow all instructions.

FOR FURTHER INFORMATION CONTACT:

Victoria Marshall, Office of the Assistant Secretary for Health, *OASH-RFI@hhs.gov*.

SUPPLEMENTARY INFORMATION:

Electromagnetic fields (EMFs) are energy fields produced by moving electrically charged particles and electrical currents. EMFs occur across a broad range of frequencies, including low radiofrequency (RF) associated with power systems and household appliances, as well as higher RF and microwave exposures associated with wireless communication technologies. HHS is conducting this request for information under 21 CFR subpart J.

Public concern about potential health effects from RF/EMF exposure has increased, particularly in relation to children, schools, and long-term cumulative exposure. At the same time, scientific literature is extensive, technically complex, and not always easy for policymakers or public health stakeholders to interpret. Exposure standards and regulatory approaches also vary across jurisdictions. HHS is interested in clear, balanced, and evidence-informed information about RF/EMF exposure that can support

decision-making, identify research priorities, and inform practical strategies to reduce unnecessary exposure where appropriate.

Request for Information

For this RFI, HHS is seeking input from the public, including individuals, families, caregivers, healthcare professionals, public health practitioners, researchers, organizations, equipment or product manufacturers, service or infrastructure providers, and other interested stakeholders that have knowledge of or experience with RF/EMF emission and exposure. Please identify whether your response is based on peer-reviewed research, government reports, industry data, clinical observations, or other sources. If you rely on existing exposure guidelines, regulatory frameworks, or scientific assessments, please identify the specific framework(s) and explain how they inform your response. Respondents are encouraged to include supporting facts, research, datasets, technical reports, and other evidence in their comments, including citations to the published materials referenced, and active hyperlinks, where available.

Instructions

1. Responses submitted at [regulations.gov/deregulation](https://www.regulations.gov/deregulation) should follow the format provided there. You may respond to one or more of the questions listed below and please include question numbers provided in the response. Each responding entity (person or organization) should submit only one response. Unless submitted anonymously, responses should include the name(s) of the person(s) or organization(s) submitting the comment. If a comment is submitted on behalf of an organization, the individual respondent’s role in the organization may also be provided. In your response, please describe which perspective(s) your comments represent: individual consumer, patient, family member, or caregiver; healthcare professional; equipment or product manufacturer; service or infrastructure provider; business; industry group; government; research entity; or another type of organization or perspective.

This RFI is voluntary, and responses may be submitted anonymously. Please do not submit proprietary, classified, confidential, or sensitive information, to include personally identifiable (PII) or personal health information (PHI), in response to this RFI.

This RFI should not be construed as a policy, solicitation for applications, or as an obligation on the part of the government to provide support for any

ideas in response to it. Comments submitted will become public on *regulations.gov*. The information provided will be analyzed and may appear in anonymized reports, on HHS websites, or otherwise released publicly. Respondents are advised that the government is not obligated to acknowledge receipt of submissions. Those submitting responses are solely responsible for all expenses associated with response preparation. HHS will use the information submitted in response to this RFI at its discretion and will not comment on any respondent's submission. However, responses to this RFI may be reflected in future solicitation(s) or policies.

Questions

Public Experiences and Reported Potential Adverse Health Effects

2. In your response, please describe which perspective(s) your comments represent: individual consumer, patient, family member, or caregiver; healthcare professional; worker with occupational exposure; equipment or product manufacturer; service or infrastructure provider; business; industry group; government; research entity; or another type of organization or perspective.

3. We invite individuals, families, caregivers, healthcare professionals, and organizations to share experiences regarding potential adverse health effects they believe may be associated with exposure to RF/EMFs. Respondents are encouraged to provide as much detail as they are comfortable sharing, recognizing that responses to this RFI will be public and therefore should not include PII or PHI. Examples of information that may be helpful to include are the following:

- a. The type(s) of wireless technology or RF/EMF source(s) involved (e.g., mobile phones, Wi-Fi, smart meters, wireless infrastructure, wearable devices, occupational equipment).
- b. The nature, duration, frequency, and approximate timing of the reported exposure(s).
- c. The potential adverse health effects experienced.
- d. When potential adverse health effects first appeared relative to when exposure began and whether any changes in exposure coincided with potential adverse health effects.
- e. Whether medical evaluation or treatment was sought, including any diagnoses received (if the respondent chooses to share them).
- f. Whether steps to reduce or eliminate exposure were taken and, if so, whether any subsequent changes in potential adverse health effects were observed.

g. Any supporting documentation, including scientific reports, exposure measurements, or other relevant information.

4. We invite healthcare professionals, researchers, and public health practitioners to describe observations from clinical practice, occupational settings, or research that may help identify patterns, if any, of reported potential adverse health effects associated with RF/EMF radiation and exposure. In describing these observations, please include where available:

- h. The types of potential adverse health effects reported.
- i. Onset of potential adverse health effects.
- j. Characteristics of the individuals or populations involved, excluding any identifying information such as PII or PHI.

k. Any observed exposure patterns.

l. What standardized methods were used to assess exposure or potential adverse health effects, if any were used.

m. Recommendations for future research or surveillance.

Exposure Standards and Risk Assessment

5. What existing national and international exposure standards, guidelines, or regulatory frameworks should federal health agencies consider when evaluating the potential adverse health effects of human exposure to RF/EMF?

n. What scientific, technical, or regulatory changes by federal health agencies, if any, would improve the assessment, disclosure, and regulation of wireless radiation exposure?

o. Is additional research needed to develop, test, and evaluate the effectiveness of procedures and techniques for minimizing exposure to electronic product radiation? Where are the largest gaps, if any, in knowledge? What research is needed to appropriately evaluate current or future national and international exposure standards, guidelines, or regulatory frameworks.

p. How, if at all, should a classification system account for exposure-related characteristics, including operating frequency, power density, specific absorption rate (SAR), electric- and magnetic-field strength, modulation and pulse characteristics, duty cycle, beamforming, simultaneous exposure to multiple frequencies, duration of exposure, distance from the source, proximity to the body, and cumulative exposure over time?

6. What scientific evidence exists about potential adverse health effects caused by current exposure limits?

Measuring Human Exposure and Public Health Surveillance

7. What scientific methods are currently available for accurately characterizing individual and population-level RF radiation exposure?

8. What, if any, improvements in exposure assessment methodologies are needed to better evaluate real-world exposure conditions?

9. What, if any, technical and exposure-related information should be disclosed to consumers, residents, workers, schools, healthcare providers, and local governments?

10. What data sources or surveillance systems currently exist to monitor potential adverse health effects associated with RF radiation exposure? Should additional data sources or surveillance systems be developed? Please discuss the benefits and challenges of the following data sources and surveillance systems, as relevant:

- a. disease registries.
 - b. occupational monitoring.
 - c. environmental monitoring.
 - d. longitudinal cohort studies.
 - e. biomonitoring.
 - f. adverse event reporting.
 - g. disease or illness clusters.
 - h. Other.
11. Should exposure assessment or risk evaluation differ for sensitive populations such as those noted below? Please explain.
- a. children.
 - b. pregnant women.
 - c. older adults.
 - d. individuals with implanted medical devices.
 - e. workers with elevated occupational exposure.
 - f. individuals with preexisting medical conditions.
 - g. Other populations that may uniquely experience potential adverse health effects in response to RF radiation.

Existing Evidence

12. What scientific evidence exists regarding potential adverse health effects associated with RF radiation exposure at levels below current federal exposure limits?

13. According to scientific evidence, how do the technologies below affect cumulative exposure patterns?

- a. 5G.
- b. 6G.
- c. Wi-Fi.
- d. Satellite-based communications.
- e. Internet of Things (IoT).
- f. Wearable technologies.

- g. Smart homes/appliances.
- h. Smart cities.
- i. Autonomous vehicles.
- j. Wireless medical devices.
- k. Communication enabled smart meters.

14. What scientific evidence exists regarding potential adverse environmental effects associated with RF radiation?

15. What types of scientific evidence should be considered when evaluating RF exposure associated with wireless infrastructure? Please comment on:

- a. proximity to homes, schools, childcare facilities, healthcare facilities, and/or workplaces.
- b. cumulative neighborhood exposure.
- c. antenna density.
- d. small-cell deployment.
- e. livestock.

Federal Research Priorities

16. What are the highest priority research gaps regarding EMF and RF radiation and public health that the federal health agencies should address?

17. How can federal health agencies improve coordination of EMF and RF radiation research? Please comment on potential roles for federal health agencies including, but not limited to:

- a. HHS Food and Drug Administration (FDA).
- b. HHS National Institutes of Health (NIH).
- c. HHS Centers for Disease Control and Prevention (CDC).

Additional Information

18. Please identify any additional scientific evidence, technical information, data, or recommendations that federal health agencies should consider when evaluating potential adverse health effects associated with RF/EMF radiation exposure.

Robert F. Kennedy, Jr.,

Secretary, Department of Health and Human Services.

[FR Doc. 2026–19252 Filed 9–17–26; 12:30 pm]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections

552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Surgical Sciences, Biomedical Imaging and Bioengineering Integrated Review Group; Imaging Technology Development Study Section.

Date: October 22, 2026.

Time: 9:00 a.m. to 6:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Guo Feng Xu, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5122, MSC 7854, Bethesda, MD 20892, (301) 827–4796, xuguofen@csr.nih.gov.

Name of Committee: Social and Community Influences on Health Integrated Review Group; Social Determinations of Behavioral, Cognitive, and Psychological Health Study Section.

Date: October 22–23, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting

Contact Person: Kate Fothergill, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3142, Bethesda, MD 20892. 301–435–1782, fothergillke@mail.nih.gov.

Name of Committee: Population Sciences and Epidemiology Integrated Review Group, Analytics and Statistics for Population Research Panel A Study Section.

Date: October 22–23, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Emily M. Kilroy, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20817, (301) 594–0813, kilroyem@csr.nih.gov.

Name of Committee: Genes, Genomes, and Genetics Integrated Review Group, Molecular Genetics Study Section.

Date: October 22–23, 2026.

Time: 10:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Altaf Ahmad Dar, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827–2680, altaf.dar@nih.gov.

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group, Integrative Myocardial Physiology/Pathophysiology B Study Section.

Date: October 22–23, 2026.

Time: 10:00 a.m. to 6:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Kirk E. Dineley, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 806E, Bethesda, MD 20892, (301) 435–2591, dineleyke@csr.nih.gov.

Name of Committee: Cell Biology Integrated Review Group, Biology and Development of the Eye Study Section.

Date: October 22–23, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting

Contact Person: Robert O'Hagan, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–7553, ohaganr2@csr.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel Member Conflict: Topics in Infectious Diseases.

Date: October 22, 2026.

Time: 11:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Dayadevi Jirage, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4422, Bethesda, MD 20892, (301) 480–7043, jiragedb@csr.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel RFA–DK 27–146: Next Generation AI-Enabled Glucose Control Technologies

Date: October 23, 2026.

Time: 9:15 a.m. to 6:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Zachary Stephen Bailey, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–4691, zach.bailey@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel Member
Conflict: Visual Processes.

Date: October 23, 2026.

Time: 11:00 a.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Afia Sultana, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4189, Bethesda, MD 20892, (301) 827-7083, sultanaa@mail.nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel PAR-25-311: Leveraging Network Infrastructure to Conduct Innovative Research for Women, Children, Pregnant and Lactating Women, and Persons with Disabilities.

Date: October 23, 2026.

Time: 12:00 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: Lisa A. Dunbar, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 443-6886, lisa.dunbar@nih.gov.

Dated: September 16, 2026.

Margaret N. Vardanian,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-19225 Filed 9-18-26; 8:45 am]

BILLING CODE 4167-05-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Amended Notice of Meeting

Notice is hereby given of a change in the meeting of the Community and Place-Based Determinations of Health Study Section, October 21, 2026, 10:00 a.m. to October 22, 2026, 06:00 p.m., National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD, 20892 which was published in the **Federal Register** on September 15, 2026, FR Doc. 2026-18826 91 FR 58460.

This meeting is being amended to change the meeting from a 2-day to a 1-day meeting on October 21, 2026. The start and end time remains at 10 a.m. to 6 p.m. The meeting is closed to the public.

Dated: September 16, 2026.

Margaret N. Vardanian,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-19226 Filed 9-18-26; 8:45 am]

BILLING CODE 4167-05-P

DEPARTMENT OF HOMELAND SECURITY

Finding of Mass Influx of Aliens

On January 23, 2025, the Acting Secretary of Homeland Security issued a Finding of Mass Influx of Aliens. This finding went into effect immediately (on January 23, 2025) and remained in effect for 60 days (until March 23, 2025). *See* 90 FR 8399 (Jan 29, 2025). On March 21, 2025, Secretary Noem extended the January 2025 Finding of Mass Influx for 180 days (until September 17, 2025). *See* 90 FR 13,622 (Mar 25, 2025). On September 17, 2025, Secretary Noem extended the March 2025 Finding of Mass Influx for 180 days (until March 21, 2026). *See* 90 FR 45,396 (Sep 22, 2025). On March 21, 2026, Secretary Noem extended the September 2025 Finding of Mass Influx for 180 days (until September 17, 2026). *See* 91 FR 14703. Upon review of the current situation at the border, I am extending that finding for 180 days.

The Immigration and Nationality Act (INA), at 8 U.S.C. 1103(a), provides an expansive grant of authority, stating that in the event of a mass influx of aliens off the coast of the United States or a land border, the Secretary may authorize a State or local law enforcement officer, with the consent of the officer's superiors, to perform duties of immigration officers under the INA. In turn, section 65.83 of Title 28 of the Code of Federal Regulations allows the Secretary¹ to "request assistance from a State or local government in the administration of the immigration laws of the United States" under certain specified circumstances. Among those circumstances are when "[t]he [Secretary] determines that there exist circumstances involving the

¹ Although the regulations reference the "Attorney General," Congress has, since the publication of these regulations, transferred the authority and responsibility for administering and enforcing the immigration laws to the Secretary of Homeland Security. *See* Homeland Security Act of 2002 471, 6 U.S.C. 291 (abolishing the former Immigration and Naturalization Service); *id.* S 441, 6 U.S.C. 251 (transferring immigration enforcement functions from the Department of Justice to the Department of Homeland Security); Immigration and Nationality Act 103(a)(1), 8 U.S.C. 1103(a)(1) ("the Secretary of Homeland Security shall be charged with the administration and enforcement of this chapter and all other laws relating to the immigration and naturalization of aliens.")

administration of the immigration laws of the United States that endanger the lives, property, safety, or welfare of the residents of a State or locality." 28 CFR 65.83(b).

In making such a determination, the Secretary may also determine that there is an "immigration emergency." The regulations define an immigration emergency as "an actual or imminent mass influx of aliens which either is of such magnitude or exhibits such other characteristics that effective administration of the immigration laws of the United States is beyond the existing capabilities of [the Department of Homeland Security (DHS)] in the affected area or areas." 28 CFR 65.83(d)(1) (using identical language as 8 U.S.C. 1103(a)(10)).

Such a determination is based on "the factors set forth in the definitions contained in" 28 CFR 65.81. Characteristics of an influx of aliens, other than magnitude, which may be considered in determining whether an immigration emergency exists include: the likelihood of continued growth in the magnitude of the influx; an apparent connection between the influx and increases in criminal activity; the actual or imminent imposition of unusual and overwhelming demands on law enforcement agencies; and other similar characteristics.

Upon review of the current data, I have determined that there continues to exist circumstances involving the administration of the immigration laws of the United States that endanger the lives, property, safety, or welfare of the residents of all 50 States and that an actual or imminent mass influx of aliens is arriving at the southern border of the United States and presents urgent circumstances requiring a continued federal response. I make this finding for the reasons discussed below.

First, as discussed in prior notices, for years, our southern border has been overrun. As noted in Proclamation 10888, *Guaranteeing the States Protection Against Invasion*, from 2020 to 2024, "at least 8 million illegal aliens were encountered along the southern border of the United States, and countless millions more evaded detection and illegally entered the United States." DHS continues to encounter thousands of aliens on a weekly basis attempting to enter the United States illegally via the Southwest border.²

Second, the ability of DHS to control an influx of aliens at the border

² *Nationwide Encounters*, U.S. Customs and Border Protection (last modified Aug 14, 2026), available at <https://www.cbp.gov/newsroom/stats/nationwide-encounters>.

continues to be hampered due to a federal court decision. On August 1, 2025, the U.S. Court of Appeals for the District of Columbia Circuit issued a decision partially staying an order from the U.S. District Court for the District of Columbia enjoining the implementation of Proclamation 10888, *Guaranteeing the States Protection Against Invasion*, 90 FR 8333 (Jan. 20, 2025) (Invasion Proclamation). See *Refugee and Immigrant Center for Education and Legal Services (RAICES) v. Noem*, No. 25–5243 (D.C. Cir. Aug. 1, 2025).

However, the district court's holding that DHS can no longer directly repatriate apprehended aliens under INA 212(f) but rather must process aliens for expedited removal pursuant to 8 U.S.C. 1225(b)(1), remains in effect.³ Therefore, because of this decision, DHS's implementation of the Invasion Proclamation is still limited. Prior to the court's decision, the Invasion Proclamation disincentivized illegal immigration and contributed to low border encounters throughout much of 2025. As the court's decision is still effective, the concern remains regarding agency resources available to address a mass influx, thereby warranting continued need for a finding of mass influx.

Third, as stated in the previous notices, when border crossing numbers are high, much detention capacity is required of U.S. Immigration and Customs Enforcement (ICE). Mandatory detention of aliens apprehended at the border serves important public safety and national security purposes. Specifically, mandatory detention allows the government to effectively vet aliens for criminality or national security threats and ensure that such aliens are not released into the community. Current databases still do not allow for comprehensive and rapid searching for foreign convictions or other public safety and national security risks of recent arrivals. As a result, when numbers at the border are such that DHS is effectively forced to engage in catch-and-release practices which thwart appropriate vetting, there is a threat to public safety and national security. This does not account for so-called gotaways, of which there have been millions over the last several years, who are not screened in any manner.

In addition, increased enforcement efforts in the interior have resulted in large numbers of aliens in custody. Many of these aliens are applicants for admission who are subject to mandatory

detention pending removal proceedings under the INA. 8 U.S.C. 1225(b)(2)(A); see *Matter of Yajure Hurtado*, 29 I&N Dec. 216 (BIA 2025) (holding that immigration judges lack authority to hear bond requests or grant bond to aliens present in the United States without admission and in removal proceedings, based on the plain language of 8 U.S.C. 1225(b)(2)(A)).

As mentioned in the prior findings of mass influx, without controls in place at the border to stem the influx, DHS loses its capacity to detain all applicants for admission as required by the INA. See, e.g., 8 U.S.C. 1225(b). As of August 12, 2026, ICE has a detention population of 67,022 with a maximum capacity of 80,700. ICE's facilities are currently at 83% occupancy. Similar to the explanation provided in the March and September 2025 Notices and the March 2026 notice, should this finding not be extended, ICE would face operational constraints and be unable to detain a large number of aliens at the Southwest border despite these aliens being subject to mandatory detention. Additionally, should this finding not be extended, ICE would be required to use bed space to detain some aliens apprehended at the Southwest border at the expense of its interior enforcement priorities, which are designed to enhance and promote public safety.

Fourth, an influx of aliens presents significant concerns with respect to increased criminal activity. Between FY 2017 and 2019, ICE removed 485,930 aliens with criminal convictions or pending criminal charges. Between FY 2021 and FY 2023, ICE removed 158,931 aliens with criminal convictions or pending criminal charges. In FY 2025, from October 1, 2024, to September 30, 2025, ICE removed 166,319 aliens with criminal convictions or pending criminal charges. Between October 1, 2025, and August 11, 2026, with 51 days remaining in FY 2026, ICE removed 215,447 aliens with criminal convictions or pending criminal charges. Assuming the crime rate among aliens has remained unchanged over the year, this 67% decrease (in removals) between FY 2019 and 2021 and FY 2021 and 2023 suggests that tens of thousands of criminal aliens remain in the United States. However, even if ICE were to continue to remove aliens at the same levels through the rest of this fiscal year, it would still fall short of the total number of aliens removed with criminal convictions or pending criminal charges between FY 2017 and FY 2019, indicating the large, continued presence of criminal aliens in the United States. Where there is an increase in criminal aliens, there is likely to be an increase

in criminal activity. This once again shows that ICE must continue to prioritize the removal of criminal aliens rather than divert resources to detain aliens recently apprehended at the Southwest border.

Furthermore, there continues to be significant criminality present at the Southwest border. In July 2026, U.S. Customs and Border Protection's (CBP's) Office of Field Operations (OFO) and U.S. Border Patrol (USBP) encountered 353 criminal aliens. OFO made 750 criminal arrests, and USBP had 33 gang apprehensions. USBP referred 344 smuggling events for prosecution, and OFO referred 347 events for criminal prosecution. Officers and agents seized 24,996.19 pounds of illicit narcotics, including 969.57 pounds of deadly fentanyl. Officers and agents also seized 77 firearms and 11,652 rounds of ammunition, as well as \$859,890.84 in currency. If such significant criminality has been observed even when illegal border crossings are low, these numbers are only likely to increase if border crossings increase and CBP's resources are further stretched.

Fifth, there have been high, unusual, and overwhelming demands on law enforcement officers and agents, which continue to present significant danger to those personnel. For example, in July 2026, CBP records indicate that 22 CBP officers/agents were assaulted. Even while encounter numbers in July 2026 were significantly lower than monthly encounter numbers in previous years, officers and agents at the border still have consistent threats against them, and there are still too many assaults and use of force incidents on officers and agents. ICE records indicate that aliens assaulted or used force against 231 ICE Enforcement and Removal Operations (ERO) officers from February 2026 to the end of July 2026, representing an average of 38.5 per month. In February 2025, ICE records indicated that aliens assaulted or used force against 10 ICE ERO officers. This 385% increase from February 2025 as well as a continued upward trend indicates the increasing risk that ICE ERO officers face as they seek to arrest and detain aliens that entered during periods of loose border restrictions.

Additionally, there remains a strain on ICE resources, which takes ICE away from its mission to preserve national security and public safety. ICE has many aliens pending removal that entered during prior influxes at the Southwest border. Managing those removals requires a significant expenditure of ICE resources. As of August 11, 2026, there are 2,120,058 aliens on the ICE non-detained docket with final orders of

³ In April 2026, a merits panel of the D.C. Circuit upheld the district court's decision. *RAICES v. Mullin*, 174 F.4th 81 (D.C. Cir. 2026).

removal. Should the finding not be extended, and more aliens placed on the non-detained docket, this number would only continue to increase.

Between March 1, 2026, and August 11, 2026, ICE arrested 214,992 aliens. Of those, 121,055 aliens had criminal convictions or pending criminal charges, 452 were known or suspected terrorists, and 2,700 were suspected gang members. Failure to extend this finding will impede the ability of ICE to properly enforce immigration laws and focus on public safety risks.

On the basis of the above facts, I find that these circumstances continue to endanger the lives, property, safety, and welfare of the residents of every State in the Union. The only way to effectively prevent this danger to the States is to maintain operational control of the border, which Congress defined to mean “the prevention of all unlawful entries into the United States, including entries by terrorists, other unlawful aliens, instruments of terrorism, narcotics, and other contraband.” Secure Fence Act of 2006, Public Law 109–367, 2, 120 Stat. 2638 (2006); 8 U.S.C. 1701 note (stating that the Secretary of DHS “shall take all actions the Secretary determines necessary and appropriate to achieve and maintain operational control over the entire international land and maritime borders of the United States”). Given that Congress directed DHS to prevent all unlawful entries, the thousands of aliens that DHS continues to encounter on a weekly basis attempting to enter the United States illegally via the Southwest border is an influx. Therefore, I find that there is currently an influx of aliens arriving across our entire southern border, which requires a federal response.

Accordingly, pursuant to the authorities under the INA, 8 U.S.C. 1101, *et seq.*, including the implementing regulations identified above, I find “that there exist circumstances involving the administration of the immigration laws of the United States that endanger the lives, property, safety, or welfare of the residents” of all 50 States. I further find that an actual or imminent mass influx of aliens is arriving at the southern border of the United States and presents urgent circumstances requiring an immediate federal response. I therefore request the assistance of State and local governments in all 50 States.

The finding is effective immediately and expires in 180 days. This finding may expire sooner in the event I find that circumstances have changed. Such

a finding would be published in the **Federal Register**.

Markwayne Mullin,
Secretary of Homeland Security.

[FR Doc. 2026–19253 Filed 9–18–26; 8:45 am]

BILLING CODE 9112–FP–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

John Ramsay Walters, M.D.; Decision and Order

On March 17, 2026, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to John Ramsay Walters, M.D., of Oxnard, CA (Registrant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 2, at 1, 4. The OSC proposed the revocation of Registrant’s Certificate of Registration No. AW8146602, alleging that Registrant is “currently without authority to prescribe, administer, dispense, or otherwise handle controlled substances in the State of California, the state in which [he is] registered with DEA.” *Id.* at 2. (citing 21 U.S.C. 824(a)(3)).¹

The OSC notified Registrant of his right to file a written request for hearing, and that if he failed to file such a request, he would be deemed to have waived his right to a hearing and be in default. *Id.* at 2 (citing 21 CFR 1301.43). Here, Registrant did not request a hearing, and the Agency finds him to be in default. RFAA, at 2.² “A default,

¹ According to Agency records, Registrant’s registration expired on May 31, 2026. The fact that a registrant allows his registration to expire during the pendency of an OSC does not impact the Agency’s jurisdiction or prerogative under the Controlled Substances Act (CSA) to adjudicate the OSC to finality. *Jeffrey D. Olsen, M.D.*, 84 FR 68474, 68476–68479 (2019).

² Based on the Government’s submissions in its RFAA dated June 10, 2026, the Agency finds that service of the OSC on Registrant was adequate. The included declaration from a DEA Diversion Investigator (DI) indicates that on March 20, 2026, the DI traveled with another DI to Registrant’s residence. RFAAX 3, at 3. There was no answer at the front door, after which the DI called Registrant. *Id.* Over the phone, Registrant told the DI he was not home and that his office/clinic was closed that day and no one was available to receive a copy of the OSC, to which the DI told him that she would leave a copy at his front door. *Id.*; *see also id.*, Attachment C. Later that day, the DI mailed a copy of the OSC to Registrant’s registered address. *Id.*; *see also id.*, Attachment D. The DI additionally emailed a copy of the OSC to Registrant’s registered email address and the email was not returned as undelivered. *Id.*; *see also id.*, Attachment E. Here, the Agency finds that Registrant was successfully served the OSC by email and that the DI’s efforts to serve Registrant by other means were “reasonably calculated, under all the circumstances, to apprise [Registrant] of the pendency of the action.” *Jones v. Flowers*, 547 U.S. 220, 226 (2006) (quoting *Mullane v. Central*

unless excused, shall be deemed to constitute a waiver of the registrant’s/applicant’s right to a hearing and an admission of the factual allegations of the [OSC].” 21 CFR 1301.43(e).

Further, “[i]n the event that a registrant . . . is deemed to be in default . . . DEA may then file a request for final agency action with the Administrator, along with a record to support its request. In such circumstances, the Administrator may enter a default final order pursuant to [21 CFR] 1316.67.” *Id.* at 1301.43(f)(1). Here, the Government has requested final agency action based on Registrant’s default pursuant to 21 CFR 1301.43(c), (e), (f), and 1301.46. RFAA, at 1; *see* 21 CFR 1316.67.

Findings of Fact

The Agency finds that, in light of Registrant’s default, the factual allegations in the OSC are deemed admitted. 21 CFR 1301.43(e). According to the OSC, on September 25, 2025, the Medical Board of California adopted a Stipulated Surrender of License and Disciplinary Order against Registrant, effective December 31, 2025. RFAAX 2, at 2. On December 31, 2025, Registrant surrendered his California medical license. *Id.* According to California online records, of which the Agency takes official notice,³ Registrant’s California medical license has a primary status of “License Surrendered.” California DCA License Search, <https://search.dca.ca.gov> (last visited date of signature of this Order). Accordingly, the Agency finds that Registrant is not licensed to practice medicine in California, the state in which he is registered with DEA.⁴

Hanover Bank & Trust Co., 339 U.S. 306, 314 (1950)). Therefore, due process notice requirements have been satisfied. *See Mohammed S. Aljanaby, M.D.*, 82 FR 34552, 34552 (2017) (finding that service by email satisfies due process where the email is not returned as undeliverable and other methods have been unsuccessful); *Emilio Luna, M.D.*, 77 FR 4829, 4830 (2012) (same).

³ Under the Administrative Procedure Act, an agency “may take official notice of facts at any stage in a proceeding—even in the final decision.” United States Department of Justice, Attorney General’s Manual on the Administrative Procedure Act 80 (1947) (Wm. W. Gaunt & Sons, Inc., Reprint 1979).

⁴ Pursuant to 5 U.S.C. 556(e), “[w]hen an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.” The material fact here is that Registrant, as of the date of this Order, is not licensed to practice medicine in California. Accordingly, Registrant may dispute the Agency’s finding by filing a properly supported motion for reconsideration of findings of fact within fifteen calendar days of the date of this Order. Any such motion and response shall be filed and served by email to the other party and to the Office of the

Continued

Discussion

Pursuant to 21 U.S.C. 824(a)(3), the Attorney General is authorized to suspend or revoke a registration issued under 21 U.S.C. 823 “upon a finding that the registrant . . . has had his State license or registration suspended . . . [or] revoked . . . by competent State authority and is no longer authorized by State law to engage in the . . . dispensing of controlled substances.”

With respect to a practitioner, DEA has also long held that the possession of authority to dispense controlled substances under the laws of the state in which a practitioner engages in professional practice is a fundamental condition for obtaining and maintaining a practitioner’s registration. *Gonzales v. Oregon*, 546 U.S. 243, 270 (2006) (“The Attorney General can register a physician to dispense controlled substances ‘if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.’ . . . The very definition of a ‘practitioner’ eligible to prescribe includes physicians ‘licensed, registered, or otherwise permitted, by the United States or the jurisdiction in which he practices’ to dispense controlled substances. 802(21).”). The Agency has applied these principles consistently. *See, e.g., Merry Alice Troupe, N.P.*, 89 FR 81,549, (2024); *Rachel Jackson, P.A.*, 90 FR 13,198 (2025).⁵

According to California statute, “dispense” means “to deliver a controlled substance to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing, furnishing, packaging,

labeling, or compounding necessary to prepare the substance for that delivery.” Cal. Health & Safety Code § 11010 (West 2026). Further, a “practitioner” means a person “licensed, registered, or otherwise permitted, to distribute, dispense, conduct research with respect to, or administer, a controlled substance in the course of professional practice or research in [the] state.” *Id.* at § 11026(c).

Here, the undisputed evidence in the record is that Registrant currently lacks authority to practice medicine in California. As discussed above, a physician must be a licensed practitioner to dispense a controlled substance in California. Thus, because Registrant currently lacks authority to practice medicine in California and, therefore, is not authorized to handle controlled substances in California, Registrant is not eligible to maintain a DEA registration in California. Accordingly, the Agency will order that Registrant’s DEA registration be revoked.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 824(a), I hereby revoke DEA Certificate of Registration No. AW8146602 issued to John Ramsay Walters, M.D. Further, pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823(g)(1), I hereby deny any pending applications of John Ramsay Walters, M.D., to renew or modify this registration, as well as any other pending application of John Ramsay Walters, M.D., for additional registration in California. This Order is effective October 21, 2026.

Signing Authority

This document of the Drug Enforcement Administration was signed on September 11, 2026, by DEA Administrator Terrance C. Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2026–19230 Filed 9–18–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Esther Villanueva Valdes, M.D.;
Decision and Order

On February 19, 2025, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to Esther Villanueva Valdes, M.D., of Arecibo, Puerto Rico (Registrant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 1, at 1, 4. The OSC proposed the revocation of Registrant’s Certification of Registration No. BV4657485, alleging that Registrant is “currently without authority to . . . handle controlled substances in the Commonwealth of Puerto Rico, the U.S. territory in which [she is] registered with DEA” and has been mandatorily excluded from participation in Medicare, Medicaid, and all Federal health care programs pursuant to 42 U.S.C. 1320a–7(a). *Id.* at 2 (citing 21 U.S.C. 824(a)(3), (5)).¹

The OSC notified Registrant of her right to file a written request for hearing, and that if she failed to file such a request, she would be deemed to have waived her right to a hearing and be in default. *Id.* at 3 (citing 21 CFR 1301.43). Here, Registrant did not request a hearing, and the Agency finds her to be in default. RFAA, at 3.² “A default, unless excused, shall be deemed to constitute a waiver of the registrant’s/applicant’s right to a hearing and an admission of the factual allegations of the [OSC].” 21 CFR 1301.43(e).

Further, “[i]n the event that a registrant . . . is deemed to be in default . . . DEA may then file a request for final agency action with the Administrator, along with a record to support its request. In such circumstances, the Administrator may enter a default final order pursuant to [21 CFR] § 1316.67.” *Id.* at 1301.43(f)(1). Here, the Government has requested final agency action based on Registrant’s

¹ According to the OSC and Agency records, Registrant’s registration expired on May 31, 2025. RFAAX 1, at 2. The fact that a registrant allows his or her registration to expire during the pendency of an administrative enforcement proceeding does not impact the Agency’s jurisdiction or prerogative under the Controlled Substances Act to adjudicate the OSC to finality. *Jeffrey D. Olsen, M.D.*, 84 FR 68474, 68476–79 (2019).

² Based on the Government’s submissions in its RFAA dated February 12, 2026, the Agency finds that service of the OSC on Registrant was adequate. The RFAA’s included Declaration from a DEA Diversion Investigator (DI) indicates that on February 24, 2025, the DI emailed the OSC to Registrant and on that same day Registrant acknowledged receipt of the OSC via email. RFAAX 2, at 1; *see id.*, Attachment A. Here, the Agency finds that Registrant was successfully served the OSC by email.

Administrator, Drug Enforcement Administration, at dea.addo.attorneys@dea.gov.

⁵ This rule derives from the text of two provisions of the Controlled Substances Act (CSA). First, Congress defined the term “practitioner” to mean “a physician . . . or other person licensed, registered, or otherwise permitted, by . . . the jurisdiction in which he practices . . . , to distribute, dispense, . . . [or] administer . . . a controlled substance in the course of professional practice.” 21 U.S.C. 802(21). Second, in setting the requirements for obtaining a practitioner’s registration, Congress directed that “[t]he Attorney General shall register practitioners . . . if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.” 21 U.S.C. 823(g)(1). Because Congress has clearly mandated that a practitioner possess state authority in order to be deemed a practitioner under the CSA, DEA has held repeatedly that revocation of a practitioner’s registration is the appropriate sanction whenever he is no longer authorized to dispense controlled substances under the laws of the state in which he practices. *See, e.g., James L. Hooper, M.D.*, 76 FR at 71371–72; *Sheran Arden Yeates, M.D.*, 71 FR 39130, 39131 (2006); *Dominick A. Ricci, M.D.*, 58 FR 51104, 51105 (1993); *Bobby Watts, M.D.*, 53 FR 11919, 11920 (1988); *Frederick Marsh Blanton, M.D.*, 43 FR at 27617.

default pursuant to 21 CFR 1301.43(c), (f), and 1301.46. RFAA, at 4; *see* 21 CFR 1316.67.³

I. Loss of State Authority

A. Findings of Fact

The Agency finds that, in light of Registrant's default, the factual allegations in the OSC are deemed admitted. 21 CFR 1301.43(e). According to the OSC, Registrant's Puerto Rico medical license, issued by the Puerto Rico Board of Medical Licensure and Discipline (Board), expired on July 4, 2022. RFAAX 1, at 2. Registrant also held a Board controlled substance license that expired on August 31, 2023. *Id.*

According to Puerto Rico online records, of which the Agency takes official notice,⁴ Registrant's medical license is expired and remains in such status. Commonwealth of Puerto Rico Department of Health, Division of Board of Licensing and Medical Discipline Verification Search, <https://orcps.salud.pr.gov/mbps/verificacion> (last visited date of signature of this Order). Accordingly, the Agency finds that Registrant is not licensed to practice medicine in Puerto Rico, the jurisdiction in which she is registered with DEA.⁵

B. Discussion

Pursuant to 21 U.S.C. 824(a)(3), the Attorney General is authorized to suspend or revoke a registration issued under 21 U.S.C. 823 "upon a finding that the registrant . . . has had his State license or registration suspended . . .

[or] revoked . . . by competent State authority and is no longer authorized by State law to engage in the . . . dispensing of controlled substances." With respect to a practitioner, DEA has also long held that the possession of authority to dispense controlled substances under the laws of the state in which a practitioner engages in professional practice is a fundamental condition for obtaining and maintaining a practitioner's registration. *See, e.g., James L. Hooper, M.D.*, 76 FR 71371, 71372 (2011), *pet. for rev. denied*, 481 F. App'x 826 (4th Cir. 2012); *Frederick Marsh Blanton, M.D.*, 43 FR 27616, 27617 (1978).⁶

According to the Puerto Rico Controlled Substances Act, "[a]ny person who manufactures, distributes and dispenses controlled substances in the Commonwealth of Puerto Rico . . . shall obtain a registration certification annually, issued by the Secretary of Health, pursuant to the rules and regulations approved and promulgated by said government official." P.R. Laws Ann. tit. 24, § 2302(a) (current through all acts translated by the Translation Office of the Puerto Rico Government through the 2025 Legislative Session). Further, "dispense" means "the prescribing, administering or delivering of a controlled substance to an ultimate user, by prescription or order for administering it. It includes the process of the compounding, labeling and packaging of a controlled substance for such delivery. The term 'dispenser' means the practitioner who so delivers a controlled substance." *Id.* § 2102(11).

Here, the undisputed evidence in the record is that Registrant lacks authority to dispense controlled substances in Puerto Rico. As discussed above, an individual must hold a controlled substance license and be licensed to practice medicine to dispense a controlled substance in Puerto Rico. Thus, because Registrant lacks authority to handle controlled substances in Puerto Rico, Registrant is not eligible to maintain a DEA registration in that jurisdiction. Accordingly, the Agency will order that Registrant's DEA registration be revoked.

Registrant's lack of state authority to handle controlled substances in Puerto Rico is sufficient by itself to support revoking Registrant's DEA registration. *Infra* n.9. The following mandatory exclusion ground provides an additional, independent basis for revoking Registrant's DEA registration.

II. Mandatory Exclusion From Federal Health Care Programs

A. Findings of Fact

Registrant is deemed to admit that on April 7, 2021, in the United States District Court for the District of Puerto Rico, Registrant pled guilty to one count of healthcare fraud in violation of 18 U.S.C. 1347 and judgment was entered against her on August 30, 2021.⁷ RFAAX 1, at 2. As a result of Registrant's guilty plea and criminal conviction, the U.S. Department of Health and Human Services, Office of Inspector General (HHS/OIG), mandatorily excluded Registrant from participation in Medicare, Medicaid, and all Federal health care programs, effective March 20, 2022, for a minimum period of 8 years, pursuant to 42 U.S.C. 1320a-7(a). *Id.*

B. Discussion

Pursuant to 21 U.S.C. 824(a)(5), the Attorney General is authorized to suspend or revoke a registration issued under section 823 of the CSA upon finding that the registrant "has been excluded (or directed to be excluded) from participation in a program pursuant to section 1320a-7(a) of Title 42." The Agency has consistently held that it may also deny an application upon finding that an applicant has been excluded from a federal health care program. *Mark Agresti, M.D.*, 90 FR 30098, 30099 (2025); *Samirkumar Shah, M.D.*, 89 FR 71931, 71933 (2024); *Arvinder Singh, M.D.*, 81 FR 8247, 8248 n.3 (2016).

The Agency finds substantial record evidence that Registrant has been, and

³ The RFAA states that "the Administrator is authorized to render the Agency's final order, without holding a hearing or making findings of fact in this matter." RFAA, at 3-4 (citing 21 CFR 1301.43(c), (f), and 1301.46). However, 21 CFR 1316.67 requires that the Administrator's final order "set forth the final rule and findings of fact and conclusions of law upon which the rule is based." *See JYA LLC d/b/a Webb's Square Pharmacy*, 90 FR 31244, 31246 n.7 (2025).

⁴ Under the Administrative Procedure Act, an agency "may take official notice of facts at any stage in a proceeding—even in the final decision." United States Department of Justice, Attorney General's Manual on the Administrative Procedure Act 80 (1947) (Wm. W. Gaunt & Sons, Inc., Reprint 1979).

⁵ Pursuant to 5 U.S.C. 556(e), "[w]hen an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary." The material fact here is that Registrant, as of the date of this Order, is not licensed to practice medicine in Puerto Rico. Accordingly, Registrant may dispute the Agency's finding by filing a properly supported motion for reconsideration of findings of fact within fifteen calendar days of the date of this Order. Any such motion and response shall be filed and served by email to the other party and to the Office of the Administrator, Drug Enforcement Administration, at dea.addo.attorneys@dea.gov.

⁶ This rule derives from the text of two provisions of the Controlled Substances Act (CSA). First, Congress defined the term "practitioner" to mean "a physician . . . or other person licensed, registered, or otherwise permitted, by . . . the jurisdiction in which he practices . . . to distribute, dispense, . . . [or] administer . . . a controlled substance in the course of professional practice." 21 U.S.C. 802(21). Second, in setting the requirements for obtaining a practitioner's registration, Congress directed that "[t]he Attorney General shall register practitioners . . . if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices." 21 U.S.C. 823(g)(1). Under the CSA, the term "state" means "a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States," including Puerto Rico. 21 U.S.C. 802(26). Because Congress has clearly mandated that a practitioner possess authority in order to be deemed a practitioner under the CSA, DEA has held repeatedly that revocation of a practitioner's registration is the appropriate sanction whenever he is no longer authorized to dispense controlled substances under the laws of the jurisdiction in which he practices. *See, e.g., James L. Hooper*, 76 FR at 71371-72; *Sheran Arden Yeates, M.D.*, 71 FR 39130, 39131 (2006); *Dominick A. Ricci, M.D.*, 58 FR 51104, 51105 (1993); *Bobby Watts, M.D.*, 53 FR 11919, 11920 (1988); *Frederick Marsh Blanton*, 43 FR at 27617.

⁷ *See United States v. Esther Villanueva-Valdes*, No. 3:21-cr-00101-ADC (D.P.R.).

remains, mandatorily excluded from federal health care programs pursuant to 42 U.S.C. 1320a-7(a).⁸ Accordingly, the Agency finds that substantial record evidence establishes the Government's *prima facie* case for revocation of Registrant's registration under 21 U.S.C. 824(a)(5).

III. Sanction

Where, as here, the Government has met its *prima facie* burden of showing that Registrant's registration should be revoked, the burden shifts to Registrant to show why she can be entrusted with a registration. *Morall v. Drug Enf't Admin.*, 412 F.3d 165, 174 (D.C. Cir. 2005); *Jones Total Health Care Pharmacy, LLC v. Drug Enf't Admin.*, 881 F.3d 823, 830 (11th Cir. 2018); *Garrett Howard Smith, M.D.*, 83 FR 18882 (2018). The issue of trust is necessarily a fact-dependent determination based on the circumstances presented by the individual practitioner. *Jeffrey Stein, M.D.*, 84 FR 46968, 46972 (2019); *see Jones Total Health Care Pharmacy*, 881 F.3d at 833. Moreover, as past performance is the best predictor of future performance, DEA Administrators have required that a registrant who has committed acts inconsistent with the public interest must accept responsibility for those acts and demonstrate that the registrant will not engage in future misconduct. *Jones Total Health Care Pharmacy*, 881 F.3d at 833; *ALRA Labs, Inc. v. Drug Enf't Admin.*, 54 F.3d 450, 452 (7th Cir. 1995). Historically, the Agency has considered acceptance of responsibility, egregiousness, and deterrence when making this assessment. *See Michael Bouknight*, 90 FR 31247, 31250 (2025); *Sasha Melissa Ikramelahai*, 90 FR 32017, 32020-21 (2025); *Frank Joseph Stirlacci, M.D.*, 85 FR 45229, 45239-40 (2020).

The Agency requires a registrant's unequivocal acceptance of responsibility. *Janet S. Pettyjohn, D.O.*, 89 FR 82639, 82641 (2024); *Mohammed Asgar, M.D.*, 83 FR 29569, 29573 (2018); *see Jones Total Health Care Pharmacy*, 881 F.3d at 830-31. In addition, a registrant's candor during the investigation and hearing, if one is requested, is an important factor in determining acceptance of responsibility and the appropriate

sanction. *See Jones Total Health Care Pharmacy*, 881 F.3d at 830-31; *Hoxie v. Drug Enf't Admin.*, 419 F.3d 477, 483-84 (6th Cir. 2005). Further, the Agency has found that the egregiousness and extent of the misconduct are significant factors in determining the appropriate sanction. *Jones Total Health Care Pharmacy*, 881 F.3d at 833 n.4, 834. The Agency also considers the need to deter similar acts by a registrant and by the community of registrants. *Jeffrey Stein, M.D.*, 84 FR at 46972-73.

Here, Registrant did not timely request a hearing or answer the allegations in the OSC and was deemed to be in default. To date, Registrant has not filed a motion with the Office of the Administrator to excuse the default. 21 CFR 1301.43(c)(1). Registrant has thus failed to properly answer the allegations contained in the OSC and has not otherwise availed herself of the opportunity to refute the Government's case. As such, Registrant has not accepted responsibility for the proven violations, has made no representations regarding her future compliance with the CSA, and has not demonstrated that she can be trusted with registration.

Accordingly, the Agency will order the revocation of Registrant's registration.⁹

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 824(a), I hereby revoke DEA Certificate of Registration No. BV4657485, issued to Esther Villanueva Valdes, M.D. Further, pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823(g)(1), I hereby deny any pending applications of Esther Villanueva Valdes, M.D., to renew or modify this registration, as well as any other pending application of Esther Villanueva Valdes, M.D., for additional registration in Puerto Rico. This Order is effective October 21, 2026.

Signing Authority

This document of the Drug Enforcement Administration was signed on September 11, 2026, by DEA Administrator Terrance C. Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in

electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2026-19232 Filed 9-18-26; 8:45 am]

BILLING CODE 4410-09-P

DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Qualification/Certification Program Request for MSHA Individual Identification Number (MIIN)

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Mine Safety & Health Administration (MSHA)-sponsored information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). Public comments on the ICR are invited.

DATES: The OMB will consider all written comments that the agency receives on or before October 21, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT: Nicole Bouchet by telephone at 202-693-0213, or by email at DOL_PRA_PUBLIC@dol.gov.

SUPPLEMENTARY INFORMATION: MSHA issues certifications, qualifications and approvals to the nation's miners to conduct specific work within the mines. Miners requiring qualification or certification from MSHA will register for an "MSHA Individual Identification Number" (MIIN). MSHA uses this unique number in place of individual SSNs for all MSHA collections. The MIIN identifier fulfills Executive Order 13402, Strengthening Federal Efforts Against Identity Theft, which requires Federal agencies to better secure government held data. For additional substantive information about this ICR,

⁸ The underlying conviction forming the basis for mandatory exclusion from participation in federal health care programs need not involve controlled substances to provide the grounds for revocation or denial pursuant to Section 824(a)(5). *Jeffrey Stein, M.D.*, 84 FR 46968, 46971-72 (2019); *Narciso Reyes, M.D.*, 83 FR 61678, 61681 (2018); *KK Pharmacy*, 64 FR 49507, 49510 (1999) (collecting cases).

⁹ In this matter there are two separate and distinct grounds by which the Government proposed revocation, Registrant's lack of state authority and her mandatory exclusion; each ground, standing alone, supports the Agency's decision to revoke.

see the related notice published in the **Federal Register** on May 8, 2026 (91 FR 25383).

Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (2) the accuracy of the agency's estimates of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

This information collection is subject to the PRA. A Federal agency generally cannot conduct or sponsor a collection of information, and the public is generally not required to respond to an information collection, unless the OMB approves it and displays a currently valid OMB Control Number. In addition, notwithstanding any other provisions of law, no person shall generally be subject to penalty for failing to comply with a collection of information that does not display a valid OMB Control Number. See 5 CFR 1320.5(a) and 1320.6.

DOL seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOL notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Agency: DOL–MSHA.

Title of Collection: Qualification/Certification Program Request for MSHA Individual Identification Number (MIIN).

OMB Control Number: 1219–0143.

Affected Public: Private Sector—Businesses or other for-profits.

Total Estimated Number of Respondents: 9,000.

Total Estimated Number of Responses: 9,000.

Total Estimated Annual Time Burden: 720 hours.

Total Estimated Annual Other Costs Burden: \$180.

(Authority: 44 U.S.C. 3507(a)(1)(D))

Nicole Bouchet,
Senior PRA Analyst.

[FR Doc. 2026–19265 Filed 9–18–26; 8:45 am]

BILLING CODE 4510–43–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

[OMB Control No. 1219–0015]

Proposed Extension of Information Collection: Refuse Piles and Impoundment Structures

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Request for public comments.

SUMMARY: The Department of Labor (DOL), as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program for all information collections, to provide the public and Federal agencies with an opportunity to comment on proposed collections of information, in accordance with the Paperwork Reduction Act of 1995. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. The Mine Safety and Health Administration (MSHA) is soliciting comments on the information collection titled “Refuse Piles and Impoundment Structures.”

DATES: All comments must be received on or before November 20, 2026.

ADDRESSES: Comments concerning the information collection requirements of this notice may be sent by any of the methods listed below. Please note that comments received after the deadline will not be considered.

- *Federal E-Rulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments for docket number MSHA–2026–0563.

- *Mail/Hand Delivery:* DOL–MSHA, Office of Standards, Regulations, and Variances, 200 Constitution Avenue NW, Washington, DC 20210. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

- MSHA will post all comments as well as any attachments, except for information submitted and marked as confidential, in the docket at <https://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Corliss A. Josephs-Conway, Acting Director, Office of Standards, Regulations, and Variances, MSHA, at MSHA.information.collections@dol.gov (email); (202) 693–9440 (voice); or (202) 693–9441 (facsimile). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION:

I. Background

A. Legal Authority

Section 103(h) of the Federal Mine Safety and Health Act of 1977 (Mine Act), as amended, 30 U.S.C. 813(h), authorizes MSHA to collect information necessary to carry out its duty in protecting the safety and health of miners. Further, section 101(a) of the Mine Act, 30 U.S.C. 811(a), authorizes the Secretary of Labor to develop, promulgate, and revise as may be appropriate, improved mandatory health or safety standards for the protection of life and prevention of injuries in coal and metal and nonmetal mines.

The Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) governs paperwork burdens imposed on the public by Federal agencies when using identical questions to collect information from 10 or more persons. The PRA defines paperwork burden in 44 U.S.C. 3502(2) as the time, effort, or financial resources expended to generate, maintain, or provide information to or for a Federal agency. Under 44 U.S.C. 3507, the PRA also establishes policies and procedures for information collection to control paperwork burdens imposed by Federal agencies on the public, including evaluating public comments.

To fulfill its statutory mandate to promote miners' health and safety, MSHA requires information collected under the OMB request titled “Refuse Piles and Impoundment Structures.” This information collection is intended to ensure that refuse piles and impoundments provide adequate safety protection by preventing or eliminating hazardous conditions for coal miners.

B. Information Collection

To fulfill its statutory mandate to promote miners' health and safety, MSHA requires information under the information collection request (ICR) titled “Refuse Piles and Impoundment Structures.” This information collection is intended to ensure that refuse piles and impoundments provide adequate safety protection by preventing or eliminating hazardous conditions to coal miners.

Burden costs associated with the ICR include:

1. Developing Fire Extinguishing Plans for Refuse Piles and Impoundments
2. Posting Permanent Identification Markers for Refuse Piles and Impoundments
3. Developing New Plans for Refuse Piles and New and Modified Plans for Impoundments

4. Developing Annual Status Reports and Certifications for Refuse Piles and Impoundments
5. Developing Abandonment Plans for Refuse Piles and Impoundments
6. Recording Weekly Inspections and Instrumentation Monitoring of Impoundments

The associated standards that authorize the collection of information are described below.

Under 30 CFR 77.217(c), impoundments are defined as structures that can impound water, sediment, or slurry or any combination of materials. Under 30 CFR 77.217(e), refuse piles are defined as deposits of coal mine which may contain a mixture of coal, shale, claystone, siltstone, sandstone, limestone, and related materials that are excavated during mining operations or separated from mined coal and deposited on the surface as waste byproducts of either coal mining or preparation operations. Refuse pile does not mean temporary spoil piles of removed overburden material associated with surface mining operations. Under 30 CFR 77.217(a), “abandoned” as applied to any refuse pile or impoundment and impounding structure means that work on refuse pile or impounding structure having been completed in accordance with a plan for abandonment as approved by the District Manager.

1. Developing Fire Extinguishing Plans for Refuse Piles and Impoundments (30 CFR 77.215(j) and 77.216(e))

Refuse Piles

Under 30 CFR 77.215(j), all fires in refuse piles shall be extinguished, and the method used shall be in accordance with a plan approved by the District Manager. The plan shall contain as a minimum, provisions to ensure that only those persons authorized by the operator, and who have an understanding of the procedure to be used, shall be involved in the extinguishing operation.

Impoundments

Under 30 CFR 77.216(e), all fires in impounding structures shall be extinguished, and the method used shall be in accordance with a plan approved by the District Manager. The plan shall contain as a minimum, provisions to ensure that only those persons authorized by the operator, and who have an understanding of the procedures to be used, shall be involved in the extinguishing operation.

2. Posting Permanent Identification Markers for Refuse Piles and Impoundments (30 CFR 77.215–1 and 77.216–1)

Refuse Piles

Under 30 CFR 77.215–1, a permanent identification marker, at least six feet high and showing the refuse pile identification number as assigned by the District Manager, the name associated with the refuse pile and the name of the person owning, operating or controlling the refuse pile, shall be located on or immediately adjacent to each refuse pile within 30 days from acknowledgment of the proposed location of a new refuse pile.

Impoundments

Under 30 CFR 77.216–1, a permanent identification marker, at least six feet high and showing the identification number of the impounding structure as assigned by the District Manager, the name associated with the impounding structure and name of the person owning, operating, or controlling the structure, shall be located on or immediately adjacent to each water, sediment or slurry impounding structure within 30 days from the start of construction.

3. Developing New Plans for Refuse Piles and New and Modified Plans for Impoundments (30 CFR 77.215–2, 77.216, and 77.216–2)

Refuse Piles

Under 30 CFR 77.215–2(a) the proposed location of a new refuse pile shall be reported to and acknowledged in writing by the District Manager prior to the beginning of any work associated with the construction of the refuse pile.

Under 30 CFR 77.215–2(b), within 180 days from the date of acknowledgment of the proposed location of a new refuse pile, the person owning, operating or controlling a refuse pile shall submit to the District Manager a report in triplicate which contains the information listed in paragraphs 77.215–2(b)(1) through (b)(8).

Impoundments

Under 30 CFR 77.216(a) plans for the design, construction, and maintenance of structures which impound water, sediment, or slurry shall be required if such an existing or proposed impounding structure can:

- (1) Impound water, sediment, or slurry to an elevation of five feet or more above the upstream toe of the structure and can have a storage volume of 20 acre-feet or more; or

(2) Impound water, sediment, or slurry to an elevation of 20 feet or more above the upstream toe of the structure; or

(3) As determined by the District Manager, present a hazard to coal miners.

Under 30 CFR 77.216(b) plans for the design and construction of all new water, sediment, or slurry impoundments and impounding structures which meet the requirements of paragraph (a) of this section shall be submitted in triplicate to and be approved by the District Manager prior to the beginning of any work associated with construction of the impounding structure.

Under 30 CFR 77.216–2 the plans required under 77.216 shall contain as a minimum the information listed in paragraphs 77.216–2(a)(1) through (a)(18).

Under 30 CFR 77.216–2(b) any changes or modifications to plans for water, sediment, or slurry impoundments or impounding structures shall be approved by the District Manager prior to the initiation of such changes or modifications.

4. Developing Annual Status Reports and Certifications for Refuse Piles and Impoundments (30 CFR 77.215–2, 75.215–3, and 77.216–4)

Refuse Piles

Under 30 CFR 77.215–2(c), the information required by paragraphs 77.215–2(b)(4) through (b)(8) shall be reported every twelfth month from the date of original submission for those refuse piles which the District Manager has determined can present a hazard until the District Manager notifies the operator that the hazard has been eliminated.

Under 30 CFR 77.215–3(a), within 180 days following written notification by the District Manager that a refuse pile can present a hazard, the person owning, operating, or controlling the refuse pile shall submit to the District Manager a certification by a registered engineer that the refuse pile is being constructed or has been modified in accordance with current, prudent engineering practices to minimize the probability of impounding water and failure of such magnitude as to endanger the lives of miners.

Under 30 CFR 77.215–3(b), after the initial certification required by this section and until the District Manager notifies the operator that the hazard has been eliminated, certification shall be submitted every twelfth month from the date of the initial certification.

Impoundments

Under 30 CFR 77.216–4(a), every twelfth month following the date of the initial plan approval, the person owning, operating, or controlling a water, sediment, or slurry impoundment and impounding structure that has not been abandoned in accordance with an approved plan shall submit to the District Manager a report containing information listed in paragraphs 77.216–4(a)(1) through (a)(7).

Under 30 CFR 77.216–4(b), a report is not required when the operator provides the District Manager with a certification by a registered professional engineer that there have been no changes under paragraphs 77.216–4(a)(1) through (a)(6) to the impoundment or impounding structure. However, a report containing the information set out in paragraph 77.216–4(a) shall be submitted to the District Manager at least every 5 years.

5. Developing Abandonment Plans for Refuse Piles and Impoundments (30 CFR 77.215–4 and 77.216–5)

Refuse Piles

Under 30 CFR 77.215–4, when a refuse pile is to be abandoned, the District Manager shall be notified in writing, and if he determines it can present a hazard, the refuse pile shall be abandoned in accordance with a plan submitted by the operator and approved by the District Manager. The plan shall include a schedule for its implementation and describe provisions to prevent burning and future impoundment of water, and provide for major slope stability.

Impoundments

Under 30 CFR 77.216–5(a), prior to abandonment of any water, sediment, or slurry impoundment and impounding structure which meets the requirements of paragraph 77.216(a), the person owning, operating, or controlling such an impoundment and impounding structure shall submit to and obtain approval from the District Manager, a plan for abandonment based on current, prudent engineering practices. This plan shall provide for major slope stability, include a schedule for the plan's implementation and, except as provided in paragraph (b) of this section, contain provisions to preclude the probability of future impoundment of water, sediment, or slurry.

Under 30 CFR 77.216–5(b), an abandonment plan does not have to contain a provision to preclude the future impoundment of water if the plan is approved by the District Manager and documentation is included in the

abandonment plan to ensure that the following requirements are met:

(1) A registered professional engineer, knowledgeable in the principles of dam design and in the design and construction of the structure, shall certify that it substantially conforms to the approved design plan and specifications and that there are no apparent defects.

(2) The current owner or prospective owner shall certify a willingness and ability to assume responsibility for operation and maintenance of the structure.

(3) A permit or approval for the continued existence of the impoundment or impounding structure shall be obtained from the Federal or State agency responsible for dam safety.

6. Recording Weekly Inspections and Instrumentation Monitoring of Impoundments (30 CFR 77.216–3)

Under 30 CFR 77.216–3(a), all water, sediment, or slurry impoundments that meet the requirements of 77.216(a) shall be examined as follows:

(1) At intervals not exceeding 7 days, or as otherwise approved by the District Manager, for appearances of structural weakness and other hazardous conditions.

(2) All instruments shall be monitored at intervals not exceeding 7 days, or as otherwise approved by the District Manager.

(3) Longer inspection or monitoring intervals approved under this paragraph shall be justified by the operator based on the hazard potential and performance of the impounding structure, and shall include a requirement for inspection immediately after a specified rain event approved by the District Manager.

(4) All inspections required by this paragraph shall be performed by a qualified person designated by the person owning, operating, or controlling the impounding structure.

Under 30 CFR 77.216–3(b), when a potentially hazardous condition develops, the person owning, operating or controlling the impounding structure shall immediately:

(1) Take action to eliminate the potentially hazardous condition;

(2) Notify the District Manager;

(3) Notify and prepare to evacuate, if necessary, all coal miners from coal mine property which may be affected by the potentially hazardous conditions; and

(4) Direct a qualified person to monitor all instruments and examine the structure at least once every eight hours, or more often as required by an

authorized representative of the Secretary.

Under 30 CFR 77.216–3(c), after each examination and instrumentation monitoring referred to in this section, each qualified person who conducted all or any part of the examination or instrumentation monitoring shall promptly record the results of such examination or instrumentation monitoring in a book which shall be available at the mine for inspection by an authorized representative of the Secretary, and such qualified person shall also promptly report the results of the examination or monitoring to one of the persons specified in 30 CFR 77.216–3(d).

Under 30 CFR 77.216–3(d), all examination and instrumentation monitoring reports recorded in accordance with 77.216–3(c) shall include a report of the action taken to abate hazardous conditions and shall be promptly signed or countersigned by at least one of the following persons:

- (1) The mine foreman;
- (2) The assistant superintendent of the mine;
- (3) The superintendent of the mine;
- (4) The person designated by the operator as responsible for health and safety at the mine.

II. Desired Focus of Comments

MSHA is soliciting comments concerning the proposed information collection titled "Refuse Piles and Impoundment Structures." MSHA is particularly interested in comments that:

- 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;
- Evaluate the accuracy of MSHA's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Suggest methods to enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

The ICR is available on <https://www.regulations.gov>. MSHA cautions commenters against providing any information in the submission that should not be publicly disclosed. Full

comments, including personal information provided, will be made available on <https://www.regulations.gov> and <https://www.reginfo.gov>.

The public may also examine publicly available documents at DOL–MSHA, Office of Standards, Regulations and Variances, 200 Constitution Avenue NW, Washington, DC 20210. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

Questions about the information collection requirements may be directed to the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice.

III. Current Actions

This ICR concerns provisions for Refuse Piles and Impoundment Structures. MSHA has updated the data with respect to the number of respondents, responses, time burden, and burden costs supporting this ICR from the previous ICR.

Type of Review: Extension, without change, of a currently approved collection.

Agency: Mine Safety and Health Administration.

OMB Control Number: 1219–0015.

Affected Public: Business or other for-profit entity.

Number of Annual Respondents: 939.

Frequency: On occasion.

Number of Annual Responses: 27,006.

Annual Time Burden: 66,699 hours.

Annual Recordkeeping Costs:

\$1,198,501.

Comments submitted in response to this notice will be summarized and included in the request for Office of Management and Budget approval of the proposed ICR; they will become a matter of public record and be available at <https://www.reginfo.gov>.

Corliss A. Josephs-Conway,

Certifying Officer, Mine Safety and Health Administration.

[FR Doc. 2026–19266 Filed 9–18–26; 8:45 am]

BILLING CODE 4510–43–P

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[Docket No. OSHA–2024–0005]

National Advisory Committee on Occupational Safety and Health (NACOSH); Charter Renewal

AGENCY: Occupational Safety and Health Administration (OSHA), Labor.

ACTION: Renewal of the NACOSH charter.

SUMMARY: The Acting Secretary of Labor (Secretary) has approved the renewal of the NACOSH charter. The renewed charter will expire two years from its filing date.

FOR FURTHER INFORMATION CONTACT:

For press inquiries: Mr. Frank Meilinger, Director, OSHA Office of Communications, U.S. Department of Labor; telephone: (202) 693–1000; ext. 18477; email: meilinger.francis@dol.gov.

For general information: Mr. Andrew Levinson, Director, Directorate of Standards and Guidance, OSHA, U.S. Department of Labor; telephone: (202) 693–1000; ext. 17394; email: levinson.andrew@dol.gov.

SUPPLEMENTARY INFORMATION: The Secretary has approved the renewal of the NACOSH charter. The renewed charter will expire two years from its filing date. Congress established NACOSH in Section 7(a) of the Occupational Safety and Health Act of 1970 (OSH Act) (29 U.S.C. 651, 656) to advise, consult with, and make recommendations to the Secretary and the Secretary of Health and Human Services on matters relating to the administration of the OSH Act. NACOSH is a non-discretionary advisory committee of indefinite duration.

NACOSH operates in accordance with the Federal Advisory Committee Act (FACA) (5 U.S.C. 1001, *et seq.*), its implementing regulations (41 CFR part 102–3), and OSHA’s regulations on NACOSH (29 CFR part 1912a). Pursuant to FACA the NACOSH charter must be renewed every two years.

The NACOSH charter is available to read or download at <http://www.regulations.gov> (Docket No. OSHA–2024–0005), the federal rulemaking portal. The charter also is available on the NACOSH page on OSHA’s web page at <http://www.osha.gov> and at the OSHA Docket Office, N–3653, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210; telephone (202) 693–2350. In addition, the charter is available for viewing or download at the FACA database at <http://www.facadatabase.gov>.

Authority and Signature: Amanda Laihow, Principal Deputy Assistant Secretary of Labor for Occupational Safety and Health, authorized the preparation of this notice under the authority granted by 29 U.S.C. 656; 5 U.S.C. 10; 29 CFR part 1912a; 41 CFR part 102–3; and Secretary of Labor’s Order No. 7–2025 (90 FR 27878, June 30, 2025).

Signed at Washington, DC, on September 3, 2026.

Amanda Laihow,

Principal Deputy Assistant Secretary of Labor for Occupational Safety and Health.

[FR Doc. 2026–19269 Filed 9–18–26; 8:45 am]

BILLING CODE 4510–26–P

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[Docket No. OSHA–2007–0043]

TUV SUD America, Inc.: Application for Expansion of Recognition

AGENCY: Occupational Safety and Health Administration (OSHA), Labor.

ACTION: Notice.

SUMMARY: In this notice, OSHA announces the application of TUV SUD America, Inc. (TUVAM), for expansion of the scope of recognition as a Nationally Recognized Testing Laboratory (NRTL) and presents the agency’s preliminary finding to grant the application. TUVAM requests the addition of two test standards to the NRTL scope of recognition.

DATES: Submit comments, information, and documents in response to this notice, or requests for an extension of time to make a submission, on or before October 6, 2026.

ADDRESSES: Comments may be submitted as follows:

Electronically: You may submit comments, including attachments, electronically at <http://www.regulations.gov>, the Federal eRulemaking Portal. Follow the online instructions for submitting comments.

Instructions: All submissions must include the agency’s name and the docket number for this rulemaking (Docket No. OSHA–2007–0043). All comments, including any personal information you provide, are placed in the public docket without change and may be made available online at <https://www.regulations.gov>. Therefore, OSHA cautions commenters about submitting information they do not want made available to the public, or submitting materials that contain personal information (either about themselves or others), such as Social Security numbers and birthdates.

Docket: To read or download comments or other material in the docket, go to <http://www.regulations.gov>. Documents in the docket (including this **Federal Register** notice) are listed in the <http://www.regulations.gov> index; however, some information (e.g., copyrighted

material) is not publicly available to read or download through the website. All submissions, including copyrighted material, are available for inspection through the OSHA Docket Office. Contact the OSHA Docket Office at (202) 693-2350 (TTY (877) 889-5627) for assistance in locating docket submissions.

Extension of comment period: Submit requests for an extension of the comment period on or before October 6, 2026 to the Office of Technical Programs and Coordination Activities, Directorate of Technical Support and Emergency Management, Occupational Safety and Health Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Room N-3653, Washington, DC 20210, or by fax to (202) 693-1644.

FOR FURTHER INFORMATION CONTACT: Information regarding this notice is available from the following sources:

Press inquiries: Contact Mr. Frank Meilinger, Director, OSHA Office of Communications, U.S. Department of Labor by phone: (202) 693-1000 ext. 18477 or email: meilinger.francis2@dol.gov.

General and technical information: Contact Mr. Kevin Robinson, Director, Office of Technical Programs and Coordination Activities, Directorate of Technical Support and Emergency Management, Occupational Safety and Health Administration, U.S. Department of Labor by phone: (202) 693-1000 ext. 11538 or email: robinson.kevin@dol.gov.

SUPPLEMENTARY INFORMATION:

I. Notice of the Application for Expansion

OSHA is providing notice that TUV SUD America, Inc. (TUVAM) is applying for expansion of the current recognition as a NRTL. TUVAM requests the addition of two test standards to the NRTL scope of recognition.

OSHA recognition of a NRTL signifies that the organization meets the requirements specified in 29 CFR 1910.7. Recognition is an acknowledgment that the organization can perform independent safety testing and certification of the specific products covered within its scope of recognition. Each NRTL's scope of recognition includes (1) the type of products the NRTL may test, with each type specified by its applicable test standard; and (2) the recognized site(s) that has/have the technical capability to perform the product-testing and product-certification activities for test standards within the NRTL's scope. Recognition is not a delegation or grant of government

authority; however, recognition enables employers to use products approved by the NRTL to meet OSHA standards that require product testing and certification.

The agency processes an application by a NRTL for initial recognition and for an expansion or renewal of this recognition, following requirements in Appendix A, 29 CFR 1910.7. This appendix requires that the agency publish two notices in the **Federal Register** in processing an application. In the first notice, OSHA announces the application and provides its preliminary finding. In the second notice, the agency provides the final decision on the application. These notices set forth the NRTL's scope of recognition or modifications of that scope. OSHA maintains an informational web page for each NRTL, including TUVAM, which details the NRTL's scope of recognition. These pages are available from the OSHA website at: <https://www.osha.gov/nationally-recognized-testing-laboratory-program>.

II. General Background on the Application

TUVAM submitted an application to OSHA for expansion of the NRTL scope of recognition on February 27, 2025 (OSHA-2007-0043-0075), requesting the expansion of the NRTL scope of recognition to include two additional test standards. OSHA did not perform any on-site reviews with respect to this application.

Table 1 below lists the appropriate test standards found in TUVAM's application for expansion for testing and certification of products under the NRTL Program.

TABLE 1—PROPOSED LIST OF APPROPRIATE TEST STANDARDS FOR INCLUSION IN TUVAM'S NRTL SCOPE OF RECOGNITION

Test standard	Test standard title
UL 2580	Batteries for Use in Electric Vehicles.
UL 2743	Portable Power Packs.

III. Preliminary Findings on the Application

TUVAM submitted an acceptable application for expansion of the NRTL scope of recognition. OSHA's review of the application file, and pertinent documentation, indicate that TUVAM can meet the requirements prescribed by 29 CFR 1910.7 for expanding its recognition to include the addition of two additional testing standards for NRTL testing and certification. This preliminary finding does not constitute

an interim or temporary approval of TUVAM's application. OSHA seeks comment on this preliminary determination.

IV. Public Participation

OSHA welcomes public comment as to whether TUVAM meets the requirements of 29 CFR 1910.7 for expansion of recognition as a NRTL. Comments should consist of pertinent written documents and exhibits.

Commenters needing more time to comment must submit a request in writing, stating the reasons for the request by the due date for comments. OSHA will limit any extension to 10 days unless the requester justifies a longer time period. OSHA may deny a request for an extension if it is not adequately justified.

To review copies of the exhibits identified in this notice, as well as comments submitted to the docket, contact the Docket Office, Occupational Safety and Health Administration, U.S. Department of Labor. These materials also are generally available online at <https://www.regulations.gov> under Docket No. OSHA-2007-0043 (for further information, see the "Docket" heading in the section of this notice titled **ADDRESSES**).

OSHA staff will review all comments to the docket submitted in a timely manner. After addressing the issues raised by these comments, staff will make a recommendation to the Assistant Secretary of Labor for Occupational Safety and Health on whether to grant TUVAM's application for expansion of the scope of recognition. The Assistant Secretary will make the final decision on granting the application. In making this decision, the Assistant Secretary may undertake other proceedings prescribed in Appendix A to 29 CFR 1910.7.

OSHA will publish a public notice of the final decision in the **Federal Register**.

V. Authority and Signature

Amanda Laihow, Principal Deputy Assistant Secretary of Labor for Occupational Safety and Health, authorized the preparation of this notice. Accordingly, the agency is issuing this notice pursuant to 29 U.S.C. 657(g)(2), Secretary of Labor's Order No. 7-2025 (90 FR 27878, June 30, 2025), and 29 CFR 1910.7.

Signed at Washington, DC, on September 4, 2026.

Amanda Laihow,
Principal Deputy Assistant Secretary of Labor
for Occupational Safety and Health.

[FR Doc. 2026-19268 Filed 9-18-26; 8:45 am]

BILLING CODE 4510-26-P

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[Docket No. OSHA–2010–0013]

RETC, LLC.: Application for Expansion of Recognition

AGENCY: Occupational Safety and Health Administration (OSHA), Labor.

ACTION: Notice.

SUMMARY: In this notice, OSHA announces the application of RETC, LLC. for expansion of the scope of recognition as a Nationally Recognized Testing Laboratory (NRTL) and presents the agency's preliminary finding to grant the application.

DATES: Submit comments, information, and documents in response to this notice, or requests for an extension of time to make a submission, on or before October 6, 2026.

ADDRESSES: Comments may be submitted as follows:

Electronically: You may submit comments, including attachments, electronically at <http://www.regulations.gov>, the Federal eRulemaking Portal. Follow the online instructions for submitting comments.

Instructions: All submissions must include the agency's name and the docket number for this rulemaking (Docket No. OSHA–2010–0013). All comments, including any personal information you provide, are placed in the public docket without change and may be made available online at <https://www.regulations.gov>. Therefore, OSHA cautions commenters about submitting information they do not want made available to the public or submitting materials that contain personal information (either about themselves or others), such as Social Security numbers and birthdates.

Docket: To read or download comments or other material in the docket, go to <http://www.regulations.gov>. Documents in the docket (including this **Federal Register** notice) are listed in the <http://www.regulations.gov> index; however, some information (e.g., copyrighted material) is not publicly available to read or download through the website. All submissions, including copyrighted material, are available for inspection through the OSHA Docket Office. Contact the OSHA Docket Office at (202) 693–2350 (TTY (877) 889–5627) for assistance in locating docket submissions.

Extension of comment period: Submit requests for an extension of the

comment period on or before October 6, 2026 to the Office of Technical Programs and Coordination Activities, Directorate of Technical Support and Emergency Management, Occupational Safety and Health Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Room N–3653, Washington, DC 20210, or by fax to (202) 693–1644.

FOR FURTHER INFORMATION CONTACT: Information regarding this notice is available from the following sources:

Press inquiries: Contact Mr. Frank Meilinger, Director, OSHA Office of Communications, phone: (202) 693–1000; ext. 18477 or email: meilinger.francis2@dol.gov.

General and technical information: Contact Mr. Kevin Robinson, Director, Office of Technical Programs and Coordination Activities, Directorate of Technical Support and Emergency Management, Occupational Safety and Health Administration, phone: (202) 693–1000 ext. 11538 or email: robinson.kevin@dol.gov.

SUPPLEMENTARY INFORMATION:**I. Notice of the Application for Expansion**

OSHA is providing notice that RETC, LLC (RETC), is applying for expansion of the current recognition as a NRTL. RETC requests the addition of one recognized testing standard and one recognized testing site to the NRTL scope of recognition.

OSHA's recognition of a NRTL signifies that the organization meets the requirements specified in 29 CFR 1910.7. Recognition is an acknowledgment that the organization can perform independent safety testing and certification of the specific products covered within the scope of recognition. Each NRTL's scope of recognition includes: (1) the type of products the NRTL may test, with each type specified by the applicable test standard; and (2) the recognized site(s) that has/have the technical capability to perform the product-testing and product-certification activities for test standards within the NRTL's scope. Recognition is not a delegation or grant of government authority; however, recognition enables employers to use products approved by the NRTL to meet OSHA standards that require product testing and certification.

The agency processes applications by a NRTL for initial recognition and for an expansion or renewal of this recognition, following requirements in Appendix A to 29 CFR 1910.7. This appendix requires that the agency publish two notices in the **Federal Register** in processing an application. In

the first notice, OSHA announces the application and provides a preliminary finding. In the second notice, the agency provides a final decision on the application. These notices set forth the NRTL's scope of recognition or modifications of that scope. OSHA maintains an informational web page for each NRTL, including RETC, which details the NRTL's scope of recognition. These pages are available from the OSHA website at <http://www.osha.gov/dts/otpca/nrtl/index.html>.

II. General Background on the Application

RETC initially received OSHA recognition as a NRTL in a **Federal Register** notice (76 FR 16452, March 23, 2011). RETC was previously recognized by OSHA as TUV Rheinland PTL, then as SolarPTL, LLC (PTL), following a sale from TUV Rheinland PTL to PTL in October 2018, and is now recognized as RETC, following a sale from PTL to RETC in March 2024.

OSHA is now referring to this NRTL as "RETC, LLC," in this and future **Federal Register** Notices. OSHA notes that it has not yet revised its website to reflect RETC's purchase of PTL. That is, the website continues to list PTL as a recognized NRTL with no mention of RETC (see <https://www.osha.gov/nationally-recognized-testing-laboratory-program/solarptl>). RETC has informed OSHA that it is currently seeking registration of its certification mark with the US Patent and Trademark Office and will continue to use the PTL mark until that registration is approved. When that registration is approved, OSHA will revise its website to reflect RETC's status as the NRTL of record.

When OSHA granted PTL's renewal of recognition on March 29, 2021 (86 FR 16394), OSHA required that PTL abide by the following conditions in addition to those conditions already required by 29 CFR 1910.7:

1. PTL must inform OSHA as soon as possible, in writing, of any change of ownership, facilities, or key personnel, and of any major change in their operations as a NRTL, and provide details of the change(s);

2. PTL must agree to increased OSHA oversight of their operations including:

(a) More frequent on-site assessments of PTL facilities; and

(b) PTL shall continue to provide OSHA with written notification of any new or revised NRTL certificates that it issues, within 7 calendar days of issuing the certification. This notification shall include:

(i) Name and address of the applicant;

(ii) Model number(s) for the certified products;

(iii) PTL Certification number;
(iv) PTL Project number;
(v) Name(s) of PTL staff involved with the project; and

(vi) Location where the product evaluation and testing took place.

3. Upon request, PTL must provide copies of the test data, certification report and other related information for new or revised certifications to OSHA.

4. PTL must meet all the terms of their recognition and comply with all OSHA policies pertaining to this recognition; and

5. PTL must continue to meet the requirements for recognition, including all previously published conditions on PTL's scope of recognition, in all areas for which it has recognition.

These conditions continue to remain in place with respect to OSHA's recognition of RETC. RETC's scope of recognition currently includes one recognized site located at 1107 West Fairmont Drive, Tempe, Arizona 85282, which also currently functions as its headquarters.

RETC submitted an application to OSHA for expansion of this NRTL's scope of recognition. The application, dated November 22, 2024 (OSHA–2010–0013–0012), requested the expansion of the NRTL scope of recognition to include one additional testing site located at: 46457 Landing Pkwy., Fremont, CA 94538.¹ That application was updated on December 5, 2024 (OSHA–2010–0013–0013) to add one

standard to the original submission. In total, the amended expansion application requested the addition of a total of one standard and one site to the NRTL scope of recognition. OSHA staff performed an on-site review of RETC's testing facilities on March 3–5, 2026, in which assessors found some nonconformances with the requirements of 29 CFR 1910.7. RETC has addressed these issues sufficiently, and OSHA staff has preliminarily determined that OSHA should grant the application.

Table 1, below, lists the appropriate test standard found in RETC's application for expansion for testing and certification of products under the NRTL Program.

TABLE 1—PROPOSED APPROPRIATE TEST STANDARD FOR INCLUSION IN RETC'S NRTL SCOPE OF RECOGNITION

Test standard	Test standard title
UL 1741	Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources.

III. Preliminary Findings on the Application

RETC submitted an acceptable application for expansion of the scope of recognition. OSHA's review of the application files and pertinent documentation indicates that RETC has met the requirements prescribed by 29 CFR 1910.7 for expanding the recognition to include the addition of one proposed test site and the test standards for NRTL testing and certification listed in Table 1. This preliminary finding does not constitute an interim or temporary approval of RETC's application.

OSHA seeks comment on this preliminary determination.

IV. Public Participation

OSHA welcomes public comment as to whether RETC meets the requirements of 29 CFR 1910.7 for expansion of recognition as a NRTL. Comments should consist of pertinent written documents and exhibits.

Commenters needing more time to comment must submit a request in writing, stating the reasons for the request by the due date for comments. OSHA will limit any extension to 10 days unless the requester justifies a longer time period. OSHA may deny a request for an extension if it is not adequately justified.

To review copies of the exhibits identified in this notice, as well as comments submitted to the docket, contact the Docket Office, Occupational

Safety and Health Administration, U.S. Department of Labor. These materials also are generally available online at <https://www.regulations.gov> under Docket No. OSHA–2010–0013 (for further information, see the “Docket” heading in the section of this notice titled **ADDRESSES**).

OSHA staff will review all comments to the docket submitted in a timely manner. After addressing the issues raised by these comments, staff will make a recommendation to the Assistant Secretary of Labor for Occupational Safety and Health on whether to grant RETC's application for expansion of the scope of recognition. The Assistant Secretary will make the final decision on granting the application. In making this decision, the Assistant Secretary may undertake other proceedings prescribed in Appendix A to 29 CFR 1910.7.

OSHA will publish a public notice of the final decision in the **Federal Register**.

V. Authority and Signature

Amanda Laihow, Principal Deputy Assistant Secretary of Labor for Occupational Safety and Health, 200 Constitution Avenue NW, Washington, DC 20210, authorized the preparation of this notice. Accordingly, the agency is issuing this notice pursuant to 29 U.S.C. 657(g)(2), Secretary of Labor's Order No. 7–2025 (90 FR 27878; June 30, 2025), and 29 CFR 1910.7.

Signed at Washington, DC, on September 10, 2026.

Amanda Laihow,

Principal Deputy Assistant Secretary of Labor for Occupational Safety and Health.

[FR Doc. 2026–19267 Filed 9–18–26; 8:45 am]

BILLING CODE 4510–26–P

DEPARTMENT OF LABOR

Wage and Hour Division

Agency Information Collection Activities; Comment Request; Information Collections: Disclosures to Workers Under the Migrant and Seasonal Agricultural Worker Protection Act

AGENCY: Wage and Hour Division, Department of Labor.

ACTION: Notice and request for comments.

SUMMARY: The Department of Labor (Department) is soliciting comments concerning a proposed extension of the information collection request (ICR) titled “Disclosures to Workers Under the Migrant and Seasonal Agricultural Worker Protection Act.” This comment request is part of continuing Departmental efforts to reduce paperwork and respondent burden in accordance with the Paperwork Reduction Act of 1995 (PRA). The Department proposes to extend the approval of this existing information collection without change to the

¹ In its application, RETC also requested that OSHA change its NRTL headquarters to this new

testing site OSHA will revise its website to reflect

this change if it grants RETC's application for expansion.

existing requirements. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. A copy of the proposed information request can be obtained by contacting the office listed below in the **FOR FURTHER INFORMATION CONTACT** section of this Notice.

DATES: Written comments must be submitted to the office listed in the **ADDRESSES** section below on or before November 20, 2026.

ADDRESSES: You may submit comments identified by Control Number 1235-0002, by either one of the following methods:

- *Email:* WHDPRAComments@dol.gov;

- *Mail, Hand Delivery, Courier:* Division of Regulations, Legislation, and Interpretation, Wage and Hour, U.S. Department of Labor, Room S-3502, 200 Constitution Avenue NW, Washington, DC 20210.

Instructions: Please submit one copy of your comments by only one method. All submissions received must include the agency name and Control Number identified above for this information collection. Comments, including any personal information provided, become a matter of public record. They will also be summarized and/or included in the request for Office of Management and Budget (OMB) approval of the information collection request.

FOR FURTHER INFORMATION CONTACT: Daniel Navarrete, Division of Regulations, Legislation, and Interpretation, Wage and Hour Division, U.S. Department of Labor, Room S-3502, 200 Constitution Avenue NW, Washington, DC 20210; telephone: (202) 693-0406 (this is not a toll-free number). Alternative formats are available upon request by calling 1-866-487-9243. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION:

I. Background

The Migrant and Seasonal Agricultural Worker Protection Act (MSPA or Act) safeguards migrant and seasonal agricultural workers in their interactions with Farm Labor Contractors, Agricultural Employers, and Agricultural Associations, and providers of migrant farm worker housing. *See* Public Law 97-470, 96 Stat. 2583 (29 U.S.C. 1801-1872). The

Act requires Farm Labor Contractors (FLCs), Agricultural Employers (AGERs), and Agricultural Associations (AGAs), who recruit, solicit, hire, employ, furnish, transport, or house agricultural workers, as well as providers of migrant housing, to meet certain minimum requirements in their dealings with migrant and seasonal agricultural workers. Various sections of the MSPA require respondents (*i.e.*, FLCs, AGERs, and AGAs) to disclose terms and conditions in writing to their workers.

MSPA sections 201(g) and 301(f) require respondents to provide such information in English or, as necessary and reasonable, in a language common to the workers and that the U.S. Department of Labor (Department) make forms available to provide such information. The Department makes optional-use form WH-516 ("Worker Information—Terms and Conditions of Employment") available for these purposes.

MSPA sections 201(d) and 301(c) and the Act's implementing regulations at 29 CFR 500.80(a) require each FLC, AGER, and AGA that employs a migrant or seasonal worker to make, keep, and preserve records for 3 years for each such worker concerning the (1) basis on which wages are paid; (2) number of piece work units earned, if paid on a piece work basis; (3) number of hours worked; (4) total pay period earnings; (5) specific sums withheld and the purpose of each sum withheld; (6) net pay. Respondents are also required to provide an itemized written statement of this information to each migrant and seasonal agricultural worker each pay period. *See* 29 U.S.C. 1821(d), 1831(c), and 29 CFR 500.1-80(d). Additionally, MSPA sections 201(e) and 301(d) require each FLC to provide copies of all the records noted above for the migrant and seasonal agricultural workers the contractor has furnished to other FLCs, AGERs, or AGAs who use the workers. Respondents must also make and keep certain records.

Section 201(c) of the Act requires all FLCs, AGERs, and AGAs providing housing to a migrant agricultural worker to post in a conspicuous place at the site of the housing, or present to the migrant worker, a written statement of any housing occupancy terms and conditions. *See* 29 U.S.C. 1821(c); 29 CFR 500.75. In addition, MSPA section 201(g) requires them to provide such information in English, or as necessary and reasonable, in a language common to the workers. *See* 29 U.S.C. 1821(g). The provision also requires Department make the optional forms available to provide the required disclosures. *See* 29

U.S.C. 1821(g); 29 CFR 500.1(i)(2). The Department makes optional-use form WH-501 ("Wage Statement") available for this purpose.

MSPA section 201(c) and implementing regulation at 29 CFR 500.75(f)-(g), require each FLC, AGER, and AGA that provides housing for any migrant agricultural worker shall post in a conspicuous place at the site of the housing or present in the form of a written statement to the worker the following information on the terms and conditions of occupancy of such housing, if any: (1) The name and address of the farm labor contractor, agricultural employer or agricultural association providing the housing; (2) The name and address of the individual in charge of the housing; (3) The mailing address and phone number where persons living in the housing facility may be reached; (4) Who may live at the housing facility; (5) The charges to be made for housing; (6) The meals to be provided and the charges to be made for them; (7) The charges for utilities; and (8) Any other charges or conditions of occupancy. *See* 29 U.S.C. 1821(c). The provision also requires that the Department make the optional forms available to provide the required disclosures. *See Id.*; 29 CFR 500.75(g). The Department makes optional-use form WH-521 ("Housing Terms and Conditions") available for this purpose.

II. Review Focus

The Department of Labor is particularly interested in comments that:

- 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;
- Enhance the quality, utility, and clarity of the information to be collected;
- 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;
- 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.

III. Current Actions

The Department of Labor seeks an approval for the extension of this information collection in order to

ensure effective administration of the Migrant and Seasonal Agricultural Worker Protection Act.

Type of Review: Extension.

Agency: Wage and Hour Division.

Title: Disclosure to Workers Under the Migrant and Seasonal Agricultural Worker Protection Act.

OMB Control Number: 1235–0002.

Affected Public: Business or other for-profit, Not-for-profit institutions, Farms.

Agency Numbers: Forms WH–501 (English and Spanish versions), WH–516 (English, Spanish and Haitian Creole versions), and WH–521.

Total Respondents: 94,729.

Total Annual Responses: 72,606,389.

Estimated Total Burden Hours: 1,228,769.

Estimated Time per Response: Various.

Frequency: On occasion.

Total Burden Cost (capital/startup/operation/maintenance): \$2,904,255.

Dated: September 14, 2026.

Daniel Navarrete,

Director, Division of Regulations, Legislation, and Interpretation.

[FR Doc. 2026–19264 Filed 9–18–26; 8:45 am]

BILLING CODE 4510–27–P

NATIONAL CREDIT UNION ADMINISTRATION

Renewal of Agency Information Collection of a Previously Approved Collection; Request for Comments

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notice of submission to the Office of Management and Budget.

SUMMARY: As required by the Paperwork Reduction Act of 1995, The National Credit Union Administration (NCUA) is submitting the following extensions and revisions of currently approved collections to the Office of Management and Budget (OMB) for renewal.

DATES: Written comments should be received on or before October 21, 2026 to be assured consideration.

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:

Copies of the submission may be obtained by contacting Dacia Rogers at (703) 518–6547, emailing

PRAComments@ncua.gov, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

OMB Number: 3133–0098.

Title: Advertising of Excess Insurance, 12 CFR 740.3.

Type of Review: Extension of a previously approved collection.

Abstract: Federally insured credit unions which offer or provide excess insurance coverage for their accounts must indicate the type and amount of such insurance, the name of the carrier and a statement that the carrier is not affiliated with the NCUSIF or the Federal government in all advertising that mentions account insurance.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 413.

Estimated Number of Responses per Respondent: 1.

Estimated Total Annual Responses: 413.

Estimated Hours per Response: 1.

Estimated Total Annual Burden Hours: 413.

Reason for Change: The number of respondents increased from 297 to 413 as more credit unions offered third-party share insurance in addition to NCUSIF.

OMB Number: 3133–0108.

Title: Anti-Money Laundering and Countering the Financing of Terrorism Programs.

Type of Review: Revision of a currently approved collection.

Abstract: The collection is needed to allow NCUA to determine whether credit unions have established a program reasonably designed to assure and monitor their compliance with current recordkeeping requirements established by Federal statute and Department of the Treasury regulation.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 4,331.

Estimated Number of Responses per Respondent: 1.3.

Estimated Total Annual Responses: 5,775.

Estimated Hours per Response: Varies.

Estimated Total Annual Burden Hours: 80,856.

Reason for Change: The number of FICUs decreased, and response frequency was adjusted to distinguish one-time from ongoing annual burden.

OMB Number: 3133–0117.

Title: Designation of Low Income Status, 12 CFR 701.34(a).

Type of Review: Extension of a previously approved collection.

Abstract: The Federal Credit Union Act (12 U.S.C. 1752(5)) authorizes the NCUA Board to define low-income members so that credit unions with a membership serving predominantly low-income members can benefit from certain statutory relief and receive assistance from the Community Development Revolving Loan Fund (CDRLF). Under the authority of 12 CFR 701.34(a), NCUA must obtain certain data to determine if a credit union qualifies for the designation. NCUA uses the information from credit unions to determine whether they meet the criteria for the low-income designation.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 191.

Estimated Number of Responses per Respondent: 1

Estimated Total Annual Responses: 191.

Estimated Hours per Response: varies.

Estimated Total Annual Burden

Hours: 92.
Reason for Change: Adjustments were made to the estimated number of respondents.

OMB Number: 3133–0134.

Title: Truth in Savings (TISA), 12 CFR part 707.

Type of Review: Extension of a previously approved collection.

Abstract: NCUA’s TISA regulation requires credit unions to provide specific disclosures when an account is opened, when a disclosed term changes or a term account is close to renewal, on periodic statements of account activity, in advertisements, and upon a member’s or potential member’s request. 12 CFR 707.4, 707.5, 707.6, 707.8. Credit unions that provide periodic statements are required to include information about fees imposed, the annual percentage yield earned during those statement periods, and other account terms. The requirements for creating and disseminating account disclosures, change in terms notices, term share renewal notices, statement disclosures, and advertising disclosures are necessary to implement TISA’s purpose of providing the public with information that will permit informed comparisons of accounts at depository institutions.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 4,250.

Estimated Number of Responses per Respondent: Varies.

Estimated Total Annual Responses: 3,166,250.

Estimated Hours per Response: Varies.

Estimated Total Annual Burden Hours: 298,563.

Reason for Change: Adjustments were made to the number of respondents.

OMB Number: 3133–0154.

Title: Prompt Corrective Action, 12 CFR 702 (Subparts A–D).

Type of Review: Extension of a previously approved collection.

Abstract: Section 216 of the Federal Credit Union Act (12 U.S.C. 1790d) mandates prompt corrective action requirements for federally insured credit unions (FICUs) that become less than well capitalized. The NCUA Board is required to (1) adopt, by regulation, a system of prompt corrective action to restore the net worth of inadequately capitalized FICUs; and (2) develop an alternative system of prompt corrective action for new credit unions that carries out the purpose of prompt corrective actions while allowing an FICU reasonable time to build its net worth to an adequately capitalized level. Part 702 implements the statutory requirements and, to achieve this, various information collections to meet the purpose of prompt corrective action as circumstances require.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 117.

Estimated Number of Responses per Respondent: 1.86.

Estimated Total Annual Responses: 218.

Estimated Hours per Response: Varies.

Estimated Total Annual Burden Hours: 1,949.

Reason for Change: The number of respondents was adjusted for several information collection activities due to the number of credit unions impacted by PCA.

OMB Number: 3133–0166.

Title: Home Mortgage Disclosure Act (HMDA), 12 CFR 1003 (Regulation C).

Type of Review: Extension of a previously approved collection.

Abstract: The collection of this data is required under the Home Mortgage Disclosure Act. The information collection is intended to provide the public with loan data that can be used—(i) to help determine whether financial institutions are serving the housing needs of their communities; Reg C 203.1(b)(1)(ii); (ii) to assist public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; Reg CC 203.1(b)(1)(iii) and (iii) to assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes. Reg C 203.1(b)(2).

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 1,505.

Estimated Number of Responses per Respondent: 944.

Estimated Total Annual Responses: 1,420,720.

Estimated Hours per Response: .0833.

Estimated Total Annual Burden Hours: 118,346.

Reason for Change: The number of federally insured credit unions filing HMDA LARs and the total number of reportable HMDA loans have been adjusted to reflect the numbers obtained for calendar years 2024 and 2025.

OMB Number: 3133–0167.

Title: Foreign Branching, 12 CFR 741.11.

Type of Review: Extension of a previously approved collection.

Abstract: This collection covers the additional information a credit union must provide to establish a branch office outside the United States (except for U.S. embassies and military installations). This is a three step process (1) The credit union must receive written approval from the host country to establish a branch, (2) The credit union must develop a detailed business plan, and (3) The credit union must submit documentation showing host country approval, state regulatory approval (if applicable), and the business plan to NCUA and receive NCUA approval before establishing the branch office. There are no formal applications to complete.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated Number of Respondents: 1.

Estimated Number of Responses per Respondent: 1.

Estimated Total Annual Responses: 1.

Estimated Hours per Response: 33.

Estimated Total Annual Burden Hours: 33.

Request for Comments: Comments submitted in response to this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will become a matter of public record. The public is invited to submit comments concerning: (a) whether the collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information, including 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 the information on the respondents, including the use of automated collection techniques or other forms of information technology.

By the National Credit Union Administration Board.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2026–19275 Filed 9–18–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL MEDIATION BOARD

Notice of Proposed Information Collection Request

AGENCY: National Mediation Board.

ACTION: Notice.

SUMMARY: The National Mediation Board (NMB) invites comments on the proposed information collection request as required by the Paperwork Reduction Act of 1995. The NMB is seeking the reinstatement, with non-substantive change, of a previously approved collection of information, entitled “Application for Mediation Services.” The change to the information collection is a non-substantive one related to the change in the agency's Washington, DC headquarters address, which was effective August 1, 2026. This notice allows for 60 days for public comments.

DATES: Comments are due by November 20, 2026.

ADDRESSES: Requests for copies of the proposed information collection request should be directed by email (the preferred method) to NMB Program Management Specialist Keaira Butler at keaira.butler@nmb.gov, or mailed to Keaira Butler at National Mediation Board, Office of Legal Affairs, P.O. Box 23300, Washington, DC 20026. Please specify the complete title of the information collection when making your request.

Comments on the proposed information collection request should be directed by email (the preferred method) to NMB Counsel John Gross at gross@nmb.gov, or by mail to John Gross at National Mediation Board, Office of Legal Affairs, P.O. Box 23300, Washington, DC 20026.

FOR FURTHER INFORMATION CONTACT: John Gross, Counsel, National Mediation Board, National Mediation Board, Office of Legal Affairs, P.O. Box 23300, Washington, DC 20026; telephone number: 202–815–1647; email address: gross@nmb.gov.

SUPPLEMENTARY INFORMATION: Section 3506 of the Paperwork Reduction Act of

1995 (U.S.C. Chapter 35) requires that the Office of Management and Budget (OMB) provide interested Federal agencies and the public an early opportunity to comment on information collection requests. OMB may amend or waive the requirement for public consultation to the extent that public participation in the approval process would defeat the purpose of the information collection, violate State or Federal law, or substantially interfere with any agency's ability to perform its statutory obligations. The NMB publishes that notice containing proposed information collection requests prior to submission of these requests to OMB. Each proposed information collection contains the following: (1) Type of review requested, e.g. new, revision extension, existing or reinstatement; (2) Title; (3) Summary of the collection; (4) Description of the need for, and proposed use of, the information; (5) Respondents and frequency of collection; and (6) Reporting and/or Record keeping burden. OMB invites public comment.

Currently, the NMB is soliciting comments concerning the proposed reinstatement, with non-substantive change, of a previously approved collection of information, entitled "Application for Mediation Services," and is interested in public comment addressing the following issues: (1) Is this collection necessary to the proper functions of the agency; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the agency enhance the quality, utility, and clarity of the information to be collected; and (5) how might the agency minimize the burden of this collection on the respondents, including through the use of information technology.

Title of Collection: Application for Mediation Services.

OMB Control Number: 3140-0002.

Type of Review: Reinstatement, with non-substantive change, of a previously approved collection of information.

Affected Public: Carrier and Labor Union Officials, and employees of railroads and airlines.

Frequency of Collection: On occasion.

Respondent's Obligation: Voluntary.

Estimated Reporting and

Recordkeeping Hour Burden:

Responses: 25 annually.

Burden Hours: 6.25.

1. *Abstract:* Section 5, First, of the Railway Labor Act (RLA), 45 U.S.C. 155, First, provides that both, or either, of the parties to a labor/management dispute may invoke the mediation services of the NMB. Congress has determined that it is in the nation's best interest to

provide for governmental mediation as the primary dispute resolution mechanism to resolve collective bargaining disputes in the railroad and airline industries. The NMB's duties do not arise until its services have been invoked by a party to the dispute. The RLA is silent as to how the invocation of the mediation services of the NMB is to be accomplished and the NMB has not promulgated regulations requiring any specific vehicle. Nonetheless, 29 CFR 1203.1, provides that applications for the mediation services of the NMB under Section 5, First, of the RLA, may be made on printed forms secured from the NMB or on the internet at <http://www.nmb.gov>. This section of the regulations provides that applications should be submitted in duplicate, show the exact nature of the dispute, the number of employees involved, name of the carrier and name of the labor organization, date of agreement between the parties, date and copy of notice served by the invoking party to the other and date of final conference between the parties. The application should be signed by the highest officer of the carrier who has been designated to handle disputes under the RLA or by the chief executive of the labor organization, whichever party files the application.

2. The reinstatement of this form is necessary considering the information provided by the parties is used by the NMB to structure a mediation process that will be productive to the parties and result in a settlement, hopefully, without resort to a strike or lockout. The NMB has been very successful in resolving labor disputes in the railroad and airline industries. Historically, approximately 97 percent of all NMB mediation cases have been successfully resolved without interruption to public transportation services. This success ratio would possibly be reduced if the NMB was unable to collect the brief information it does on the Application for Mediation Services.

3. There is no improved technological method for obtaining this information. The burden on the parties is minimal in completing the one-page Application for Mediation Services.

4. There is no duplication in obtaining this information. The information sought in the Application for Mediation Services constantly changes and is known at any given time only to the labor and management parties involved. Thus, there is no similar information available elsewhere.

5. This collection does not impact small businesses or other small entities.

6. Although the Application for Mediation Services is required by 29

CFR 1203.1, parties determine when to submit the applications. The NMB has no ability to control the frequency of applications or the technical or legal obstacles, which would reduce the burden.

7. The information requested by the NMB is consistent with the general information collection guidelines of 5 CFR 1320.6 and 5 CFR 1320.8(b)(3). The NMB has no ability to control the data provided or timing of the invocation. The burden on the parties is minimal in completing the Application for Mediation Services.

8. No payments or gifts have been provided by the NMB to any respondents of the form.

9. There are no questions of a sensitive nature on the form.

10. The total time burden on respondents is 6.25 hours annually—this is the time required to collect information. After consulting with a sample of people involved with the collection of this information, the time to complete this information collection is estimated to average 15 minutes per response, including gathering the data needed and completion and review of the information.

Number of respondents per year: 25.

Estimated time per respondent: 15 minutes.

Total Burden hours per year: 6.25 (25 × .25 hours).

11. The total collection and mail cost burden on respondents is estimated at \$205.60 annually (\$201.50 time cost burden + \$4.10 mail cost burden).

a. The respondents will not incur any capital costs or start up costs for this collection.

b. Cost burden on respondents—detail:

The total time burden annual cost is \$201.50.

Time Burden Basis: The total hourly burden per year, upon respondents, is 6.25.

Staff cost = \$201.50.

\$32.24 per hour—based on mid level clerical salary.

\$32.24 × 6.25 hours per year = \$201.50.

We are estimating that a mid-level clerical person, with an average salary of \$32.24 per hour, will be completing the Application for Mediation Services form. The total burden is estimated at 6.25 hours, therefore, the total time burden cost is estimated at \$201.50 per year.

The total annual mailing cost to respondents is \$4.10.

Number of applications mailed by
Respondents per year: 5 (The NMB receives 5 or fewer by regular mail each year; the vast majority are sent to the NMB by email.)

Total estimated cost: \$4.10 ($5 \times .82$ stamp).

The collection of this information is not mandatory; it is a voluntary request from carrier and union officials and airline and railroad carrier employees seeking to invoke mediation services. The NMB will send the form to the carriers and labor organizations upon request. The form is also available on the internet at <http://www.nmb.gov>, which is the primary source of the form.

12. The total annualized Federal cost is \$340.00. This cost represents the processing cost of the applications once they are received by the NMB. There are no printing and mailing costs. (The NMB has not received any requests to print and mail a form for a number of years.) The completed applications are maintained by the Office of Mediation Services.

a. Processing Cost = \$340.00.

Basis (processing cost): Mediation is requested approximately 25 times per year and it takes approximately 20 minutes to process each application.

Staff Cost = \$340.00.

\$.68 per minute (GS 11 Step 1 base hourly rate of \$40.94 per hr. $\div$ 60).

\$.68 $\times$ 20 minutes per application = \$13.60.

\$13.60 $\times$ 25 times per year = \$340.00.

13. Item 13—no change in annual reporting and recordkeeping hour burden.

14. The information collected by the application will not be published.

15. The NMB will display the OMB expiration date on the form.

16(a)—the form does not reduce the burden on small entities; however, the burden is minimized and voluntary.

16(b)—the form does not indicate the retention period for record keeping requirements.

16(c)—not applicable, the form is not part of a statistical survey.

Dated: September 16, 2026.

Michael Jerger,

Chief Financial Officer, Acting Director of Administration, National Mediation Board.

[FR Doc. 2026-19208 Filed 9-18-26; 8:45 am]

BILLING CODE 7550-01-P

NATIONAL MEDIATION BOARD

Notice of Proposed Information Collection Request

AGENCY: National Mediation Board.

ACTION: Notice.

SUMMARY: The National Mediation Board (NMB) invites comments on the proposed information collection request as required by the Paperwork Reduction Act of 1995. The NMB is seeking the

reinstatement, with non-substantive change, of a previously approved collection of information, entitled “Application for ADR Services.” The change to the information collection is a non-substantive one related to the change in the agency’s Washington, DC headquarters address, which was effective August 1, 2026. This notice allows for 60 days for public comments.

DATES: Comments are due by November 20, 2026.

ADDRESSES: Requests for copies of the proposed information collection request should be directed by email (the preferred method) to NMB Program Management Specialist Keaira Butler at keaira.butler@nmb.gov, or mailed to Keaira Butler at National Mediation Board, Office of Legal Affairs, P.O. Box 23300, Washington, DC 20026. Please specify the complete title of the information collection when making your request.

Comments on the proposed information collection request should be directed by email (the preferred method) to NMB Counsel John Gross at gross@nmb.gov, or by mail to John Gross at National Mediation Board, Office of Legal Affairs, P.O. Box 23300, Washington, DC 20026.

FOR FURTHER INFORMATION CONTACT: John Gross, Counsel, National Mediation Board, Office of Legal Affairs, P.O. Box 23300, Washington, DC 20026; telephone number: 202-815-1647; email address: gross@nmb.gov.

SUPPLEMENTARY INFORMATION: Section 3506 of the Paperwork Reduction Act of 1995 (U.S.C. Chapter 35) requires that the Office of Management and Budget (OMB) provide interested Federal agencies and the public an early opportunity to comment on information collection requests. OMB may amend or waive the requirement for public consultation to the extent that public participation in the approval process would defeat the purpose of the information collection, violate State or Federal law, or substantially interfere with any agency’s ability to perform its statutory obligations. The NMB publishes that notice containing proposed information collection requests prior to submission of these requests to OMB. Each proposed information collection contains the following: (1) Type of review requested, e.g., new, revision extension, existing or reinstatement; (2) Title; (3) Summary of the collection; (4) Description of the need for, and proposed use of, the information; (5) Respondents and frequency of collection; and (6) Reporting and/or Record keeping burden. OMB invites public comment.

Currently, the NMB is soliciting comments concerning the proposed reinstatement, with non-substantive change, of a previously approved collection of information, entitled “Application for ADR Services,” and is interested in public comment addressing the following issues: (1) Is this collection necessary to the proper functions of the agency; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the agency enhance the quality, utility, and clarity of the information to be collected; and (5) how might the agency minimize the burden of this collection on the respondents, including through the use of information technology.

Title of Collection: Application for ADR Services.

OMB Control Number: 3149-0009.

Type of Review: Reinstatement, with non-substantive change, of a previously approved collection of information.

Affected Public: Union Officials and Officials of Railroads and Airlines.

Frequency of Collection: On occasion.

Respondent’s Burden: Voluntary.

Estimated Reporting and

Recordkeeping Hour Burden:

Responses: 25 annually.

Burden Hours: 5.0.

1. *Abstract:* The Railway Labor Act (RLA), 45 U.S.C. 151a. General Purposes, provides that the purposes of the RLA are (1) to avoid any interruption to commerce or to the operation of any carrier engaged therein. * * * (4) to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions, and (5) to provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions. In fulfilling its role to administer the RLA, the NMB offers the parties to disputes mediation and arbitration services. On a voluntary basis, training programs in Alternative Dispute Resolution (ADR) and facilitation services are also available. These ADR programs are designed to enhance the bargaining and grievance handling skill level of the disputants and to assist the parties in the resolution of disputes. The impact of these ADR programs is that mediation and arbitration can be avoided entirely or the scope and number of issues brought to mediation or arbitration is significantly reduced. This collection is necessary to confirm the voluntary participation of the parties in the ADR process. The information provided by the parties is used by the NMB to schedule the parties for ADR training

and facilitation. Based on a recent survey of those who participated in the NMB's ADR Programs, 94.6% said they were satisfied with the ADR Programs and said they recommend the program for all negotiators. Collecting the brief information on the Application for ADR Services form allows the parties to voluntarily engage the services of the NMB in the orderly settlement of all disputes and fulfill the purposes of the RLA.

2. This collection is necessary to confirm the voluntary participation of the parties in the ADR process. The information provided by the parties is used by the NMB to schedule the parties for ADR training and facilitation. Based on a recent survey of those who participated in the NMB's ADR Programs, 94.6% said they were satisfied with the ADR programs and would recommend the program for all negotiators. Collecting the brief information on the Application for ADR Services form allows the parties to voluntarily engage the services of the NMB in the orderly settlement of all disputes and fulfill the purposes of the RLA.

3. There is no improved technological method for obtaining this information. The burden on the parties is minimal in completing the one-page Application for ADR Services.

4. There is no duplication in obtaining this information and the information does not exist elsewhere.

5. This collection does not impact small businesses or other small entities.

6. The collection of this information is voluntary and occurs when the labor and management parties determine that training is desired or required. The NMB has no ability to control the frequency of applications, because the submission is voluntary. There are no technical or legal obstacles involved with this collection.

7. The information requested by the NMB is consistent with the general information collection guidelines of 5 CFR 1320.6 and 5 CFR 1320.8 (b) (3). The burden on the parties is minimal in completing the Application for ADR Services. We do not require submission of more than one copy of any document, nor do we require submission of any confidential information.

8. No payments or gifts have been provided by the NMB to any respondents of the form.

9. There are no questions of a sensitive nature on the form.

10. The total time burden on respondents is 5.0 hours annually. This includes the time required to collect information. After consulting with a sample of people involved with the

collection of this information, the time to complete this information collection is estimated to average 12 minutes per response, including gathering the data needed and completion and review of the information.

Number of respondents per year: 25.

Estimated time per respondent: 12 minutes.

Total burden hours per year: 5.0 (25 × 12 = 300 ÷ 60 = 5.0 hours).

11. The total collection cost burden on respondents is estimated at \$161.20 annually. There is no mail cost burden—the forms are usually emailed (not mailed) to the NMB for processing.

a. The respondents will not incur any capital costs or start up costs for this collection.

b. Cost burden on respondents—detail:

The total time burden annual cost is \$161.20.

Time Burden Basis: The total hourly burden per year, upon respondents, is 5.0.

Staff cost = \$161.20.

\$32.24 per hour—based on mid level clerical salary.

\$32.24 × 5.0 hours per year = \$161.20.

We are estimating that a mid-level clerical person, with an average salary of \$32.24 per hour, will be completing the Application for ADR Services form. The total burden is estimated at 5.0 hours, therefore, the total time burden cost is estimated at \$161.20 per year.

The collection of this information is not mandatory; it is a voluntary request from airline and railroad carrier officials and union officials seeking to participate in the NMB's ADR training and facilitation processes. The NMB will send the form to the carriers and labor organizations upon request. The form is available on the internet at <http://www.nmb.gov>, which is the primary source of the form.

12. The total annualized Federal cost is \$1,020.00. This cost represents the processing cost of the applications once they are received by the NMB. There are no printing or mailing costs. The forms are available on the NMB's website, and registrants print them and email them to us. The completed applications are maintained by the Office of Mediation Services.

a. Processing Cost = \$1,020.00.

Basis (processing cost): Applications for ADR Services are submitted approximately 25 times per year and it takes approximately 60 minutes to process each application.

Staff Cost = \$1,020.00.

\$68 per minute (GS 11 Step 1 base hourly rate of \$40.94 per hr. ÷ 60).

\$68 × 60 minutes per application = \$40.80.

\$40.80 × 25 times per year = \$1,020.00.

13. Item 13—no change in annual reporting and recordkeeping hour burden.

14. The information collected by the application will not be published.

15. The NMB will display the OMB expiration date on the form.

16(a)—the form does not reduce the burden on small entities; however, the burden is minimized and voluntary.

16(b)—the form does not indicate the retention period for record keeping requirements.

16(c)—not applicable, the form is not part of a statistical survey.

Dated: September 16, 2026.

Michael Jerger,

Chief Financial Officer, Acting Director of Administration, National Mediation Board.

[FR Doc. 2026–19209 Filed 9–18–26; 8:45 am]

BILLING CODE 7550–01–P

NUCLEAR REGULATORY COMMISSION

[NRC–2022–0215]

Draft Interim Staff Guidance: Material Compatibility for Non-Light Water Reactors

AGENCY: Nuclear Regulatory Commission.

ACTION: Draft guidance; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is soliciting public comment on its draft Interim Staff Guidance (ISG), “Material Compatibility for non-Light-Water Reactors, DANU–ISG–2023–01, Revision 1.” The purpose of this draft ISG is to assist the NRC staff in reviewing certain applications for non-light water reactor designs, including power and non-power reactors. This ISG has been updated to include an appendix to describe information the NRC staff generally have used to perform the review of materials of construction and passive structures, systems, and components (SSCs) performance for non-light water reactors (non-LWRs), as well as limited updates to technical information in the main body. It has also been updated to make it applicable to certain additional NRC regulations.

DATES: Submit comments by November 5, 2026. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

ADDRESSES: You may submit comments by any of the following methods:

• *Federal Rulemaking Website*: Go to <http://www.regulations.gov> and search for Docket ID NRC–2022–0215. Address questions about Docket IDs in *Regulations.gov* to Bridget Curran; telephone: 301–415–1003; email: Bridget.Curran@nrc.gov. For technical questions, contact the individual(s) listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

• *Mail comments to*: Office of Nuclear Material Safety and Safeguards, Mail Stop: TWFN–5–A85, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, ATTN: Program Management, Announcements and Editing Staff.

For additional direction on obtaining information and submitting comments, see “Obtaining Information and Submitting Comments” in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Matthew Hiser, telephone: 301–415–2454; email: Matthew.Hiser@nrc.gov and Vincent Voltaggio, telephone: 301–415–3860; email: Vincent.Voltaggio@nrc.gov. Both are staff of the Office of Advanced Reactors at the U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001.

SUPPLEMENTARY INFORMATION:

I. Obtaining information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2022–0215 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

• *Federal Rulemaking Website*: Go to <https://www.regulations.gov> and search for Docket ID NRC–2022–0215.

• *NRC’s Agencywide Documents Access and Management System (ADAMS)*: You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select “Begin ADAMS Public Search.” For problems with ADAMS, please contact the NRC’s Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to PDR.Resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

• *NRC’s PDR*: The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please

send an email to PDR.Resource@nrc.gov or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

B. Submitting Comments

The NRC encourages electronic comment submission through the Federal rulemaking website (<https://www.regulations.gov>). Please include Docket ID NRC–2022–0215 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at <https://www.regulations.gov> as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Background

As part of its review of advanced non-light water reactor applications, the NRC staff evaluates materials performance to ensure passive components fulfill design requirements for the design life, and that adequate surveillance and monitoring programs are in place. NRC regulations in parts 50, 52, and 53 of title 10 of the *Code of Federal Regulations* (10 CFR) describe the information applicants must include in applications for construction permits, operating licenses, combined operating licenses, standard design approvals, standard design certifications, and manufacturing licenses. This includes information related to requirements to ensure passive materials performance and performance monitoring. The NRC endorsed, with exceptions and limitations, American Society of Mechanical Engineers (ASME) Code Section III, Division 5, “High Temperature Reactors” (III–5), with conditions, in Revision 3 of Regulatory Guide (RG) 1.87, “Acceptability of ASME Code, Section III, Division 5, ‘High Temperature Reactors,’” (ADAMS Accession No. ML25176A084) for use by non-LWR applicants and licensees

subject to 10 CFR parts 50 and 52. The NRC staff has not endorsed this document for use by applicants and licensees subject to 10 CFR part 53. The NRC staff is currently considering whether to endorse both III–5 for applicants and licensees subject to 10 CFR part 53. If, based on the NRC staff’s review, the NRC staff determines that it cannot endorse either III–5 for use by applicants and licensees subject to 10 CFR part 53, it will revise this ISG accordingly before issuing it for use.

This revision to DANU–ISG–2023–01 adds an appendix providing risk-informed guidance on information related to materials performance that applicants should include in various applications. It also updates miscellaneous information and extends the ISG’s applicability to applications under 10 CFR part 53.

III. Discussion

The purpose of this draft ISG, “Material Compatibility for non-Light-Water Reactors, DANU–ISG–2023–01, Revision 1” (ADAMS Accession No. ML26155A114), is to aid the NRC staff reviewing non-light water reactor applications for permits, licenses, certifications, and approvals under 10 CFR parts 50, 52 and 53. III–5 and other codes and standards used for the design and construction of mechanical components specify the mechanical properties and allowable stresses for design of components in high temperature reactors. Because III–5 and other design and construction codes and standards do not provide methods to evaluate deterioration that may occur in service as a result of corrosion, mass transfer phenomena, radiation effects, or other material instabilities, this draft ISG revision identifies information that the staff should consider as part of its evaluation of a non-light water reactor application with respect to applicable design requirements including materials performance, environmental compatibility, and performance monitoring programs for safety-significant SSCs.

This revision of DANU–ISG–2023–01 adds an appendix to provide guidance related to information the NRC staff generally have used to perform the review of materials of construction and passive SSC performance for non-LWRs. This appendix provides guidance across key application content areas for materials performance, including description of the design and operating environment as well as performance evaluation and monitoring. Description of the design and operating environment includes identification of materials of construction, identification of

environmental conditions, and use of codes and standards. Performance evaluation and monitoring covers primarily an environmental compatibility assessment and performance monitoring. The appendix concludes with tables providing guidance on what information is acceptable at the preliminary and final design stages across these key application content areas as a function of safety significance.

In addition to adding the appendix, this revision also makes the ISG applicable to applications under 10 CFR part 53 and makes other miscellaneous changes to the ISG.

(Authority: 42 U.S.C. 2011 *et seq.*)

Dated: September 16, 2026.

For the Nuclear Regulatory Commission.

Mehdi Reisi Fard,

Director, Division of Advanced Reactor Engineering, Office of Advanced Reactors.

[FR Doc. 2026–19217 Filed 9–18–26; 8:45 am]

BILLING CODE 7590–01–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2026–388 and K2026–377; MC2026–389 and K2026–378]

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:* September 24, 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:

Table of Contents

- I. Introduction
- II. Public Proceeding(s)
- III. Summary Proceeding(s)

I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal

Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.¹

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established. Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone

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).

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).*: MC2026–389 and K2026–378; *Filing Title*: USPS Request to Add Priority Mail & USPS Ground Advantage Contract 1096 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: September 16, 2026; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Christopher Mohr; *Comments Due*: September 24, 2026.

III. Summary Proceeding(s)

1. *Docket No(s).*: MC2026–388 and K2026–377; *Filing Title*: USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 1095, and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: September 16, 2026; *Filing Authority*: 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

This Notice will be published in the **Federal Register**.

Danielle LeFlore,

Legal Assistant.

[FR Doc. 2026–19247 Filed 9–18–26; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106397; File No. SR–NasdaqTX–2026–042]

Self-Regulatory Organizations; Nasdaq Texas, LLC; Notice of Filing and Immediate Effectiveness of a Proposal To Amend the Exchange's Rules at Equity 1 and Equity 4 To Enable the Exchange To Become a Primary Listing Venue

September 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on September 3, 2026, Nasdaq Texas, LLC (“Nasdaq Texas” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's rules at Equity 1 and Equity 4 to align them with those of The Nasdaq Stock Market LLC ("Nasdaq"), to enable the Exchange to become a primary listing venue.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaqtx/rulefilings>, and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend the Exchange's rulebook at Equity 1 and Equity 4 to more closely align them to those of Nasdaq, to prepare the Exchange to become a primary listing venue at some point during the second quarter of 2027.

In connection with its transition from "Nasdaq BX, Inc." to "Nasdaq Texas, LLC," the Exchange adopted new initial and continued listing standards for equity securities that are substantially similar to those of the Nasdaq Global Market at Nasdaq.³ The Exchange currently only dually lists securities that are also listed on another national securities exchange, but it now proposes to modify its rules to allow it to also

serve as a primary listing venue. The proposed rule changes described below are designed to enable this transition by aligning the Exchange's rules at Equity 1 and Equity 4 with the corresponding rules of Nasdaq, thereby equipping the Exchange with the rules necessary to operate as a primary listing market.

Equity 1 Changes

Equity 1, Section 1(a)(13) ("Market Hours")

The Exchange proposes to amend the definition of "Market Hours" in Equity 1, Section 1(a)(13). While the Exchange will retain its current market hours and trading sessions, it proposes to amend the definition of "Market Hours" to add "Regular Market Hours" and "Regular Trading Hours" as synonyms for "Market Hours." The proposed amendments also add definitions for "Pre-Market Session" and "Post-Market Session," which define those terms by reference to the existing definitions of "Pre-Market Hours" and "Post-Market Hours," respectively. These changes serve to align these terms with the corresponding Nasdaq terms.

Equity 1, Section 1(a)(19) ("Exchange-Traded Product")

The Exchange proposes to add a new definition for "Exchange-Traded Product" in Equity 1, Section 1(a)(19), which defines the term by reference to securities listed on Nasdaq Texas pursuant to the Rule 5700 Series (including Rules 5703, 5704, 5705, 5710, 5711, 5713, 5715, 5720, 5735, 5745, 5750, and 5760). The proposed definition is substantially similar to the corresponding Nasdaq definition.

Equity 1, Section 1(a)(20) ("Business Day")

The Exchange proposes to add a new definition for "Business Day" in Equity 1, Section 1(a)(20), which defines the term as any weekday that is not a U.S. holiday. The proposed definition is substantially similar to the corresponding Nasdaq definition.

Equity 4 Changes

Rule 4120 (Limit Up-Limit Down Plan and Trading Halts)

The Exchange proposes to replace the existing Rule 4120 in its entirety. The current Rule 4120 contains provisions for regulatory halts and operational halts that were adopted when the Exchange operated solely as an unlisted trading privileges market. The proposed rule replaces this framework with a comprehensive set of trading halt provisions that are substantially similar to Nasdaq Equity 4, Rule 4120 and that

will enable the Exchange to function as a primary listing market. The proposed rule is organized into three sections:

Section (a) (Authority to Initiate Trading Halts or Pauses) establishes the Exchange's authority to initiate trading halts or pauses in various circumstances, including: halting Nasdaq Texas-listed securities to permit the dissemination of material news; halting securities listed on other exchanges when such exchanges impose halts; halting for operational reasons; halting American Depositary Receipts when the underlying security is halted on a foreign exchange; halting when the Exchange requests information from an issuer; halting due to extraordinary market activity; halting securities that are the subject of an Initial Public Offering; halting index warrants; halting derivative securities products when required values are not disseminated; imposing trading pauses for non-LULD securities; the Limit Up-Limit Down mechanism; halting equity investment tracking stocks and subscription receipts; halting for reverse stock splits; and Initial ETP Opens.⁴

Section (b) (Trading Halts for Trading of Certain Derivative Securities Products on Nasdaq Texas Pursuant to Unlisted Trading Privileges) establishes rules for halting trading in derivative securities products traded on the Exchange pursuant to unlisted trading privileges, including provisions for halts during Pre-Market Hours, Regular Market Hours, and Post-Market Hours when required values are not calculated or widely disseminated.

Section (c) (Procedure for Initiating and Terminating a Trading Halt) establishes the procedures for initiating and terminating trading halts, including: requirements for issuers to notify the Exchange of material news; the process for evaluating information and determining whether a halt is appropriate; the process for commencing and terminating halts through notices posted on the Exchange's website; the halt cross process for re-opening securities after trading halts; the IPO halt cross process; the process for initial pricing of securities not previously listed on a national securities exchange; trading pause re-opening procedures; and the Initial ETP Open process.

⁴ The Exchange notes proposed Rule 4120(a)(13)(E)(2)(a) references the FLITE protocol in addition to the OUCH and CORE FIX protocols for the repricing of limit-priced interest under the Limit Up-Limit Down mechanism, while Nasdaq's corresponding provision does not reference FLITE. However, the omission of FLITE in Nasdaq Equity 4, Rule 4120(a)(13)(E)(2)(a) is an oversight in Nasdaq's rulebook, which that exchange intends to correct in a forthcoming filing.

³ See Exchange Act Release No. 104907 (Feb. 27, 2026), 91 FR 10657 (Mar. 4, 2026) (Notice of Filing of Amendment Nos. 1 and 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To Remove Existing Listing Rules and Establish New Listing Standards) (File No. SR-BX-2026-004).

Rule 4121 (Trading Halts Due to Extraordinary Market Volatility)

The Exchange proposes to amend Rule 4121 to add re-opening procedures following market-wide circuit breaker ("MWCB") halts, including auction reference prices and MWCB auction collar procedures that are substantially similar to those in Nasdaq Equity 4, Rule 4121. The proposed amendments also update the cross-reference in subsection (c)(i) to direct re-opening of trading following a Level 1 or 2 trading halt to the new MWCB-specific re-opening procedures in Rule 4121(d), rather than the general procedures in Rule 4120, add provisions for publishing halt auction information, and re-letter certain existing subsections.

Rule 4370 (Additional Requirements for Nasdaq Texas-Listed Securities Issued by the Exchange or Its Affiliates)

The Exchange proposes to adopt new Rule 4370, which is substantially similar to Nasdaq Equity 4, Rule 4370, to establish additional requirements for securities listed on the Exchange that are issued by the Exchange or its affiliates ("Affiliate Securities"). The rule requires the Exchange to provide quarterly reports to its Regulatory Oversight Committee regarding compliance with listing requirements and trading of Affiliate Securities, engage an independent accounting firm annually to review compliance, and report any non-compliance to the Commission.

Rule 4702 (Order Types)

The Exchange proposes to amend Rule 4702 to add order types necessary for the operation of the Nasdaq Texas Opening Cross and Nasdaq Texas Closing Cross, including: Market On Open Orders ("MOO"), Limit On Open Orders ("LOO"), Opening Imbalance Only Orders ("OIO"), Market On Close Orders ("MOC"), Limit On Close Orders ("LOC"), and Imbalance Only Orders ("IO"). These order types are substantially similar to the corresponding order types in Nasdaq Equity 4, Rule 4702.

Rule 4752 (Opening Process)

The Exchange proposes to replace the current Rule 4752 with a comprehensive opening process that includes the Nasdaq Texas Opening Cross. The current rule provides a simple process for trading prior to normal market hours and establishing an official opening price. The proposed rule adds detailed definitions, pre-market trading procedures, the Nasdaq Texas Opening Cross process (including Order

Imbalance Indicators, reference prices, and cross price determination), and priority rules for executing orders in the cross. The proposed rule is substantially similar to Nasdaq Equity 4, Rule 4752.

Rule 4753 (Nasdaq Texas Halt Cross)

The Exchange proposes to adopt new Rule 4753 for the Nasdaq Texas Halt Cross, which establishes the process for determining the price at which eligible interest shall be executed at the re-opening of trading for a halted security. The proposed rule includes definitions, Order Imbalance Indicators, cross price determination, and priority rules. The proposed rule is substantially similar to Nasdaq Equity 4, Rule 4753.

Rule 4754 (Nasdaq Texas Closing Cross)

The Exchange proposes to adopt new Rule 4754 for the Nasdaq Texas Closing Cross, which establishes the process for determining the price at which orders shall be executed at the close and for executing those orders. The proposed rule includes definitions, the closing cross process, the LULD Closing Cross following Limit-Up-Limit-Down Trading Pauses, the Hybrid Closing Cross following certain trading halts, contingency procedures, and auxiliary procedures. The proposed rule is substantially similar to Nasdaq Equity 4, Rule 4754.

Rule 4763 (Short Sale Price Test Pursuant to Rule 201 of Regulation SHO)

The Exchange proposes to amend Rule 4763 to add a new subsection (c) (Determination of Trigger Price) that establishes procedures for the Exchange, as a listing market, to determine whether a transaction in a covered security has occurred at a Trigger Price and to immediately notify the single plan processor. The proposed amendments also add new paragraphs (d)(1) and (d)(2) (within the re-lettered "Duration of Short Sale Price Test" subsection) to allow the Exchange to lift the Short Sale Price Test before the Short Sale Period ends in cases involving clearly erroneous executions or incorrect prior day closing prices, and add a new paragraph (e)(2) (within the re-lettered "Re-pricing of Orders during Short Sale Period" subsection) to address the treatment of Limit-on-Open, Market-on-Open, Limit-on-Close, and Market-on-Close orders during the Short Sale Period. The proposed amendments also re-letter subsequent subsections and make conforming numbering changes. The proposed amendments are substantially similar to the corresponding provisions of Nasdaq Equity 4, Rule 4763.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that the proposed rules will remove impediments to, and perfect the mechanism of, a free and open market and a national market system by aligning the Exchange's rules at Equity 1 and Equity 4 with the substantially similar rules of Nasdaq, thereby enabling the Exchange to operate as a primary listing venue. The proposed rules are substantially similar to the rules of Nasdaq, which have been approved by the Commission. The Commission has previously found that Nasdaq's rules are consistent with the Act.

By adopting trading halt rules, opening and closing cross procedures, halt cross procedures, and related order types that are substantially similar to those of Nasdaq, the proposed rule change will equip the Exchange with the trading infrastructure necessary to serve as a primary listing market and to protect investors and the public interest in connection with the listing and trading of securities on the Exchange. The proposed trading halt rules will provide the Exchange with authority to halt trading in listed securities for material news dissemination, extraordinary market activity, and other circumstances in which such halts are necessary to protect investors and the public interest, consistent with the halting authority exercised by Nasdaq and other primary listing markets. The proposed opening and closing cross procedures will establish price discovery mechanisms that are designed to promote fair and orderly markets and efficient price formation at the open and close of trading. The proposed halt cross procedures will establish re-opening mechanisms following trading halts that are designed to ensure fair and orderly markets and to protect investors.

The proposed rule change also adds order types necessary for the operation of the opening and closing crosses, which will provide market participants with the ability to participate in these price-setting events. These order types

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

are substantially similar to those available on Nasdaq.

The proposed new definitions for “Exchange-Traded Product” and “Business Day” in Equity 1, Section 1(a)(19) and (a)(20) will improve the clarity and transparency of Exchange rules by adding defined terms that are used throughout the Exchange’s rules.

The proposed Rule 4370 will protect investors and the public interest by establishing additional oversight requirements for securities listed on the Exchange that are issued by the Exchange or its affiliates, including quarterly reporting to the Regulatory Oversight Committee, annual independent accounting firm review, and Commission notification requirements.

The proposed amendments to Rule 4763 will protect investors and the public interest by establishing procedures for the Exchange, as a listing market, to determine trigger prices under Regulation SHO’s short sale price test, which is a function performed by primary listing markets.

The proposed amendments to Rule 4121 will protect investors and the public interest by establishing re-opening procedures for market-wide circuit breaker halts that are substantially similar to those of Nasdaq, ensuring fair and orderly re-opening of trading following market-wide circuit breaker events.

By basing the proposed rules on the rules of the Exchange’s affiliate, Nasdaq, the proposed rule change will promote continuity across affiliated exchanges and will ensure that market participants encounter substantially similar rules and trading procedures across both exchanges.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change will align the Exchange’s rules at Equity 1 and Equity 4 with the substantially similar rules of Nasdaq, to prepare the Exchange to become a primary listing venue. The proposed rules will apply equally to all Participants of the Exchange. Further, the proposed rule change will allow the Exchange to operate under trading rules that are substantially similar to those of Nasdaq and other primary listing markets, enabling the Exchange to compete with those markets for listings. The Exchange believes that the proposed rules will promote competition among national securities

exchanges by providing issuers with an additional venue for listing their securities on an exchange with trading rules that are consistent with those of other primary listing markets.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁷ and subparagraph (f)(6) of Rule 19b–4 thereunder.⁸

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–NasdaqTX–2026–042 on the subject line.

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–NasdaqTX–2026–042. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NasdaqTX–2026–042 and should be submitted on or before October 13, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026–19219 Filed 9–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106391; File No. SR–OCC–2026–007]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Partial Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change as Modified by Partial Amendment No. 1, by the Options Clearing Corporation Concerning the Payment of Interest on Margin Cash

September 16, 2026.

I. Introduction

On July 24, 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 regarding the payment of interest on Clearing

⁹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

Members' cash margin. The proposed rule change was published for comment in the **Federal Register** on August 5, 2026.³ On September 15, 2026, OCC amended File No. SR OCC–2026–007 (hereinafter “Partial Amendment No. 1”) to clarify statements concerning the use of subaccounts at a Federal Reserve Bank (“FRB”).⁴ The Commission has not received any comments on the Proposed Rule Change. For the reasons discussed below, the Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons, and approving the proposed rule change, as modified by Partial Amendment No. 1 (hereinafter, the “Proposed Rule Change”).

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,⁵ 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.⁶ Because OCC is obligated to perform on the contracts it clears, one such risk that OCC is exposed to is liquidity risk, including the risk that OCC would not maintain sufficient liquid resources to cover payment obligations, including exposures if one of its Clearing Members defaults or is otherwise unable to perform its counterparty obligations.

One of the ways OCC manages liquidity risk is through the collection of cash collateral from its Clearing Members. Although OCC allows Clearing Members to contribute margin in different forms, OCC may require each Clearing Member to post some amount of margin collateral in cash. Similarly, OCC requires each Clearing Member to contribute cash to meet a portion its Clearing Fund requirement. As permitted under its current rules, OCC maintains an interest-bearing FRB account which it uses to hold Clearing

Fund cash. OCC holds some Clearing Member cash margin in its FRB account, but OCC cannot hold securities customer cash margin in its FRB account under OCC's current rules. OCC manages securities customer cash through its commercial bank relationships. According to OCC, Clearing Member cash margin deposits averaged \$2.5 billion during the year prior to filing, which OCC describes as a small amount compared to the total amount of margined assets, including valued securities and government securities.⁷

Currently OCC passes on earned interest from its cash Clearing Fund deposits to Clearing Members, minus a 5-basis point fee. OCC has observed that since it began paying interest on Clearing Fund cash, some Clearing Members deposit more Clearing Fund cash than is required under OCC's Rules.⁸ OCC stated that, based on its experience and analysis, if Clearing Members received interest on cash margin, they would be more likely to deposit cash as margin in lieu of securities, which would in turn improve OCC's capital efficiency and liquidity.⁹ OCC proposes, as described below, to amend its rules to permit OCC to deposit cash margin deposited in respect of securities customer accounts into its FRB account and require OCC to pay a defined interest rate to its Clearing Members, minus an administrative fee.

OCC initially stated that it would establish a subaccount at the FRB under the master account to separately account for customer margin.¹⁰ In Partial Amendment No. 1, OCC stated that will request a subaccount for securities customer margin. OCC stated further that until such time that OCC could secure a separate subaccount for its Clearing Member's Clearing Fund deposits, OCC would include transaction activity for Clearing Fund deposits in the existing subaccount for non-customer margin cash.

II. Description of Proposed Rule Changes

A. Changes to Interest Treatment

OCC proposes to amend Rule 604B to require that it pay interest to Clearing Members on all margin cash, with the exception of cash held in cross margin, or X–M, accounts.¹¹ Specifically, OCC proposes to adopt new Rule 604B(g),¹² Interest on Margin Cash, to require OCC to set a fixed interest rate on deposited margin cash equal to the Federal Reserve's Interest on Reserve Balance (“IORB”). OCC intends to calculate interest daily at IORB less an administrative fee and to pay interest to Clearing Members monthly.

Under the Proposed Rule Change, OCC would also change its approach to paying interest on Clearing Fund cash deposits. OCC Rule 1002(c)(1) currently states that Clearing Fund deposits at an FRB accrue to the benefit of Clearing Members. OCC proposes to replace this provision of Rule 1002(c)(1) with new Rule 1002(c)(2) requiring OCC to pay the IORB, less the administrative fee, on all Clearing Fund cash deposits without reference to where such Clearing Fund cash is deposited.

OCC also proposes to make conforming changes to its Cash and Investment Management Policy (“CIMP”). Specifically, OCC proposes to replace language indicating that interest earned on Clearing Fund cash deposits at an FRB would accrue to the benefit of Clearing Members with language requiring OCC to pay interest to Clearing Members on all and margin cash deposits other than cash in X–M accounts.

B. Changes to Customer Margin Custody Arrangements

OCC proposes to amend its rules to all the depositing of securities customer cash margin in its FRB account. Specifically, OCC proposes to broaden Rule 604B(b)(2)(B)(iii), which current allows OCC to deposit non-customer margin assets at an FRB account, to allow OCC to deposit margin assets generally at an FRB account. OCC also proposes amending Interpretation & Policy (I&P) .04 associated with Rule 1002 in much the same way, by

³ See Securities Exchange Act Release No. 106018 (July 31, 2026), 91 FR 50579 (Aug. 5, 2026) (File No. SR–OCC–2026–007) (“Notice”).

⁴ This amendment does not change the purpose of or basis for File No. SR–OCC–2026–007.

⁵ OCC describes itself as “the sole clearing agency for standardized equity options listed on a national securities exchange registered with the Commission (‘listed options’).” See Securities Exchange Act Release No. 96533 (Dec. 19, 2022), 87 FR 79015 (Dec. 23, 2022) (File No. SR–OCC–2022–012).

⁶ Capitalized terms used but not defined herein have the meanings specified in OCC's Rules and By-Laws, available at <https://www.theocc.com/company-information/documents-and-archives/by-laws-and-rules>.

⁷ See Notice, 91 FR at 50580. OCC states that it held, on average, about \$700 million in non-customer margin cash in the FRB account over the past year with the remainder held in cash deposits at commercial banks (about \$800 million) and reverse repo investments (about \$1 billion). See *id.*

⁸ *Id.* OCC filed confidential data with File No. SR–OCC–2026–007 that showed an increase of excess cash deposits in the Clearing Fund, as a percentage of cash required in the Clearing Fund, from less than 17 percent to over 38 percent (at times rising above 40 percent).

⁹ *Id.*

¹⁰ See Notice, 91 FR at 50580 n.8. OCC explained that it uses a similar subaccount for non-customer margin at the FRB.

¹¹ As defined in the OCC By-Laws, X–M accounts are Clearing Member accounts in which positions subject to cross-margining treatment are maintained. See OCC By-Laws Art. I, § O. Margin cash held in X–M accounts must be deposited in joint accounts at a depository in accordance with OCC's Cross Margin Agreement with CME. Accordingly, such funds are not available to be deposited in OCC's FRB account at which they would earn interest at the IORB rate.

¹² Current Rule 604B(g), Investment of Margin Cash, would be renumbered as Rule 604B(h).

eliminating the requirement that margin assets held at the FRB belong only to non-customers.¹³ OCC proposes adding language to its Cash and Investment Management Policy (“CIMP”), however, to make it clear that OCC would not commingle its own cash with Clearing Member cash deposits.

OCC’s account agreement for its FRB account provides the FRB with a lien on deposits to the extent of any unpaid fees.¹⁴ To mitigate the possibility of such a lien attaching to Clearing Member cash deposited in OCC’s FRB account, OCC proposes changes ensure it can cover the required FRB service charges.

Specifically, OCC’s Proposed Rule Change authorizes it to charge a 10-basis point cash management fee that can be used to pay the monthly service fee.¹⁵ As a further safeguard, OCC proposes to amend Rule 101 to include unpaid FRB services charges as an authorized use of the Minimum Capital Contribution.¹⁶ Further, OCC proposes to add language to its Rule 1006 that would allow OCC to use the Clearing Fund to satisfy any unpaid FRB account service charges.

Finally, OCC proposes to make certain categorization changes, by moving paragraphs (i) and (j) from Rule 1006 to Rule 1002, which specifically deals with Clearing Fund contributions. The former paragraph concerns an acknowledgement by Clearing Members that OCC maintains a lien on all assets, including cash, contributed to the Clearing Fund, while the latter concerns OCC’s role as a securities intermediary for securities deposited by Clearing Members in the Clearing Fund.

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.¹⁷ 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.”¹⁸

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements, must all be sufficiently detailed and specific to support an affirmative Commission finding,¹⁹ and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the applicable rules and regulations.²⁰ Moreover, “unquestioning reliance” on an SRO’s representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.²¹

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, for the reasons given below, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Exchange Act,²² and Rules 17ad–22(e)(7)(ii) and 17ad–22(e)(7)(iii) thereunder, as described in detail below.²³

A. Consistency With Section 17A(b)(3)(F) of the Exchange Act

Section 17A(b)(3)(F) of the Exchange Act requires, among other things, that the rules of OCC be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions and to assure the safeguarding of securities and funds which are in the custody or control of OCC or for which

it is responsible.²⁴ Based on a review of the record, and for the reasons discussed below, the proposed changes are consistent with the promotion of the prompt and accurate clearance and settlement of transactions at OCC and the safeguarding of securities and funds which it has custody or control over.

OCC is the sole registered clearing agency for the U.S. listed options markets. As described above, one purpose of the proposed changes is to incentivize Clearing Members to meet a larger portion of their collateral requirements in cash. An increase in the amount of collateral provided in cash, as opposed to other permissible forms, would increase the likelihood that OCC would be able to meet its payment obligations when due by removing the potential delays that come with other qualifying liquid resources, such as prearranged funding arrangements. Increasing the likelihood that OCC would be able to meet its payment obligations would increase the likelihood that OCC could promptly and accurately clear transactions in the event of a default.

Additionally, the Proposed Rule Change is consistent with assuring the safeguarding of funds, by allowing OCC to deposit customer cash margin in its FRB account. Access to an FRB account is a valuable tool, the use of which would reduce custody risk in a clearing agency.²⁵ Further, the Proposed Rule Change would not limit OCC’s access to commercial banks, and would, therefore, provide OCC with an additional custodian at which to deposit customer cash margin.

For the reasons stated above, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Exchange Act.²⁶

B. Consistency With Rule 17ad–22(e)(7)(ii) Under the Exchange Act

Rule 17ad–22(e)(7)(ii) under the Exchange Act requires, in part, each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at

¹³ I&P .04, however, would specifically exclude cash derived from cash margin deposited in respect of segregated futures accounts, which OCC has stated must be segregated as required by Commodity Futures Trading Commission (“CFTC”) Regulation 1.20. See Notice at 50581. See also 17 CFR 1.20(a). OCC has stated that it will not title its FRB account as a margin account, since it will hold additional assets, and that it can hold margin assets at the FRB under both its own Rules and under CFTC Regulation 1.20. See *id.*

¹⁴ In OCC’s case, the only fee owed to the FRB is a monthly service charge, which is approximately \$3,000 per month. See Notice, 91 FR at 50582.

¹⁵ OCC would amend its schedule of fees to reflect the 10-basis point service charge on each Clearing Member’s average daily cash balance other than cash held in X–M accounts. This language would replace the current 5-basis point fee on Clearing Member cash held in OCC’s FRB account.

¹⁶ OCC also proposes a conforming change to its Capital Management Policy related to the use of the Minimum Corporate Contribution.

¹⁷ 15 U.S.C. 78s(b)(2)(C).

¹⁸ Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Susquehanna Int’l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

²² 15 U.S.C. 78q–1(b)(3)(F).

²³ 17 CFR 240.17ad–22(e)(7)(ii) and (e)(7)(iii).

²⁴ 15 U.S.C. 78q–1(b)(3)(F).

²⁵ See Securities Exchange Act Release 90100 (Oct. 6, 2020), 85 FR 64603, 64604 (Oct. 13, 2020) (File No. SR–OCC–2020–010). See also Securities Exchange Act Release 68080, 77 FR 66220, 66268 (Nov. 2, 2012) (File No. S7–08–11).

²⁶ *Id.*

a minimum, holding qualifying liquid resources sufficient to meet its minimum liquidity resource requirements in each relevant currency for which the covered clearing agency has payment obligations owed to clearing members.²⁷ Cash, held either at the central bank of issuance or at a creditworthy commercial bank, is the first resource listed in the definition of qualifying liquid resources.²⁸

Since OCC began paying interest on Clearing Fund cash, Clearing Members have deposited more cash in the Clearing Fund than OCC requires. Based on the data provided by OCC, Clearing Member cash contributions to the Clearing Fund have exceeded requirements generally risen over time. In contrast, Clearing Members currently deposit only a small percentage of total margin assets as cash relative to valued securities. Based on the data provided and excess cash deposited in the Clearing Fund, the Proposed Rule Change is likely to increase the percentage of margin Clearing Members post in cash over any minimum requirement imposed by OCC. Increasing the likelihood that members will provide cash to OCC above and beyond what OCC requires increases the likelihood that OCC will continue to hold sufficient qualifying liquid resources to meet its liquidity requirements, which would allow OCC to better manage its liquidity risk.

For the reasons stated above, allowing OCC to pay interest on cash deposited as margin is consistent with the requirements of Rule 17ad–22(e)(7)(ii) under the Exchange Act.²⁹

C. Consistency With Rule 17ad–22(e)(7)(iii) Under the Exchange Act

Rule 17ad–22(e)(7)(iii) requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum, using the access to accounts and services at a Federal Reserve Bank, pursuant to Section 806(a) of the Payment, Clearing, and Settlement Supervision Act of 2010 (12 U.S.C. 5465(a)),³⁰ or other relevant

central bank, when available and where determined to be practical by the board of directors of the covered clearing agency, to enhance its management of liquidity risk.³¹

OCC may use cash margin deposits, including customer cash margin deposits, to manage liquidity risk. OCC's Liquidity Risk Management Framework document ("LRMF") sets forth an overview of OCC's liquidity risk management practices and governs OCC's policies and procedures as they relate to liquidity risk management.³² The LRMF describes the primary liquidity risks OCC faces when managing a Clearing Member default, and describes the maintenance of liquidity resources designed to address a variety of stress scenarios through the sizing of such resources.³³ The LRMF defines such liquidity resources to include cash margin deposits where such deposits are required under OCC's Contingency Funding Plan.³⁴ OCC's Proposed Rule Change would permit OCC to deposit securities customer cash margin in its FRB account. Moreover, as described above, the collection of interest from the FRB for cash margin, and consequent delivery of that interest, minus a management fee, to Members would incentivize Members to contribute more cash as part of their margin responsibilities, in lieu of less liquid assets. The holding of a greater amount of cash as margin would help OCC better manage its liquidity risk.

For the reasons stated above, allowing OCC to deposit non-customer cash margin in its FRB account is consistent with the requirements Rule 17ad–22(e)(7)(iii) under the Exchange Act.³⁵

IV. Solicitation of Comments on Partial Amendment No. 1 to the Proposed Rule Change

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as modified by Partial Amendment No. 1, is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Reserve Bank to establish and maintain an account for a designated financial market utility. *See also* Board of Governors of the Federal Reserve System, Designated Financial Market Utilities, Title VIII of the Dodd-Frank Act, available at <https://www.federalreserve.gov/paymentsystems/title-viii-dfa.htm>.

³¹ 17 CFR 240.17ad–22(e)(7)(iii).

³² *See* Securities Exchange Act Release 89014 (Jun. 4, 2020), 85 FR 35446 (Jun. 10, 2020) (File No. SR–OCC–2020–003) ("LRMF Approval Order").

³³ *See* LRMF Approval Order at 35447.

³⁴ *Id.*

³⁵ 17 CFR 240.17ad–22(e)(7)(iii).

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–OCC–2026–007 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–OCC–2026–007. 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 such filing will be available for inspection and copying at the principal office of OCC and on OCC's website at <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

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–OCC–2026–007 and should be submitted on or before October 13, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

V. Accelerated Approval of Proposed Rule Change, as Modified by Partial Amendment No. 1

The Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act,³⁷ to approve the proposed rule change prior to the 30th day after the date of publication of notice of the filing of Partial Amendment No. 1 in the **Federal Register**. As discussed above, Partial Amendment No. 1 modified the original Proposed Rule Change to correcting a statement made regarding subaccounts at the FRB, as part of File No. SR–OCC–2026–007 on September, 15, 2026. OCC initially stated that it would establish a subaccount at the FRB under the master account to separately account for

³⁶ 17 CFR 200.30–3(a)(12).

³⁷ 15 U.S.C. 78s(b)(2).

²⁷ 17 CFR 240.17ad–22(e)(7)(ii).

²⁸ 17 CFR 240.17ad–22(a).

²⁹ 17 CFR 240.17ad–22(e)(7)(ii).

³⁰ 12 U.S.C. 5465(a). The Board of Governors of the Federal Reserve System may authorize a Federal

customer margin.³⁸ In Partial Amendment No. 1, OCC stated that will request a subaccount for securities customer margin. OCC stated further that until such time that OCC could secure a separate subaccount for its Clearing Member's Clearing Fund deposits, OCC would include transaction activity for Clearing Fund deposits in the existing subaccount for non-customer margin cash. Partial Amendment No. 1 does not change the purpose of or basis for the proposed changes.

For similar reasons as discussed above, the Commission finds that Partial Amendment No. 1 is consistent with the requirement that OCC's rules not be designed to permit unfair discrimination among participants in the use of the clearing agency, under Section 17A(b)(3)(F) of the Exchange Act.⁴⁷ Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act, to approve the proposed rule change, as modified by Partial Amendment No. 1, on an accelerated basis, pursuant to Section 19(b)(2) of the Exchange Act.³⁹

VI. 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 with Section 17A(b)(3)(F) of the Exchange Act,⁴⁰ and Rules 17ad-22(e)(7)(ii) and 17ad-22(e)(7)(iii) thereunder.⁴¹

It is therefore ordered pursuant to Section 19(b)(2) of the Exchange Act⁴² that the proposed rule change (SR-OCC-2026-007) be, and hereby is, approved.⁴³

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-19216 Filed 9-18-26; 8:45 am]

BILLING CODE 8011-01-P

³⁸ See Notice, 91 FR at 50580 n.8. OCC explained that it uses a similar subaccount for non-customer margin at the FRB.

³⁹ 15 U.S.C. 78s(b)(2).

⁴⁰ 15 U.S.C. 78q-1(b)(3)(F).

⁴¹ 17 CFR 240.17ad-22(e)(7)(ii) and (e)(7)(iii).

⁴² 15 U.S.C. 78s(b)(2).

⁴³ 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).

⁴⁴ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 1:00 p.m. on Thursday, September 24, 2026.

PLACE: The meeting will be held via remote means and at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED:

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION: For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Authority: 5 U.S.C. 552b.

Dated: September 17, 2026.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026-19243 Filed 9-17-26; 11:15 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106392; File No. 4-698]

Joint Industry Plan; Notice of Filing and Immediate Effectiveness of Amendment to the National Market System Plan Governing the Consolidated Audit Trail To Add MX2 LLC as a Participant

September 16, 2026.

Pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 608 thereunder,² notice is hereby given that on September 3, 2026, MX2 LLC ("MX2" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") an amendment to the National Market System Plan Governing the Consolidated Audit Trail (the "CAT NMS Plan" or "Plan").³ The amendment adds MX2 as a Participant⁴ to the CAT NMS Plan. The Commission is publishing this notice to solicit comments on the amendment from interested persons.

I. Description and Purpose of the Amendment

The amendment to the CAT NMS Plan adds MX2 as a Participant.⁵ The CAT NMS Plan provides that any Person⁶ approved by the Commission as a national securities exchange or

¹ 15 U.S.C. 78k-1(a)(3).

² 17 CFR 242.608.

³ See Securities Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016).

⁴ The Participants to the CAT NMS Plan include 24X National Exchange, BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc., Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange LLC, MIAx Emerald, LLC, MIAx PEARL, LLC, MIAx Sapphire, LLC, Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, The Nasdaq Stock Market LLC, Nasdaq Texas, LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., NYSE Texas, Inc., and Texas Stock Exchange LLC.

⁵ Defined in Section 1.1 of the CAT NMS Plan as follows: "'Participant' means each Person identified as such on Exhibit A hereto, and any Person that becomes a Participant as permitted by this Agreement, in such Person's capacity as a Participant in the Company (it being understood that the Participants shall comprise the 'members' of the Company (as the term 'member' is defined in Section 18-101(11) of the Delaware Act))."

⁶ Defined in Section 1.1 of the CAT NMS Plan as follows: "'Person' means any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association and any heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits."

national securities association under the Exchange Act may become a Participant by submitting to the Company⁷ a completed application in the form provided by the Company.⁸ As a condition to admission as a Participant, said Person shall: (i) execute a counterpart of the CAT NMS Plan, at which time Exhibit A shall be amended to reflect the status of said Person as a Participant (including said Person's address for purposes of notices delivered pursuant to the CAT NMS Plan); and (ii) pay a fee to the Company as set forth in the Plan (the "Participation Fee").⁹ The amendment to the Plan reflecting the admission of a new Participant shall be effective only when: (x) it is approved by the Commission in accordance with Rule 608 or otherwise becomes effective pursuant to Rule 608; and (y) the prospective Participant pays the Participation Fee.¹⁰

MX2 has executed a copy of the current CAT NMS Plan, amended to include MX2 in the List of Parties (including the address of MX2) and paid the applicable Participation Fee.¹¹

II. Effectiveness of the Proposed Plan Amendment

The foregoing CAT NMS Plan amendment has become effective pursuant to Rule 608(b)(3)(iii)¹² because it involves solely technical or ministerial matters. At any time within sixty days of the filing of this amendment, the Commission may summarily abrogate the amendment and require that it be refiled pursuant to paragraph (a)(1) of Rule 608,¹³ if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Exchange Act.

⁷ The "Company" refers to the limited liability company, Consolidated Audit Trail, LLC, which is responsible for conducting the activities of the CAT. See Securities Exchange Act Release No. 87149 (Sept. 27, 2019), 84 FR 52905 (Oct. 3, 2019).

⁸ See Section 3.3(a) of the CAT NMS Plan. MX2 was approved for registration as a national securities exchange on March 13, 2025. See Securities Exchange Act Release No. 102650 (Mar. 13, 2025), 90 FR 12590 (Mar. 18, 2025).

⁹ See Section 3.3(a) of the CAT NMS Plan.

¹⁰ *Id.*

¹¹ See Letter from Anders Franzon, General Counsel, MX LLC, to Vanessa Countryman, Secretary, Commission (Sept. 3, 2026).

¹² 17 CFR 242.608(b)(3)(iii).

¹³ 17 CFR 242.608(a)(1).

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number 4–698 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number 4–698. 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 4–698 and should be submitted on or before October 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026–19220 Filed 9–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106396; File No. 10–255]

Acknowledgement of Receipt of Notice of Registration as a National Securities Exchange Pursuant to Section 6(g) of the Securities Exchange Act of 1934 by North American Derivatives Exchange, Inc.

September 16, 2026.

Section 6(g) of the Securities Exchange Act of 1934 ("Exchange Act")¹ provides that an exchange that lists or trades security futures products may register as a national securities exchange solely for the purposes of trading security futures products by filing a written notice with the Securities and Exchange Commission ("Commission") if: (1) the exchange is a board of trade, as that term is defined by the Commodity Exchange Act ("CEA"),² that has been designated a contract market by the Commodity Futures Trading Commission ("CFTC") and such designation is not suspended by order of the CFTC; and (2) such exchange does not serve as a market place for transactions in securities other than security futures products or futures on exempted securities or groups or indexes of securities or options thereon that have been authorized under Section 2(a)(1)(C) of the CEA.³ Rule 6a–4 under the Exchange Act⁴ requires that such an exchange submit written notice of registration to the Commission on Form 1–N.⁵ Under Exchange Act Section 6(g)(2)(B), an exchange's registration as a national securities exchange becomes effective contemporaneously with the submission of the written notice on Form 1–N.⁶

On September 14, 2026, North American Derivatives Exchange, Inc. ("Nadex") filed a Form 1–N with the Commission. Pursuant to Section 6(g)(3) of the Exchange Act,⁷ the Commission hereby acknowledges receipt of the Form 1–N submitted by Nadex. Copies of the Form 1–N, including all exhibits, are available on the Commission's internet website (<https://www.sec.gov/rules-regulations/commission-orders->

¹ 15 U.S.C. 78f(g).

² 7 U.S.C. 1a(6).

³ 7 U.S.C. 2(a)(1)(C).

⁴ 17 CFR 240.6a–4.

⁵ Under Rule 202.3(b)(3) of the Commission's Informal and Other Procedures, upon receipt of a Form 1–N, the Division of Trading and Markets examines the notice to determine whether all necessary information has been supplied and whether all other required documents have been furnished in proper form. 17 CFR 202.3(b)(3).

⁶ 15 U.S.C. 78f(g)(2)(B).

⁷ 15 U.S.C. 78f(g)(3).

¹⁴ 17 CFR 200.30–3(a)(85).

notices/other-commission-orders-notices-information).

For further information about this Release, you may contact David Dimitrious, Senior Special Counsel; Jennifer Colihan, Special Counsel; Eugene Hsia, Special Counsel; Michou Nguyen, Special Counsel; and Alba Baze, Attorney-Adviser, Office of Market Supervision, Division of Trading and Markets, at (202) 551-5550, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-19215 Filed 9-18-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36332; File No. 812-16051]

Wasatch Funds Trust and Wasatch Advisors LP

September 16, 2026.

AGENCY: Securities and Exchange Commission ("Commission" or "SEC").

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from sections 2(a)(32), 5(a)(1), 18(f)(1), 18(i), 22(d) and 22(e) of the Act and rule 22c-1 under the Act and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act.

SUMMARY OF APPLICATION: Applicants request an order ("Order") that would permit a registered open-end management investment company to offer one class of exchange-traded shares that operates as an exchange-traded fund (an "ETF Class," and such shares, "ETF Shares") and one or more classes of shares that are not exchange-traded (each such class, a "Mutual Fund Class," and such shares, "Mutual Fund Shares," and each such fund, a "Multi-Class ETF Fund"). The Order would provide Multi-Class ETF Funds with two broad categories of relief: (i) the relief necessary to permit standard exchange-traded fund ("ETF") operations consistent with Rule 6c-11 under the Act ("ETF Operational Relief") and (ii) the relief necessary for a fund to offer an ETF Class and one or more Mutual Fund Classes ("ETF Class Relief").

⁸ 17 CFR 200.30-3(a)(75).

APPLICANTS: Wasatch Funds Trust and Wasatch Advisors LP.

FILING DATES: The application was filed on July 8, 2026, and amended on September 10, 2026.

HEARING OR NOTIFICATION OF HEARING:

An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time, on October 13, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov*.

ADDRESSES: The Commission: *Secretarys-Office@sec.gov*. Applicants: Russell Biles, Wasatch Advisors LP, *rbiles@wasatchglobal.com*; Eric F. Fess and Felice R. Foundos, Chapman and Cutler LLP, *fess@chapman.com* and *foundos@chapman.com*.

FOR FURTHER INFORMATION CONTACT:

Trace W. Rakestraw, Senior Special Counsel, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' amended application, filed September 10, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC's EDGAR system.

The SEC's EDGAR system may be searched at <https://www.sec.gov/search-filings>. You may also call the SEC's Office of Investor Education and Assistance at (202) 551-8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-19212 Filed 9-18-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106390; File No. SR-IEX-2026-31]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Address Internal Inconsistencies in Rule 22.260 in Advance of the Launch of IEX Options

September 16, 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 September 8, 2026, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I 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

Pursuant to the provisions of Section 19(b)(1) under the Act,⁴ and Rule 19b-4 thereunder,⁵ the Exchange is filing with the Commission a rule change proposal to address internal inconsistencies in Rule 22.260 in advance of the launch of IEX Options. The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act⁶ and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.⁷

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings> and at the principal office of the Exchange.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

On September 18, 2025, the Commission approved IEX's proposal to adopt rules governing the trading of options on the Exchange in a new facility called "IEX Options";⁸ IEX Options has announced its plan to commence trading options on October 2, 2026.⁹ As set forth in the IEX Options rules, the System's¹⁰ acceptance and execution of orders, quotes, and bulk messages, as applicable, are subject to the price protection mechanisms and risk controls provided to Options Members¹¹ in Rule 22.250 (Pre-Trade and Activity-Based Risk Controls) and Rule 22.260 (Additional Price Protection Mechanisms and Risk Controls). In advance of the commencement of trading options, IEX now makes this rule change proposal to address internal inconsistencies in Rule 22.260. Specifically, as described below, IEX proposes to delete Rule 22.260(b) and to expand the types of orders that are not

subject to Rule 22.260(e). The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act¹² and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.¹³

Background

IEX Options has three Order Types (applicable to orders and quotes): Limit orders,¹⁴ Market orders,¹⁵ and Attributable orders.¹⁶ Each order and quote must also have a TIF¹⁷ of either IOC¹⁸ or Day.¹⁹ Options Members may also include one of three optional "Handling Instructions"²⁰ with their orders and quotes: Book only,²¹ Post

Only,²² and Intermarket Sweep Orders.²³

IEX Options rules provide for several price protection mechanisms, including Rule 22.260(b) (Market Orders in No-Bid (Offer) Series) and Rule 22.260(e) (Drill-Through Protection). The Market Orders in a No-Bid (Offer) Series rule is designed to protect Market orders from executions at potentially erroneous prices, and provides that if the System receives a sell Market order in a series after it is open for trading with an NBB²⁴ of zero and an NBO²⁵ less than or equal to \$0.50, the System will convert the Market order to a Limit order with a limit price equal to the minimum trading increment applicable to the series and will post the order to the Order Book.²⁶ If the System receives a sell Market order in a series after it is open for trading with an NBB of zero and an NBO greater than \$0.50, the System cancels or rejects the Market order, except if the sell Market order would be subject to the drill-through protection, in which case the order joins the ongoing drill-through process.²⁷ If the System receives a buy Market order in a series after it is open for trading with an NBO of zero, the System cancels or rejects the Market order.²⁸

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4.

¹⁴ See Rule 22.100(d)(1).

¹⁵ See Rule 22.100(d)(2).

¹⁶ See Rule 22.100(d)(3).

¹⁷ The term "TIF" shall mean the period of time that the System will hold an order, subject to the restrictions set forth in paragraph (I) below with respect to bulk messages, for potential execution. A Time-in-Force applied to a bulk message applies to each bid and offer within that bulk message. Unless otherwise specified in the Exchange Rules or the context indicates otherwise, the Exchange determines which of the following Times-in-Force are available on a class or system basis. See Rule 22.100(g).

¹⁸ "Immediate Or Cancel" or "IOC" shall mean, for an order so designated, an order that is to be executed in whole or in part as soon as such order is received. The portion not so executed immediately on the Exchange or another options exchange is cancelled and is not posted to the IEX Options Book. IOC orders that are not designated as Book Only and that cannot be executed in accordance with Rule 22.170 on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 22.180. Market Makers may designate bulk messages as IOC. See Rule 22.100(g)(1).

¹⁹ "Day" shall mean, for an order so designated, an order to buy or sell which, if not executed expires at market close. Market Makers may designate bulk messages as Day. See Rule 22.100(g)(2).

²⁰ The term "Handling Instruction" means an additional instruction a User designates on an order, subject to the restrictions set forth in paragraph (I) below with respect to bulk messages. A Handling Instruction applied to a bulk message applies to each bid and offer within that bulk message. Unless otherwise specified in the Exchange Rules or the context indicates otherwise, the Exchange determines which of the following Handling Instructions are available on a class or system basis. See Rule 22.100(e).

²¹ "Book Only" is a Handling Instruction that an order is to be ranked and executed on the Exchange pursuant to Rule 22.170 (Order Display and Book Processing), or to be repriced or cancelled, as appropriate, without routing away to another options exchange. See Rule 22.100(e)(1).

²² "Post Only" is a Handling Instruction a User may designate on an order that is to be ranked and executed on the Exchange pursuant to Rule 22.170 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will not remove liquidity from the IEX Options Book. The System reprices, cancels or rejects (in accordance with User Instructions) a bid (offer) designated as Post Only with a price that locks or crosses the Exchange's best offer (bid). A Market order cannot be designated as Post Only. See Rule 22.100(e)(2).

²³ "Intermarket Sweep Orders" or "ISO" are orders that have the meaning provided in Rule 28.100 (Definitions). Such orders may be executed at one or multiple price levels in the System without regard to Protected Quotations at other options exchanges (*i.e.*, may trade through such quotations). The Exchange relies on the marking of an order as an ISO when handling such order, and thus, it is the entering Options Member's responsibility, not the Exchange's responsibility, to comply with the requirements relating to ISOs. ISOs are not eligible for routing pursuant to Rule 22.180 (Order Routing). A Market order cannot be designated as an Intermarket Sweep Order. Market Makers may not designate bulk messages as ISOs. See Rule 22.100(e)(3).

²⁴ See Rule 17.100.

²⁵ See Rule 17.100.

²⁶ See Rule 22.260(b)(1)(A). Note that following the Opening Process, orders and quotes received prior to and not executed in full during the Opening Process will be transitioned to the continuous Order Book and handled in accordance with existing IEX rules, as applicable. The System is considered to have received such orders at that time for purposes of the Market Orders in No-Bid (Offer) Series rule. See Rule 22.160(d). The Market Orders in No-Bid (Offer) Series rule is not applicable to the Opening Process.

²⁷ See Rule 22.260(b)(1)(B).

²⁸ See Rule 22.260(b)(2).

⁸ See Securities Exchange Act Release No. 103290 (June 18, 2025), 90 FR 26865, 26878 (June 24, 2025) (SR-IEX-2025-02) (Notice of Filing of Amendment No. 3 to a Proposed Rule Change To Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Options Rule Filing") and Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025) (SR-IEX-2025-02) (Commission order approving a Proposed Rule Change, as Modified by Amendment No. 3, to Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Approval Order").

⁹ See <https://www.iex.io/options/resources#important-dates>.

¹⁰ The term "System" means the automated trading system used by IEX Options for the trading of options contracts, as described in Rule 22.100(a). See Rule 17.100.

¹¹ The term "Options Member" means a firm, or organization that is registered with the Exchange pursuant to Chapter 18 of these Rules for purposes of participating in options trading on IEX Options as an Options Order Entry Firm, Options Market Maker, or Clearing Member. See Rule 17.100.

The Drill-Through Protection rule is designed to prevent an aggressively priced order from executing beyond multiple price levels by utilizing a series of iterations up to an Exchange-determined “buffer amount”²⁹ that caps how far the order can execute, rather than immediately sweeping all available liquidity up to its limit price, before it stops executing or routing the order.³⁰ Bulk messages³¹ and ISOs are not eligible for drill-through protection.³²

Proposal

A. Deletion of Rule 22.260(b)

As noted above, IEX Rule 22.260(b) specifies that if the System receives a sell Market order in a series after it is open for trading with an NBB of zero, if the NBO in the series is less than or equal to \$0.50, then the System will convert the Market order to a Limit order with a limit price equal to the minimum trading increment applicable to the series and enter it into the IEX Options Book. However, IEX Market orders may only have a TIF of IOC,³³ which means a Market order that is not “executed immediately on the Exchange or another options exchange is cancelled and is not posted to the IEX Options Book.”³⁴ Because Market orders either execute or cancel on entry, they cannot be converted by the System into a Limit order that is entered into the Options Order Book nor could they be subject to an ongoing drill-through process.

Thus, the provisions in Rule 22.260(b) that refer to converting a sell Market order to a limit order or the order being subject to an ongoing drill-through process are inapplicable. If a Market order to sell is received at a time when the NBB is zero (*i.e.*, there is no interest to buy in the series), the Market order will be automatically canceled by the System because it would not be executed, pursuant to Rule 22.100(g)(1). With respect to a buy Market order received in a series after it is open for trading with an NBO of zero (*i.e.*, there

is no interest to sell in the series), Rule 22.260(b)(2) provides that the order will be rejected. In this context the terms rejected and canceled achieve the same result because the order would not rest on the IEX Options Order Book.

Accordingly, IEX proposes to delete Rule 22.260(b) as unnecessary and duplicative of Rule 22.100(g)(1) and insert the word “Reserved” in its place.

B. Amendment to Rule 22.260(e)

IEX’s Drill-Through Protection provides execution-price protection for liquidity-taking orders, which permits a marketable order to access liquidity across multiple price levels while limiting the distance through the prevailing contra-side NBBO at which executions may initially occur to prevent an order from executing through successive price levels too aggressively.³⁵

IEX’s Drill-Through Protection Rule does not apply to bulk messages or ISOs.³⁶ Bulk messages are designed to enable Market Makers to efficiently submit and update liquidity providing quotations, rather than to function as liquidity-taking orders seeking execution through multiple price levels. For example, Day³⁷ bulk messages cannot sweep at all because they are Post Only;³⁸ and IOC bulk messages are for the limited purpose of Market Maker risk management.³⁹ Accordingly, applying drill-through to bulk messages would not meaningfully advance the purpose for which drill-through protection was designed.

IEX’s Drill-Through Protection Rule does not apply to ISOs for a different reason. An Options Member submitting an ISO order is affirmatively instructing the Exchange to execute the order through the market up to its limit price without regard to Protected Quotations at other options exchanges.⁴⁰ Restricting the order by the Drill-Through process would be inconsistent with the objective of an ISO order.

IEX proposes to exclude Post Only orders (*i.e.*, including orders and quotes not submitted as bulk messages), which by definition cannot remove liquidity

from the IEX Options Order Book, from the Drill-Through Protection rule. For the reasons discussed above, this exclusion is logical because Drill-Through Protection is designed to protect liquidity-taking orders (something Post Only orders cannot do) from executing at too aggressive a price.⁴¹ Thus, as proposed, Rule 22.260(e)(3)(4) will now read: “This protection does not apply to bulk messages, Post Only, or ISOs.”

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁴² in general, and furthers the objectives of Section 6(b)(5) of the Act⁴³ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

As discussed in the Purpose section, the proposed rule change is designed to address internal inconsistencies in IEX Options rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

In particular, the Exchange believes the proposed rule change will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a national market system, and protect investors and the public interest, by clarifying how impacted order types will function. Specifically, IEX believes that Options Members would not expect a Market order with a TIF of IOC to be eligible for the Market Orders in No-Bid (Offer) Series protection of converting the order to a Limit order and would not expect Drill-Through Protection for aggressive taking orders to apply to Post Only orders that by definition must add liquidity to the Order Book. Thus, IEX believes that the proposed changes will reduce confusion

²⁹ IEX Options determines the buffer amount on a class and premium basis. See Rule 22.260(e)(1).

³⁰ See generally Rule 22.260(e)(3)(F).

³¹ See Rule 22.100(l).

³² See Rule 22.260(e)(4).

³³ The Exchange may determine the TIF(s) applicable to each order type on a system-wide basis unless otherwise specified in the Exchange Rules. See Rule 22.100(g). The Exchange TIF determinations are specified in the FIX and binary input specifications and specify that Market orders may only have a TIF of IOC. See IEX Options FIX Specification, Appendix A, available at <https://www.iex.io/documents/iex-options-fix-specification> and IEX Binary Options Protocol Specification, Appendix A, available at <https://www.iex.io/documents/iex-binary-options-protocol-specification>.

³⁴ See *supra* note 18.

³⁵ See generally Rule 22.260(e).

³⁶ See Rule 22.260(e)(4).

³⁷ An order or quote with a TIF of Day that does not execute on entry rests on the Order Book, and if it does not execute before market close, is canceled. See Rule 22.100(g)(2).

³⁸ See Rule 22.100(l)(3).

³⁹ See Securities Exchange Act Release No. 105729 (June 18, 2026), 91 FR 38051 (June 24, 2026) (SR-IEX-2026-17) (Allowing bulk messages to have a TIF of IOC for the limited purpose of Market Maker risk management, in view of a Market Maker’s core obligation to provide liquidity to the market.)

⁴⁰ See *supra* note 23,

⁴¹ IEX Options rules provide that the System reprices, cancels, or rejects Post Only interest that would lock/cross the Exchange’s contra-side interest, and Post Only interest does not route away. See *supra* note 22.

⁴² 15 U.S.C. 78f(b).

⁴³ 15 U.S.C. 78f(b)(5).

among market participants, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

The Exchange also believes that the proposed changes are consistent with the investor protection and the public interest provisions of the Act because impacted order types will continue to function as expected. Specifically, buy (or sell) Market orders received in a series after it is open for trading with an NBO (or NBB) of zero, will be canceled, which is what an Options Member would expect to happen when there is no contra-party interest because all IEX Options Market orders have a TIF of IOC.⁴⁴ And with respect to Drill-Through Protections, because Post Only orders do not take liquidity, it is logical to exclude them from a protection mechanism that prevents taking liquidity at excessive prices.

Importantly, Market orders and Post Only orders will continue to be subject to all the applicable protections specified in Rules 22.250 and 22.260.

Moreover, the Exchange believes these proposed, narrowly tailored changes to its rules are not designed to permit unfair discrimination among Options Members as they would apply equally to all Options Members.

Finally, each of these proposed changes is based on the logical functionality of the Commission-approved price protection mechanisms coupled with how IEX's order types, TIFs, and Handling Instructions interact, and thus, the Exchange does not believe that the proposed rule change raises any new or novel issues.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the extent the proposed changes enhance the competitiveness of IEX Options, competing exchanges have and can continue to adopt comparable functionality, subject to the Commission's rule filing process.

The Exchange also does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or

appropriate in furtherance of the purposes of the Act. The rule change will apply equally to all Options Members. The Exchange believes that these proposed changes to Rule 22.260 to better align the rule with System functionality will enable Options Members to better understand and utilize these price protection mechanisms and risk controls, which, in turn, may enhance the integrity of trading on the options market and help to assure the stability of the financial system.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act⁴⁵ and Rule 19b-4(f)(6)⁴⁶ thereunder. Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; or (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁴⁷ and Rule 19b-4(f)(6)⁴⁸ thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)⁴⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),⁵⁰ the Commission may designate a shorter time if such action is consistent with protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. According to the Exchange, waiving the 30-day delay would allow the proposed rule change to become operative on October 2, 2026,

when IEX Options commences trading, and would permit the IEX Options System to operate in a manner fully aligned with IEX Options rules, alleviating any confusion among market participants about how the rules operate. Waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because it allows the revised IEX Options rules to be operative by October 2, 2026, the date that trading begins on the IEX Options System, provides clarity and prevents potential confusion for market participants about the operation of IEX Options rules, and does not introduce any novel regulatory issues. Accordingly, the Commission designates the proposed rule change to be operative upon filing.⁵¹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-IEX-2026-31 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-IEX-2026-31. 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

⁴⁵ 15 U.S.C. 78s(b)(3)(A).

⁴⁶ 17 CFR 240.19b-4(f)(6).

⁴⁷ 15 U.S.C. 78s(b)(3)(A).

⁴⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁴⁹ 17 CFR 240.19b-4(f)(6).

⁵⁰ 17 CFR 240.19b-4(f)(6)(iii).

⁵¹ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁴⁴ See *supra* note 33.

post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-IEX-2026-31 and should be submitted on or before October 13, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵²

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2026-19218 Filed 9-18-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106393; File No. SR-MSRB-2026-04]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval of a Proposed Rule Change To Amend MSRB Rule G-27 to Exclude Certain Public Finance Activities From the Term "Structuring of Public Offerings or Private Placements," Extend the Length of the Exclusion for Non-Primary Residences From Municipal Branch Office Designation, and Make a Technical Update to the Rule's Title

September 16, 2026.

I. Introduction

On July 27, 2026, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend MSRB Rule G-27 ("Rule G-27"), on supervision, to (i) exclude certain public finance activities from the term "structuring of public offerings or private placements" as used within MSRB Rule G-27, (ii) extend the length of the exclusion for non-primary residences from municipal branch office designation, and (iii) make a technical update to the title of MSRB Rule G-27

(collectively, the "proposed rule change").³

The MSRB will announce the operative date of the proposed rule change in a regulatory notice to be published on the MSRB website no later than 30 days following Commission approval.⁴ The compliance date would be no earlier than 90 days and no later than 180 days following Commission approval.⁵

The proposed rule change was published for comment in the **Federal Register** on August 4, 2026.⁶ The Commission received four comment letters⁷ on the proposed rule change. On September 2, 2026, the MSRB responded to the comment letters.⁸ As described further below, the Commission is approving the proposed rule change.

II. Description of the Proposed Rule Change

A. Background

MSRB Rule G-27(a), on obligation to supervise, requires each broker, dealer, or municipal securities dealers ("dealer") to supervise the conduct of the municipal securities activities of the dealer and its associated persons to ensure compliance with MSRB rules, and the applicable provisions of the Exchange Act and rules thereunder. As such, MSRB Rule G-27(b)(iii) requires dealers to designate as an office of municipal supervisory jurisdiction ("OMSJ") any office at which any one or more of the enumerated activities under MSRB Rule G-27(g)(i) occurs at such office with respect to municipal securities. Locations that are not required to be designated as an OMSJ constitute either a municipal branch office or a non-branch location.⁹

The MSRB notes it has never publicly defined the scope of the term "structuring of public offerings or

private placements,"¹⁰ which the MSRB believes has led to dealers designating some locations as an OMSJ out of an abundance of caution.¹¹ The MSRB notes that there are additional compliance and regulatory obligations for locations classified as an OMSJ or a municipal branch office, including annual inspections.¹² According to the MSRB, advancements in technology and compliance tools have enhanced dealers' ability to more effectively supervise the conduct of the municipal securities activities of the dealer and that of its associated persons in a decentralized environment due to hybrid work arrangements.¹³ The MSRB also stated that certain surveillance and monitoring technology can provide a more real-time supervision of associated persons regardless of their physical location.¹⁴ Thus, according to the MSRB, dealers have made strides in modernizing their workplace while also undertaking the necessity of putting proper safeguards in place to ensure compliance with MSRB rules and the applicable provisions of the Exchange Act and rules thereunder.¹⁵

Based on the above and as further described in the Notice, according to the MSRB, the proposed rule change will provide greater flexibility to dealers and their associated persons with respect to hybrid work arrangements without modifying the OMSJ and municipal branch office definitions within MSRB Rule G-27(g)(i) and MSRB Rule G-27(g)(ii), respectively.¹⁶

B. Summary of the Proposed Rule Change

As discussed below and in the Notice, the proposed rule change would amend Rule G-27 to (i) exclude certain public finance activities from the term "structuring of public offerings or private placements" as used within MSRB Rule G-27, (ii) extend the length of the exclusion for non-primary residences from municipal branch office designation, and (iii) make a technical update to the title of MSRB Rule G-27.¹⁷ Specifically, the proposed rule change would extend an exemption from municipal branch office designation under MSRB Rule G-27(g)(ii)(A)(3) for non-primary residences from less than

³ See Exchange Act Release No. 34-106014 (July 30, 2026), 91 FR 49460 (August 4, 2026) (File No. SR-MSRB-2026-04) ("Notice").

⁴ See Notice, 91 FR at 49460.

⁵ See *id.*

⁶ See *id.*

⁷ See Letter from Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated August 25, 2026 ("SIFMA Letter"); Letter from Susan Gaffney, Executive Director, National Association of Municipal Advisors, dated August 25, 2026 ("NAMA Letter"); Letter from Michael Decker, Senior Vice President, Research & Public Policy, Bond Market Association, dated August 24, 2026 ("BMA Letter"); and Letter from Jessica R. Giroux, Chief Legal Officer, American Securities Association, dated August 25, 2026 ("ASA Letter").

⁸ See Letter from Ernesto A. Lanza, Chief Regulatory and Policy Officer, MSRB, dated September 2, 2026 ("MSRB Letter").

⁹ See Notice, 91 FR at 49461.

¹⁰ See Notice, 91 FR at 49462. The MSRB notes that FINRA has also never defined the term "structuring of public offerings or private placements" in FINRA Rule 3110.

¹¹ See Notice, 91 FR at 49461.

¹² See Notice, 91 FR at 49462.

¹³ See Notice, 91 FR at 49461.

¹⁴ See *id.*

¹⁵ See *id.*

¹⁶ See *id.*

¹⁷ See Notice, 91 FR at 49462-65.

⁵² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

30 business days per year to up to 90 business days per year.¹⁸ The proposed rule change would also provide guidance in new Supplementary Materials .06 and .07 on the meaning of the term “structuring of public offerings or private placements”, also commonly referred to as public finance banking activities.¹⁹ More specifically, the proposed rule change describes the types of activities that would be included or excluded from the meaning of “structuring of public offerings or private placements” under MSRB Rule G–27.²⁰ The proposed rule change would also make clarifying edits to the title of MSRB Rule G–27 to plainly state that the rule is applicable to brokers, dealers, and municipal securities dealers.²¹

Extend the 30-Business Day Exclusion for Non-Primary Residences from Municipal Branch Office Designation

MSRB Rule G–27(g)(ii)(A)(3) currently allows for a non-primary residence where municipal securities business is conducted for less than 30 business days per calendar year to be excluded from municipal branch office designation, if the location meets the provisions of MSRB Rule G–27(g)(ii)(A)(2)(a) through (h). The proposed rule change would increase this limit in MSRB Rule G–27(g)(ii)(A)(3) to up to 90 business days per calendar year without amending the conditions outlined in MSRB Rule G–27.²²

According to the MSRB, the increase from less than 30 business days per calendar year to up to 90 business days per calendar year for an associated person to work from a non-primary residence without triggering municipal branch office designation would provide dealers greater latitude in permitting their associated persons to work at non-primary residential locations, such as a vacation home or the home of a partner or family member, or at another location.²³ The MSRB believes that the proposed rule change would also provide dealers additional and reasonable flexibility in implementing hybrid work arrangements that acknowledge and account for advances in technology that could allow for effective remote supervision capabilities, while also appropriately limiting the municipal securities related work that could be done away from a

municipal branch office.²⁴ In addition to changing the annual business day limit from 30 to 90, the proposed rule change would also make minor technical edits to MSRB Rule G–27(g)(ii)(A)(3) to improve clarity of the rule by removing the term “less than” and adding the term “or fewer” into the text of the rule.²⁵

The MSRB notes that the current less than 30-business days per calendar year exclusion from municipal branch office designation for work performed at a non-primary residence, and the potential extension to up to 90 business days per calendar year under the proposed rule change, is an exclusion that would be allowed under MSRB Rule G–27.²⁶ However, the MSRB also notes that dealers would need to conduct their own risk analysis to determine if this type of remote work, and the 90-business day limit allowed under the proposed rule change, is appropriate for their business model, supervisory structure and overarching supervisory system.²⁷

Structuring of Public Offering or Private Placements

The proposed rule change would add proposed new Supplementary Material .06, on Exemption of Excluded Public Finance Activities from Office of Municipal Supervisory Jurisdiction and Municipal Branch Office Designation, and .07, on Definition of Excluded Public Finance Activities to MSRB Rule G–27.²⁸ Proposed new Supplementary Material .06 of MSRB Rule G–27 would state that a location would not meet the definition of an OMSJ under MSRB Rule G–27(g)(i) if associated persons at such location engage in excluded public finance activities, so long as that location does not engage in any other activities that would require designation as an OMSJ.²⁹ The proposed supplementary material would also expressly state that these excluded public finance activities would not be deemed to constitute “structuring of public offerings or private placements” within the meaning of OMSJ under MSRB Rule G–27(g)(i)(B).³⁰ Furthermore, under proposed new Supplementary Material .06 of MSRB Rule G–27, a primary residence that otherwise meets the exception from municipal branch office designation under MSRB Rule G–27(g)(ii)(A)(2), and

from which an associated person engages in excluded public finance activities, would be deemed a non-branch location, as long as the associated person does not engage in any other activities that would require designation of such location as an OMSJ, under MSRB Rule G–27(g)(i).³¹ The MSRB notes that dealers would need to look carefully at the activities of their non-branch locations to ensure that they are not considered by MSRB Rule G–27 to be a municipal branch office.³² In addition, the proposed rule change would add a reference to new Supplementary Materials .06 and .07.³³

Proposed new Supplementary Material .07 of MSRB Rule G–27 would define the term excluded public finance activities as activities that are associated with the structuring of public offerings or private placements, including but not limited to, debt modeling, financial analysis, number running and the solicitation of issuers or obligated persons for the dealer’s investment banking services in connection with municipal securities (e.g. public finance banking services).³⁴ However, the MSRB states that this does not include final approval of a public offering or private placement transaction (i.e., structuring) conducted by the dealer.³⁵ Proposed new Supplementary Material .07 of MSRB Rule G–27 would also make clear that the activities described within the definition of excluded public finance activities are not an exhaustive list of excluded public finance activities, and other activities could fall within the definition if a dealer can demonstrate that such other activities do not include the final approval of a public offering or private placement transaction.³⁶ According to the MSRB, activities such as preliminary data analysis and modeling, as well as running standard debt capacity or sensitivity analyses using established firm models controlled by senior personnel, which are much more specific than the broader enumerated list of excluded public finance activities, would be examples of activities that would be categorized as excluded public finance activities under proposed new Supplementary Material .07 of MSRB Rule G–27.³⁷ The MSRB stated that it is intentionally leaving the definition of excluded public finance activities under proposed new Supplementary Material .07 as business

¹⁸ See Notice, 91 FR at 49462–63.

¹⁹ See Notice, 91 FR at 49463–64.

²⁰ See *id.*

²¹ See Notice, 91 FR at 49464.

²² See Notice, 91 FR at 49462–63.

²³ See Notice, 91 FR at 49462.

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

²⁷ See Notice, 91 FR at 49462–63.

²⁸ See Notice, 91 FR at 49463–64.

²⁹ See Notice, 91 FR at 49463.

³⁰ See *id.*

³¹ See *id.*

³² See *id.*

³³ See *id.*

³⁴ See *id.*

³⁵ See *id.*

³⁶ See *id.*

³⁷ See *id.*

model neutral, without listing an exhaustive list of activities that would qualify as excluded public finance activities, to account for the diversity in business models among dealers.³⁸

Proposed new Supplementary Material .07 of MSRB Rule G–27 would also expressly state that the final approval of a public offering or private placement transaction would be explicitly outside of the scope and definition of excluded public finance activities, since such final approval of a public offering or private placement transaction is deemed structuring for purposes of the OMSJ definition, pursuant to MSRB Rule G–27(g)(i).³⁹ The MSRB stated that it recognizes that there are many individual supportive decisions made in the overall work to be done on a municipal securities public offering or private placement and, as a result, the MSRB is clarifying that it deems the final approval of a public offering or private placement transaction as constituting “structuring of public offerings or private placements.”⁴⁰ The MSRB stated that such final approval of a public offering or private placement transaction should be conducted by a person in a principal-level capacity.⁴¹

The MSRB believes that proposed new Supplementary Material .06 and .07 of MSRB Rule G–27 would not alter the definition of OMSJ, but rather, would clarify that certain activities performed by municipal securities professionals in furtherance of the “structuring of a public offering or private placements” do not constitute structuring and therefore do not rise to the level of activities that need to take place at an OMSJ.⁴² Furthermore, according to the MSRB, clarifying that the MSRB deems structuring as the final approval of a public offering or private placement transaction, means that dealers are better equipped, given varying business models, to evaluate their specific business model and make determinations as to where ultimate decision making and supervisory authority rest for purposes of designating such locations as an OMSJ.⁴³

The MSRB notes that the phrase “final approval of a public offering or private placement transaction” in proposed new Supplementary Material .07 would reference actions internal to the dealer relating to the decision to

approve such transaction, the timing of which may vary depending on the specific transaction or the processes undertaken by a specific dealer.⁴⁴ According to the MSRB, it is not the MSRB’s intention for final approval to entail the act itself of executing a bond purchase agreement (which may occur at an issuer’s location or at some other location away from the offices of the dealer) or submitting a bid in response to a notice of sale.⁴⁵ Rather, according to the MSRB, this provision of the proposed rule change turns on dealers’ actions that ultimately leads to the formality of executing the bond purchase agreement or submitting a bid.⁴⁶ The MSRB stated that, while the proposed rule change takes a principles-based approach to the determination of what constitutes final approval of a public offering or private placement transaction, proposed new Supplementary Material .07 would require dealers to adopt compliance policies and procedures reasonably designed to make clear what action taken constitutes such final approval by the dealer.⁴⁷ Proposed new Supplementary Material .07 would also require dealers to take into consideration all relevant factors in determining what action taken constitutes final approval of a public offering or private placement transaction to ensure dealers’ supervisory systems are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable MSRB rules.⁴⁸ The proposed rule change also prescribes that such compliance policies and procedures should support evidencing compliance to the appropriate examining authority.⁴⁹

Rule Title Clarification

The proposed rule change would change the title of MSRB Rule G–27 from “Supervision” to “Supervisory and Compliance Obligations of Brokers, Dealers and Municipal Securities Dealers.”⁵⁰ According to the MSRB, this non-substantive, technical change would clarify that MSRB Rule G–27 is applicable to dealers only, as well as standardize the title with MSRB Rule G–44, on Supervisory and Compliance Obligations of Municipal Advisors.⁵¹

III. Summary of Comments Received and the MSRB’s Response

The Commission received four comment letters⁵² on the proposed rule change, as well as a response from the MSRB to the comment letters.⁵³ Three commenters expressed support for the proposed rule change,⁵⁴ one commenter stated that it supports the goals proposed in the proposed rule change,⁵⁵ and no commenters objected to the proposed rule change.

One commenter expressed support for extending the exclusion for non-primary residential locations from municipal branch office designation from 30 to 60 business days and the proposed definition of “structuring of public offerings or private placements” as used in the definition of an office of OMSJ under MSRB Rule G–27(g)(i).⁵⁶ The commenter also urged the MSRB to address additional items in future rulemakings, including express confirmation that drafting presentations and materials for issuer meetings and routine data gathering and document coordination qualify as “excluded public finance activities” under MSRB Rule G–27(g)(i).⁵⁷ In its response letter, the MSRB stated that the proposed rule change contains a non-exhaustive list of activities that could be considered excluded public finance activities and that, so long as the activities outlined by the commenter do not include final approval of a public offering or private placement transaction conducted by a dealer, such activities would normally fall within the proposed rule change’s definition of excluded public finance activities.⁵⁸ The MSRB also stated that it did not create an exhaustive or definitive list of excluded public finance activities to account for the diversity in business models among dealers.⁵⁹

One commenter stated that the proposed rule change is an important “first step” towards a larger overhaul of MSRB and FINRA supervision rules and believes that the proposed definition of “structuring of public offerings or private placements” provides clarity because firms have been inconsistent in their interpretations of that term.⁶⁰ The commenter also stated that location-based supervision regimes are obsolete

⁵² See SIFMA Letter; BMA Letter; NAMA Letter; ASA Letter.

⁵³ See MSRB Letter.

⁵⁴ See SIFMA Letter; BMA Letter; ASA Letter.

⁵⁵ See NAMA Letter.

⁵⁶ See ASA Letter at 1–2.

⁵⁷ See ASA Letter at 2.

⁵⁸ See MSRB Letter at 1–2.

⁵⁹ See MSRB Letter at 2.

⁶⁰ See BMA Letter at 1–2.

⁴⁴ See *id.*

⁴⁵ See *id.*

⁴⁶ See *id.*

⁴⁷ See *id.*

⁴⁸ See *id.*

⁴⁹ See Notice, 91 FR at 49463–64.

⁵⁰ See Notice, 91 FR at 49464.

⁵¹ See *id.*

³⁸ See *id.*

³⁹ See *id.*

⁴⁰ See *id.*

⁴¹ See *id.*

⁴² See *id.*

⁴³ See *id.*

because compliance tools can monitor traders' work no matter where they are physically located and would like to see the MSRB remove distinctions among various types of offices and locations, or rely on a centralized supervision model.⁶¹

One commenter believes that the proposed rule change will reduce "undue compliance burdens" and urges the MSRB to eliminate "all location-based concepts of supervision."⁶² The commenter also stated that MSRB rules should be neutral as to business model and structure and urged FINRA to adopt similar changes to its supervision rules.⁶³

One commenter stated that it "supports the goals proposed" in the proposed rule change and noted that the proposed rule change would create a framework for broker-dealer firms to supervise their dealer professionals in a manner more in line with the current workplace environment that is not always tethered to a physical firm office.⁶⁴ The commenter also stated that the definitions of "excluded public finance activities" and by inference "structuring" in the proposed rule change "need continued discussion, especially if they could have implications outside of Rule G-27, to avoid any potential conflicts with SEC regulations and other MSRB rules."⁶⁵ In its response letter, the MSRB stated that it does not believe that the proposed rule change would conflict with any SEC regulations or other MSRB rules because the applicability of MSRB Rule G-27 and the proposed rule change is limited to MSRB-registered dealers in the context of their supervisory obligations and the commenter had not identified any rule or regulation that may conflict with the proposed rule change.⁶⁶ The MSRB further stated in its response letter that the terms in the proposed rule change are defined solely for purposes of MSRB Rule G-27,⁶⁷ which is not explicit in the proposed rule change. The Commission expects that if, in the future, the MSRB were to use the term "excluded public finance activities" in another rule, the MSRB would also need to amend Supplementary Material .07 of Rule G-27 or make other conforming changes to address the applicability of such definition.

The MSRB also stated that it "remains committed to considering additional opportunities to modernize MSRB Rule G-27" and that it believes that the proposed rule change would "support the competitiveness of the municipal securities market and provide greater workplace flexibility while maintaining appropriate supervisory requirements."⁶⁸

IV. Discussion and Commission Findings

The Commission has carefully considered 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 the MSRB.

In particular, the Commission finds that the proposed rule change is consistent with the provisions of Section 15B(b)(2)(C) of the Exchange Act,⁶⁹ which provides that the MSRB's rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest. The Commission believes that the proposed rule change will promote just and equitable principles of trade because it provides context and clarity regarding the meaning of the previously undefined term "structuring of public offerings or private placements" which, according to the MSRB, has been interpreted inconsistently by dealers.⁷⁰ Clear guidance as to what work functions are included within the meaning of the term "structuring" for the municipal securities market will facilitate dealers' understanding and implementation of sound compliance policies and procedures when applying the principles of MSRB Rule G-27 to each dealer's business model.⁷¹

The Commission also believes that the proposed rule change will remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal

financial products because it provides flexibility to firms implementing hybrid work models.⁷² Allowing the additional flexibility of working remote from a non-primary residence for up to 90 business days per calendar year, and clarifying that excluded public finance activities can generally be conducted at a primary residence if the applicable conditions are met, in both cases without triggering municipal branch office designation, would remove an impediment to dealers and their municipal securities professionals by allowing dealers more flexibility to craft hybrid work models that reflect their own individual risk factors and technological capabilities.⁷³

Although the proposed rule change would result in a move away from harmonization with FINRA Rule 3110, the Commission believes that the particular nature of the municipal securities market outweighs the benefit of rule harmonization.⁷⁴ As noted by the MSRB, the broad geographic dispersion of municipal issuers across all 50 states, the District of Columbia, and U.S. territories creates challenges for dealers in the municipal market, compared to other securities markets, to effectively engage with prospective issuer clients and service existing issuer clients.⁷⁵ Resultingly, many dealers choose to have public finance bankers operate in a much more geographically dispersed manner—with many operating as a single-person OMSJ—as compared to other segments of their securities activities so as to meet the needs of their municipal clients.⁷⁶ Therefore, the Commission believes that extending the length of the exclusion for non-primary residences from municipal branch office designation and defining the term "structuring of public offerings or private placements" provides ample benefits to dealers that are particular to the municipal securities market and outweigh any potential costs of reduced harmonization with FINRA Rule 3110.

The Commission also finds that the proposed rule change is consistent with the provisions of Section 15B(b)(2)(C) of the Exchange Act,⁷⁷ which requires that MSRB rules not be designed to impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Commission finds that the proposed rule change would not impose any burden on competition not

⁶¹ See *id.*

⁶² See SIFMA Letter at 1.

⁶³ See SIFMA Letter at 2.

⁶⁴ See NAMA Letter at 1.

⁶⁵ See *id.*

⁶⁶ See MSRB Letter at 2.

⁶⁷ See *id.* at 2.

⁶⁸ See MSRB Letter at 3.

⁶⁹ 15 U.S.C. 78o-4(b)(2)(C).

⁷⁰ See Notice, 91 FR at 49464.

⁷¹ See *id.*

⁷² See Notice, 91 FR at 49464-65.

⁷³ See *id.*

⁷⁴ See Notice, 91 FR at 49464.

⁷⁵ See *id.*

⁷⁶ See *id.*

⁷⁷ 15 U.S.C. 78o-4(b)(2)(C).

necessary or appropriate in furtherance of the purposes of the Exchange Act because the proposed rule change applies equally to *all* dealers.⁷⁸

In approving the proposed rule change, the Commission has also considered the proposed rule change's impact on efficiency, competition, and capital formation under Section 3(f) of the Exchange Act.⁷⁹ The Commission finds that the record for the proposed rule change does not contain any information to indicate that the proposed rule change would have a negative impact on efficiency, competition, or capital formation.⁸⁰ In fact, the proposed rule change could promote market efficiency and capital formation by providing clarity on the interpretation of the previously undefined term "structuring of public offerings or private placements" and providing dealers with greater flexibility in achieving the regulatory obligations outlined in MSRB Rule G-27.⁸¹

For the reasons noted above, the Commission finds that the proposed rule change is consistent with the Exchange Act.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁸² that the proposed rule change (SR-MSRB-2026-04) be, and hereby is, approved.

For the Commission, by the Office of Municipal Securities, pursuant to delegated authority.⁸³

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-19213 Filed 9-18-26; 8:45 am]

BILLING CODE 8011-01-P

SOCIAL SECURITY ADMINISTRATION

[Docket No. SSA-2026-0793]

Charging Standard Administrative Fees for Non-Program Information

AGENCY: Social Security Administration (SSA).

ACTION: Notice of updated schedule of standard administrative fees.

SUMMARY: On August 22, 2012, we announced in the **Federal Register** a schedule of standard administrative fees we charge to the public for routinely requested records. When authorized, we charge these fees to recover our full

costs when we provide information and related services for non-program purposes. We are announcing an update to the previously published schedule of standard administrative fees. The updated standard fee schedule is part of our continued effort to standardize fees for non-program information requests. Standard fees provide consistency and ensure we recover the full cost of supplying information when we receive a request for a purpose not directly related to the administration of a program under the Social Security Act (Act).

DATES: The changes described are applicable for requests we receive on or after October 1, 2026.

FOR FURTHER INFORMATION CONTACT:

Stephen Hull, Social Security Administration, Accounting, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 966-1890. For information on eligibility or filing for benefits, visit our website, www.ssa.gov, or call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778.

SUPPLEMENTARY INFORMATION: Section 1106 of the Act and the Privacy Act¹ authorize the Commissioner of Social Security to set fees for and promulgate regulations regarding the fees related to providing information. Our regulations and operating instructions identify when we will charge fees for information.² Under section 1106(c) of the Act, whenever we determine a request for information is for any purpose not directly related to the administration of Social Security programs, we may require the requester to pay the full cost of providing the information.³ We may also charge fees in response to records requests when otherwise authorized by law, such as when authorized for certain program requests under section 1106(b) of the Act. To inform the public of the standard fees we charge to recover our costs for routinely requested records, we announced in the **Federal Register** a schedule of standard administrative fees we charge to the public on August 22,

2012.⁴ We last updated the schedule of standard fees on August 23, 2024.⁵

New Information: We are required to review and update standard administrative fees at least every two years.⁶ Based on the most recent cost analysis, the following table provides the new schedule of standard administrative fees⁷ per request:

Copying an Electronic Folder: \$75.

Copying a Paper Folder: \$151.

Field Operations Headquarters

*Certification:*⁸ \$65.

*Record Extract:*⁹ \$46.

Third Party Manual SSN Verification: \$74.

*Central Processing Certification:*¹⁰

\$30.

*W-2/W-3 Requests:*¹¹ \$54.

Form SSA-7050, Request for Social Security Earning Information: \$49.

Requests for Copy of Original Form SS-5, Application for a Social Security Card: \$23.

Requests for Copy of Numident

Record (Computer Extract of the SS-5): \$22.

A requester can obtain certified and non-certified detailed yearly Social Security earnings information by completing Form SSA-7050, *Request for Social Security Earning Information*. We charge \$49 for each Form SSA-7050 for detailed yearly Social Security earnings information. We will certify the detailed earnings information for an additional \$30. Detailed earnings information includes the names and addresses of employers. Yearly earnings totals are available in two ways, depending on the requester's need for certification. A requester can continue to obtain non-certified yearly earnings totals using Form SSA-7004, *Request for Social Security Statement* or through our free online service portal, my Social

⁴ 77 FR 50757. Please note that this fee schedule sets costs only for commonly requested records, which could be sought under a privacy or FOIA request. SSA may also charge full costs based on Section 1106(c) for fulfilling other records requests, such as FOIA requests outside these records. See 20 CFR 402.80. When records are sought under FOIA, a requester could also seek public interest waiver under 20 CFR 402.85. When SSA charges under Section 1106(c), even where public interest waiver has been sought, the FOIA does not apply to SSA's fee-related determinations.

⁵ 89 FR 68232.

⁶ See the Office of Management and Budget Circular No. A-25, *User Charges*.

⁷ Fees may differ for processing of records depending on applicable fee authorities and actions needed to respond to a records request, such as whether redactions are necessary and whether special services have been requested.

⁸ Requests received in a field office, regional office, or headquarters component.

⁹ Requests received and processed in a field office.

¹⁰ Requests received in Central Processing.

¹¹ W-2/W-3 Fee is \$54 per W2/W3 requested.

⁷⁸ See Notice, 91 FR at 49465.

⁷⁹ See 15 U.S.C. 78c(f).

⁸⁰ See 15 U.S.C. 78c(f).

⁸¹ See Notice, 91 FR at 49466.

⁸² 15 U.S.C. 78s(b)(2).

⁸³ 17 CFR 200.30-3a(a)(2).

¹ 42 U.S.C. 1306 and 5 U.S.C. 552a(f)(5), respectively.

² See 20 CFR 401.95, 402.70, and 402.80 (explaining fee charging practices in response to requests under the Privacy Act and Freedom of Information Act (FOIA); Program Operations Manual System (POMS) GN 03311.005.

³ See 42 U.S.C. 1306(c) and 20 CFR 402.80 (explaining SSA exercises its authority to charge full costs under Section 1106(c), which applies notwithstanding FOIA).

Security, at <https://www.ssa.gov/myaccount>, by creating a personal online account for Social Security information and services. Online Social Security Statements display uncertified yearly earnings, free of charge, and do not show any employer information.

We will continue to evaluate all standard fees at least every two years to ensure we capture the full costs associated with providing information for non-program-related purposes. We require nonrefundable advance payment. We can accept check, money order, or credit cards. We do not accept cash. We will accept only one form of payment in the full amount of the standard fee for each request and will not divide the fee amount between more than one form of payment. If we revise any of the standard fees, we will publish another notice in the **Federal Register**. For other requests for information not addressed here or within the current schedule of standard administrative fees, we will continue to charge fees calculated on a case-by-case basis.

Mark Steffensen,
General Counsel, Social Security
Administration.

[FR Doc. 2026-19250 Filed 9-18-26; 8:45 am]

BILLING CODE 4191-02-P

SURFACE TRANSPORTATION BOARD

Release of Waybill Data

The Surface Transportation Board has received a request from University College London, United Kingdom, (WB26-48-09/09/26) for permission to use select data from the Board's 2000 to 2025 inclusive, unmasked Carload Waybill Samples for railroad shipments of corn, soybeans, and wheat; all other commodities masked revenues and information to construct measures of rail-network utilization and congestion as explained in the request. A copy of this request may be obtained from the Board's website under docket no. WB26-48.

The waybill sample contains confidential railroad and shipper data; therefore, if any parties object to these requests, they should file their objections with the Director of the Board's Office of Economics within 14 calendar days of the date of this notice. The rules for release of waybill data are codified at 49 CFR 1244.9.

Any inquiries on this request should be directed to waybill@stb.gov.

Jeffrey Herzig,
Clearance Clerk.

[FR Doc. 2026-19261 Filed 9-18-26; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA-2025-0658; Notice 1]

Ford Motor Company, Receipt of Petition for Decision of Inconsequential Noncompliance

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Receipt of petition.

SUMMARY: Ford Motor Company (Ford) has determined that certain model year (MY) 2024-2025 Ford Ranger motor vehicles do not fully comply with Federal Motor Vehicle Safety Standard (FMVSS) No. 101, *Controls And Displays*. Ford filed a noncompliance report dated September 11, 2025, and subsequently petitioned NHTSA (the "Agency") on October 3, 2025, for a decision that the subject noncompliance is inconsequential as it relates to motor vehicle safety. This document announces receipt of Ford's petition.

DATES: Send comments on or before October 21, 2026.

ADDRESSES: Interested persons are invited to submit written data, views, and arguments on this petition. Comments must refer to the docket and notice number cited in the title of this notice and may be submitted by any of the following methods:

- **Mail:** Send comments by mail addressed to the U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- **Hand Delivery:** Deliver comments by hand to the U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590. The Docket Section is open on weekdays from 10 a.m. to 5 p.m. except for Federal Holidays.

- **Electronically:** Submit comments electronically by logging onto the Federal Docket Management System (FDMS) website at <https://www.regulations.gov/>. Follow the online instructions for submitting comments.

- Comments may also be faxed to (202) 493-2251.

Comments must be written in the English language, and be no greater than 15 pages in length, although there is no limit to the length of necessary attachments to the comments. If comments are submitted in hard copy form, please ensure that two copies are

provided. If you wish to receive confirmation that comments you have submitted by mail were received, please enclose a stamped, self-addressed postcard with the comments. Note that all comments received will be posted without change to <https://www.regulations.gov>, including any personal information provided.

All comments and supporting materials received before the close of business on the closing date indicated above will be filed in the docket and will be considered. All comments and supporting materials received after the closing date will also be filed and will be considered to the fullest extent possible.

When the petition is granted or denied, notice of the decision will also be published in the **Federal Register** pursuant to the authority indicated at the end of this notice.

All comments, background documentation, and supporting materials submitted to the docket may be viewed by anyone at the address and times given above. The documents may also be viewed on the internet at <https://www.regulations.gov> by following the online instructions for accessing the dockets. The docket ID number for this petition is shown in the heading of this notice.

DOT's complete Privacy Act Statement is available for review in a **Federal Register** notice published on April 11, 2000 (65 FR 19477-78).

FOR FURTHER INFORMATION CONTACT:

Kamna Ralhan, General Engineer, NHTSA, Office of Vehicle Safety Compliance, (202) 366-6443.

SUPPLEMENTARY INFORMATION:

I. *Overview:* Ford determined that certain MY 2024-2025 Ford Ranger motor vehicles do not fully comply with paragraphs S5.1.2 and S5.2.1 of FMVSS No. 101, *Controls And Displays* (49 CFR 571.101) and filed a noncompliance report on September 11, 2025, pursuant to 49 CFR part 573, *Defect and Noncompliance Responsibility and Reports*. Ford petitioned NHTSA on October 3, 2025, for an exemption from the notification and remedy requirements of 49 U.S.C. Chapter 301 on the basis that this noncompliance is inconsequential as it relates to motor vehicle safety, pursuant to 49 U.S.C. 30118(d) and 30120(h) and 49 CFR part 556, *Exemption for Inconsequential Defect or Noncompliance*.

This notice of receipt of Ford's petition is published under 49 U.S.C. 30118 and 30120 and does not represent any agency decision or another exercise of judgment concerning the merits of the petition.

II. *Vehicles Involved*: Approximately 76,125 MY 2024–2025 Ford Ranger motor vehicles, manufactured between December 9, 2022, and August 29, 2025, were reported by the manufacturer.

III. *Noncompliance*: Ford explains that the subject vehicles are equipped with an instrument panel cluster (IPC) that temporarily does not display the speedometer unit of measurement (MPH or km/h) under certain conditions and therefore does not comply with paragraphs S5.1.2 and S5.2.1 of FMVSS No. 101. Specifically, IPC does not display the speedometer unit of measurement for approximately four seconds while an animation displays after the driver changes the vehicle's drive mode.

IV. *Rule Requirements*: Paragraphs S5.1.2 and S5.2.1 of FMVSS No. 101 include the requirements relevant to this petition. Paragraph S5.1.2 requires that the telltales and indicators specified in Table 1 and Table 2, including their identifications, must be located to ensure visibility to a driver under the specified conditions of paragraphs S5.6.1 and S5.6.2 of FMVSS No. 101 when activated. Paragraph S5.2.1 further requires, in relevant part, that every control, telltale and indicator listed in column 1 of Table 1 or Table 2, with the exception of the Low Tire Pressure Telltale, must be identified by either the symbol in column 2 or the word or abbreviation in column 3 of the respective table.

V. *Summary of Ford's Petition*: The following views and arguments presented in this section, "V. Summary of Ford's Petition," are the views and arguments provided by Ford. They have not been evaluated by the Agency and do not reflect the views of the Agency. Ford describes the subject noncompliance and contends that the noncompliance is inconsequential as it relates to motor vehicle safety.

Ford explains that the subject vehicles are equipped with selectable drive modes, which are controlled by a rotary dial or a button on the center console and allow the driver to change the vehicle's handling and suspension dynamics. Ford notes that mode selection will not change the speed and can be performed in most instances while the vehicle is in motion or while it is in Park.

Ford explains that when the driver changes drive modes, an animation appears on the IPC that covers the speedometer's unit of measurement (e.g., MPH or km/h) for approximately four seconds. However, the numerical speed display (e.g., "60") remains continuously visible during this animation. To correct this, Ford has

implemented a software update for new production Ranger vehicles to continuously display the speed units during the animation sequence. The petition includes images illustrating the affected display and the corrected display and is available to view on the docket. Ford states that it is not aware of any field occurrences, accidents, or injuries related to this condition. Ford also notes that it has reviewed connected vehicle data from 8,800 MY 2024 Ranger vehicles, and found that drivers change out of the default Normal drive mode on less than five percent of all key cycles.

Ford believes that the subject noncompliance is inconsequential to motor vehicle safety for three primary reasons:

First, the primary speedometer's numerical speed remains continuously and accurately displayed, ensuring no incorrect information is presented. Ford explains that the subject noncompliance is limited solely to the temporary disappearance (up to four seconds) of the unit of measurement (MPH or km/h), an interval initiated by the driver's intentional action of changing drive modes.

Second, Ford states that it is unaware of any customer complaints, crashes, injuries, or fatalities related to this condition. Ford acknowledges that the absence of complaints is not dispositive but contends that this is further evidence that the drivers of the subject vehicle are not confused by the disappearance of the speedometer unit.

Third, Ford cites prior NHTSA grants of petitions for decisions of inconsequential noncompliances concerning similar noncompliances where required information was temporarily unavailable or incorrect. These include a 2022 FCA US LLC¹ petition concerning speedometers that could be intentionally switched to display only km/h, and a 2016 General Motors LLC² petition regarding a momentary instrument cluster reset after a series of driver actions. Ford contends that the subject noncompliance is similar to these grants.

NHTSA notes that the statutory provisions (49 U.S.C. 30118(d) and 30120(h)) that permit manufacturers to file petitions for a determination of inconsequentiality allow NHTSA to exempt manufacturers only from the duties found in sections 30118 and

30120, respectively, to notify owners, purchasers, and dealers of a defect or noncompliance and to remedy the defect or noncompliance. Therefore, any decision on this petition only applies to the subject vehicles that Ford no longer controlled at the time it determined that the noncompliance existed. However, any decision on this petition does not relieve vehicles distributors and dealers of the prohibitions on the sale, offer for sale, or introduction or delivery for introduction into interstate commerce of the noncompliant vehicles under their control after Ford notified them that the subject noncompliance existed.

(Authority: 49 U.S.C. 30118, 30120; delegations of authority at 49 CFR 1.95 and 501.8)

Otto G. Matheke III,

Director, Office of Vehicle Safety Compliance.

[FR Doc. 2026–19256 Filed 9–18–26; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA–2026–1981 (Notice No. 2026–04)]

Hazardous Materials: Information Collection Activities

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), Department of Transportation (DOT).

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), PHMSA invites comments on proposed updates to the form used for reporting incidents that occur during the transportation of hazardous materials. PHMSA intends to request a revision of a currently approved information collection from the Office of Management and Budget (OMB) for the *Hazardous Materials Incident Report* (DOT Form 5800.1; Form Approval OMB No. 2137–0039). Revisions include new data elements and clarifications of existing fields. PHMSA has also removed, simplified, or reorganized data elements to reduce the burden on filers and staff, alongside modernizing the form's visual layout. PHMSA encourages commenters to review a draft version of the new DOT Form 5800.1, which is provided as a Portable Document Format (PDF) file in the electronic Docket at [regulations.gov](https://www.regulations.gov). This draft of the new form does not replace the currently approved form. It

¹ See *FCA US LLC*, Grant of Petition for Decision of Inconsequential Noncompliance, 87 FR 22620 (Apr. 15, 2022).

² See *General Motors, LLC*, Grant of Petition for Decision of Inconsequential Noncompliance, 81 FR 17761 (Mar. 30, 2016).

is provided only for purposes of this notice and request for comments.

DATES: Interested persons are invited to submit comments on or before December 21, 2026. However, PHMSA will consider late-filed comments to the extent possible.

ADDRESSES: You may submit comments identified by the Docket Number PHMSA–2026–1981 (Notice No. 2026–04) by any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the online instructions for submitting comments.

- **Mail:** Docket Management System, U.S. Department of Transportation, Docket Operations, M–30, Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- **Hand Delivery:** To the Docket Management System; U.S. Department of Transportation, Docket Operations, M–30, Room W12–140 on the ground floor of the West Building, 1200 New Jersey Avenue SE, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Instructions: All submissions must include the agency name and Docket ID (*i.e.*, PHMSA–2026–1981) for this notice at the beginning of the comment. To avoid duplication, please use only one of these methods (*i.e.*, Federal Rulemaking Portal, Mail, or Hand Delivery). PHMSA will post all comments without change to the Federal Docket Management System (FDMS) and will include any personal information you provide.

If you send comments by mail, please submit two copies. Persons wishing to receive confirmation of receipt of their comments must include a self-addressed stamped postcard.

Direct requests for a copy of an information collection to Steven Andrews or Glenn Foster, Standards and Rulemaking Division, (202) 366–8553, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590–0001. In addition, the current DOT Form 5800.1 can be accessed electronically on the PHMSA website.¹

Docket: For access to background documents or comments received, go to <http://www.regulations.gov> and search for the Docket ID: PHMSA–2026–1981. Access to the docket materials can also be provided at the physical location for DOT's Docket Operations Office (*see ADDRESSES*).

Privacy Act: In accordance with 5 U.S.C. 553(c) and 44 U.S.C. 3501 *et seq.*, DOT solicits comments from the public to inform better its rulemaking and information collection processes, respectively. 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).²

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 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 notice, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN” to indicate the presence of proprietary information. PHMSA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this notice. Submissions containing CBI should be sent to Steven Andrews, Standards and Rulemaking Division, and addressed to the Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590–0001 or steven.andrews@dot.gov. Any commentary that PHMSA receives which is not specifically designated as CBI will be placed in the public docket for this notice.

FOR FURTHER INFORMATION CONTACT: For information about the proposed updates to this form, contact Robert Starin, (202) 366–1074, robert.starin@dot.gov, Operations Systems Division, Office of Hazardous Materials Safety (OHMS), Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590–0001. For information about the PRA and this information collection, contact Steven Andrews or Ryan Larson at (202) 366–8553 or at ohmspra@dot.gov.

SUPPLEMENTARY INFORMATION:

Acronyms

CFR Code of Federal Regulations
CTMV Cargo Tank Motor Vehicle

DCMRB Data Collection and Methodology Research Branch (U.S. Census Bureau)
DHS Department of Homeland Security
DOT Department of Transportation
EMS Emergency Medical Services
EPA Environmental Protection Agency
FAA Federal Aviation Administration
FMCSA Federal Motor Carrier Safety Administration
FRA Federal Railroad Administration
GPS Global Positioning System
HAZMATICS Hazardous Materials Incident Communication System
HMR Hazardous Materials Regulations
HMT Hazardous Materials Table
IBC Intermediate Bulk Container
ID Identification
NAR Non-Accident Release
NRC National Response Center
OHMS Office of Hazardous Materials Safety (DOT/PHMSA)
OMB Office of Management and Budget
PDF Portable Document Format
PHMSA Pipeline and Hazardous Materials Safety Administration
PIH Poisonous by Inhalation
POP Performance Oriented Packaging
RAM Radioactive Materials
SME Subject Matter Expert
TIH Toxic by Inhalation
TSA Transportation Security Administration (DHS)
UAS Unmanned Aircraft System
ULD Unit Load Device
UN United Nations
UN/NA United Nations/North American
USCG U.S. Coast Guard
XML Extensible Markup Language

I. Overview

PHMSA uses the *Hazardous Materials Incident Report* (DOT Form 5800.1) to collect information on reportable hazardous materials incidents in air, rail, highway, and vessel transportation under the Hazardous Materials Regulations (HMR; 49 CFR parts 171–180). OHMS requires the form for incidents covered by 49 CFR 171.16, including those subject to § 171.15.³ PHMSA must comply with Federal laws, regulations, and policies when collecting this information or revising the collection.

Under 5 CFR 1320.8(d), PHMSA must provide the public and affected agencies an opportunity to comment before submitting an information collection request to OMB.⁴ PHMSA is providing a 90-day comment period, rather than 60 days, because it has not substantially revised DOT Form 5800.1 in many years. After considering comments and revising the proposal as warranted, PHMSA will submit the request to OMB for a 3-year approval and publish a subsequent 30-day **Federal Register** notice for additional public comment.

¹ PHMSA, *Hazardous Materials Incident Report* (DOT Form 5800.1; OMB No. 2137–0039) (Jan. 2004), available at: <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/IncidentForm010105.pdf>.

² DOT, *System of Records Notice* (DOT/ALL–14 FDMS), available at: <https://www.transportation.gov/individuals/privacy/privacy-act-system-records-notices>.

³ 49 CFR 171.15.

⁴ 5 CFR 1320.8.

This notice begins the first of those two comment periods.⁵

The form collects information about the incident, hazardous material, packaging, and human and environmental impacts to help PHMSA analyze trends and gaps and inform actions to mitigate risk and improve safety. The OHMS Operations Systems Division processes and checks the data through a quality management system compliant with International Organization for Standardization's (ISO) ISO 9001:2015 standard.⁶ In coordination with PHMSA's Office of the Chief Information Officer, the division stores and manages the data in a relational database and publishes them on PHMSA's website with a tool to search fields and filter results.⁷

II. Census Review and Cognitive Evaluation of DOT Form 5800.1

PHMSA contracted with the U.S. Census Bureau to evaluate DOT Form 5800.1 and recommend a redesign that improves data accuracy and consistency, reduces respondent burden, and meets collection requirements. The Bureau's Data Collection and Methodology Research Branch (DCMRB) assessed the form for cognitive and usability issues and opportunities to reduce burden.

DCMRB began with an expert review and exploratory research, including interviews with internal and external stakeholders and subject matter experts (SMEs), focus groups, and field observations. It used the findings to develop changes, which it refined through cognitive and usability testing with filers. DCMRB presented findings to PHMSA after each activity. Its final report is available in the electronic docket. Recommendations included:

- Improving efficiency by reorganizing content, allowing filers to bypass sections that are not applicable to their reported incident;
- Adding content to address incidents caused by batteries (e.g., lithium-ion batteries) that undergo thermal runaway, which were not captured previously;
- Reducing burden by capturing alternative data in cases where other data may not be available to the filer or

not available at the time of submission—e.g., Global Positioning System (GPS) location, flight numbers; and

- Identifying intermodal transport to account for multiple modes of transportation that may have been involved in an incident or the shipment.

III. Supporting Materials in the Docket

The electronic docket at www.regulations.gov contains the proposed DOT Form 5800.1 in PDF format and the U.S. Census Bureau's final research report.⁸ PHMSA intends the proposed PDF to replace the current PDF on its website after public comment and OMB approval. Filers must continue using the currently approved form until OMB finalizes and approves the revision.

Filers may submit reports using the PDF form, the Hazardous Materials Incident Communication System (HAZMATICS) portal at <https://portal.phmsa.dot.gov>, or Extensible Markup Language (XML) data submission.⁹ PHMSA encourages HAZMATICS and XML submissions because they better accommodate incidents involving multiple packaging types or hazardous materials. The PDF remains an option and provides a practical way to show the proposed data changes without developing a HAZMATICS prototype.

PHMSA also seeks comments on filers' experiences with HAZMATICS and XML submissions. The PDF includes all required incident-reporting data elements, which must remain consistent across all three submission methods. PHMSA will assess the software, data-processing, and database changes needed to reflect revisions to the collection in HAZMATICS and XML submissions.

The Council on the Safe Transportation of Hazardous Articles (COSTHA) petitioned PHMSA to revise DOT Form 5800.1 (P-1721).¹⁰ Many of COSTHA's comments concern HAZMATICS and remain outstanding. PHMSA will consider them with comments received on this notice and expects to better address HAZMATICS development by the second comment period.

IV. Proposed Changes to DOT Form 5800.1—Question-by-Question Review

This section explains and justifies revisions to existing data elements, following the current form's organization and numbering. References such as "Q1" mean Question 1 on the current form. Readers should consult the current form on PHMSA's website alongside the proposed form in the docket.¹¹ Section V addresses new data elements and provides additional details in proposed-form order.

The current form has eight Parts:

- I. Part I—Report Type
- II. Part II—General Incident Information
- III. Part III—Packaging Information
- IV. Part IV—Consequences
- V. Part V—Air Incident Information
- VI. Part VI—Description of Events & Packaging
- VII. Part VII—Recommendations/ Actions Taken To Prevent Recurrence
- VIII. Part VIII—Contact Information

A. Current Form: Part I—Report Type

Q1 on the current form asks whether the filer is reporting: (A) a hazardous materials incident; (B) an undeclared shipment with no release; or (C) certain damage to a specification cargo tank with no release. The new form divides Q1 into two questions aligned with §§ 171.15 and 171.16. The first replaces option A with the circumstances requiring a telephone report to the National Response Center (NRC) under § 171.15(b), making the applicable incident types explicit. The second covers options B and C and the other reporting criteria in § 171.16(a)(2) and (a)(5).

Renamed "Part 1—Reason for the Report," this section requires filers to identify the regulatory basis for reporting before completing the rest of the form. This will help the OHMS Data Operations team determine whether a report is required without checking other answers. Filers may spend more time reviewing §§ 171.15 and 171.16 to identify the applicable criteria, but the change may prevent unnecessary reports. Filers should complete the remaining sections only after confirming that reporting is required.

Q2 currently offers "an initial report," "a supplemental (follow-up) report," and "additional pages." The new form replaces "a supplemental (follow-up) report" with the plainer "update existing report," without changing its

⁵ GSA, *A Guide to the Paperwork Reduction Act: PRA Approval Process*, available at: <https://pra.digital.gov/clearance-process/>.

⁶ PHMSA, *Data Operations Quality Management System*, available at: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/quality-management-system>.

⁷ PHMSA, *Hazardous Materials Incident Report Search Tool*, available at: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics>.

⁸ Docket Number: PHMSA-2026-1981, available at: <https://www.regulations.gov/document/PHMSA-2026-1981>.

⁹ PHMSA, *Introduction to XML Submission*, available at: <https://www.phmsa.dot.gov/hazmat-program-development/data-operations/introduction-xml-submission>.

¹⁰ COSTHA, *Petition P-1721* (Oct. 5, 2018), available at: <https://www.regulations.gov/docket/PHMSA-2018-0101>.

¹¹ PHMSA, *Hazardous Materials Incident Report* (Jan. 2004). DOT Form 5800.1; OMB No. 2137-0039, available at: <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/IncidentForm010105.pdf>.

purpose: providing new or revised information after submitting a completed report. Filers who have not yet submitted a report must select “an initial report.” Under § 171.16(c), a filer must update a report within one year of the incident whenever:

- a death results from injury caused by hazardous material;
 - there was a misidentification of the hazardous material or package information on a prior incident report;
 - damage, loss or related cost that was not known when the initial incident report was filed becomes known; or
 - damage, loss, or related cost changes by \$25,000 or more, or 10% of the prior total estimate, whichever is greater.
- Filers may also select “update existing report” to revise information voluntarily, even when § 171.16(c) does not require an update. “Additional pages” applies only when information does not fit in the space provided.

B. Current Form: Part II—General Incident Information

Q3 and Q4 request the incident’s date and time, but the filer may know when an incident was discovered without knowing when it occurred. The new form asks filers to identify which date and time they are providing.

This distinction reduces the need to determine an exact occurrence time when only discovery is known—for example, when an undeclared shipment with no release is discovered after shipment. The new PDF also includes a calendar date picker and specifies the 24-hour time format as “HH:MM” (two-digit hour, two-digit minute), clarifying the current instruction to “use 24-hour time.” These features may reduce reporting burden.

Section 171.15 requires telephone notification to the U.S. Coast Guard (USCG) NRC for certain incidents. Q5 currently requests the NRC report number, if applicable. A blank response does not distinguish a call that was not made from one whose report number is unknown or omitted. The new form first asks whether the filer notified the NRC, and then requests the report number separately. It also links to the NRC website so filers can look up the number.¹² PHMSA intends these changes to improve clarity for filers and data users.

OHMS Data Operations staff use NRC records to identify incidents not yet reported on DOT Form 5800.1 and to match the two reports. In PHMSA’s

experience, NRC records generally become available within days, before the 30-day written-report deadline. If the report number is unavailable or omitted, the new Yes or No response will help staff assess whether NRC reporting requirements apply and follow up on incomplete information.

Q6 currently requests the agency name and report number in one field when the filer report an incident to “another Federal DOT agency.” For example, a derailment may require both a PHMSA report and a Federal Railroad Administration (FRA) report on FRA F 6180.54.¹³ The new form first asks whether the filer reported the incident other agencies, then provides separate fields for agency names and report numbers, if known, with space for multiple reports. This accommodates filers who know the agency but not its report number and should improve completeness and coordination during analysis or investigation.

The new question also expands the scope beyond DOT: “Was the incident reported to other Federal, state, or local regulatory agencies?” For example, USCG enforces the HMR for vessel shipments but is part of the Department of Homeland Security (DHS), not DOT. Collecting information about reports to non-DOT Federal agencies and state or local agencies may increase filer burden, but it may improve coordination with agencies responding to or investigating incidents. PHMSA solicits comment.

Q7 requests the incident’s city, county, state, postal code, and street address, or mode-specific location information such as a mile marker, yard name, airport, body of water, river mile, or subdivision. The new form retains these fields, adds a checkbox for locations without a street address, and requests GPS latitude and longitude coordinates.

PHMSA expects GPS coordinates to improve location accuracy and support geospatial safety analysis, especially for in-flight, rail, or vessel incidents without a useful street address. Free online mapping tools can provide coordinates for a selected point. Providing coordinates may add little burden and may be easier than identifying a street address, mile marker, yard name, or other location descriptor.

Q8 identifies the transportation mode at the time of the incident. The new form retains that question and adds a follow-up about other modes used or

planned for the shipment. Filers may identify multiple known modes—for example, vessel transport before a rail incident or air transport planned after a highway leg.

This information could support coordination with the Federal Aviation Administration (FAA), FRA, the Federal Motor Carrier Safety Administration (FMCSA), and USCG on intermodal safety and “near miss” analysis. It would also help data users avoid treating the incident mode as the only mode potentially affected. PHMSA seeks comment on the benefits and burden of the question and whether to ask separately about modes already used and modes planned for later legs.

Q9 retains the transportation phases—in-transit, loading, unloading, and in-transit storage—but changes “In-Transit Storage” to “Temporary Storage (In-Transit Storage).” The revision clarifies that this storage occurs before final delivery to the consignee. PHMSA solicits comment.

Q10 requests the “Carrier/Reporter” name, address, Federal DOT ID Number, and PHMSA Hazardous Materials Registration Number. The new form links to FMCSA’s DOT-number lookup and PHMSA’s registration search (see 49 CFR part 107, subpart G).¹⁴ It replaces “Carrier/Reporter” with “Reporter/Company” because § 171.16 assigns reporting to the person in physical possession of the material, who is not necessarily the carrier. Carrier information is requested separately; a “Carrier/Transporter same as Reporter” checkbox copies the reporter information into those fields to avoid duplicate entry. The new form also replaces “ZIP code” with “Postal Code” to accommodate international addresses and supplies state dropdowns for the reporter, carrier, shipper, shipment origin and destination, and incident location. These changes are intended to improve accuracy and standardize entries without adding burden.

Q11 retains shipper/offeree information, replaces “ZIP Code” with “Postal Code,” and links to PHMSA’s registration search. Anyone may search by company name, postal code, DOT number, or Hazardous Materials Registration Number.¹⁵ The new form also clarifies the current “Waybill/Shipping Paper” field as “Identification

¹⁴ FMCSA, *Safety and Fitness Electronic Records (SAFER) System: Company Snapshot*, available at: <https://safer.fmcsa.dot.gov/CompanySnapshot.aspx>. PHMSA, *Hazmat Registration Company Search*, available at: <https://portal.phmsa.dot.gov/HazmatRegistrationSearch>.

¹⁵ PHMSA, *Hazmat Registration Company Search*, available at: <https://portal.phmsa.dot.gov/HazmatRegistrationSearch>.

¹² USCG, *National Response Center*, available at: <https://nrc.uscg.mil/>.

¹³ FRA, *Rail Equipment Accident/Incident* (approved Dec. 5, 2023), FRA F 6180.54; OMB No. 2130–0500, available at: <https://railroads.dot.gov/safety-data/forms-guides-publications/forms/618054-rail-equipment-accidentincident>.

Number for the Shipping Paper/Bill of Lading/Waybill (e.g., Invoice #, tracking #).” PHMSA solicits comment.

Q12 and Q13 retain shipment origin and destination addresses, replace “ZIP code” with “Postal Code,” and add country fields to capture international shipments. Because most reported origins and destinations are in the United States, PHMSA seeks comment on whether the country fields should be required only for international locations to limit added burden.

Q14–Q18 retain the proper shipping name, technical/trade name, hazard class/division, United Nations/North American (UN/NA) identification number, and packing group used to identify the material’s Hazardous Materials Table (HMT) entry (49 CFR 172.101), with revised wording and order. “Identification number” becomes “UN/NA Identification Number,” and “Hazardous Class/Division” becomes “Hazard Class/Division.” The form clarifies that “Technical Trade Name” applies only to certain HMT entries.¹⁶ Dropdowns supply the limited choices for hazard class/division and packing group. A lookup or autofill feature for the thousands of UN/NA numbers and proper shipping names appears feasible in HAZMATICS but difficult in the PDF. PHMSA solicits comment.

Q19 currently combines release quantity and unit of measure in one free-text field. The new form first asks “Was there a release?” to distinguish no release from an unknown quantity. It then permits a point estimate, a range, or both, and separates the unit of measure. This gives filers flexibility when the exact quantity is uncertain. A new field requests estimated release duration, which may add burden but could improve risk analysis and emergency-response planning by indicating potential public exposure. PHMSA has previously estimated duration from media reports, which may be less accurate than information available to filers.

Q20 retains the Yes/No hazardous-waste question concerning Environmental Protection Agency (EPA) requirements but specifies “shipped as an EPA-regulated hazardous waste.” The new wording adds “tracking” to “EPA Manifest Tracking Number,” matching EPA’s *Uniform Hazardous Waste Manifest* (OMB No. 2050–0039).¹⁷

¹⁶ In the first column of the HMT, the letter “G” identifies proper shipping names for which one or more technical names of the hazardous material must be entered in parentheses, in association with the basic description. See § 172.203(k).

¹⁷ EPA, *Uniform Hazardous Waste Manifest* (rev. Dec. 2017). EPA Form 8700–22, available at: <https://www.epa.gov/sites/default/files/2018-05/>

Q21 retains the Toxic by Inhalation (TIH) question and adds the synonymous term “Poison by Inhalation (PIH).”¹⁸ For an affirmative response, a dropdown supplies the hazard-zone choices A, B, C, and D. PHMSA intends for change to reduce burden and improve accuracy and completeness.

Q22 replaces “Exemption” with “Special Permit,” consistent with the HM–240 final rule, *Hazardous Materials: Incorporation of Statutorily Mandated Revisions to the Hazardous Materials Regulations* (70 FR 73156).¹⁹ Because a Competent Authority Certificate is a type of approval under the HMR, the new form asks whether the material was “shipped under a DOT/PHMSA Special Permit or Approval.”²⁰ PHMSA solicits comment on this simplification. Links allow filers to search for the applicable Special Permit or Approval number.²¹ Although § 172.203(a) requires the “DOT–SP” number on the shipping paper, these searches provide another resource.

Q23 retains the undeclared-shipment question and adds a question about misdeclaration. An undeclared hazardous material lacks “any visible indication to the person accepting the hazardous material” (see § 171.8); misdeclaration may involve incorrect or missing shipping-paper information, labels, markings, or placards. The new question could identify noncompliance trends or confusing requirements that warrant guidance or regulatory changes.

[documents/uniform_hazardous_waste_manifest.pdf](#).

¹⁸ Section 171.8 defines “Material poisonous by inhalation or Material toxic by inhalation” as: “(1) a gas meeting the defining criteria in § 173.115(c) of this subchapter and assigned to Hazard Zone A, B, C, or D in accordance with § 173.116(a) of this subchapter; (2) a liquid (other than as a mist) meeting the defining criteria in § 173.132(a)(1)(iii) of this subchapter and assigned to Hazard Zone A or B in accordance with § 173.133(a) of this subchapter; or (3) any material identified as an inhalation hazard by a special provision in column 7 of the § 172.101 table.” available at: <https://www.ecfr.gov/current/title-49/subtitle-B/chapter-I/subchapter-C/part-171/subpart-A/section-171.8>.

¹⁹ *Hazardous Materials: Incorporation of Statutorily Mandated Revisions to the Hazardous Materials Regulations*, 70 FR 73156 (Dec. 9, 2005).

²⁰ Section 171.8 defines “Approval” as “a written authorization, including a competent authority approval, issued by the Associate Administrator, the Associate Administrator’s designee, or as otherwise prescribed in the HMR, to perform a function for which prior authorization by the Associate Administrator is required under subchapter C of this chapter (49 CFR parts 171 through 180).” available at: <https://www.ecfr.gov/current/title-49/subtitle-B/chapter-I/subchapter-C/part-171/subpart-A/section-171.8>.

²¹ PHMSA, *Hazardous Materials Special Permits Search Page*, available at: <https://www.phmsa.dot.gov/approvals-and-permits/hazmat/special-permits-search>. PHMSA, *Hazardous Materials Approvals Search Page*, available at: <https://www.phmsa.dot.gov/approvals-and-permits/hazmat/approvals-search>.

Unlike undeclared shipments, “misdeclaration” is not itself a criterion that triggers hazardous materials incident reporting in § 171.16. Therefore, a misdeclared shipment that does not result in a release may not require reporting on DOT Form 5800.1.

C. Current Form: Part III—Packaging Information

Q24 currently offers Non-bulk, Intermediate Bulk Container (IBC), Cargo Tank Motor Vehicle (CTMV), Tank Car, Cylinder, Radioactive Materials (RAM), Portable Tank, and Other. To identify a non-bulk subtype, filers must complete Q26b or provide a packaging code or specification marking in Q26a; for example, 1A1 identifies a steel drum with a non-removable head and 4G a fiberboard box. Without that information, data users cannot distinguish drums, boxes, bags, or other non-bulk packaging. The new form adds “Drum (Non-bulk),” “Box (Non-bulk),” “Bag (Non-bulk),” “Jerrican (Non-bulk),” and “Barrel (Non-bulk),” aligned with United Nations (UN) Performance Oriented Packaging (POP) categories. POP also includes IBCs and composite packaging.²² IBCs already have a separate option and are not non-bulk packaging. PHMSA expects the expanded choices to be more intuitive and improve completeness, but their effect on burden is uncertain. PHMSA solicits comment.

The new form adds “Nurse Tanks” as a packaging type. Under 49 CFR 173.315(m), these cargo tanks transport anhydrous ammonia and are operated by private motor carriers exclusively for agricultural purposes.²³ The current form accommodates them under “Other.” PHMSA proposes a separate category because nurse tanks present distinct safety risks and are a common “Other” response.

For incidents involving multiple packaging types, the new form directs filers to HAZMATICS (<https://portal.phmsa.dot.gov>). Each type requires its own packaging details; using the current PDF requires copies of Part III with separate responses for each type. HAZMATICS and XML better accommodate these incidents, and PHMSA encourages their use.

Q25 requests packaging failure codes from the *Guide for Reporting Hazardous Materials Incident Reports* in three categories: What Failed, How Failed,

²² PHMSA, *Guide to Performance Oriented Packaging Codes*, available at: <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/Performance%20Packaging%20Codes.pdf>.

²³ 49 CFR 173.315.

and Cause of Failure.²⁴ The current PDF allows two codes per category. The new form requests the most important code in each category—three codes total—consistent with most filings, while retaining a free-text field for additional codes. The question moves after the

packaging description so filers describe the package before explaining its failure. This is intended to streamline reporting without restricting additional information.

PHMSA seeks comment on whether to delete, revise, or add failure codes, including an “Other (not listed)” code.

DOT’s internal review recommended “Carrier/Operator Mishandling,” included as code 539 in the new form. The following tables show code counts in incident reports from 2010–2023, illustrating common and rarely used codes.

COUNT OF FAILURE CAUSE CODES, 2010–2023²⁵

Failure cause code	Description	Count (n=188,672)	Percentage
526	Loose Closure, Component, or Device	34,331	18.2
515	Human Error	29,284	15.5
511	Dropped	24,934	13.2
517	Improper Preparation for Transportation	23,496	12.5
513	Forklift Accident	13,935	7.4
521	Inadequate Preparation for Transportation	12,039	6.4
508	Defective Component or Device	11,274	6.0
516	Impact with Sharp or Protruding Object (e.g., nails)	9,584	5.1
519	Inadequate Blocking and Bracing	3,880	2.1
534	Too Much Weight on Package	3,857	2.0
502	Broken Component or Device	3,139	1.7
535	Valve Open	3,011	1.6
522	Inadequate Procedures	2,175	1.2
505	Conveyor or Material Handling Equipment Mishap	2,008	1.1
510	Deterioration or Aging	1,757	0.9
501	Abrasion	1,732	0.9
537	Vehicular Crash or Accident Damage	1,366	0.7
529	Overfilled	1,095	0.6
531	Rollover Accident	1,015	0.5
530	Over-pressurized	916	0.5
527	Misaligned Material, Component, or Device	614	0.3
507	Corrosion—Interior	549	0.3
528	Missing Component or Device	515	0.3
506	Corrosion—Exterior	295	0.2
514	Freezing	293	0.2
509	Derailment	250	0.1
512	Fire, Temperature, or Heat	236	0.1
533	Threads Worn or Cross Threaded	199	0.1
518	Inadequate Accident Damage Protection	183	0.1
523	Inadequate Training	160	0.1
538	Water Damage	148	0.1
520	Inadequate Maintenance	114	0.1
503	Commodity Self-Ignition	98	0.1
525	Incorrectly Sized Component or Device	92	0.0
524	Incompatible Product	47	0.0
536	Vandalism	25	0.0
504	Commodity Polymerization	22	0.0
532	Stub Sill Separation from Tank (Tank Cars)	4	0.0

COUNT OF “WHAT FAILED” CODES, 2010–2023²⁶

What failed code	Description	Count (n=189,087)	Percentage
109	Closure (e.g., Cap, Top, or Plug)	80,546	42.6
104	Body	62,179	32.9
103	Basic Material	13,125	6.9
128	Inner Packaging	4,468	2.4
129	Inner Receptacle	3,982	2.1
110	Cover	3,231	1.7

²⁴ PHMSA, *Guide for Preparing Hazardous Materials Incident Reports* (Jan. 2004), available at: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/reporting_instructions_rev.pdf.

²⁵ PHMSA, *Hazardous Materials Incident Report Search Tool* (last accessed Feb. 26, 2026), available at: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics>. Query the incident data by the following field: Date of Incident = 01/01/2010 to 12/31/2023. Deduplicate the resulting rows/records

using the Report Number field, as a single incident (each uniquely identified by the Report Number) can have multiple rows/records. Aggregate the number of distinct reports where the Failure Cause Code is not blank and contains at least one valid value for the field, such as “501,” “535,” or “535; 508.”

²⁶ PHMSA, *Hazardous Materials Incident Report Search Tool* (last accessed Feb. 26, 2024), available at: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/>

incident-statistics. Query the incident data by the following field: Date of Incident = 01/01/2010 to 12/31/2023. Deduplicate the resulting rows/records using the Report Number field, as a single incident (each uniquely identified by the Report Number) can have multiple rows/records. Aggregate the number of distinct reports where the value for the What_Failed_Code is not blank and contains at least one valid value for the field, such as “101,” “104,” or “104; 161”.

COUNT OF "WHAT FAILED" CODES, 2010–2023²⁶—Continued

What failed code	Description	Count (n=189,087)	Percentage
161	Weld or Seam	2,474	1.3
137	Manway or Dome Cover	1,886	1.0
140	Outer Frame	1,382	0.7
121	Gasket	1,331	0.7
134	Liquid Valve	1,084	0.6
144	Pressure Relief Valve—Reclosing	964	0.5
150	Tank Shell	907	0.5
106	Bottom Outlet Valve	857	0.5
125	Hose	821	0.4
139	O-Rings or Seals	776	0.4
135	Loading or Unloading Lines	580	0.3
126	Hose Adaptor or Coupling	540	0.3
108	Chime	522	0.3
158	Vapor Valve	482	0.3
115	Discharge Valve or Coupling	462	0.2
141	Piping or Fittings	433	0.2
159	Vent	432	0.2
114	Cylinder Valve	410	0.2
117	Fill Hole	402	0.2
112	Cylinder Sidewall—Near Base	394	0.2
153	Vacuum Relief Valve	365	0.2
143	Pressure Relief Valve—Non-Reclosing	350	0.2
133	Liquid Line	336	0.2
118	Flange	287	0.2
122	Gauging Device	280	0.1
105	Bolts or Nuts	245	0.1
132	Liner	235	0.1
113	Cylinder Sidewall—Other	200	0.1
119	Frangible Disc	197	0.1
154	Valve Body	181	0.1
111	Cylinder Neck or Shoulder	171	0.1
124	High Level Sensor	140	0.1
130	Lifting Feature	134	0.1
101	Air Inlet	132	0.1
107	Check Valve	127	0.1
146	Sample Line	124	0.1
157	Valve Stem	123	0.1
152	Threaded Connection	121	0.1
160	Washout	119	0.1
149	Tank Head	115	0.1
127	Inlet (Loading) Valve	91	0.0
116	Excess Flow Valve	74	0.0
155	Valve Seat	58	0.0
120	Fusible Pressure Relief Device or Element	56	0.0
102	Auxiliary Valve	31	0.0
136	Locking Bar	28	0.0
148	Sump	21	0.0
151	Thermometer Well	20	0.0
123	Heater Coil	11	0.0
138	Mounting Studs	10	0.0
147	Stub Sill (Tank Car)	9	0.0
142	Piping Shear Section	8	0.0
145	Remote Control Device	7	0.0
156	Valve Spring	7	0.0
131	Lifting Lug	4	0.0

COUNT OF "HOW FAILED" CODES, 2010–2023²⁷

How failed code	Description	Count (n=187,584)	Percentage
308	Leaked	100,434	53.54
309	Punctured	27,412	14.61
305	Crushed	19,041	10.15
304	Cracked	14,556	7.76
306	Failed to Operate	6,531	3.48
303	Burst or Ruptured	5,999	3.20
302	Bent	3,665	1.95
312	Torn Off or Damaged	2,713	1.45
310	Ripped or Torn	2,090	1.11

COUNT OF “HOW FAILED” CODES, 2010–2023²⁷—Continued

How failed code	Description	Count (n=187,584)	Percentage
307	Gouged or Cut	1,810	0.96
313	Vented	1,694	0.90
311	Structural	1,148	0.61
301	Abraded	491	0.26

Q26a replaces “identification markings” with “specification markings” to reduce confusion with UN material identification numbers such as UN1263 and UN1075. Responses are frequently missing, incorrect, or incomplete. Possible reasons include this terminology, unfamiliarity with technical markings, markings destroyed in the incident, or packaging no longer in the reporting company’s custody. PHMSA seeks comment on improving data quality for this field.

The new form asks whether the packaging met a UN or DOT specification. A “No” response hides the specification-markings field, accommodating authorized non-specification packaging. Otherwise, markings remain relevant because they describe packaging design, manufacture, and testing and can support failure investigations. PHMSA seeks comment on reducing nonresponse and improving accuracy.

Q26b currently requests packaging type and material of construction for non-bulk, IBC, and non-specification packaging when identification markings are incomplete or unavailable. The new form instead requests these details for the outermost or single packaging, then for inner packaging, if applicable. Expanded Q24 packaging choices eliminate the first Q26b packaging-type field; the inner-packaging field remains. Packaging-type fields therefore decrease from three (Q24 and two in Q26b) to two. Material-of-construction fields likewise decrease from three (Q28 and two in Q26b) to two. The information remains requested, but it is organized by outer/single and inner packaging rather than by separate groups of packaging types.

Packaging codes or complete specification markings can already supply some of these details. For example, 1A1 identifies a steel drum with a non-removable head, while 1A2 identifies a removable head. The marking 1A1/Y1.4/150/92/USA/RB additionally gives performance level (Y), specific gravity (1.4), hydrostatic test pressure (150 kPa), manufacture year (1992), country of origin (USA), and manufacturer’s symbol (RB). Thus, code 1A1 conveys the packaging type, construction material, and head type requested in Q26b.

The form retains some redundancy because filers may know these characteristics without knowing the packaging code or full specification marking. They may be unfamiliar with PHMSA’s *Guide to Performance Packaging Codes* or have difficulty locating and interpreting requirements such as 49 CFR 178.35 for DOT specification cylinders or part 178, subpart L for non-bulk POP specifications.²⁸

PHMSA seeks comment on reducing confusion and streamlining packaging-specification questions. Options include allowing a photograph showing the markings and encouraging carriers to corroborate information with shippers. The shipper preparing the package may know more about its specification than the carrier, although § 171.16 places reporting responsibility on the person in physical possession of the material at the time of the incident.

Q27 retains capacity, amount in the package, the number of packages matching the Part III description, and the number that failed. The new form adds separate unit-of-measure fields for capacity and amount. It presents outermost or single packaging first and inner packaging later, rather than side by side, because all shipments have single or outermost packaging but only some have inner packaging. “Outermost” identifies the packaging visible to shippers and carriers.

Q28’s twelve fields are reorganized into smaller groups. “Manufacturer

Name,” “Date of Manufacture,” and “Serial Number” form one question, with the first two labels replacing “Manufacturer” and “Manufacture Date.” As explained under Q26b, construction material is requested for outer/single and inner packaging rather than separately for tank cars, CTMVs, portable tanks, and cylinders. Design pressure, shell thickness, head thickness, and service pressure remain, with a nurse-tank annotation and visibility linked to packaging type. The pressure-relief device or valve fields—type, manufacturer, and model—remain essentially unchanged.

Alongside Q28’s “Last Test Date,” the new form requests “Type of Testing or Requalification” and “Test Laboratory or Provider,” identifying the authorized person or company that last performed the prescribed testing. Because specification packaging undergoes different tests, the type and provider give the date context and can support failure investigations. These new fields may add burden. PHMSA solicits comment.

Q29’s radioactive-materials questions move into a separate Part without changing their content, as recommended by PHMSA’s RAM experts. This makes these questions easier to bypass for the large majority of incidents that do not involve RAM. Even a small time saving across those filings could be beneficial.

The new form reorganizes Q24–Q29, increases spacing, provides dropdowns for limited response sets, and links fields so filers see only applicable questions. PHMSA seeks comment on whether these design changes reduce burden and improve response rates and data quality in this technical section.

D. Current Form: Part IV—Consequences

Q30 currently identifies the “Result of Incident” through Spillage, Fire, Explosion, Material Entered Waterway/Storm Sewer, Vapor (Gas) Dispersion, Environmental Damage, and No Release. The new form asks “What was the type of release or outcome of the release?” and adds “thermal runaway.” This is a reaction in which heat generation accelerates further temperature rise. Increasing lithium battery incidents

²⁷ PHMSA, *Hazardous Materials Incident Report Search Tool* (last accessed Feb. 26, 2024), available at: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics>. Query the incident data by the following field: Date of Incident = 01/01/2010 to 12/31/2023. Deduplicate the resulting rows/records using the Report Number field, as a single incident (each uniquely identified by the Report Number) can have multiple records. Aggregate the number of distinct reports where the value for How_Failed_Code is not blank and contains at least one valid value for the field, such as “301,” “304,” or “303; 308.”

²⁸ PHMSA, *Guide to Performance Packaging Codes* (Aug. 13, 2009), available at: <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/Performance%20Packaging%20Codes.pdf>.

prompted the addition, but it also covers other reactions, including polymerization and decomposition. PHMSA seeks comment, particularly on additional lithium-battery data elements.

The new “Was there a release?” question also replaces Q30’s “No release” checkbox. A blank checkbox is ambiguous, and a “Yes” value for the published variable “No_Release_Result_Ind” can confuse data users. Asking directly whether a release occurred makes both reporting and interpretation clearer. PHMSA expects filers to be able to determine this by the time of filing, even if it was uncertain during the initial response.

As discussed under Q19, the new form requests release duration in a dedicated field rather than only in the incident narrative. Duration helps assess potential exposure of responders, transportation workers, and the public. PHMSA expects filers preparing reports within 30 days to provide more complete estimates than may be available to on-site contacts or news outlets soon after an incident.

Q31 retains the Fire/Emergency Medical Services (EMS) and Police response indicators and report-number fields and adds the responding departments’ names. Incident location alone may not identify which state, county, or municipal departments responded. Names will help OHMS Data Operations staff obtain or corroborate information even when the filer does not know the report numbers.

The new form separates Q31’s “In-house cleanup” and “Other Cleanup” from emergency response because remediation and cleanup are distinct activities. It asks: “Did the release of hazardous material require environmental remediation, disposal of contaminated soil or water, or other cleanup?” A “No” response closes the question. A “Yes” response prompts a description using “In-house cleanup (no contracted parties)” or “Other cleanup (e.g., contracted parties).” The latter requests the names of companies contracted to conduct or otherwise involved in cleanup; the in-house selection ends the question. This removes uncertainty when the current cleanup checkboxes are left blank.

Q32 retains the \$500 damage threshold and the categories Material Loss, Carrier Damage, Property Damage, Response Cost, and Remediation/Cleanup Cost. The new form hides the category fields when the filer answers “No” to whether total damage exceeded \$500. PHMSA remains concerned about underreported damages but does not

propose changing the threshold and seeks comment on it.

Q33a retains the question whether hazardous material caused or contributed to a fatality and the counts for employees, responders, and the general public. The new form removes “resulting from the hazardous material” from the follow-up instructions because the initial question already establishes that scope. Q33b separately addresses fatalities not caused by hazardous material.

Q33b retains fatalities not resulting from the hazardous material and changes “If yes, how many?” to “If yes, enter the number of fatalities,” consistent with Q33a. For example, a driver killed by a collision with a gasoline cargo tank is distinguished from a driver killed by a fire resulting from released gasoline. The distinction between incident involvement and hazardous-material causation remains.

Q34 retains the question whether hazardous material caused or contributed to injury and the counts by hospitalization status and population—employees, responders, or the general public. The new form slightly revises the affirmative-response instructions and hides the remaining fields after a “No” response.

Q35 retains whether hazardous material caused or contributed to evacuation, the employee and general-public counts, and duration in hours. It removes “Total Evacuated” because PHMSA calculates and publishes that total by adding the two counts. The follow-up fields respond to the Yes/No selection to reduce unnecessary entry.

Q36 retains whether a major transportation artery or facility closed and, if so, the closure duration. The current guide defines a major transportation artery as a highway, main road, or secondary road, excluding side streets and dirt roads; for rail, it includes lines other than rail spurs. The new form slightly revises the affirmative-response instructions and hides the duration field after a “No” response.

Q37 retains crash or derailment, vehicle overturn, departure from the roadway or track, estimated speed, and weather conditions. The new form groups the Yes/No questions and requests speed in miles per hour and a weather description if any of the three conditions occurred. The current form requests these details only for a crash or derailment. Expanding the trigger to overturns and departures may therefore slightly increase burden.

E. Current Form: Part V—Air Incident Information

The new form retains the current air-only content (Q38–Q40), expands some response choices, and adds questions on flight numbers, passenger baggage, and Unmanned Aircraft Systems (UAS), or drones. Section V describes the new questions.

The air-only section moves earlier, from Part V to Part 4, so filers reporting passenger-baggage incidents can identify which shipping-paper questions to bypass. It is enabled only when the reported mode at occurrence or discovery is air; otherwise, its fields cannot be completed.

Q38 retains whether the material was offered or transported on passenger aircraft and whether it was cargo or passenger baggage. For baggage incidents, the new instructions allow filers to skip shipment information such as shipper/offeror name and shipping-paper or bill-of-lading number because baggage generally has no shipping paper. This should reduce required entries.

Q39 currently offers six incident locations or stages: air carrier cargo facility, sort center, baggage area, surface transport to or from the airport, flight, and aircraft loading/unloading. The new form adds Unit Load Device (ULD) loading and unloading, taxiing for takeoff and landing, Transportation Security Administration (TSA) baggage screening area, other baggage area, gate area, and maintenance/stores area. It separates aircraft loading from unloading and adds “Other (please describe)” with free text. DOT’s internal review recommended the expanded choices to give PHMSA and FAA more detail, although reviewing more options may increase burden. DOT solicits comment.

Q40 asks which phases the shipment had completed before the incident. The new form changes “Transported by air (first flight)” and “Transported by air (subsequent flights)” to “Transported by air (one flight)” and “Transported by air (multiple flights).” It separates “Transfer at sort center/cargo facility” into sort-center and air-cargo-facility choices and adds “Origin Forwarder” and “Destination Forwarder.” “Shipment had not been transported” and “Initial transport by highway to cargo facility” remain. DOT’s internal review recommended the additional choices. DOT solicits comment.

Section V, Part 4, provides the additional air questions and the routing instructions for cargo and passenger-baggage incidents.

F. Current Form: Part VI—Description of Events & Package Failure

Part VI requests a free-text incident narrative: the sequence of events, mitigation actions, package failure—including the size and location of holes or cracks—and estimated release duration. It also requests photographs and diagrams when needed for clarification. This flexible field allows filers to explain circumstances not captured by structured questions, but many responses contain only a sentence or two. PHMSA seeks comment on encouraging more detailed narratives.

The new form retains a large free-text field and uses plain-language questions and bullets to organize the response. Its “Description of Events” instructions are:

Please describe the following:

- *Why did the incident occur?*
- *What sequence of events led up to the incident?*
- *What was done to mitigate the release?*
- *What actions were taken at the time the incident occurred or was first discovered?*
- *Any additional details about the incident that are not captured elsewhere on the form?*

The dedicated release-duration field discussed under Q19 replaces the request within the current narrative instructions, where filers may overlook it.

The new instructions state: “PHMSA strongly encourages you to submit photographs, maps, diagrams, or other visuals that illustrate the nature or impacts of the incident.” Visuals can clarify circumstances beyond the narrative. Filers may attach them to an emailed PDF report sent to PhmsaHAZMATICS@dot.gov or upload them through HAZMATICS (<https://portal.phmsa.dot.gov>). PHMSA seeks comment on encouraging these submissions.

G. Current Form: Part VII—Recommendations/Actions Taken To Prevent Recurrence

Part VII retains a free-text field for actions and recommendations to prevent recurrence, including measures within the company’s control and broader improvements. Filers have suggested training, packaging, operating procedures, technology, and routing changes that PHMSA and other stakeholders can examine. The new form revises the instructions for “Actions Taken or Planned to Prevent Recurrence” as follows:

Do you have recommendations to help prevent the recurrence of a similar incident? These recommendations may include

improvements to regulations, training, packaging, operations, communications, or other areas. Please describe whether the recommended actions are within the control of your company or if they depend on other parties or stakeholders to be implemented.

PHMSA seeks comment on improving responses because many filings leave this field blank or identify no potential change to prevent recurrence.

H. Current Form: Part VIII—Contact Information

Part VIII currently identifies a “Preparer” whom PHMSA can contact for additional information. It requests name, telephone, job title, fax, business name and address, email, hazardous materials registration number if not already provided, date, and whether the preparer is a carrier, shipper, facility, or other entity.

The new form removes fax number, date, separate preparer business name and address, and preparer registration number. Email generally serves document transmission needs, and email timestamps or mailed-report postmarks supply dates. Although a company may use a third-party preparer, the reporter remains responsible under the HMR; PHMSA therefore proposes to remove the preparer/reporter distinction while retaining a direct contact. Email and telephone are preferred contact methods, and carrier and shipper registration numbers are already collected elsewhere.

PHMSA has also removed the carrier/shipper/facility/other indicator. Reporter, carrier, and shipper information—and the “Shipper/Offendor same as Reporter” and “Carrier/Transporter same as Reporter” checkboxes—can identify those relationships. “Facility” is ambiguous and historically appears in less than about 0.5 percent of filings; “Other” often identifies a third-party agent or consultant. PHMSA solicits comment.

The direct contact moves earlier in the form and retains first name, last name, position title, email, telephone, and extension, without the “Preparer” label.

The new form also requests a direct shipper contact, beyond the company-level information already collected. DOT’s internal review recommended this addition to help investigators obtain packaging and hazardous-material information. Most reporters are carriers; PHMSA expects them to be able to provide a shipper contact reachable by telephone or email. Section V, Part 5, describes this new field.

V. New Content (Found on New Form/Not Found on Current Form)

This section describes new data elements and additional details in proposed-form order. Where a change is already explained in section IV, this section refers to that discussion. The proposed form uses Arabic-numbered Parts rather than Roman numerals to improve readability.

The proposed form has ten Parts:

1. Part 1—Reason for the Report
2. Part 2—Reporter/Company Information
3. Part 3—General Incident Information
4. Part 4—Air Incident Only
5. Part 5—Shipment Information
6. Part 6—Hazardous Material Information
7. Part 7—RAM
8. Part 8—Packaging Information
9. Part 9—Outcomes of the Incident
10. Part 10—Description of Events and Actions Taken To Prevent Recurrence

Here, “Q*1” means Question 1 on the proposed form; “Q1” refers to the current form. Compare the docketed proposal with the current form on PHMSA’s website.²⁹ Section VI provides a crosswalk, with proposed question numbers in its right-most column.

A. New Form: Part 1—Reason for the Report

Q*1 asks whether any of the following occurred as a direct result of the hazardous material:

- A person was killed.
- A person received an injury requiring admittance to a hospital.
- The general public was evacuated for one hour or more.
- A major transportation artery or facility was closed or shut down for one hour or more.
- The operational flight pattern or routine of an aircraft was altered.
- During transportation by aircraft, a fire, violent rupture, explosion, or dangerous evolution of heat occurred as a direct result of a battery or battery-powered device.
- Fire, breakage, spillage, or suspected radioactive contamination occurred involving a radioactive material.
- Fire, breakage, spillage, or suspected contamination occurred involving an infectious substance other than a regulated medical waste.
- A release of a marine pollutant occurred in a quantity exceeding 450 L (119 gallons) for a liquid or 400 kg (882 pounds) for a solid.
- In the judgment of the person in possession of the hazardous material,

²⁹ PHMSA, *Hazardous Materials Incident Report* (Jan. 2004). DOT Form 5800.1; OMB No. 2137–0039, available at: <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/IncidentForm010105.pdf>.

the incident should be reported to the National Response Center (NRC) even though the incident did not meet other criteria above.

These selections reflect § 171.15(b) and make the reporting criteria explicit, as discussed under Q1 in section IV.

A written report may be required even when NRC telephone notification is not. Q*2 therefore asks, “During transportation in commerce, did any of the following occur?” Filers select all applicable criteria from § 171.16(a):

- An unintentional release of a hazardous material or the discharge of any quantity of hazardous waste.
- An undeclared hazardous material was discovered.
- In any mode of transportation, a fire, violent rupture, explosion, or dangerous evolution of heat occurred as a direct result of a battery or battery-powered device.
- A specification cargo tank with a capacity of 1,000 gallons or greater containing any hazardous material suffered structural damage to the lading retention system or damage that requires repair to a system intended to protect the lading retention system, even if there is no release of hazardous material.

Together, Q*1 and Q*2 identify the basis for filing. If none applies, the filer should gather more information and consider whether a report is required. The current form identifies only some reporting criteria, which can leave the basis unclear. Reviewing the full criteria may add burden but should prevent unnecessary filing and processing. Understanding reporting requirements is also part of function-specific training for hazmat employees who prepare or assist with reports; see the definition in § 171.8 and training requirements in § 172.704.

Q*3–Q*6 correspond to existing questions. Section VI maps them to the current form, including Q*3 to Q2 and Q*4 to Q5.

Q*3 retains initial reports, updates, and additional pages. Section IV’s Q2 discussion explains the revised “update existing report” label and mandatory update criteria. The label also aligns with “Updating the incident report” in § 171.16(c). “Additional pages” accommodates multiple hazardous materials, packaging types, or shippers when using the PDF, although PHMSA encourages HAZMATICS or XML for those cases. For example, an initial report covering UN1267 and UN1993 would contain the general incident details and UN1267 information; a second PDF marked “additional pages” would provide the unique UN1993 information.

Q*4 implements the NRC notification indicator, separate report-number field, and lookup link discussed under Q5 in section IV. The NRC website helps filers find a report number after notification.³⁰

Q*5 carries forward Q31’s Fire/EMS and Police response information and adds the responding departments’ names, as explained in section IV. Moving it earlier groups NRC, Fire/EMS, Police, and other-agency reporting questions together.

Q*6 implements the separate agency-name and report-number fields, space for multiple reports, and expanded agency scope described under Q6 in section IV.

That discussion explains the potential added burden and coordination benefits of including non-DOT Federal, state, and local agencies. PHMSA solicits comment.

B. New Form: Part 2—Reporter/Company Information

Part 2 combines reporting-company and direct-contact information. Section IV’s Q10 and Part VIII discussions explain the retained fields and removal of fax and separate preparer information. Use of a third party does not transfer the reporting company’s responsibility under § 171.16.

Q*9 asks, “Is the reporting company the carrier of the hazardous material?” If yes, Q*10 asks whether the carrier notified the shipper that its shipment was involved in an accident or incident. PHMSA expects greater carrier–shipper communication to help corroborate information and resolve safety issues.

The HMR currently does not require a carrier to notify the shipper of such an incident. PHMSA may consider that requirement in a future rulemaking. For now, Q*10 would identify whether notification occurred and may encourage communication so both parties can help prevent recurrence. A shipper otherwise may be unaware of the incident.

Shippers may be better positioned to fill gaps in packaging specifications, markings, capacity, testing, and material classification. The HMR distinguishes pre-transportation from transportation functions. Section 171.1(b) addresses classification, packaging selection, marking, labeling, shipping papers, and package closure; § 172.204 addresses the shipper’s certification. These responsibilities make shippers a potential resource for improving incomplete reports.

Q*10 would help PHMSA assess whether voluntary notification is

common enough that a new requirement may be unnecessary. This PRA notice does not propose an HMR amendment requiring notification. The Research and Special Programs Administration (RSPA) proposed such a requirement in the 2001 HM–229 notice of proposed rulemaking (NPRM) but did not adopt it in the final rule.³¹ PHMSA seeks comment on improving notification and collaboration.

Section VI maps the remaining Part 2 fields to the current form.

C. New Form: Part 3—General Incident Information

Part 3 requires filers to select either “occurred” or “first discovered” for the incident date and time. Section IV’s Q3/Q4 discussion explains how this distinction accommodates unknown occurrence times without materially increasing burden.

Q*11 adds the calendar date picker, and Q*12 specifies the HH:MM time format, as described in that discussion.

Q*13 adds GPS longitude/latitude coordinates. Section IV’s Q7 discussion explains their use where conventional location descriptors are inadequate and the possible additional burden. Filers can copy coordinates from a point selected in a free online mapping tool into the PDF.

Filer-supplied coordinates may also be more accurate than PHMSA’s geocoding results when no reliable street address exists. Uncertainty in those results has complicated consideration of publishing coordinates in the incident dataset. The new field is intended to improve location accuracy and support PHMSA’s geographic information systems analysis, as well as partners’ and stakeholders’ use of geospatial data.

Q*15 asks, “Was the shipment transported or planned to be transported by another mode?” After “Yes,” filers select all known applicable modes: Highway, Rail, Air, Water, and Pipeline. A “No” response closes the choices. The mode at occurrence or discovery remains separately identified.

Section IV’s Q8 discussion explains the intermodal rationale, burden considerations, and possible separation of completed and planned legs. For example, a highway incident involving a shipment destined for air transport could inform analysis of potential air risks. The additional modes would support multimodal queries and coordination with FAA, FMCSA, FRA,

³⁰ USCG, *National Response Center*, available at: <https://nrc.uscg.mil/>.

³¹ RSPA, *Hazardous Materials: Revisions to Incident Reporting Requirements and the Hazardous Materials Incident Report Form* (Docket No. RSPA–99–5013 (HM–229); RIN 2137–AD21), 66 FR 35155 (July 3, 2001).

and USCG; they do not establish where the packaging would otherwise have failed.

Q*17 asks, “Did the incident occur or was the incident discovered during an inspection?” An affirmative response requests the inspecting entity’s name. PHMSA believes the information could help identify patterns associated with inspections and inform advisories, guidance, or changes to inspection practices or requirements to protect transportation workers and agency personnel.

Section VI maps the remaining Part 3 fields, including Q*16 to Q9 and Q*18 to Q22.

D. New Form: Part 4—Air Incident Only

Part 4 is enabled only for air incidents at occurrence or discovery. Section IV’s Q38–Q40 discussion covers retained and expanded air-only fields. The following paragraphs describe additional questions and routing.

Q*19 adds a UAS question. Hazardous-material transport by UAS presents potential safety risks and may become more common, subject to FAA coordination and applicable testing, packaging, material, and quantity limits. The *FAA Reauthorization Act of 2024* directs the Secretary to “use a risk-based approach to establish the operational requirements, standards, or special permits necessary to approve or authorize an air carrier to transport hazardous materials by unmanned aircraft systems” based on the weight, amount, and type of material.³² HMR incident-reporting triggers in §§ 171.15 and 171.16 already apply to UAS operators as to other air operators. PHMSA seeks comment on the proposed UAS question.

Q*20 expands Q39’s six incident-location choices to fifteen: Sort Center; During flight; Gate area; TSA baggage screening area; By surface to/from the airport; Maintenance/Stores area; Other baggage area; During loading of aircraft; During unloading of aircraft; During taxiing for takeoff; During taxiing for landing; During loading of ULD [Unit Load Device]; During unloading of ULD; Cargo facility; and Other (please describe). The last option includes free text. Section IV explains the changes recommended by DOT’s internal review and their potential burden. PHMSA solicits comment.

Q*22 requests flight numbers for cargo or passenger flights that transported the material or to which it

was offered. Flight numbers can provide routing and flight details beyond origin and destination, supporting analysis and investigation.

Q*23 and Q*24 retain Q38’s passenger-aircraft and cargo/baggage questions. For passenger baggage, Q*25 adds six location choices: “On the passenger’s person (on one’s person),” “In the cabin,” “In a baggage compartment,” “Checked baggage,” “Gate area,” and “Other (please describe),” with free text. Q*26 asks whether the material carried by the passenger or crewmember was allowed under 49 CFR 175.10 and requests a plain-language description.³³ DOT’s internal review recommended these fields to help PHMSA and FAA identify prohibited items commonly brought aboard and target outreach.

A “Cargo” response to Q*24 routes filers to Part 5, which requests shipping-paper information. “Passenger Baggage” routes them through Q*25 and Q*26 and then to Part 6, bypassing Part 5 because baggage may have no shipping paper.

Q*21 corresponds to Q40, with the additional options described in section IV. Section VI provides the crosswalk.

E. New Form: Part 5—Shipment Information

Part 5 retains the shipping-paper or waybill identifier (Q*27), origin (Q*30), and destination (Q*31), corresponding to Q11–Q13. Country fields are added for origin, destination, shipper, and carrier to accommodate non-U.S. locations. Approximately 2 percent of reports from 2010–2023 identified a non-U.S. shipper or shipment origin.³⁴ To reduce burden, PHMSA could require country only for non-U.S. entries or prefill “U.S.” as the default.

Checkboxes copy information to avoid repeat entry: “Shipper/Officer same as Reporter” (Q*28), “Same as Shipper/Officer Address” (Q*30), and “Carrier/Transporter same as Reporter” (Q*31). Filers can instead enter different addresses when these relationships do

not apply. The checkboxes are intended to reduce burden.

Q*29 adds a direct shipper contact who knows the shipment and pre-transportation functions. Section IV’s Part VIII discussion explains the investigative purpose and expectation that reporting carriers can provide a name, telephone number, and email. When the shipper is the reporter, Q*7 already supplies its main contact. DOT’s internal review recommended ensuring investigators can reach both shipper and carrier directly.

Section VI maps the remaining Part 5 fields to the current form.

F. New Form: Part 6—Hazardous Material Information

Part 6 carries forward Q14–Q23 and Q30: UN/NA ID (Q*33), proper shipping name (Q*34), technical trade name where applicable (Q*35), hazard class (Q*36), packing group (Q*37), undeclared shipment (Q*38), TIH (Q*39), hazardous waste (Q*40), and release quantity (Q*41). Section IV explains revisions to the existing fields.

Q*38 adds the definition of “undeclared hazardous material” to the form.³⁵ If the shipment was not undeclared, the filer is asked whether it was misdeclared and to describe suspected errors in shipping papers, labels, markings, or placards. “Misdeclared” is not defined in § 171.8; the form explains it for this collection. Misdeclaration alone does not trigger reporting under § 171.16, so a misdeclared shipment without a release may not require a report. PHMSA solicits comment.

Q*41 combines the release questions discussed under Q19 and Q30: an explicit Yes/No release indicator, quantity as a point estimate or range, and a dedicated unit-of-measure dropdown. A range may reduce burden when a precise estimate is unavailable.

Q*41 also gives release duration its own field, replacing the request within the current Part VI narrative instructions. Duration can inform risk assessment and investigation of exposure affecting the public, environment, transportation workers, and responders. PHMSA solicits comment.

Section VI provides the Part 6 crosswalk.

G. New Form: Part 7—Radioactive Materials (RAM)

Part 7 (Q*42) retains Q29’s RAM fields unchanged and groups them separately so filers with non-RAM incidents can bypass them. Internal

³³ 49 CFR 175.10.

³⁴ PHMSA, *Hazardous Materials Incident Report Search Tool* (last accessed Sept. 12, 2024), available at: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics>. Query the incident data by the following field: Date of Incident = 01/01/2010 to 12/31/2023. Deduplicate the resulting rows/records using the Report Number field, as a single incident (each uniquely identified by the Report Number) can have multiple records. Aggregate the number of distinct reports where the value for Shipper_Country or Origin_Country is not the U.S. and is not blank. Divide this count of distinct non-U.S. shipper/origin incidents by the total number of incidents. Approximately 1.8% of incidents indicate a non-U.S. shipper and approximately 0.2% of incidents show a non-U.S. origin.

³⁵ 49 CFR 171.8.

³² *FAA Reauthorization Act of 2024*, Public Law 118–63 (May 16, 2024), available at: <https://www.congress.gov/bills/118/congress/house/bills/3935/text>.

review identified no need to revise the individual questions. PHMSA solicits comment.

H. New Form: Part 8—Packaging Information

Part 8 reorganizes Q24–Q28. Section IV, Part III, explains the non-bulk packaging categories and nurse-tank option in Q*43, consolidation of construction-material fields, and other changes to existing packaging questions.

Q*48 adds “Does this Outer Packaging meet UN or DOT specification?” and requests the type of the most recent testing or requalification and the test laboratory or provider. Specification packaging is subject to applicable testing requirements in 49 CFR parts 178 and 180.³⁶ Non-specification packaging does not have testing prescribed under the HMR. The new fields give context to “Last Test Date,” which otherwise leaves the test type and applicability unclear.

Approximately 75 percent of 2013–2022 reports involving tank cars lacked a meaningful last-test date.³⁷ Ambiguity may contribute to missing responses. The new fields may add burden but could make sparse testing information more useful. PHMSA solicits comment.

Knowing what testing occurred, when, and by whom can support failure investigations and safety advisories. PHMSA may need to examine test results when packaging passes required tests but fails in service. Testing addresses design and manufacture and, where required, continuing qualification and maintenance. PHMSA specifies

testing standards and oversees providers; the additional information could inform outreach, policy, regulations, testing practices, or program oversight.

Q*53 adds a rail-only Non-Accident Release (NAR) cause-code question. PHMSA understands that Appendix B of the Association of American Railroads’ Non-Accident Release Risk Index publication specifies tank-car NAR cause codes.³⁸ These releases warrant attention because a derailment or collision does not explain the packaging failure. PHMSA seeks comment on adding these codes and other rail-only information.

Q*51 retains Q25’s failure codes. Section IV explains the revised structure, and section VI supplies the crosswalk.

I. New Form: Part 9—Outcomes of the Incident

Part 9 carries forward Part IV’s questions on hazardous-material fatalities and injuries, other incident fatalities, transportation closures, evacuations, crashes or derailments, and monetary damages above \$500. Section IV explains the individual changes.

Q31’s emergency-response and cleanup content is divided between Part 1 and Part 9.

Q*61 places environmental remediation and cleanup in Part 9. Section IV’s Q31 discussion explains the Yes/No question, the in-house and other-cleanup choices, the request for contracted companies’ names, and the routing after each response.

Fire/EMS and Police response information moves to Q*5 in Part 1, with new fields for department names to support follow-up. This separates emergency response from environmental remediation.

Section VI maps the remaining Part 9 fields, including Q*60 to current Q32.

J. New Form: Part 10—Description of Events and Actions Taken To Prevent Recurrence

Part 10 combines the incident narrative and recurrence-prevention fields from current Parts VI and VII, with the revised instructions discussed in section IV. It also adds a separate feedback field: “Please describe any issues you encountered while completing this form. Please provide suggestions on how to improve the form or your experience completing and submitting the report.”

Feedback collected during filing could inform continuing improvements, including from filers unable to comment during formal notice periods. PHMSA requests renewal of information collection 2137–0039 every three years and may seek comments and OMB approval for revisions more often. The feedback field would provide additional input for those efforts. Suggestions may also be sent to PhmsaHAZMATICS@dot.gov.

VI. Crosswalk Between the Current Form and Proposed Form

This table shows the corresponding data elements of the current and proposed form.

Data element description	Current form—part	Current form—question (Q) No.	New form—part	New form—question No.
Report Type—Reason for the Report	I	Q1	1	Q*1 and Q*2.
Report Type—Indication of whether the report is an initial report	I	Q2	1	Q*3.
Date of Incident	II	Q3	3	Q*11.
Time of Incident	II	Q4	3	Q*12.
NRC Report Number (if applicable)	II	Q5	1	Q*4.
Other Federal DOT Reports (if applicable)	II	Q6	1	Q*6.
Location of Incident	II	Q7	3	Q*13.
Mode of Transportation	II	Q8	3	Q*14.
Transportation Phase	II	Q9	3	Q*16.
Carrier/Reporter (<i>i.e.</i> , Name, Address, DOT ID Number, and Hazardous Materials Registration Number)	II	Q10	2 (and 5)	Q*8 (and Q*31).
Shipper/Officer (<i>i.e.</i> , Name, Address, Shipping Paper Number, and Hazardous Materials Registration Number)	II	Q11	5	Q*28.
Origin	II	Q12	5	Q*30.
Destination	II	Q13	5	Q*32.

³⁶ 49 CFR part 178 includes testing requirements for UN performance-oriented packaging. See subpart M—Testing of Non-bulk Packagings and Packages and subpart O—Testing of IBCs. Part 180 includes testing requirements for cylinders (subpart C), Cargo Tanks (subpart E), Tank Cars (subpart F), and Portable Tanks (subpart G), as well as additional testing requirements for IBCs (subpart D).

³⁷ PHMSA, *Hazardous Materials Incident Report Search Tool*, available at: [https://](https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics)

www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics. Query the incident data by the following fields: Date of Incident = 01/01/2013 to 12/31/2022, Mode of Transportation = “Rail”. Deduplicate the resulting rows/records using the Report Number field, as a single incident (each uniquely identified by the Report Number) can have multiple records. Aggregate the number of distinct reports where the variable, Cont1.Package.Last.Test.Date, is equal to “0–00–00 00:00:00” and divide the count by the

number of distinct reports. PHMSA found 3304 records with Cont1.Package.Last.Test.Date=“0–00–00 00:00:00” among 4424 distinct reports; 3304/4424 = 0.7468 or approximately 75%.

³⁸ Association of American Railroads, Hazardous Materials (BOE) Working Committee, *The Non-Accident Release Risk Index (NARRI) Revision 6* (Oct. 23, 2002, updated Aug. 1, 2014), available at: <https://www.aar.org/wp-content/uploads/2017/12/AAR-2002-NARRI-BOE.pdf>.

Data element description	Current form—part	Current form—question (Q) No.	New form—part	New form—question No.
Proper Shipping Name of the Material	II	Q14	6	Q*34.
Technical Trade Name (if applicable)	II	Q15	6	Q*35.
Hazard Class/Division	II	Q16	6	Q*36.
UN/NA Identification Number	II	Q17	6	Q*33.
Packing Group (if applicable)	II	Q18	6	Q*37.
Quantity Released	II	Q19	6	Q*41.
Hazardous Waste (Yes/No) and EPA Uniform Waste Manifest Number.	II	Q20	6	Q*40.
Toxic by Inhalation (Yes/No) and Hazard Zone	II	Q21	6	Q*39.
Special Permit (SP) or Approval (Yes/No) and SP or Approval Number.	II	Q22	3	Q*18.
Undeclared Hazardous Material	II	Q23	6	Q*38.
Packaging Type	III	Q24	8	Q*43.
Failure Codes	III	Q25	8	Q*51.
Specification Packaging Markings	III	Q26a	8	Q*48.
Non-Bulk, IBC, or Non-Specification: Packaging Type, Material of Construction, Head Type (drums).	III	Q26b	8	Q*44–Q*45 (and Q*50 for inner packaging).
Package Capacity and Quantity	III	Q27	8	Q*46, Q*49 (and Q*50 for inner packaging).
Packaging Manufacturer, Date of Manufacture, and Serial Number.	III	Q28	8	Q*47.
Packaging Last Test Date	III	Q28	8	Q*48.
Material of Construction (if Tank Car, CTMV, Portable Tank, or Cylinder).	III	Q28	8	Q*45.
Design Pressure and Shell Thickness (if Tank Car, CTMV, or Portable Tank).	III	Q28	8	Q*52.
Head Thickness (if Tank Car, CTMV)	III	Q28	8	Q*52.
Service Pressure (if Cylinder)	III	Q28	8	Q*52.
Pressure Relief Valve or Device: Type, Manufacturer, and Model.	III	Q28	8	Q*52.
Radioactive Materials	III	Q29	7	Q*42.
Result of Incident	IV	Q30	6	Q*41.
Emergency Response (Fire/EMS, Police, and In-house/Other Cleanup).	IV	Q31	9	Q*5, Q*61.
Damages	IV	Q32	9	Q*60.
Hazardous Materials Fatalities	IV	Q33a	9	Q*54.
Non-Hazardous Materials Fatalities	IV	Q33b	9	Q*55.
Hazardous Materials Injuries	IV	Q34	9	Q*56.
Evacuation	IV	Q35	9	Q*59.
Closure of Major Transportation Artery	IV	Q36	9	Q*58.
Crash or Derailment, Speed, Weather Conditions	IV	Q37	9	Q*57.
Passenger Aircraft	V	Q38	4	Q*23.
Cargo Shipment or Passenger Baggage	V	Q38	4	Q*24.
Description of Air Incident Location	V	Q39	4	Q*20.
Hazardous Materials by Air Transportation Phases	V	Q40	4	Q*21.
Description of Events and Package Failure	VI	Not numbered/ Free text.	10	Not numbered/ Free text.
Recommendations/Actions Taken to Prevent Recurrence	VII	Not numbered/ Free text.	10	Not numbered/ Free text.
Contact Information	VIII	Not numbered	2	Q*7 (reporter) and Q*29 (shipper).

VII. Burden Estimates for Information Collection 2137–0039

A. Current Form—Burden Estimates

The following estimates come from the supporting statement for the current

information collection, 2137–0039.³⁹

³⁹ OMB, Office of Information and Regulatory Affairs, *Information Collection Request Documents: Burden Calculations* (June 22, 2023), available at: https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202306-2137-002.

Supporting documents are available through <https://www.reginfo.gov/public/do/PRASearch> using that number. Figures may be rounded for readability.

Information collection	Respondents [A]	Total annual responses [B]	Hours per response [C]	Total annual burden hours [B * C]
Telephone Notifications	180	716	.08	57
Incident Reports— Paper	172	2,888	1.6	4,621
Incident Reports—Electronic	166	19,720	.8	15,776
Total	518	23,324	(*)	20,454

*The current estimates are 96 minutes (1.6 hours) for a paper report, 48 minutes (0.8 hours) for a HAZMATICS submission (<https://portal.phmsa.dot.gov>), and approximately 5 minutes (0.08 hour) for an NRC telephone notification (1-800-424-8802).

Annual Reporting and Recordkeeping Burden:

Affected Public: Shippers and carriers of hazardous materials.

Number of Respondents: 518.

Total Annual Responses: 23,324.

Total Annual Burden Hours: 20,454.

Frequency of Collection: On occasion.

This notice does not change the NRC telephone-notification requirement or the information collected by telephone. When § 171.15 applies, the person in physical possession of the material must notify the NRC “as soon as practicable

but no later than 12 hours after the occurrence of the incident.”

The proposed changes concern the written incident report, DOT Form 5800.1, under §§ 171.15 and 171.16.

B. New Form—Burden Estimates

Under Executive Order 14192, PHMSA characterizes the proposed revision as a net deregulatory action, reducing average filer burden from 0.9 to 0.38 hours and saving industry approximately \$400,000 annually.

The new form adds discrete fields but is designed to reduce completion time by replacing vague, open-ended, or irrelevant questions with specific choices and routing filers past inapplicable sections. For example, for a lithium battery thermal runaway in a carry-on bag aboard an aircraft, the current form requires irrelevant bill-of-lading numbers, manifest details, or release quantities. The new form bypasses those sections and asks three questions specific to battery incidents on aircraft.

Information collection	Respondents [A]	Total annual responses [B]	Hours per response [C]	Total annual burden hours [B * C]
Telephone Notifications	180	716	0.08	57
Incident Reports (Electronic)	331	22,156	0.38	8,419
Incident Reports (Paper)	7	452	1.6	723
Total	518	23,324	.....	9,200

Annual Reporting and Recordkeeping Burden:

Affected Public: Shippers and carriers of hazardous materials.

Number of Respondents: 518.

Total Annual Responses: 23,324.

Total Annual Burden Hours: 9,200.

Frequency of Collection: On occasion.

PHMSA derived the 0.38-hour electronic-filing estimate from internal SME testing with filers of varying technical expertise and validated it against system log-session metadata. PHMSA considers it a conservative upper-bound estimate because those metrics treat all electronic submissions as manual web interactions, although large entities with established incident databases transmit a substantial share through automated XML batches without filing burden. PHMSA retained the prior 1.6-hour paper-filing estimate without retesting because only 2 percent of filers use paper. PHMSA expects that share to continue declining and paper filings to have a nominal effect on overall burden.

PHMSA invites comments on the proposed form and burden estimates through the two-stage process described in the Overview and will revise them as

warranted before submitting the request to OMB.

VIII. Specific Questions and Topics for Public Comment

Review by DOT modal administrations, USCG, and OHMS staff identified the following topics for public comment. Some questions are repeated here to bring the requests together.

1. Carriers submit most reports because they typically possess the material when an incident occurs. Shippers may know more about its classification, packaging, and other shipment characteristics. Communication between them may therefore improve report quality.

a. Should the hazardous materials carrier be required under the HMR to notify the shipper when their shipment is involved in an incident? In practice, do hazardous materials carriers regularly and voluntarily notify the shipper that their shipment was involved in an incident? Anecdotally, PHMSA staff have heard of shippers that are not aware of incidents involving their shipment. How would the

regulated industry address this issue in a cost-effective manner?

b. The proposed form asks reporting carriers whether they notified the shipper. PHMSA believes this may indicate whether the parties worked together on the report. In your opinion, is this new question a positive change?

c. In what ways can PHMSA encourage hazardous materials carriers and shippers to work together to ensure that information about an incident is accurate and complete?

2. UAS operations are increasing in number and complexity. Although 14 CFR 107.36 prohibits small UAS from carrying hazardous material, operators may petition FAA for exemptions, including for medical-supply delivery.⁴⁰ Prohibited operations can still produce reportable incidents, and HMR incident and discrepancy reporting requirements

⁴⁰ FAA—2021-0050-0001. Available at: <https://www.regulations.gov/document/FAA-2021-0050-0001>. Pursuant to 14 CFR part 11, Zipline International Inc. (“Zipline,” “we,” or “us”) respectfully submits this petition requesting a limited exemption from 14 CFR 107.36 to enable it to carry hazardous materials in support of the development of a cold storage container capable of transporting the COVID-19 vaccine by our unmanned aircraft system . . .

apply to UAS operators as to other air operators. The proposed form includes a UAS question (Q*19) for consideration.

a. Should the DOT Form 5800.1 include question(s) about whether a hazardous materials incident involved UAS? Why or why not?

b. If yes, what other information about UAS incidents (e.g., method of delivery) should be included on DOT Form 5800.1?

3. In addition to UAS, autonomous or remotely operated vehicles may be used in the future to transport certain hazardous materials in other modes of transportation.

a. Should the hazardous materials incident report form indicate whether a hazardous materials shipment involved an autonomous vehicle or remotely operated vehicle? Why or why not?

b. If yes, what information should be collected with respect to autonomous or remotely operated vehicles involved in a hazardous materials incident?

4. As reflected in the incident data, incidents involving lithium batteries have increased in recent years. They continue to pose heightened safety risks in commercial hazardous materials transportation.

a. What fields should be added to the DOT Form 5800.1 to understand better the nature and consequences of transportation incidents involving lithium batteries?

b. What are the benefits of adding the fields and the burden or costs of filling them out? Do benefits outweigh the costs?

c. Will this new information be reasonably available to the hazardous materials carrier, who is typically the responsible party for reporting the incident?

d. Is this data already collected elsewhere, by a different organization as part of a different data collection?

e. Is PHMSA's DOT Form 5800.1 the best instrument for collecting this new information about lithium battery transportation incidents?

5. What questions, fields, or choices on the current form should be revised or clarified? In your opinion, which revisions or clarifications should be the highest priority to address? Which changes are simply editorial in nature?

6. What questions, fields, or choices on the current form should be removed? Why? What is the trade-off involved in their removal? This trade-off weighs the benefit of the data currently collected versus the burden or cost of collection.

7. What questions, fields, or choices should be added to the form? Why? What is the benefit of adding them? What will be the added burden or cost to collect this new information, especially to filers of DOT Form 5800.1?

8. PHMSA estimates 96 minutes (1.6 hours) for both the current and proposed PDF forms, compared with 48 minutes (0.8 hours) for current

electronic filing and 22.8 minutes (0.38 hours) for the proposed electronic version.

a. Are PHMSA's preliminary estimates reasonable for the new form?

b. What specific changes to the new form are most burdensome?

c. What specific changes to the new form save the most time and relieve the most burden?

d. In your opinion, how long will it take on average to fill out and submit the new PDF form?

9. The PDF demonstrates the proposed collection changes; HAZMATICS and XML reporting would also be updated to reflect them.

a. What challenges have you faced in reporting incidents using the HAZMATICS portal? What improvements do you recommend for this portal?

b. What challenges have you faced in reporting incidents via XML data submission? What improvements do you recommend for XML data submission?

Issued in Washington, DC, on September 17, 2026, under authority delegated in 49 CFR 1.97.

William Quade,

Associate Administrator of Hazardous Materials Safety, Pipeline and Hazardous Materials Safety Administration.

[FR Doc. 2026-19276 Filed 9-18-26; 8:45 am]

BILLING CODE 4910-60-P



FEDERAL REGISTER

Vol. 91

Monday,

No. 181

September 21, 2026

Part II

Securities and Exchange Commission

17 Parts 200, 229, 230, et al.

Proxy Solicitation Modernization; Proposed Rule

**SECURITIES AND EXCHANGE
COMMISSION****17 CFR Parts 200, 229, 230, 232, 239,
240, 249, and 260****[Release Nos. 33–11439; 34–106385; 39–
2566; File No. S7–2026–33]****RIN 3235–AN63****Proxy Solicitation Modernization****AGENCY:** Securities and Exchange
Commission.**ACTION:** Proposed rule.

SUMMARY: The Securities and Exchange Commission (“Commission”) is proposing amendments to modernize certain rules related to proxy solicitations. The proposed amendments would, among other things, eliminate the requirement that registrants deliver an annual report to security holders, eliminate the delivery deadline when documents are incorporated by reference into a proxy statement, eliminate the requirement to file soliciting material regarding certain exempt solicitations, and shorten the minimum broker search period for proxy solicitations. The proposed amendments are intended to update our rules to account for developments since their adoption or last amendment and to simplify compliance for registrants.

DATES: This release was published in the **Federal Register** on September 21, 2026. Comments should be submitted on or before November 20, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/comments/s7-2026-33/proxy-solicitation-modernization>).
- Send an email to rule-comments@sec.gov. Please include File Number S7–2026–33 on the subject line.

Paper Comments

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number S7–2026–33. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all submitted comments on the Commission’s website (<https://www.sec.gov/rules-regulations/public-comments/s7-2026-33>). Do not include personally identifiable information in submissions; you should submit only information that you wish

to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission’s website. To ensure direct electronic receipt of such notifications, sign up through the “Stay Connected” option at www.sec.gov to receive notifications by email.

A summary of the proposal of not more than 100 words is posted on the Commission’s website (<https://www.sec.gov/rules-regulations/2026/09/s7-2026-33>).

FOR FURTHER INFORMATION CONTACT:

David M. Plattner, Special Counsel, or Blake M. Grady, Special Counsel, Office of Mergers and Acquisitions, Division of Corporation Finance, at (202) 551–3440, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission is proposing to amend the following rules and forms:

¹ 15 U.S.C. 77a *et seq.*

² 15 U.S.C. 78a *et seq.*

³ 15 U.S.C. 77aaa *et seq.*

Commission Reference		CFR Citation (17 CFR)
Organization; Conduct and Ethics; and Information and Requests	Rule 30-1	§ 200.30-1
Regulation S-K (17 CFR 229.10 through 229.1610)	Item 201	§ 229.201
	Item 304	§ 229.304
Securities Act of 1933 ("Securities Act") ¹	Rule 158	§ 230.158
	Rule 175	§ 230.175
	Rule 428	§ 230.428
	Rule 502	§ 230.502
	Form S-3	§ 239.13
	Form S-4	§ 239.25
	Form F-4	§ 239.34
Regulation S-T (17 CFR 232.10 through 232.501)	Rule 101	§ 232.101
	Rule 304	§ 232.304
Securities Exchange Act of 1934 ("Exchange Act") ²	Rule 3b-6	§ 240.3b-6
	Rule 14a-2	§ 240.14a-2
	Rule 14a-3	§ 240.14a-3
	Rule 14a-6	§ 240.14a-6
	Rule 14a-9	§ 240.14a-9
	Rule 14a-12	§ 240.14a-12
	Rule 14a-13	§ 240.14a-13
	Rule 14a-16	§ 240.14a-16
	Schedule 14A	§ 240.14a-101
	Notice of Exempt Solicitation	§ 240.14a-103
	Rule 14b-1	§ 240.14b-1
	Rule 14b-2	§ 240.14b-2
	Rule 14c-2	§ 240.14c-2
	Rule 14c-3	§ 240.14c-3
	Rule 14c-7	§ 240.14c-7
	Schedule 14C	§ 240.14c-101
	Rule 14d-5	§ 240.14d-5
	Form 10-K	§ 249.310
Trust Indenture Act of 1939 (the "Trust Indenture Act") ³	Rule 0-11	§ 260.0-11

Table of Contents

I. Introduction

II. Discussion of Proposed Amendments

A. Elimination of Requirement To Deliver Annual Report to Security Holders

1. Background

2. Proposed Amendments

B. Elimination of Delivery Deadline When Documents Are Incorporated by Reference Into the Proxy Statement

1. Background

2. Proposed Amendments

C. Elimination of Requirement To Submit Notice of Exempt Solicitation

1. Background

2. Proposed Amendments

D. Shortening the Minimum Broker Search Period

1. Background

2. Proposed Amendments

E. Requiring Contact Information on Proxy Statement and Information Statement Cover Pages and Other Technical Proposed Amendments

F. General Request for Comment

III. Other Matters

IV. Economic Analysis

A. Economic Baseline

1. Regulatory Baseline

2. Affected Entities

B. Economic Effects of Individual Provisions

1. Benefits and Costs of the Proposed Elimination of Requirement To Deliver Annual Report to Security Holders

2. Benefits and Costs of the Proposed Elimination of the Delivery Deadline

- When Documents Are Incorporated by Reference Into the Proxy Statement
- 3. Benefits and Costs of Proposed Elimination of Requirement To Submit Notice of Exempt Solicitation
- 4. Benefits and Costs of Proposed Shortening of Minimum Broker Search Period
- 5. Benefits and Costs of the Proposal To Require Contact Information on Proxy Statement and Information Statement Cover Pages
- 6. Other Commission Proposals
- 7. Aggregate Monetized Benefits and Costs
- C. Effects on Efficiency, Competition, and Capital Formation
 - 1. Effects on Efficiency
 - 2. Effects on Competition
 - 3. Effects on Capital Formation
- D. Reasonable Alternatives
 - 1. Reduce Rather Than Eliminate the Minimum Period for Proxy Statements Incorporating Documents by Reference
 - 2. Disallow Only Voluntary Filing of Notices of Exempt Solicitation
 - 3. Treat Notices of Exempt Solicitation Similarly to Insider Filings
 - 4. Shorten the Broker Search Period to a Different Number of Days
 - 5. Shorten the Rule 14b-1 and Rule 14b-2 Response Periods in Addition to the Proposed Amendments, and Consider Treating Investment Companies Differently
- E. Request for Comment
- V. Paperwork Reduction Act
 - A. Summary of the Collections of Information
 - B. Summary of the Proposed Amendments' Estimated Effects on the Collections of Information
 - C. Incremental and Aggregate Burden and Cost Estimates
 - D. Request for Comment
- VI. Congressional Review Act
- VII. Initial Regulatory Flexibility Act Analysis
 - A. Initial Regulatory Flexibility Act Analysis
 - 1. Reasons for, and Objectives of, the Proposed Action
 - 2. Legal Basis
 - 3. Small Entities Subject to the Proposed Amendments
 - 4. Projected Reporting, Recordkeeping, and Other Compliance Requirements
 - 5. Duplicate, Overlapping, or Conflicting Rules
 - 6. Significant Alternatives
 - B. Request for Comment

I. Introduction

We are proposing amendments to modernize rules related to aspects of the proxy solicitation process. The proposed amendments are intended to, among other things, account for developments since the rules' adoption or last amendment, reduce compliance burdens for registrants, and reduce investor confusion.

Our proposed amendments would:

- Eliminate the requirement that registrants deliver an annual report to security holders;⁴
- Eliminate the requirement to send the proxy statement at least 20 business days before the meeting date if it incorporates information by reference;⁵
- Eliminate the requirement⁶ to submit a notice⁷ regarding exempt solicitations;⁸
- Reduce the minimum broker search period in connection with proxy solicitations from 20 business days to five business days;⁹
- Require the inclusion of contact information on proxy statement and information statement cover pages; and
- Revise various rules and forms to reflect such amendments, as well as to correct errors that are technical in nature.

II. Discussion of Proposed Amendments

A. Elimination of Requirement To Deliver Annual Report to Security Holders

1. Background

Under 17 CFR 240.14a-3(b) ("Rule 14a-3(b)"), if a proxy solicitation relates to an annual meeting of shareholders, a special meeting in lieu of an annual meeting, or written consent in lieu of such meeting, at which directors are to be elected, the proxy statement must be accompanied or preceded by an annual report to security holders.¹⁰ The annual report to security holders must include, among other items, financial statements, management's discussion and analysis of financial condition and results of operations, business and segment

⁴ See 17 CFR 240.14a-3(b).

⁵ See Note D.3 of Schedule 14A, General Instruction A.2 to Form S-4 and General Instruction A.2 to Form F-4.

⁶ See 17 CFR 240.14a-6(g).

⁷ See 17 CFR 240.14a-103.

⁸ See 17 CFR 240.14a-2(b)(1).

⁹ See 17 CFR 240.14a-13.

¹⁰ The Rule 14a-3(b)-required annual report is different than the annual report on Form 10-K, which is required to be filed with the Commission but is not required to be mailed to shareholders. See 17 CFR 240.13a-1 (requiring registrants with a class of securities registered under section 12 of the Exchange Act to file an annual report); 17 CFR 240.15d-1 (requiring registrants that have filed a registration statement under the Securities Act of 1933 to file an annual report). Currently, registrants satisfy the Rule 14a-3(b) requirement to deliver an annual report to security holders by delivering (i) a "glossy" annual report, (ii) a "Form 10-K wrap," discussed below (see *infra* note 14 and related text), or (iii) where the Rule 14a-3(b)-required annual report is prepared on an integrated basis, as permitted under 17 CFR 240.14a-3(d) and General Instruction H to Form 10-K, the Form 10-K. A "glossy" annual report is often printed on high-gloss paper, in a format similar to that of a magazine, and is typically used as a tool to communicate with shareholders and inform their voting decisions.

information, information about directors and officers, and information about the market price of and dividends on the registrant's common equity.¹¹ In adopting the requirement to deliver financial information to shareholders prior to their voting in the annual election of directors, the Commission stated that the information was important to enable investors "to appraise the financial position and results of operations of the issuer."¹² The Commission has also stated that the annual reports to security holders "are readable because they generally avoid legalistic and technical terminology and present information in an understandable, and often innovative, form," and has encouraged registrants to deliver to shareholders an annual report to security holders, rather than a Form 10-K.¹³

More recently, however, because nearly all the disclosure required by Rule 14a-3(b) is also required by Form 10-K, many registrants have adopted the practice of sending shareholders a Form 10-K or a Form 10-K with limited additional disclosure (colloquially referred to as a "Form 10-K wrap"),¹⁴ thereby greatly reducing any benefits associated with readability. Information required in the Rule 14a-3(b) annual report but not in the Form 10-K includes: (i) the stock performance graph required by 17 CFR 229.201(e) ("Item 201(e) of Regulation S-K"), which many registrants voluntarily include in the Form 10-K; and (ii) disclosure required by 17 CFR 229.304(a) ("Item 304(a) of Regulation S-K") regarding a change in a registrant's certifying accountant, which registrants disclose pursuant to Item 4.01 of Form 8-K.¹⁵

¹¹ See 17 CFR 240.14a-3(b).

¹² See *Proxy and Stockholder Information Rules*, Release No. 34-8000 (Dec. 5, 1966) [31 FR 15750, 15750 (Dec. 14, 1966)]. See also Release No. 33-2887 (Dec. 18, 1942) [7 FR 10653, 10655 (Dec. 22, 1942)].

¹³ See *Annual Reports*, Release No. 34-11079 (Oct. 31, 1974) [39 FR 40766, 40766-67 (Nov. 20, 1974)] (the "1974 Release"). See also *Amendments to Annual Report Form, Related Forms, Rules, Regulations, and Guides; Integration of Securities Act Disclosure Systems*, Release No. 33-6231 (Sept. 2, 1980) [45 FR 63630, 63630 (Sept. 25, 1980)].

¹⁴ In addition, 17 CFR 240.14a-3(c) and 17 CFR 240.14c-3(b) currently require registrants subject to these rules to electronically submit their annual reports on EDGAR.

¹⁵ In addition, 17 CFR 240.14a-3(b)(8) requires that registrants disclose in the annual report to security holders the identity of "each of the registrant's directors and executive officers, and . . . the principal occupation or employment of each such person and the name and principal business of any organization by which such person is employed." Similar disclosure is also required by Item 10 of Form 10-K, pursuant to 17 CFR 229.401(a) and (b) (Item 401(a) and (b) of Regulation S-K). However, registrants often do not provide

2. Proposed Amendments

We are proposing to amend Rule 14a-3 to eliminate the current delivery requirement for annual reports to security holders and, for registrants that have a Form 10-K already on file for their most recent fiscal year, to eliminate altogether the need to comply with the separate annual report disclosure requirements in Rule 14a-3. Instead, proposed amended Rule 14a-3 would require that a proxy statement relating to a shareholder meeting at which directors will be elected be preceded by either (i) the filing of the registrant's Form 10-K for the registrant's most recent fiscal year on the Commission's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") in satisfaction of its Form 10-K filing requirement, or (ii) the furnishing of an annual report to security holders on EDGAR that meets the requirements set out in the rule.¹⁶ The proposed content, formatting, and submission requirements¹⁷ would be largely the same as the current requirements.¹⁸ However, we propose to remove certain requirements to eliminate disclosure in the annual report to security holders that goes beyond what is required in the Form 10-K¹⁹ or that would be available in a different registrant filing.²⁰ We anticipate that the vast majority of registrants will rely on a previously filed Form 10-K to satisfy their Rule 14a-3(b) obligation, as proposed, given that nearly all registrants will have a Form 10-K on file for the most recent fiscal year when sending a proxy

such disclosure directly in their Forms 10-K. In this respect, General Instruction G.(3) to Form 10-K permits registrants to incorporate by reference the disclosure from the registrant's definitive proxy statement (filed or required to be filed pursuant to Regulation 14A) or definitive information statement (filed or to be filed pursuant to Regulation 14C), which involves the election of directors, if such definitive proxy statement or information statement is filed with the Commission not later than 120 days after the end of the fiscal year covered by the Form 10-K.

¹⁶ See proposed Rule 14a-3(b). In addition, 17 CFR 240.14c-3(a)(1) ("Rule 14c-3(a)(1)") contains requirements for information statements sent to shareholders from whom proxy authorization or consent is not solicited. Rule 14c-3(a)(1) refers to the requirements in Rule 14a-3(b). Accordingly, the proposed amendments would also apply to such information statements.

¹⁷ See proposed Rule 14a-3(b)(2)(i)-(xi) and (c).

¹⁸ See 17 CFR 240.14a-3(b)(1)-(11) and (c).

¹⁹ See 17 CFR 240.14a-3(b)(9) (regarding the performance graph).

²⁰ See 17 CFR 240.14a-3(b)(4) and (b)(8). We are also proposing related, incidental amendments to other rules, for example to remove references to the annual report to security holders being a document that must be delivered to shareholders.

statement for their annual meeting of shareholders.²¹

In addition, we are proposing to remove, for all registrants other than investment companies, the applicability of Item 201(e) of Regulation S-K, which contains the requirements for the stock performance graph that most²² registrants must currently include in annual reports to security holders pursuant to 17 CFR 240.14a-3(b)(9) ("Rule 14a-3(b)(9)"). The graph compares the yearly percentage change in the registrant's cumulative total shareholder return on a class of common stock registered under section 12 of the Exchange Act with: (i) the cumulative total return of a relevant broad equity market index (such as the S&P 500, which must be used if the registrant is a company within the S&P 500); and (ii) the cumulative total return of a published industry or line-of-business index or, if the registrant discloses the basis for its selection, an index of peer companies determined by the registrant. When the Commission adopted the requirement in 1992, it stated that the purpose of the graph is to provide "a general depiction of one measure of corporate performance to be used by shareholders in evaluating the quality of decisions made by directors standing for re-election."²³ Given technological advancements since the rule's adoption, in particular the ease with which investors can access stock performance information on the internet, we believe that the requirement to provide a stock performance graph is outdated and no longer necessary for these registrants.²⁴

²¹ See The Reynolds Ctr. for Bus. Journalism, *Business Beats Basics* 231 (2024), available at <https://businessjournalism.org/wp-content/uploads/2024/09/Business-Beats-Basics-The-Full-Guide-83mb.pdf> ("[A]nnual proxy statements typically come out 30 to 60 days before the annual meeting and usually after the company has filed its Form 10-K . . ."); Broadridge, *EDGAR Filing Calendar 2026*, available at https://www.broadridge.com/_assets/pdf/edgarfilingcal_2026.pdf.

²² Smaller reporting companies, as defined by 17 CFR 229.10(f)(1), are not required to include the stock performance graph in their annual reports to security holders. See Instruction 6 to Item 201(e) of Regulation S-K.

²³ See *Executive Compensation Disclosure*, Release No. 33-6962 (Oct. 16, 1992) [57 FR 48126, 48127 (Oct. 21, 1992)].

²⁴ The Commission has previously proposed to rescind Item 201(e). See *Executive Compensation and Related Party Disclosure*, Release No. 33-8655 (Jan. 27, 2006) [71 FR 6542, 6547 (Feb. 8, 2006)] (stating that "given the widespread availability of stock performance information about companies, industries and indexes through business-related websites or similar sources, we believe that the requirement for the Performance Graph is outdated"). The Commission ultimately retained the performance graph requirement in response to public comment, although the Commission limited

Comments received in response to Chairman Paul S. Atkins' Statement on Reforming Regulation S-K that specifically referred to Item 201(e) have nearly universally agreed.²⁵

With respect to investment companies, business development companies ("BDCs") and face-amount certificate companies are subject to Rule 14a-3(b) and therefore currently disclose the stock performance graph required in Item 201(e) of Regulation S-K.²⁶ While we are proposing to remove the applicability of that item for other registrants, we are proposing to retain it for investment companies.²⁷ We

disclosure of the graph to the annual report to security holders. See *Executive Compensation and Related Person Disclosure*, Release No. 33-8732A (Aug. 29, 2006) [71 FR 53158, 53168-69 (Sep. 8, 2006)].

²⁵ See, e.g., letters in response to *Statement on Reforming Regulation S-K, CLL-15* (Jan. 13, 2026) from the American Bar Association (May 1, 2026) ("In view of advances in technology and the seamless integration of the internet into everyday commerce and communication as well as its widespread availability, we believe the 'easy access' of a standardized source to compare a registrant's corporate performance against the market and its peers is unnecessary."), Cravath, Swaine & Moore LLP (April 13, 2026) ("Information produced as part of market information, holders, and performance graph disclosures is outdated by the time the report is publicly filed. Existing tools outside of public filings already provide superior real-time data."), Nasdaq, Inc. (April 13, 2026) (recommending eliminating Item 201(e) because "better sources of information for informing investors about stock performance exist via widely accessible tools on the internet"), and the City of New York Comptroller (April 13, 2026) ("The five-year cumulative total return chart is a candidate for elimination. Because this information is widely available through third-party platforms, its removal would not impair the structural integrity of the disclosure system."). The comment letters submitted in response to Chairman Atkins' Statement on Reforming Regulation S-K are available at <https://www.sec.gov/rules-regulations/public-comments/ctl-15>.

²⁶ BDCs are a type of closed-end investment company that is not registered under the Investment Company Act of 1940 (the "Investment Company Act"). Face-amount certificate companies are a type of registered investment company that are engaged or propose to engage in the business of issuing face-amount certificates of the installment type, or that have been engaged in such business and have any such certificate outstanding. In general, other regulated funds are subject to separate reporting requirements under the Investment Company Act and are not affected by the proposed Regulation S-K amendments.

²⁷ We are proposing to remove current Instruction 7 to Item 201(e) of Regulation S-K, which will have the effect of requiring that the stock performance graph for BDCs and face-amount certificate companies be disclosed directly in the Form 10-K. We are also proposing to revise Instruction 8 to Item 201(e) by adding the last sentence of current Instruction 7 to the end of current Instruction 8. In addition, we propose to correct a citation reference in current Instruction 8 and to renumber current Instruction 8 as Instruction 7. The proposed amendments would maintain the current rule that the stock performance graph is not deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

propose to do so in order to maintain parity with other regulated funds, which are subject to similar performance graph requirements.²⁸ Because BDCs and registered investment companies share similar characteristics, we believe it is beneficial to investors to maintain the existing parity in performance graph disclosure requirements. This would also be consistent with the Commission's recent proposal relating to the simplification of filer status for reporting companies, where the Commission proposed to retain this reporting item for investment companies.²⁹

Our proposed amendments are intended to eliminate the redundancy created by requiring registrants to comply with the separate annual report disclosure requirements in Rule 14a-3 and Form 10-K, given that, as discussed above, annual reports to security holders are required to contain substantially the same information as is already required to be included in Forms 10-K. Eliminating this redundancy would reduce costs for registrants and remove duplicative filings that may cause investor confusion. In addition, nothing in the proposed rules, if adopted, would prevent registrants from voluntarily sending Rule 14a-3 annual reports to security holders in connection with shareholder meetings, provided that they also submit such reports on EDGAR, and such reports would continue to fall outside the scope of section 18 liability under the Exchange Act, since they will remain furnished, not filed.³⁰

Request for Comment

1. The proposed amendments would remove the current requirement that registrants deliver an annual report to security holders, although registrants may choose to send shareholders an annual report to security holders (e.g., a "glossy" annual report) voluntarily. Would the removal of this delivery requirement raise investor protection concerns? If so, how might the Commission address those concerns?

2. The proposed amendments would require a registrant, prior to furnishing a proxy statement to shareholders, either to have filed its Form 10-K or have submitted an annual report to

security holders on EDGAR. Should we instead only require that a Form 10-K has been filed prior to furnishing a proxy statement to shareholders and remove the alternative of an annual report to security holders having been submitted on EDGAR? What are the potential advantages and disadvantages of removing the alternative of an annual report to security holders having been submitted on EDGAR?

3. In practice, in what circumstances would registrants satisfy their Rule 14a-3(b) obligation, as proposed, by submitting an annual report to security holders on EDGAR rather than filing a Form 10-K? Please provide detailed examples if possible.

4. The proposed amendments would remove the alternative of an annual report to security holders being prepared on an integrated basis pursuant to 17 CFR 240.14a-3(d) and General Instruction H to Form 10-K, whereby issuers may use their Form 10-K, without a "wrap," to satisfy their annual report requirements.³¹ We believe registrants would not have a need to prepare an integrated report under the proposed amendments. Should we, however, retain this alternative? If yes, why?

5. The proposed amendments would eliminate, for all registrants other than investment companies, the stock performance graph currently required by Rule 14a-3(b)(9) and Item 201(e) of Regulation S-K. Should we retain the requirement to disclose the stock performance graph for investment companies? Why or why not? How do investors view the stock performance graph in the context of an investment in an investment company as opposed to other registrants? Alternatively, should we instead retain the requirement for all registrants? If so, should we require that this disclosure be provided in registrants' Forms 10-K or in a different filing?

B. Elimination of Delivery Deadline When Documents Are Incorporated by Reference Into the Proxy Statement

1. Background

Note D.3 to Schedule 14A requires registrants to send their proxy statements to shareholders no later than 20 business days prior to the date on which the meeting of such shareholders is held if a document or portion of a document, other than an annual report to security holders, is incorporated by reference into the proxy statement in the manner permitted by Items 13(b) or 14(e)(1) of Schedule 14A. Alternatively,

if no meeting is held, proxy statements that incorporate information in such a manner must be sent at least 20 business days prior to the date that the votes, consents or authorizations may be used to effect the corporate action. In proposing the 20-business-day requirement, the Commission stated that the requirement "is designed to address the need for documents incorporated by reference . . . to be delivered to security holders on a timely basis."³²

In addition, Form S-4 and Form F-4 contain a similar minimum 20-business-day period requirement when sending a prospectus to security holders prior to a security holder meeting if a registrant incorporates by reference into the form information about the registrant or the company being acquired.³³ When adopting Form S-4, the Commission stated that the "time period is designed to address the need for documents incorporated by reference to be delivered to security holders on a timely basis."³⁴

2. Proposed Amendments

We are proposing to amend Schedule 14A to remove Note D.3 to Schedule 14A.³⁵ We are also proposing to amend Form S-4 and Form F-4 to eliminate the minimum 20-business-day period requirements in those two forms.

The requirements in Note D.3 of Schedule 14A and similar requirements in Form S-4 and Form F-4 were adopted before the establishment of EDGAR and the mandatory filing of nearly all disclosure documents on EDGAR. The filings that are permitted to be incorporated by reference into Schedule 14A, Form S-4, and Form F-4 are now available to the investing public without charge on EDGAR,³⁶ greatly reducing the need for investors

³² See *Proxy Rules—Comprehensive Review*, Release No. 33-6592 (July 1, 1985) [50 FR 29409, 29413 (July 19, 1985)] (the "1985 Release"). See also *Proxy Rules—Comprehensive Review*, Release No. 33-6676 (Nov. 10, 1986) [51 FR 42048, 42051 (Nov. 20, 1986)] (adopting such requirement).

³³ See General Instruction A.2 to Form S-4 and General Instruction A.2 to Form F-4.

³⁴ See *Business Combination Transactions; Adoption of Registration Form*, Release No. 33-6578 (Apr. 23, 1985) [50 FR 18990, 18992 (May 6, 1985)].

³⁵ Because Item 1 of Schedule 14C states that Note D to Schedule 14A is also applicable to Schedule 14C, our proposed amendment would affect information statements in the same manner as proxy statements.

³⁶ In 1993, the Commission began mandating electronic filings on EDGAR on a phased-in basis. See *Rulemaking for EDGAR System*, Release No. 33-6977 (Feb. 23, 1993) [58 FR 14628 (Mar. 18, 1993)] ("1993 EDGAR Adopting Release"). This phase-in culminated in all corporate issuers becoming subject to electronic filing requirements in 1996. See *Rulemaking for EDGAR System*, Release No. 33-7122 (Dec. 19, 1994) [59 FR 67752 (Dec. 30, 1994)].

²⁸ See Instruction 4.g to Item 24 of Form N-2; Item 27A(d)(2) of Form N-1A.

²⁹ See *Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies*, Release No. 33-11419 (May 19, 2026) [91 FR 30086, 30105 n.185 (May 21, 2026)].

³⁰ See current 17 CFR 240.14a-3(c) and proposed Rule 14a-3(c).

³¹ See *supra* note 10 and associated text.

to request paper copies of the filings from registrants. Furthermore, since the adoption of the current requirements, the Commission has taken numerous steps to facilitate the electronic delivery of filings to shareholders.³⁷ To the extent that investors do request copies of the filings incorporated by reference, registrants today have the means to send such filings electronically. Notably, many investors appear to not only increasingly expect, but also prefer, that regulatory documents and reports under the Federal securities laws be delivered electronically.³⁸ These changes, along with technological developments, have facilitated widespread access to the filings incorporated by reference into Schedule 14A, Form S-4, and Form F-4, obviating the need for the current 20-business-day requirement.

Request for Comment

6. As an alternative to eliminating Note D.3 to Schedule 14A, as well as eliminating General Instruction A.2 to Form S-4 and General Instruction A.2 to Form F-4, should we reduce the 20-business-day requirement in each to a shorter period? If yes, what period of time should be required and why?

³⁷ See, e.g., *Use of Electronic Media for Delivery Purposes*, No. 33-7233 (Oct. 6, 1995) [60 FR 53458, 53459 (Oct. 13, 1995)] (“1995 Guidance”) (stating that the Commission believes that the use of electronic media should be at least an equal alternative to the use of paper-based media, and accordingly, issuer or third-party information that can be delivered in paper under the Federal securities laws may be delivered in electronic format); *Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information*, Release No. 33-7288 (May 9, 1996) [61 FR 24644 (May 15, 1996)] (“1996 Guidance”); *Use of Electronic Media*, Release No. 33-7856 (Apr. 28, 2000) [65 FR 25843 (May 4, 2000)] (“2000 Guidance”) (1995 Guidance, 1996 Guidance, and 2000 Guidance, collectively “E-Delivery Guidance”); *Electronic Delivery of Information Under the Federal Securities Laws*, Release No. 33-11430 (July 16, 2026) [91 FR 45884 (July 21, 2026)].

³⁸ See Holden, Schrass, Seligman, and Bogdan, *Americans’ Views on E-Delivery of Financial Documents* (2025) Washington, DC: Investment Company Institute available at www.ici.org/system/files/2025-09/25-ici-paper-edelivery.pdf (survey designed by Investment Company Institute staff and administered by NORC at the University of Chicago of 1,132 U.S. individuals, including 400 mutual fund or ETF investors); FINRA Investor Education Foundation, *Investors in the United States—A Report of the National Financial Capability Study* (4th Ed. Dec. 2025) available at https://www.finrafoundation.org/sites/finrafoundation/files/2025-11/NFCS_Investor_Survey_Report_White_Paper.pdf (also finding that comfort with electronic delivery as the default was high regardless of age, education level, income level, and the amount of assets held).

C. Elimination of Requirement To Submit Notice of Exempt Solicitation

1. Background

Certain types of solicitations are exempt from most of the Federal proxy rules. Under 17 CFR 240.14a-2(b)(1) (“Rule 14a-2(b)(1)”), a solicitation by any person who does not directly or indirectly seek authority to act as proxy and does not furnish or request a form of revocation, abstention, consent, or authorization is exempt from the filing and informational requirements of the Federal proxy rules. Such exempt solicitations remain subject to Rule 14a-9, the antifraud provision of the Federal proxy rules.

17 CFR 240.14a-6(g) (“Rule 14a-6(g)”) sets forth a notice requirement for an exempt solicitation conducted under Rule 14a-2(b)(1) if it is (i) conducted by a person who beneficially owns more than \$5 million of a registrant’s securities at the commencement of a solicitation (a “large shareholder”), (ii) in writing, and (iii) not already publicly available. Specifically, 17 CFR 240.14a-6(g)(1) requires the soliciting person to furnish to the Commission a Notice of Exempt Solicitation containing the information specified in 17 CFR 240.14a-103, which includes as an exhibit all written soliciting materials sent to any security holder.

The Commission adopted Rule 14a-2(b)(1) in response to concerns that shareholders could be “deterred from discussing management and corporate performance by the prospect of being found after the fact to have engaged in a proxy solicitation.”³⁹ In adopting the notice requirement in Rule 14a-6(g), the Commission sought to ensure that the greater flexibility in shareholder communications permitted by Rule 14a-2(b)(1) was accompanied by disclosure of significant exempt solicitations that might otherwise remain unseen under the more relaxed shareholder communication regime.⁴⁰

2. Proposed Amendments

We are proposing to rescind Rule 14a-6(g) and the Notice of Exempt Solicitation. As discussed above, the original purpose of the notice was to provide registrants and other market participants with visibility into otherwise non-public exempt solicitations by large shareholders.⁴¹ We believe that Rule 14a-6(g) no longer plays a meaningful role in alerting

shareholders and registrants to relevant exempt written solicitations conducted by large shareholders because (i) the submissions have been predominantly made, in recent years, by shareholders who do not beneficially own securities with a market value of more than \$5 million and therefore are filing on a voluntary basis,⁴² (ii) such shareholders have alternative means to communicate to other shareholders, and (iii) registrants often are alerted to these solicitations through other means.

The vast majority of Notices of Exempt Solicitation submitted on EDGAR in recent years appear to have been voluntary submissions—either submissions made by shareholders who do not exceed the \$5 million threshold or submissions about information that is already publicly available, such as press releases—and thus do not serve the original purpose of the notice.⁴³ In addition, the voluntary submission of Notices of Exempt Solicitation permits submitting shareholders, whose views do not necessarily represent the views of other shareholders, to disseminate their views inexpensively and prominently on EDGAR, which was not the intended purpose of Rule 14a-6(g). Instead, as discussed above, the intended purpose of the rule was to alert registrants and investors to non-public exempt solicitations by large shareholders, about which registrants and investors therefore would not otherwise be aware.⁴⁴

Such voluntary notices also can be confusing to shareholders because they appear on a registrant’s EDGAR page but are not submitted by the registrant, and they appear alongside filings required to be made under our rules.⁴⁵ Further, shareholders often submit multiple Notices of Exempt Solicitation regarding

⁴² The number of Notices of Exempt Solicitation in which the filer disclosed that the submission was voluntary, because the filer beneficially owned \$5 million or less of the class of subject securities, increased from approximately 67 (out of 169), or 40%, in 2018 to approximately 228 (out of 286), or 80%, in 2025.

⁴³ See *supra* note 42.

⁴⁴ See *supra* note 40.

⁴⁵ This issue is compounded because shareholders can subscribe to automated notification services, such as those delivered directly through RSS feeds on EDGAR or through a registrant’s investor relations website, which often notifies shareholders when filings are made on the registrant’s EDGAR page. In addition, many registrants use third-party services that automatically post EDGAR filings, including voluntary Notices of Exempt Solicitation, on the registrants’ investor relations websites. Accordingly, the voluntary notices are distributed automatically through multiple channels and therefore often appear not only on registrants’ EDGAR pages, but also on registrants’ websites, in electronic alerts received by shareholders, and on other digital platforms that automatically pull information from EDGAR.

³⁹ See *Regulation of Communications Among Shareholders*, Release No. 34-31326 (Oct. 16, 1992) [57 FR 48276, 48278 (Oct. 22, 1992)] (the “1992 Adopting Release”).

⁴⁰ See 1992 Adopting Release at 48280.

⁴¹ 1992 Adopting Release.

a single annual meeting, which may make it harder to locate the registrant's required filings, as well as mandatory filings by third parties, among the voluntary submissions on the registrant's dedicated EDGAR page.

While we acknowledge that there may be some benefit to shareholders being able to access the communications of other shareholders in a centralized manner on the registrant's dedicated EDGAR page, permitting the registrant's EDGAR page to serve as a repository for the substantial number of such communications obscures mandatory reports, statements and other disclosures on the registrant's EDGAR page.⁴⁶

By eliminating these submissions altogether, the proposed amendments are intended to reduce potential investor confusion⁴⁷ and improve the accessibility of information for investors on registrants' EDGAR pages (and in the broader digital environment generally) by eliminating a substantial number of voluntary filings and making the filings that remain easier to find on the registrant's EDGAR page. The proposed amendments would also reduce compliance burdens for large shareholders engaging in exempt solicitations pursuant to Rule 14a–2(b)(1), because such shareholders would no longer be required to submit their exempt written soliciting material on EDGAR. Such large shareholders also would no longer need to determine whether they beneficially own securities with a market value over \$5 million or whether their exempt solicitations are already public.

Further, following the elimination of Notices of Exempt Solicitation, shareholders would still be able to notify other shareholders of their exempt solicitations. In January 2026, the Division of Corporation Finance updated its guidance to state that the Commission staff will object to voluntary submissions of Notices of

Exempt Solicitation.⁴⁸ In response, market participants have created third-party websites that list and provide access to exempt solicitations.⁴⁹ Furthermore, shareholders often broadcast the content of their exempt solicitations by press release or other public announcement. Registrants may be alerted to exempt solicitations by such public announcements, reducing the role of Rule 14a–6(g) in alerting registrants to relevant exempt written solicitations conducted by large shareholders.

Given that most Notices of Exempt Solicitation do not serve the original purpose of Rule 14a–6(g) and the fact that shareholders have alternative means to publish such notices, we propose to rescind the rule.

Request for Comment

7. Does Rule 14a–6(g) continue to serve its original purpose such that we should retain the rule? If so, please explain how the rule does so, considering that written solicitations by large shareholders currently are generally also made public through means unrelated to the submission of a Notice of Exempt Solicitation on EDGAR.

8. As mentioned above, in January 2026, the Division of Corporation Finance updated its guidance to state that the staff will object to voluntary submissions of Notices of Exempt Solicitation, which has led to a decline

⁴⁸ See *Proxy Rules and Schedules 14A/14C Corporation Finance Interpretation 126.06* (Jan. 23, 2026), available at <https://www.sec.gov/rules-regulations/staff-guidance/corporation-finance-interpretations/proxy-rules-schedules-14a14c>. The staff position discussed here, and any other staff guidance, statements, or positions referenced in this release, represent the views of Commission staff and are not a rule, regulation, or statement of the Commission. The Commission has neither approved nor disapproved the views reflected in these staff positions or the content of these staff statements and, like all staff positions or statements, they have no legal force or effect, do not alter or amend applicable law, and create no new or additional obligations for any person.

⁴⁹ For example, Proxy Open Exchange, created by As You Sow, is an “open, community-driven platform that provides shareholders with a public venue to publish exempt solicitations for shareholder proposals.” See *Proxy Open Exchange*, available at <https://proxyopenexchange.org/about>; As You Sow, *Shareholders Launch Proxy Open Exchange (POE) in Response to SEC Restrictions on EDGAR Exempt Solicitation Postings*, available at <https://www.asyousow.org/press-releases/2026/4/24/shareholders-launch-proxy-open-exchange-poe-in-response-to-sec-restrictions-on-edgar-exempt-solicitation-postingsnbsp>. Similarly, the Interfaith Center on Corporate Responsibility (ICCR) allows for “members and allies who are involved in and supportive of ICCR priority issues” to request that ICCR post exempt solicitations. See *Vote Your Proxies—See 2026's Proxy Memos and Exempt Solicitations*, available at <https://www.iccr.org/vote-your-proxies-see-2026s-proxy-memos-and-exempt-solicitations/>.

in their frequency, potentially addressing some of the concerns discussed above. Accordingly, instead of rescinding the rule, should we amend the rule to prohibit the submission of voluntary Notices of Exempt Solicitation? For example, should shareholders submitting Notices of Exempt Solicitation be required to certify that they own the requisite amount of securities, with the appropriate liability for such a certification, before they are permitted to submit the Notice of Exempt Solicitation on EDGAR?

9. As an alternative to rescinding the Notice of Exempt Solicitation submission requirement, should we consider adjusting the \$5 million ownership threshold that triggers the requirement? If so, what ownership threshold should we adopt and why?

10. As an alternative to rescinding the Notice of Exempt Solicitation submission requirement, should we instead create a filter for Notices of Exempt Solicitation on the registrant's EDGAR page such that the page by default would not display Notices of Exempt Solicitation, but the page would provide an option for users to remove the filter? As an alternative to an optional filter on the registrant's EDGAR page, should we omit the notices from the list of filings on the registrant's EDGAR page and instead add a selection for Notices of Exempt Solicitation on the SEC.gov EDGAR Full-Text Search page such that users could search specifically for such notices?

11. If the rule is rescinded, as proposed, should a shareholder that engages in an exempt solicitation be required to provide the shareholder's written soliciting material directly to the registrant, to ensure that the registrant is aware of such solicitation? Why or why not? Should such a notice requirement apply to all shareholders, or only to shareholders who meet a certain ownership threshold, such as the current \$5 million threshold? Should there be specific requirements regarding how such notices should be delivered?

D. Shortening the Minimum Broker Search Period

1. Background

Rule 14a–13 sets forth the requirements for registrants' dissemination of proxy materials to beneficial owners, including a requirement to supply proxy materials to record holders for distribution to beneficial owners.⁵⁰ Registrants are required, pursuant to current Rule 14a–

⁵⁰ Rule 14c–7 includes corresponding requirements for information statements.

⁴⁶ EDGAR “provides free public access to corporate information, allowing [investors] to quickly research a company's financial information and operations by reviewing registration statements, prospectuses and periodic reports filed on Forms 10–K and 10–Q.” See *EDGAR*, available at <https://www.investor.gov/introduction-investing/investing-basics/glossary/edgar>; see 1993 EDGAR Adopting Release at 14658 (noting “the value to security holders and to the market of readily accessible information relating to public registrants”).

⁴⁷ See, e.g., letter from Soc'y for Corp. Governance to The Hon. Mark T. Uyeda dated January 30, 2025 (“These PX 14A6G filings, many of which contain false or misleading statements, have caused investor confusion . . .”), available at https://higherlogicdownload.s3.amazonaws.com/GOVERNANCEPROFESSIONALS/a8892c7c-6297-4149-b9fc-378577d0b150/UploadedImages/Advocacy/Society_January_30_Letter_to_SEC_Acting_Chair.pdf.

13, to inquire of their record holders by means of a search card or otherwise (commonly referred to as a “broker search”) the number of proxy materials needed by the record holders to forward to customers of the record holders who are beneficial owners of the registrant. Currently, the rule requires registrants to request this information at least 20 business days prior to the record date for the annual or special meeting.⁵¹

In 1974, the Commission adopted then-titled Rule 14a-3(d), which contained a broker search requirement but did not contain a deadline before which the search must be conducted.⁵² In 1977, the Commission adopted amendments that required a registrant to conduct the broker search at least 10 calendar days before the record date for the registrant’s shareholder meeting, citing the need to ensure that subsequent steps in the proxy transmittal process are carried out in a timely manner.⁵³ In 1983, the Commission increased the minimum broker search period to 20 calendar days (the “1983 Amendments”).⁵⁴ These amendments were intended to address delays, at that time, in dissemination of proxy materials to beneficial owners, which were attributed in part to “the number of steps that must be taken prior to the actual delivery of proxy material” to intermediaries and then to beneficial owners.⁵⁵ In 1986, the Commission further lengthened the broker search period to 20 business days (the “1986 Amendments”) to address delays associated with “piggybacking” of bank accounts, in which one bank is record holder on behalf of other banks, which

themselves hold securities on behalf of multiple beneficial owners and other respondent banks.⁵⁶

2. Proposed Amendments

Given technological advancements, in particular widespread adoption of the internet and related digital communication tools, which have led to significantly more efficient coordination among the intermediaries involved in the broker search process, the issues and concerns addressed by the Commission in the 1983 Amendments and 1986 Amendments appear no longer to be applicable. In this respect, we understand that the broker search can now often be completed in as few as three days.⁵⁷ Accordingly, we are proposing to amend Rule 14a-13 to shorten the minimum broker search period from 20 business days to five business days.

The proposed amendment would shorten the broker search period in a manner that better reflects market participants’ current technological capabilities, while reducing unnecessary delays, costs, and uncertainty caused by the current broker search period. For many transactions requiring shareholder approval, the 20-business-day broker search period can increase the length of time necessary to consummate a transaction because the record date may not be set earlier than 20 business days after the broker search.⁵⁸ Such delays may increase costs for registrants and their counterparties and introduce

uncertainty, given the additional time for external issues to arise that could impact the potential transaction (e.g., market volatility or regulatory changes). Similar issues may also arise in the context of contested director elections or other proxy contests.⁵⁹ By shortening the broker search period, the proposed amendments are intended to mitigate these issues and allow registrants to make better use of current technology.

Shortening the broker search period may negatively impact market participants that learn of the record date for a shareholder meeting via the broker search process before the registrant publicly discloses the record date, which is typically not disclosed until the registrant files its definitive proxy statement. For example, the proposed amendments may reduce the amount of time for dissidents to acquire shares of the registrant or coordinate with other investors in advance of a record date, if the registrant elects to conduct the broker search in fewer than the 20 business days required under current Rule 14a-13. In addition, the proposed amendments may reduce the amount of time for shareholders, including financial institutions, to recall shares on loan, potentially increasing the risk that such institutions face challenges in voting the shares in cases where the registrant elects to conduct the broker search in the minimum period required.⁶⁰

We believe, however, that these potential negative impacts are mitigated by the benefits that the proposed rule amendments would create for registrants and their counterparties by reducing transaction delays, costs, and uncertainty caused by the current broker search period, as well as similar benefits in the context of contested director elections or other proxy contests.⁶¹ Furthermore, registrants may voluntarily disclose to investors a record date that has not yet passed, allowing for additional time to recall or purchase shares.

Request for Comment

12. Is five business days, as proposed, the appropriate minimum period for conducting the broker search? Why or why not? Would 10 business days be a

⁵¹ See 17 CFR 240.14a-13(a)(3). The request, which is sent via a “search card,” must inquire regarding: (i) the number of beneficial owners; (ii) the number of copies of the proxy and other soliciting material and the annual report needed for forwarding by the intermediaries to their beneficial owner customers; and (iii) the name and address of any agent appointed by the intermediaries to process a request for a list of beneficial owners. See 17 CFR 240.14a-13(a). If making the inquiry 20 business days prior to the record date of a special meeting is impracticable, then the search must be completed as many days before the record date of the special meeting as is practicable. See 17 CFR 240.14a-13(a)(3)(i).

⁵² See the 1974 Release. See also *Stockholder Information Statements*, Release No. 34-7774 (Dec. 30, 1965) [31 FR 262 (Jan. 8, 1966)] (adopting Regulation 14C, which included a broker search requirement for information statements).

⁵³ See *Requirements for Dissemination of Proxy Information to Beneficial Owners by Issuers and Intermediary Broker-Dealers*, Release No. 34-13719 (July 5, 1977) [42 FR 35953, 35954 (July 13, 1977)], (referring to Rule 14a-3(d), the precursor to Rule 14a-13).

⁵⁴ See *Facilitating Shareholder Communications Provisions*, Release No. 34-20021 (July 28, 1983) [48 FR 35082 (Aug. 3, 1983)].

⁵⁵ See *Facilitating Shareholder Communications*, Release No. 34-19291 (Dec. 2, 1982) [47 FR 55491, 55493 (Dec. 10, 1982)].

⁵⁶ See *Shareholder Communications Facilitation*, Release No. 34-23847 (Nov. 25, 1986) [51 FR 44267, 44268-70 (Dec. 9, 1986)]. A respondent bank is a bank that holds securities through another bank that is the record holder of those securities. See *Facilitating Shareholder Communications*, Release No. 34-23276 (May 29, 1986) [51 FR 20504, 20506 (June 5, 1986)].

⁵⁷ See, e.g., Davis Polk & Wardwell LLP, *Proxy season alert—Broker search shortened from 20 business days; 10 calendar days now reasonable* (“Proxy season alert”), available at <https://www.davispolk.com/insights/client-update/proxy-season-alert-broker-search-shortened-20-business-days-10-calendar-days> (noting that “the process for conducting a ‘broker search’ is highly automated and generally completed within three days”).

⁵⁸ See, e.g., Freshfields, *SEC Adds Flexibility to M&A, Proxy, and Tender Offer Rules with New Interpretations—Not All of the Implications of Which Are Apparent on Their Face* (Feb. 23, 2026), available at <https://www.freshfields.com/en/our-thinking/blogs/a-fresh-take/sec-adds-flexibility-to-ma-proxy-and-tender-offer-rules-with-new-interpretations-102mk2q> (“The requirement to commence a broker search at least 20 business days prior to the record date for a shareholder meeting had, in certain situations, increased the time required to hold a public company shareholder meeting. Companies seeking to approve a business combination, or seeking urgent approvals required because of company distress, have often found that the 20-business day requirement caused delay for the matters for which they sought approval.”).

⁵⁹ During a proxy contest, a registrant generally prefers to mail its proxy statement to shareholders as quickly as possible, and in advance of when the contesting shareholder mails its own proxy statement. The lengthy broker search period, which impacts the registrant but not the contesting shareholder, may delay the registrant from mailing its proxy statement, even after the Commission staff has completed its review of the proxy statement.

⁶⁰ See Proxy season alert, *supra* note 57. For further discussion, see section IV.B.4.

⁶¹ See section IV.B.4.

more appropriate minimum period for conducting the broker search? Are there specific circumstances that may require a longer period? Should the proposed five-business-day minimum period (or any shortened minimum period) be conditioned on a requirement that the registrant reasonably believes that its proxy materials will be timely disseminated to beneficial owners within the time period the registrant chooses?

13. Should we instead adopt a principles-based rule that does not specify the minimum number of days but instead only requires that the time period chosen by the registrant provide sufficient time for proxy materials to be disseminated to beneficial owners? What are the potential advantages and disadvantages of a principles-based rule for broker searches?

14. Would financial institutions have sufficient time to recall loaned shares in cases where the registrant elects to conduct the broker search in five business days under proposed amended Rule 14a–13? If not, how much time would be needed?

15. Are the potential benefits to dissident shareholders in terms of visibility into the record date reason either not to shorten the broker search period or to shorten the search period by fewer days than we have proposed?

16. Alternatively, is the absence of public transparency regarding the broker search process and the setting of a record date, and the fact that dissident shareholders often appear to benefit from non-public information, further justification for shortening the period?

17. Rule 14b–1 sets forth the obligations of registered brokers and dealers, and Rule 14b–2 sets forth similar obligations of banks, associations, and certain other entities, in connection with the prompt forwarding of certain registrant communications to beneficial owners. Under 17 CFR 240.14b–1(b)(1), brokers and dealers must respond to the registrant no later than seven business days after the date they receive a broker search inquiry with the approximate number of customers of the broker-dealer who are beneficial owners of the registrant's securities. Under 17 CFR

240.14b–2(b), banks must respond to the registrant within one business day with the names and addresses of all respondent banks and must respond within seven business days with the approximate number of customers of the bank who are beneficial owners of the registrant's securities. Should these time periods, or any other time periods in Rule 14b–1 or Rule 14b–2, also be shortened in connection with the proposed amendment? If so, what specific revisions to the time periods would be appropriate and why? What would be the associated costs and benefits of such revisions?

18. Are there considerations unique to investment companies presented in these amendments we should consider? For example, investment companies often have large, diffuse, and retail-oriented shareholder bases,⁶² and are often organized in multiple classes and series. In addition, many investment companies (including open-end funds and unlisted closed-end funds) do not hold shareholder meetings annually. Would the proposed changes to the minimum broker search period have any particularized impact upon regulated fund solicitations given this context? Would brokers be able to complete searches in the context of investment companies in the proposed five days? If not, should we have a different period for investment companies, and if so, how long?

E. Requiring Contact Information on Proxy Statement and Information Statement Cover Pages and Other Technical Proposed Amendments

We are proposing to revise the cover pages of Schedule 14A and Schedule 14C to require the inclusion of contact information—a name, address, and telephone number—for a representative who can respond to questions or comments regarding the filing. The address included may be an electronic mail address.⁶³ Such contact

⁶² See, e.g., Confronting Growing Burden of Fund Proxy Campaigns, Investment Company Institute (Mar. 2026), available at <https://www.ici.org/system/files/2026-03/26-confronting-growing-burden-fund-proxy-campaigns.pdf>.

⁶³ In line with this proposed amendment, we are proposing to amend Item 23(c) of Schedule 14A,

information is already required in many filings made with the Commission, including registration statements and tender offer statements.⁶⁴ We believe that requiring contact information will facilitate more timely communication between the Commission staff and filers, which will benefit filers, as it will facilitate communication with the Commission staff member reviewing the filings.

We are also proposing certain amendments that are technical in nature, including removal of obsolete references to the mailing of sets of materials to the staff of the Commission and correction of certain typographical errors, that are not necessarily related to our other proposed amendments.⁶⁵

The table below describes each of our conforming amendments to rules and forms in response to the proposed amendments discussed herein.⁶⁶

BILLING CODE 8011-01-P

regarding householding, pursuant to which a registrant currently must disclose “the phone number and mailing address to which a security holder can direct a notification to the registrant that the security holder wishes to receive a separate annual report to security holders, proxy statement, or Notice of Internet Availability of Proxy Materials, as applicable, in the future.” We are proposing to change “mailing address” to “address,” to reflect that the registrant may disclose an electronic mail address. We are also proposing a parallel amendment to Item 5(c) of Schedule 14C.

⁶⁴ See, e.g., Form S–1, S–3, S–4, and S–8, as well as 17 CFR 240.14d–100 (Schedule TO) and 17 CFR 240.14d–101 (Schedule 14D–9).

⁶⁵ The Commission recently proposed and is concurrently proposing amendments to certain proxy rules in other Commission proposing releases. See *Electronic Delivery of Information Under the Federal Securities Laws*, Release No. 33–11430 (July 16, 2026) [91 FR 45884 (July 21, 2026)]; *Rescission of Rule 14a–8’s Federal Regulation of Shareholder Proposals and Amendments to Rule 14a–4*, Release No. 34–106383 (September 16, 2026) [91 FR 106383 (September 16, 2026)] (“Rule 14a–8 Proposal”). The discussion in section II of the amendments we are proposing in this release does not reflect the amendments to certain proxy rules proposed in other Commission releases because they have not been adopted. Similarly, the text of proposed amendments set forth in this release does not reflect the amendments to certain proxy rules proposed in other Commission releases because they have not been adopted.

⁶⁶ Amendments recently proposed in other Commission proposing releases, such as *Registered Offering Reform*, Release No. 33–11418 (May 19, 2026) [91 FR 31022 (May 26, 2026)], if adopted, may render moot proposed amendments in this table and the following table.

Topic	Commission Disclosure Requirement(s)	Proposed Conforming Amendment(s)
Elimination of Requirement to Deliver Annual Report to Security Holders	• Rule 14c-7(a)(1)(i)(B), (a)(1)(ii)(A), (a)(4), (a)(5), (c), and (d) • Rule 14a-13(a)(1)(i)(B), (a)(1)(ii)(A), (a)(4), (a)(5), (c), and (d), and note 2 and note 3 to Rule 14a-13(a) • Item 23, 23(a), (b), (c), and (d) of Schedule 14A • Item 5 and 5(a), (b), (c), and (d) of Schedule 14C • Rule 30-1(f)(18)(ii) • Instruction 3 to Item 304 of Regulation S-K • Rule 158(a)(2)(i) and (b)(2) • Rule 428(b)(2)(i) • Rule 502(b)(2)(ii)(A) of Regulation D • Rule 101(a)(1)(iii) and (a)(1)(xxiv) of Regulation S-T • Rule 304(d) and (e) of Regulation S-T • Rule 3b-6(b)(1) and (b)(2) • Rule 175(b)(1) and (b)(2) • Rule 0-11(b)(1) and (b)(2) of the Trust Indenture Act • Rule 14a-12(c)(1) • Rule 14a-16(a)(1), (d)(8), (d)(10), (h)(2), (j)(1), (j)(2) and (n)(1)(ii) • Rule 14c-2(a)(2)(ii) • Rule 14b-1(b)(1)(ii), (b)(2), (c)(1)(i), (c)(2)(ii), (c)(3), (d)(5), (d)(5)(i)(A), (d)(5)(i)(B), and note to paragraph (b)(2) • Rule 14b-2(b)(1)(ii)(B), (b)(3), (c)(1)(i), (c)(2)(ii), (c)(4), (d)(5), (d)(5)(i)(A), (d)(5)(i)(B), note 2 to paragraph (a), and note to paragraph (b)(3) • Rule 14d-5(g)(2)(i) • General Instructions G and H to Form 10-K and Items 8 and 15 of Form 10-K • Item 11(a) of Form S-3 • General Instruction G, Items 10(a), 12(b)(2), 12(c)(3), and 17(b) of Form S-4	Revise to eliminate references to the required furnishing and/or delivery of annual reports to security holders and renumber rules accordingly.

Topic	Commission Disclosure Requirement(s)	Proposed Conforming Amendment(s)
	New Note F to Schedule 14A	Relocate requirement currently in Rule 14a-3(b)(10), regarding requirement for registrants other than registered investment companies to provide, upon request, a Form 10-K to each person to whom a proxy statement is delivered. ⁶⁷
Elimination of Requirement to Submit Notice of Exempt Solicitation	Rule 14a-2(b)	Revise to eliminate reference to Rule 14a-6(g).
	Rule 101(a)(1)(xxv) of Regulation S-T	Revise to eliminate reference to the required submission of Notices of Exempt Solicitation.

The table below describes each of the non-substantive, technical amendments

proposed in connection with the proposed amendments.

⁶⁷ We propose to exempt registered investment companies from this requirement as those

registrants are not subject to Rule 14a-3(b)(10). See Item 22(a)(3)(iii) of Schedule 14A.

Commission Disclosure Requirement(s)	Proposed Technical Amendment(s)
Rule 14a-2(b)	Remove outdated reference to rescinded Rule 14a-6(p)
Rule 14a-3(b)	Replace “shall” with “must”
Rule 14c-3(b)	
Rule 14a-3(b)(2)(ii)	Replace “issuers” with “registrants”
Rule 14a-3(e)(2)	Revise lettering and numbering in provision for clarity
Rule 14a-6	Remove outdated references to the filing of multiple physical copies of materials with the Commission
Rule 14a-12	
Instruction 3 to Item 10 of Schedule 14A	
Rule 14c-7(b)(2)	Correct the misspelling of “registant’s” by changing it to “registrant’s”
Schedule 14A	Correct a cross-reference within a checkbox on the cover page from referencing “Item 25(b)” to instead reference “Item 25(c)”
Schedule 14C	
Schedule 14A	Correct typographical error by replacing “Item 7will” with “Item 7 will”
Rule 14a-9	Remove outdated reference to vacated Rule 14a-11 by removing “the Federal proxy rules.”
Rule 14b-1(b)(1)	Correct the misspelling of “indicting” to “indicating”
Form S-4	Correct the misspelling of “Hold” to “Holding” and typographical error by replacing “see § 240.15-01 (Rule 15-01 of Regulation S-X)” with “see § 210.15-01 (Rule 15-01 of Regulation S-X)”

BILLING CODE 8011-01-C

Request for Comment

19. Should we make these conforming and technical amendments as proposed?

F. General Request for Comment

We request and encourage any interested person to submit comments on any aspect of the proposed amendments, other matters that might have an impact on the proposed amendments, and any suggestions for additional changes. With respect to any comments, we note that they are of greatest assistance if accompanied by supporting data and analysis of the issues addressed in those comments and by alternatives to our proposals where appropriate.

III. Other Matters

This action is a significant regulatory action under section 3(f) of Executive Order 12866 and has been reviewed by the Office of Management and Budget, consistent with Executive Order 14215. This action, if finalized as proposed, is expected to be an Executive Order 14192 deregulatory action.

IV. Economic Analysis

We are mindful of the costs imposed by, and the benefits obtained from, our rules. Securities Act section 2(b)⁶⁸ and Exchange Act section 3(f)⁶⁹ require us, when engaging in rulemaking that requires us to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action would promote efficiency, competition, and capital formation. In addition, Exchange Act section 23(a)(2) requires the Commission to consider the effects on competition of any rules that the Commission adopts under the Exchange Act and prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.⁷⁰

The proposed amendments are intended to modernize certain rules related to proxy solicitations by updating requirements whose original rationale has been substantially displaced by technological

developments, such as the establishment of EDGAR and the widespread adoption of the internet and electronic communications. As discussed in section II, multiple rules we propose to amend were adopted decades ago to address specific informational and coordination problems arising from the paper-based delivery system then in use. Since the adoption of these requirements, the Commission established EDGAR, which makes virtually all disclosure documents publicly available without charge, and electronic delivery has become the predominant means by which registrants communicate with shareholders. These developments have changed the informational environment in which the existing requirements operate. In some instances, technological developments have rendered these requirements redundant while they continue to impose compliance costs on registrants; in others, the requirements have come to be used in ways that diverge from their original purpose and generate unintended consequences.

In this context, the proposed amendments respond to four identifiable inefficiencies in the current

⁶⁸ 15 U.S.C. 77b(b).

⁶⁹ 15 U.S.C. 78c(f).

⁷⁰ 15 U.S.C. 78w(a)(2).

regulatory framework. First, as discussed in section II.A, Rule 14a–3(b) was adopted to provide shareholders with financial information about the registrant prior to their voting in a director election. The annual report required by the rule now substantially overlaps with the Form 10–K, which registrants also must file on EDGAR. That overlap has increased as many registrants currently elect to deliver an integrated report (*i.e.*, a Form 10–K prepared on an integrated basis and delivered to shareholders in fulfillment of the annual report requirement) or a Form 10–K wrap in lieu of a traditional “glossy” annual report. The only substantive disclosures currently required in the annual report but not in the Form 10–K are the stock performance graph required by Item 201(e) of Regulation S–K—which provides information about stock performance that is widely and freely available through online sources—and disclosures concerning changes in certifying accountants required by Item 304(a) of Regulation S–K, which are also required on Form 8–K. The proposed amendment would eliminate this duplication by removing the requirement to deliver an annual report to security holders and allowing a registrant to satisfy Rule 14a–3(b) obligations through a previously filed Form 10–K, while retaining the option to furnish a separate annual report to security holders on EDGAR.

Second, as discussed in section II.B, Note D.3 to Schedule 14A and parallel requirements in Form S–4 and Form F–4 were adopted to give shareholders sufficient time to obtain and review documents incorporated by reference before a meeting or vote. These documents are now publicly available on EDGAR and accessible through hyperlinks in the incorporating filing. The original delivery concern has therefore been substantially mitigated, while the 20-business-day requirement continues to impose delays, costs, and uncertainty on registrants and transaction counterparties.

Third, as discussed in section II.C, Rule 14a–6(g) was adopted to provide public visibility into written, non-public exempt solicitations by large shareholders (*i.e.*, those beneficially owning more than \$5 million of securities). In recent years, however, most Notices of Exempt Solicitation appear to have been submitted voluntarily, either by shareholders below the ownership threshold or to reproduce information already publicly available, such as press releases. These voluntary submissions allow shareholders to disseminate their views

prominently and at a low cost through EDGAR, even though EDGAR was not designed for that purpose and Rule 14a–6(g) was not intended to create a general communications platform. Registrants also may learn of exempt solicitations through public announcements and press releases rather than through EDGAR filings, which may reduce the incremental role of Rule 14a–6(g) in alerting registrants to relevant exempt written solicitations.

Fourth, as discussed in section II.D, Rule 14a–13’s 20-business-day minimum broker search period was adopted to accommodate delays in the paper-based, multi-step process for distributing proxy materials to beneficial owners. Technological advancements have substantially shortened that process, and the Commission understands that broker searches can now often be completed in as few as three days. The existing minimum period may therefore create unnecessary delay and uncertainty for registrants and their counterparties without remaining necessary to ensure timely delivery of proxy materials. The minimum period also determines how long information about an upcoming record date circulates among intermediaries and before public disclosure in the registrant’s definitive proxy statement. Shortening that interval may reduce the opportunity for certain market participants, including dissident shareholders and certain broker-clients, to obtain and act on record-date information before public disclosure. It may also reduce the time available for institutions that learn of the record date through the broker search process to recall loaned shares in order to vote.

In each case, the proposed amendments would update the regulatory framework to reflect current technology and market practices and reduce compliance costs associated with requirements whose original rationale has been substantially displaced by technological developments. We consider below the potential benefits and costs of the proposed rules and their likely effects on efficiency, competition, and capital formation. Many of the benefits and costs are difficult to quantify or estimate with any degree of certainty. Where we are unable to quantify the economic effects of the proposal, we provide a qualitative assessment of the potential effects and encourage commenters to provide data and information that would help quantify the benefits and costs of the proposed rules, and the potential impacts of the proposed rules on

efficiency, competition, and capital formation.

A. Economic Baseline

The baseline against which we measure the benefits, costs, and effects on efficiency, competition, and capital formation of the proposed amendments consists of the current regulatory framework and the current practices for proxy solicitations.⁷¹

1. Regulatory Baseline

a. Current Regulatory Framework

Rule 14a–3(b) requires that, if a proxy solicitation relates to an annual meeting of shareholders, a special meeting in lieu of an annual meeting, or written consent in lieu of such meeting, at which directors are to be elected, the proxy statement be accompanied or preceded by an annual report to security holders.⁷² The annual report is intended to provide information for evaluating the registrant’s operations and financial condition in a readable narrative and generally avoids legalistic and technical terminology. The annual report to security holders includes information about, among other matters, financial statements, management’s discussion and analysis of financial condition and results of operations, business and segment information, information about directors and officers, and information about the market price of and dividends on the registrant’s common equity.⁷³ Most of this information is also required in the Form 10–K. The principal disclosures required in the Rule 14a–3(b) annual report but not in the Form 10–K include: (i) the stock performance graph required by Item 201(e) of Regulation S–K, which many registrants voluntarily include in the Form 10–K; and (ii) disclosure required by Item 304(a) of Regulation S–K regarding a change in a registrant’s certifying accountant, which registrants disclose pursuant to Item 4.01 of Form 8–K.⁷⁴

⁷¹ See, e.g., *Nasdaq Stock Mkt. LLC v. SEC*, 34 F.4th 1105, 1111–14 (D.C. Cir. 2022). This approach also follows SEC staff guidance on economic analysis for rulemaking. See SEC Staff, *Current Guidance on Economic Analysis in SEC Rulemakings* (Mar. 16, 2012), available at https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf (“The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action.”); *id.* at 7 (“The baseline includes both the economic attributes of the relevant market and the existing regulatory structure”).

⁷² See *supra* note 10.

⁷³ See 17 CFR 240.14a–3(b).

⁷⁴ See *supra* note 15.

Note D.3 to Schedule 14A requires registrants to send their proxy statements to shareholders no later than 20 business days prior to the shareholder meeting when documents are incorporated by reference. Forms S-4 and F-4 impose a similar 20-business-day minimum when a prospectus incorporating by reference information about the registrant or the company being acquired is sent to shareholders prior to a shareholder meeting.⁷⁵

Rule 14a-2(b)(1) exempts from most Federal proxy regulations “[a]ny solicitation by or on behalf of any person who does not, at any time during such solicitation, seek directly or indirectly, either on its own or another’s behalf, the power to act as proxy for a security holder and does not furnish or otherwise request, or act on behalf of a person who furnishes or requests, a form of revocation, abstention, consent or authorization.”⁷⁶ Rule 14a-6(g) sets forth a notice requirement for an exempt solicitation conducted under Rule 14a-2(b)(1) if it is (i) conducted by a large shareholder, (ii) in writing, and (iii) not already publicly available.

This framework allows shareholders to communicate their views without the requirement to comply with many of the preparation, filing, and delivery requirements that apply to other solicitations. In practice, shareholders have used exempt solicitations as a relatively quick and lower-cost means of publicizing their views. One study shows that exempt solicitations may be used by shareholders to support shareholder proposals.⁷⁷ Notices of Exempt Solicitation submitted through EDGAR may also inform registrants about shareholder concerns and assist them in responding. The Commission lacks data on the extent to which registrants rely on these submissions, rather than on other channels, to learn of exempt solicitations.

Rule 14a-13 requires registrants to ask record holders how many copies of proxy materials they will need to forward to beneficial owners.⁷⁸ Since the 1986 Amendments, registrants have been required to make that inquiry at least 20 business days prior to the

record date.⁷⁹ This requirement was intended to accommodate the multiple steps then necessary to transmit paper proxy materials through intermediaries to beneficial owners.⁸⁰

Electronic record keeping and communications have substantially accelerated this process. Widespread adoption of the internet and related digital communication tools have led to significantly more efficient coordination among the intermediaries involved in the broker search process.⁸¹ Under Rule 14b-1(b)(1), a broker or dealer must respond within seven business days with the approximate number of customers that beneficially own the registrant’s securities. Under Rule 14b-2(b), a bank or other intermediary must respond within one business day with the names and addresses of any respondent banks and within seven business days with the approximate number of beneficial-owner customers. If securities are held through multiple respondent banks, the registrant’s inquiry may proceed through successive intermediaries, each subject to its own response period. Rules 14b-1 and 14b-2 also require intermediaries to forward proxy materials to beneficial owners after receiving them from the registrant. Under the current 20-business-day minimum, these responses are generally due before the record date. The Commission understands that the broker search can now often be completed in as few as three days.⁸²

b. Other Proposed Commission Rulemakings

Concurrently with the proposed amendments outlined in this release, the Commission is separately proposing to rescind Rule 14a-8 under the Exchange Act, which governs when a company must include a proposal submitted by a shareholder in the company’s proxy materials for the purposes of voting at shareholder meetings.⁸³ In the same proposal, the

Commission is proposing to amend Rule 14a-4(c) under the Exchange Act, which addresses a proxy holder’s discretionary authority to vote on behalf of a shareholder with respect to a matter that is not included in the proxy materials.⁸⁴ If adopted as proposed, (i) rescinding Rule 14a-8 would leave determinations about the role of shareholder proposals to State law and company governing documents and (ii) amending Rule 14a-4(c) would provide companies with greater flexibility, and shareholders with greater control, regarding companies’ use of discretionary voting authority for proposals that companies receive outside the Rule 14a-8 process.⁸⁵

2. Affected Entities

The proposed amendments could affect all registrants subject to the Federal proxy rules. These include registrants with a class of equity securities registered under section 12 of the Exchange Act⁸⁶ and certain non-section 12 registered companies that voluntarily file proxy materials. Additionally, 17 CFR 270.20a-1 (“Rule 20a-1”) conditions the solicitation of any proxy, consent, or authorization with respect to the securities of a registered investment company upon compliance with the Federal proxy rules that would be applicable to that solicitation if it were made in respect to a security registered pursuant to section 12.⁸⁷

As of December 31, 2025, we estimate that 5,357 companies had a class of securities registered under section 12, including 142 BDCs.⁸⁸ Of the 5,357

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ We are not aware of any asset-backed issuers that have a class of equity securities registered under section 12 of the Exchange Act. Most asset-backed issuers are registered under section 15(d) of the Exchange Act and thus are not subject to the Federal proxy rules with respect to solicitations of their own security holders. 20 asset-backed issuers had a class of debt securities registered under section 12 of the Exchange Act as of December 2025. Because such securities are non-voting, they are not subject to the Federal proxy rules. Foreign private issuers are not subject to the Federal proxy rules with respect to solicitations of their own security holders pursuant to 17 CFR 240.3a12-3(b).

⁸⁷ Rule 20a-1 under the Investment Company Act requires registered investment companies to comply with regulations adopted pursuant to section 14(a) of the Exchange Act (15 U.S.C. 78n(a)) that would be applicable to a proxy solicitation if it were made in respect of a security registered pursuant to section 12 of the Exchange Act.

⁸⁸ This figure is an upper-bound estimate because some of these companies may not file proxy materials. We estimate the number of companies other than asset-backed securities issuers and registered investment companies with a class of securities registered under section 12 of the Exchange Act by reviewing all filers, by unique

⁷⁵ See General Instruction A.2. to Form S-4 and General Instruction A.2. to Form F-4.

⁷⁶ 17 CFR 240.14a-2(b)(1).

⁷⁷ Dipesh Bhattarai et al., *Is There Power Outside the Proxy? Evidence From Exempt Solicitations*, unpublished working paper (2026), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4239979 (“Bhattarai study”) (indicating that approximately 50% of exempt solicitations are related to shareholder proposals).

⁷⁸ See *supra* note 51 for information about inquiries through search cards.

⁷⁹ If making the inquiry 20 business days prior to the record date of a special meeting is impracticable, then the search must be completed as many days before the record date of the special meeting as is practicable. See 17 CFR 240.14a-13(a)(3)(i).

⁸⁰ See *supra* note 53.

⁸¹ We understand that registrants commonly use proxy-service providers to conduct broker searches electronically, and to support the digital distribution, and tracking of proxy materials. See e.g., *Concept Release on the U.S. Proxy System*, Release No. 34-62495 (July 14, 2010) [75 FR 42982, 42986-89 (July 22, 2010)] (describing the role of intermediaries, including proxy service providers, in the distribution and processing of proxy materials to beneficial owners).

⁸² See *supra* section II.B.2 for information about broker search duration. See also *supra* note 57.

⁸³ See Rule 14a-8 Proposal.

potentially affected companies, 4,527, or 85 percent, filed proxy materials with the Commission during calendar year 2025.⁸⁹ An additional 74 companies filed proxy materials voluntarily in calendar year 2025.⁹⁰

As of December 31, 2025, 2,720 registered investment companies were subject to the Federal proxy rules. These registered investment companies were associated with the following funds: (i) 12,710 open-end funds, out of which 4,194 were exchange-traded funds (“ETFs”) registered as open-end funds or open-end funds that had an ETF share class; (ii) 707 closed-end funds; (iii) 15 variable annuity separate accounts registered as management investment companies; (iv) 414 variable annuity separate accounts registered as unit investment trusts; (v) 239 variable insurance contracts registered as unit investment trusts; (vi) 40 other unit investment trusts; and (vii) two face-amount certificate companies.⁹¹ Out of the 2,720 potentially registered investment companies mentioned above, 816 (30 percent) filed proxy materials with the Commission during calendar year 2025.

The proposed rescission of Rule 14a–6(g) would also affect shareholders that submit Notices of Exempt Solicitation.

Central Index Key (CIK), of Forms 10–K and amendments thereto filed during calendar year 2025. BDCs are a category of closed-end investment companies that are not registered under the Investment Company Act. 15 U.S.C. 80a–2(a)(48).

⁸⁹ The proxy materials we consider in our analysis are materials filed via EDGAR under submission types DEF 14A, DEF 14C, DEFA14A, DEFC14A, DEFM14A, DEFM14C, DEFR14A, DEFR14C, DFAN14A, PRE 14A, PRE 14C, PRER14A, PREM14A, PREM14C, PRER14A, PRER14C, N–14, S–4, and F–4. Forms N–14, S–4, and F–4 can be a registration statement and/or proxy statement. For purposes of this economic analysis, we have reviewed all Forms N–14, S–4, and F–4 filed during calendar year 2025 with the Commission and excluded from our estimates above Forms N–14, S–4, and F–4 that are exclusively registration statements.

⁹⁰ We identify companies that voluntarily file proxy materials as companies reporting pursuant to section 15(d) of the Exchange Act but not registered under section 12(b) or section 12(g) of the Exchange Act, and foreign private issuers that filed any proxy materials during calendar year 2025 with the Commission.

⁹¹ We estimated the number of unique registered investment companies by reviewing all Forms N–CEN data for the reporting period ending December 2025 with filings received through March 31, 2026. Open-end funds are series of trusts registered on Form N–1A. Closed-end funds are registered on Form N–2. Variable annuity separate accounts registered as management companies are trusts registered on Form N–3. Variable annuity separate accounts registered as unit investment trusts are registered on Form N–4. Variable insurance contracts registered as unit investment trusts are registered on Form N–6. All other unit investment trusts in this time frame are registered on Form N–8B–2. Face-amount certificates were found on Form 10–K by manually reviewing non-BDC investment companies.

From 1997 to 2025, 311 unique filers submitted 3,376 notices of exempt solicitation under submission type PX14A6G concerning 751 unique registrants. One study of PX14A6G submissions from 1997 through 2019 found that approximately 75 percent were made within 30 days prior to the meeting date.⁹² Most of the filings were made by one of three categories of shareholders: public pension funds (38.1 percent), union funds (24.9 percent), and hedge funds and institutional investors (22.5 percent).⁹³

The proposed amendments to Rule 14a–13 could also affect participants in securities lending markets—including short sellers, lenders of shares, and broker-dealers that facilitate share lending and borrowing transactions—by shortening the minimum broker search period. Short sellers generally transact through introducing broker-dealers. We estimate that there were 614 introducing broker-dealers that originated short-sale trades in equities in 2025.⁹⁴ Additionally, introducing broker-dealers usually rely on a clearing/carrying broker-dealer to do the borrowing of shares. There were 201 clearing/carrying broker-dealers in 2025.⁹⁵ In 2025, there were 9,989 unique tickers of U.S. common stocks that were subject to stock lending.⁹⁶

B. Economic Effects of Individual Provisions

The proposed amendments would generate economic effects for registrants and investors. We analyze below the likely benefits and costs of the individual provisions of the proposed rules for investors and registrants.

⁹² See Bhattarai study *supra* note 77. According to this study, approximately 36.3% of the exempt solicitation filings solicited against management-sponsored directors, 29.3% solicited for shareholder board-related proposals, such as separating the role of CEO and Chair of the board, and 9.8% solicited for shareholder-sponsored compensation proposals.

⁹³ Bhattarai study *supra* note 77.

⁹⁴ This is the number of unique broker-dealers that originated a short-sale order that ultimately executed in a non-OTC or OTC equity market during 2025, according to Consolidated Audit Trail (“CAT”) data. From all top-of-lifecycle CAT records for short sales, we retain those orders that ultimately executed and count the number of unique broker-dealers associated with those original orders.

⁹⁵ Using data in Forms X–17A–5 (also known as “FOCUS reports”), we calculate this by counting the number of broker-dealers that answered yes to either “Respondent carries its own public customer accounts” or “Respondent clears its public customer and/or proprietary accounts” on the year-end 2025 FOCUS report.

⁹⁶ Using security lending data from DataLend, we count the number of unique tickers of common shares lent out from January 1, 2025, to December 31, 2025.

1. Benefits and Costs of the Proposed Elimination of Requirement To Deliver Annual Report to Security Holders

As described in section II.A, the proposed amendments to Rule 14a–3 would eliminate the current delivery requirement for annual reports to security holders and, for registrants that have a Form 10–K already on file for their most recent fiscal year, would eliminate altogether the need to comply with the separate annual report disclosure requirements in Rule 14a–3. Registrants that do not have a Form 10–K on file would satisfy their Rule 14a–3(b) obligation by furnishing an annual report to security holders on EDGAR, without the need to deliver such report to security holders.

Based on staff analysis, in calendar year 2025, registrants submitted 3,157 annual reports to security holders. We estimate that 90 percent of registrants filing proxy statements on Schedule 14A and information statements on Schedule 14C would rely on a previously filed Form 10–K.⁹⁷ Under that assumption, 2,841 respondents would avoid a total of approximately \$3.5 million in aggregate compliance costs.⁹⁸ The estimated aggregate cost reduction would differ proportionally if a different share of registrants elects this option. For example, if only 70 percent of registrants elected to rely on a previously filed Form 10–K, approximately 2,210 respondents would avoid compliance costs, resulting in an estimated aggregate cost reduction of

⁹⁷ This estimate is based on the current prevalence of Form 10–K and Form 10–K wrap filings among registrants that currently submit annual reports to security holders, as discussed in section II.A, which suggests that the vast majority of registrants already treat the Form 10–K as the primary vehicle for satisfying their Rule 14a–3(b) requirements. See *supra* section II.A.2 for information about how registrants satisfy the requirements of Rule 14a–3(b).

⁹⁸ We estimate the average cost savings per unit of annual report to security holders submission to be approximately \$1,237.50. We estimate the aggregate cost savings to be \$3,479,850 for 2,812 annual reports to security holders related to proxy statements on Schedule 14A and \$35,887 for 29 annual reports to security holders related to information statements on Schedule 14C. See *infra* section IV.B.7, Aggregate Monetized Benefits and Costs; *infra* note 175; *infra* Economic Analysis Table 1 for information about the calculation of aggregate monetized benefits. These estimates represent averages that reflect the variety of ways registrants currently satisfy the requirements of Rule 14a–3, whether by sending a Form 10–K, a Form 10–K wrap, or a separately produced annual report to security holders. Accordingly, we estimate the aggregate cost savings for all 2,841 (2,812 + 29) annual reports to security holders to be \$3,515,737 (\$3,479,850 + \$35,887). When divided by the 2,841 annual reports to security holders, this would result in an average cost savings of approximately \$1,237.50 per unit.

approximately \$2.7 million.⁹⁹ Conversely, if 100 percent of eligible registrants elected this option, all 3,157 respondents would avoid such costs, yielding an estimated aggregate cost reduction of approximately \$3.9 million.¹⁰⁰

For registrants opting to satisfy the requirements of Rule 14a–3(b) by the submission of an annual report to security holders on EDGAR, the proposed amendment would also eliminate the cost of delivering such report to shareholders.¹⁰¹ The extent to which these delivery costs are significant would vary across registrants depending on their size, shareholder base, and current delivery practices.¹⁰² While we expect there to be little marginal cost to delivering the annual report, the Commission lacks comprehensive data on current delivery costs for these registrants and invites commenters to provide data on their magnitude.¹⁰³

The proposed amendments would separately eliminate the stock performance graph required by Item 201(e) of Regulation S–K for all registrants other than investment companies,¹⁰⁴ regardless of whether

such registrants rely on a previously filed Form 10–K or an annual report furnished on EDGAR. As discussed in section II.A, the stock performance graph compares the registrant's cumulative total shareholder return with relevant indices over a five-year period. Since the requirement was adopted in 1992, comparable stock performance information has become readily accessible to investors through online sources, reducing the incremental value of the mandatory graph.¹⁰⁵ We estimate that eliminating the requirement would reduce the aggregate compliance costs by \$3.9 million.¹⁰⁶ The proposed amendments would preserve the stock performance graph requirement only for investment companies (specifically, BDCs and face-amount certificate companies) and require these investment companies to place the graph in a Form 10–K rather than an annual report to security holders. We estimate the cost associated with this change for investment companies to be approximately \$64,000.¹⁰⁷

While the proposed amendments would reduce compliance costs for registrants, they may also impose costs on investors, including retail investors, through three channels discussed below. First, the proposed amendment, together with conforming amendments to Rule 14a–16, could change how investors obtain the information contained in the annual report to security holders. The annual report

would no longer be required to be delivered to security holders; the registrant's proxy materials would no longer be required to explain how a security holder may request a copy of the annual report; the annual report would no longer be among the paper or electronic materials that registrants must provide to record holders and respondent banks upon request; and the annual report would no longer be part of the full set of proxy materials delivered to security holders under Rule 14a–16(n). Investors would instead obtain the registrant's Form 10–K, or an annual report furnished on EDGAR, directly from EDGAR.¹⁰⁸

As a result, the proposed amendments may increase search costs; however, we expect these to be modest for most investors. EDGAR filings are available without charge and contain search tools such that filings can be located by company name and/or submission type.¹⁰⁹ Registrant financial information is also widely available through financial-data providers, investor-relations websites, and brokerage platforms. The effect may be greater for security holders who currently rely on paper copies of proxy materials because the annual report would no longer be among the documents registrants are required to furnish. The Commission acknowledges uncertainty about the extent to which some investors are familiar with EDGAR and able to navigate it effectively, and on how many security holders request paper copies, and how much they rely on the annual report. We invite commenters to provide data on this question.

Second, investors may lose direct access through the annual report to certain information not required in the Form 10–K. Information about a change in a registrant's certifying accountant would remain available through disclosure under Item 4.01 of Form 8–K filed on EDGAR. Investors seeking the information currently presented in the Item 201(e) stock performance graph would instead need to rely on alternative sources, such as financial-data providers or registrant websites. In addition, annual reports may also include CEO shareholder letters, which can contain valuable information that may provide investors with additional perspective on the registrant's performance, strategy, or outlook. One

⁹⁹ We estimate this cost by multiplying the number of expected submissions, 2,210 (0.7 × 3,157), by the average cost savings per submission, \$1,237.50.

¹⁰⁰ We estimate this cost by multiplying the number of expected submissions, 3,157, by the average cost savings per submission, \$1,237.50.

¹⁰¹ *Id.*

¹⁰² Delivery costs under the current rule include printing, mailing, and related logistics costs for registrants that deliver annual reports in paper form, as well as costs associated with electronic delivery for registrants that have transitioned to electronic distribution. Recently, the Commission proposed Regulation E-Delivery, which if adopted as proposed, would permit covered entities to use electronic delivery as the default method of delivery to covered recipients, subject to certain conditions, while preserving the ability of covered recipients to receive paper copies of covered information, free of charge, upon request. See *Electronic Delivery of Information Under the Federal Securities Laws*, Release No. 33–11430 (July 16, 2026) [91 FR 45884 (July 21, 2026)]. If adopted as proposed, Regulation E-Delivery would generally supersede the Commission's existing electronic delivery framework, including the E-Delivery Guidance. See *supra* note 37.

¹⁰³ Delivery costs would depend on the proportion of a registrant's shareholders who have opted into electronic delivery, the number of shareholders requesting paper copies, and the per-unit cost of physical mailing and distribution, all of which are likely to vary with the size and composition of the registrant's shareholder base. See *infra* note 175. To the extent Regulation E-Delivery is adopted as proposed and registrants choose to rely on it to electronically deliver annual reports to shareholders under Rule 14a–3(b), the cost savings from printing and mailing anticipated under this proposal may be diminished for those registrants with respect to annual reports. See *id.*

¹⁰⁴ See *supra* section II.A.2 for information about requirements for investment companies to disclose the stock performance graph required in Item 201(e) of Regulation S–K.

¹⁰⁵ Several online platforms provide free, interactive tools that allow investors to chart and compare a company's total shareholder return against selected market indices, peer groups, or custom benchmarks over variable time horizons, offering greater flexibility than the static five-year comparison required by Item 201(e) of Regulation S–K. In addition, many brokerage platforms offer similar comparative charting tools to their account holders. See, e.g., Yahoo Finance, <https://finance.yahoo.com>; Total Real Returns, <https://totalrealreturns.com>; Morningstar, <https://www.morningstar.com>; and Nasdaq, <https://www.nasdaq.com>.

¹⁰⁶ See *infra* section IV.B.7. We estimate that approximately 3,157 respondents will no longer disclose the stock performance graph in an annual report to security holders. See *infra* notes 177 and 178; *infra* Economic Analysis Table 1 for information about aggregate monetized benefits of eliminating the requirement to disclose the stock performance graph for Schedule 14A and Schedule 14C respondents.

¹⁰⁷ Based on staff analysis, we estimate that 51 BDCs and no face-amount certificate companies would disclose a stock performance graph in a Form 10–K instead of an annual report to security holders. The staff understands that the cost estimation does not present an additional cost to BDCs because they currently but would no longer incur the same cost by disclosing a stock performance graph in an annual report to security holders. The proposed amendments would shift this cost from being incurred when preparing an annual report to security holders to when preparing a Form 10–K. See *infra* note 179.

¹⁰⁸ Many registrants also make their Form 10–K and annual report to security holders available directly on their investor relations websites, providing investors with an additional avenue of access.

¹⁰⁹ For example, EDGAR contains search tools that allow investors to search for filings by submission type (e.g., “10–K” or “ARS”).

study suggests that the information contained in CEO shareholder letters is used by investors to assess the quality of earnings and is associated with firm performance measures including sales growth, return on equity, and dividend changes.¹¹⁰ The magnitude of the cost of losing direct access to information would depend on the extent to which registrants continue to prepare and disseminate voluntary content, the availability, accessibility, and cost of alternative resources, which we expect to be modest given the ease of access to these materials through EDGAR and other public sources. We invite commenters to provide data or analysis on the prevalence of unique content in current annual reports, the extent to which registrants are likely to continue producing it voluntarily, and its value to investors.

Third, the Form 10-K may be less readable for some investors than a well-prepared annual report. As noted in section II.A, the Commission has historically encouraged registrants to deliver annual reports to security holders rather than Forms 10-K to disclose financial information in advance of annual meetings, in part because annual reports to security holders may present financial and operational information in a more accessible format and with less technical language.

The magnitude of the costs and benefits discussed above for each registrant and its shareholders would likely be greater for registrants that currently satisfy the requirements of Rule 14a-3 by sending a separate annual report to security holders and lower for registrants who send a Form 10-K wrap or Form 10-K.¹¹¹

¹¹⁰ See Eric Abraham and Eli Amir, *The Information Content of the President's Letter to Shareholders*, 23, J. Bus. Fin. & Acc. 1157 (1996), available at: <https://research.ebsco.com/c/4jkwrc/search/details/gdswbongmf/details?db=eoh&limiters=None&q=information+content+presidents+letter&searchMode=all>.

¹¹¹ We estimate that approximately 12% of filings are likely to represent separately produced annual reports, 77% are likely to represent Form 10-K or Form 10-K wraps, and approximately 11% of filings are unspecified. This estimate should be interpreted as indicative rather than precise, given the reliance on rule-based phrase matching in textual analysis, which may not fully capture the range of language variations or contextual nuances present across individual filings. We derived this estimate by reviewing DEF 14A proxy statements filed in EDGAR in 2025, restricting the sample to filings containing the phrase "annual report" (case-insensitive). We then applied a set of regular-expression-based phrase matches to classify each filing's disclosure language regarding whether the annual report was prepared as a document separate from the Form 10-K, or "wrapped" with (i.e., incorporated into) the Form 10-K. Based on the phrase matching results, we categorized registrants into those who furnish a separately produced

2. Benefits and Costs of the Proposed Elimination of the Delivery Deadline When Documents Are Incorporated by Reference Into the Proxy Statement

As described in section II.B, the proposed amendments would eliminate Note D.3 to Schedule 14A and the corresponding minimum 20-business-day period requirements in Forms S-4 and F-4, which were adopted to ensure timely delivery of incorporated documents to security holders prior to a meeting or vote. Since the adoption of these requirements, however, EDGAR has been established and nearly all disclosure documents are now required to be filed on EDGAR, making them publicly available without charge.¹¹² The proposed amendments would generate potential benefits for registrants and their counterparties across all three affected documents. Removing the minimum 20-business-day period for sending proxy materials and prospectuses would reduce delays that may result from the current waiting period, during which external issues (e.g., market volatility or regulatory changes) may arise and increase the costs or risks associated with delays. Mitigating such delays could lower costs for registrants and their counterparties and decrease uncertainty surrounding the timing and execution of a pending transaction or other corporate action. For example, for Form S-4 and Form F-4, where the minimum period most commonly applies in the context of a shareholder meeting to vote on a business combination transaction, a shorter minimum period could reduce the likelihood of market movement that affects the offer price or of a new bidder emerging during such period, thus lessening any uncertainty surrounding

annual report, or those who use Form 10-K, Form 10-K wrap and those unspecified. We classified as separate-annual-report if the analysis found phrases such as "separate annual report," "annual report is enclosed," "mailed annual report," "printed annual report," "annual report will be sent," "annual report furnished," "annual report provided separately," and "copy of the annual report." We classified as Form 10-K or Form 10-K wrap if the analysis found phrases such as "annual report on Form 10-K," "included in [this/the] Form 10-K," "part of our Form 10-K," "we do not produce a separate annual report," and "annual report contained in." We separately obtained CIK numbers for ARS (Annual Report to Security Holders) submissions from EDGAR and matched them against the CIKs identified in our proxy statement analysis, yielding 2,690 matched CIKs. The number of matched CIKs is smaller than the total population of CIKs associated with filed ARS forms, as our matching procedure was limited to CIKs identified through the proxy statement text analysis; consequently, our estimates may not be fully representative of all ARS filers.

¹¹² See *supra* section II.B.2 for more information about the 20-business-day requirement and EDGAR availability of documents incorporated by reference in Forms S-4 and F-4.

whether and when the transaction will be completed.¹¹³

Benefits from eliminating the Note D.3 requirement would also arise in the context of routine annual meeting proxy statements and other corporate actions in which documents are incorporated by reference, though the magnitude of those benefits may be smaller than in the transaction context. The Commission lacks data with which to quantify these benefits, which would depend on the frequency and nature of transactions and other corporate actions subject to the current requirements, the magnitude of delays and associated costs attributable to the current minimum period, the extent to which investors use the full 20-business-day period to request, receive, and review incorporated documents before voting, and the extent to which affected registrants currently manage timing risk through other means.

The proposed amendments may impose costs on investors through three channels. First, eliminating the minimum 20-business-day period would permit registrants to shorten the period shareholders may request, receive, and review a copy of documents incorporated by reference into the proxy statement. A shorter period could reduce the quality of voting decisions if investors have insufficient time to locate (or request and receive from the registrant), review, and understand the incorporated information.¹¹⁴ This cost may be greater for retail investors, who may require more time to evaluate the information than institutional investors. The extent to which this cost is significant would depend on the extent to which investors use the full 20-business-day period to review incorporated documents before voting. To the extent that EDGAR availability and electronic delivery serve as functional substitutes for the delivery that the 20-business-day period was designed to facilitate, the investor protection cost of eliminating the minimum period requirement is mitigated.

¹¹³ Any realized effects would also be transaction-specific factors and could depend on factors such as the extent of pre-signing market checks or go-shop provisions, the likelihood of a competing bid, and the size and characteristics of the target.

¹¹⁴ The Commission acknowledges that the proposed amendments could increase the risk that proxy statements are delivered closer to the shareholder meeting date. However, because the timing of proxy statement delivery is likely to be driven primarily by other factors, including state law requirements and considerations, transaction-specific timelines, and the time needed to solicit sufficient support for any proposals, the Commission does not expect this risk to be a meaningful concern in practice.

Second, the proposed amendments may increase search costs for some retail investors, because they would need to locate information incorporated by reference in the registrant's proxy statement on EDGAR, unless they request a copy of the incorporated information from the registrant.¹¹⁵ This cost would fall primarily on investors who currently rely on the delivery process to obtain incorporated documents, rather than accessing them independently, and who may be less familiar with navigating EDGAR. Factors that may limit the magnitude of these search costs include the public availability of incorporated documents on EDGAR without charge, the inclusion of active hyperlinks to incorporated documents in the submission, the ability of registrants to provide incorporated documents electronically upon request, and technological developments that have facilitated widespread access to issuer information.¹¹⁶ Because EDGAR has been in place for over 30 years and nearly all disclosure documents are now required to be filed on EDGAR, EDGAR availability and electronic delivery now serve as functional substitutes.

Third, the proposed amendments may impose costs for shareholders in the merger and business combination context. Shareholders voting on a merger or business combination registered on a Form S-4 or Form F-4 registration statement may have less time to review financial statements and other information about the registrant and the company being acquired that is incorporated by reference into the form. The magnitude of this cost would depend on the extent to which shareholders are able to access incorporated documents on EDGAR, or request and receive incorporated documents from the registrant, promptly and the complexity of the information incorporated by reference in a given transaction.

3. Benefits and Costs of Proposed Elimination of Requirement To Submit Notice of Exempt Solicitation

As described in section II.C, the proposed amendments would rescind Rule 14a-6(g), eliminating the requirement for large shareholders to submit Notices of Exempt Solicitation on EDGAR.

¹¹⁵ See *supra* section II.B.2 for more information about different channels through which investors may access a copy of incorporated information from the registrant.

¹¹⁶ See *supra* section II.B.2 for a discussion about how technological developments have facilitated widespread access to issuer information. See also *supra* note 37.

The proposed amendments would create benefits for large shareholders by reducing compliance burdens. Such large shareholders would no longer need to submit their exempt written soliciting material on EDGAR. Large shareholders would also no longer need to determine whether they beneficially own securities with a market value over \$5 million or whether their exempt solicitations are already public. Based on the most recent number of Notices of Exempt Solicitation submissions, we assume that the average number of submissions that would be made on an annual basis under Rule 14a-6(g) absent the proposed amendments is 286.¹¹⁷ This number includes both mandatory and voluntary submissions, and we include both in our estimate of aggregate compliance cost savings. As discussed in section II.C and the introductory part of section IV, the vast majority of Notice of Exempt Solicitation submissions appear to have been voluntary.¹¹⁸ While voluntary filers choose to incur compliance costs because they believe the benefits of submitting justify those costs, they nonetheless incur a cost.

We estimate that the aggregate annual compliance cost savings from eliminating the requirement to submit Notices of Exempt Solicitation is approximately \$280,000.¹¹⁹ Given the vast majority of current submissions appear to have been voluntary, and because the Division of Corporation Finance updated its guidance in January 2026 to state that staff will object to voluntary submissions of Notices of Exempt Solicitation,¹²⁰ the actual cost savings attributable to the proposed rescission may be lower than this estimate. To the extent that the total number of Notices of Exempt Solicitation submissions is lower than the assumed 286, the aggregate annual compliance cost savings from eliminating the requirement could be correspondingly lower than this estimate.

The proposed amendments would also reduce costs for registrants to the

extent that registrants currently expend resources responding to exempt solicitations and informing shareholders of their views on issues raised in those solicitations.¹²¹ However, to the extent that shareholders conducting exempt solicitations continue to broadcast their solicitation information outside EDGAR following the rescission of Rule 14a-6(g), this benefit would be largely offset, as registrants would continue to bear the cost of responding to publicly available solicitation information regardless of its source.

The proposed rulemaking may also generate some benefits for non-soliciting investors. The removal of Notices of Exempt Solicitations from registrants' EDGAR pages may simplify these pages and make it easier for investors to identify and access registrants' required filings and mandatory filings by third parties. The magnitude of this benefit would depend on the extent to which the current volume of Notice of Exempt Solicitation submissions impedes investors' ability to navigate registrants' EDGAR pages efficiently and the extent to which investors use EDGAR search functions to navigate to registrants' required filings and mandatory filings by third parties.¹²²

We expect that the proposed elimination of the requirement for large shareholders to submit a Notice of Exempt Solicitation would generate certain costs for both shareholders and registrants. Regarding shareholders, it would remove a cost-efficient vehicle for large shareholders to inform other shareholders about their exempt solicitations on issues up for a vote or other areas of concern they have related to the registrant. This cost is most directly applicable to large shareholders who beneficially own more than \$5 million of a registrant's securities and who conduct non-public written exempt solicitations—the population of filers for whom Rule 14a-6(g) was originally designed.¹²³ The rescission of Rule 14a-

¹¹⁷ See *infra* note 174. The 286 is the number of these submissions in 2025.

¹¹⁸ Approximately 80% of these submissions in 2025 were made voluntarily by filers who disclosed that they beneficially owned \$5 million or less of the class of subject securities and therefore were not subject to the mandatory submission requirement under Rule 14a-6(g). See *supra* note 42.

¹¹⁹ See *infra* section IV.B.7 for information about the aggregate monetized benefits of the proposed elimination of requirements to submit Notices of Exempt Solicitation.

¹²⁰ See *supra* note 48; *supra* section II.C.2 for a discussion about the Division of Corporation Finance updated guidance related to Notice of Exempt Solicitations. Approximately five voluntary notices have been submitted after the issuance of the guidance.

¹²¹ Registrants are not obligated to respond to exempt solicitations, but may choose to do so for various reasons, including to rebut perceived misinformation, shape the narrative on contentious issues, influence shareholder voting outcomes, and demonstrate proactive shareholder engagement.

¹²² See *supra* note 42 for statistics about the volume of voluntary Notice of Exempt Solicitation submissions.

¹²³ As discussed in section II.C and the introductory part of section IV, the vast majority of current Notice of Exempt Solicitation submissions appear to have been voluntary—either made by shareholders who do not meet the \$5 million threshold or who are submitting information that is already publicly available. However, since the Division of Corporation Finance updated its guidance in January 2026 to state that staff will object to voluntary submissions of Notices of

6(g) would eliminate a convenient and low-cost communication channel on EDGAR, though such filers would retain access to alternative channels including third-party websites, press releases, direct outreach to other shareholders and management, and independent proxy solicitations.¹²⁴

In addition, to the extent that the information provided in the form is credible and useful to shareholders' voting and investment decisions, eliminating the form would have some cost to investors. For example, one study¹²⁵ finds a positive average stock price reaction upon PX14A6G submission when this communication is first made public, which is consistent with investors obtaining value-relevant information from the submissions. The study also finds that most PX14A6G submissions are viewed by investment banks and a leading financial information platform,¹²⁶ and that the number of downloads of PX14A6G submissions is comparable to the number of downloads of proxy statements, suggesting that the submissions are used by a range of market participants.¹²⁷

Registrants may bear costs as a result of the proposed rulemaking because they may lose access to useful information on exempt solicitations. If the filings of exempt written soliciting materials on EDGAR offer valuable information and provide a cost-effective means for management to gather perspectives of multiple shareholders on various decisions and, based on this information, formulate responses to

such views, the elimination of these filings would impede management's ability to timely access such information. The magnitude of this cost depends on the degree to which EDGAR submissions provide registrants with information that would not otherwise be available through alternative channels. As noted in section IV.A.1, the Commission lacks data on the extent to which registrants currently rely on EDGAR submissions, rather than on other channels such as press releases and public announcements, to learn of exempt solicitations.

4. Benefits and Costs of Proposed Shortening of Minimum Broker Search Period

As described in section II.D, the proposed amendment would shorten the minimum broker search period under Rule 14a-13 from 20 business days to five business days.

The shortening of the minimum period would create certain benefits for registrants and their counterparties. It would reduce the risk of external issues (such as market volatility or regulatory changes) arising during the search period that could be costly to the registrant and its counterparties. For example, in votes on mergers, negative market movement could depress the offer price or a new bidder could emerge during the broker search period, thereby increasing uncertainty surrounding whether and when the transaction will be completed. Similar issues may also arise in the context of contested director elections or other proxy contests. By shortening the broker search period, the proposed amendment could mitigate such costs.¹²⁸ In the case of broker search periods for special meetings, Rule 14a-13 provides: "If such inquiry is impracticable 20 business days prior to the record date of a special meeting, as many days before the record date of such meeting as is practicable."¹²⁹ To the extent that matters susceptible to heightened external risk are voted on at special meetings, and to the extent that registrants currently rely on this provision to shorten the number of days between the broker search and the meeting, the associated baseline costs

discussed above are already mitigated under the existing rule framework. Consequently, the proposed amendment would generate limited incremental benefits in this context.¹³⁰

In addition, the proposed shortening of the broker search period could generate benefits for various investors by reducing the window during which non-public information about an upcoming shareholder meeting record date may be obtained and traded upon by certain market participants. Academic research provides evidence of informational leakages from brokers to certain clients, enabling those clients to obtain advance access to information ahead of public disclosure.¹³¹ By shortening the broker search period, the proposed amendment would reduce the period during which such leakage can occur. To the extent that such informational advantages erode investor confidence in the fairness of the market,¹³² reducing the window for information leakage could improve perceptions of market fairness, with potential benefits for market participation and liquidity. Given, however, that registrants may voluntarily disclose record dates in advance of the broker search period, though the staff's experience suggests this is rarely done in practice, the window during which non-public information may be obtained and traded upon could be extended, partially offsetting this benefit. The potential effects on capital formation are discussed further in section IV.C.3. The Commission lacks data with which to quantify the benefits described in this paragraph and the preceding paragraph. The magnitude of these benefits would depend on the frequency and nature of transactions and other corporate actions subject to the current minimum period, the magnitude of transaction delays and associated costs attributable to the current 20-business-day period, the extent to which registrants voluntarily disclose record dates in advance of broker search, and the extent to which information leakage currently occurs during the broker search period.

The proposed amendment may also reduce opportunities for "empty

Exempt Solicitation, the cost of removing a cost-efficient vehicle for generating publicity would be mainly applicable to large shareholders. *See supra* note 48.

¹²⁴ Following the elimination of Notices of Exempt Solicitation, shareholders may choose to notify other shareholders of their exempt solicitations through third-party websites that list and provide access to such materials. *See supra* note 49 for information about third-party websites through which shareholders can submit exempt solicitations. *See, e.g., As You Sow, Proxy Open Exchange*, <https://proxyopenexchange.org> (showing that from April 21, 2026, to May 27, 2026, a total of 126 exempt solicitations were submitted by 33 filers); *see supra* section IV.A.2 for information about statistics of Notice of Exempt Solicitation submissions on EDGAR.

¹²⁵ *See Bhattarai study supra* note 77.

¹²⁶ *Id.* The study shows that, between 2003 and 2016, exempt solicitation submissions received an average of 580.28 views within the first five trading days of the exempt solicitation submission date, 76.2% of which are viewed by investment banks or Bloomberg.

¹²⁷ *See id.* (showing that between 2012 and 2016 the average Exempt Solicitation downloads increased to 858); *see also* Peter Iliev et al., *Investors' Attention to Corporate Governance*, 34 *Rev. Fin. Stud.* 5581 (2021), available at <https://academic.oup.com/rfs/article/34/12/5581/6124373?guestAccessKey=> (showing that on average, a firm's proxy statement is viewed 659 times).

¹²⁸ As noted in section IV.A.1.a, and discussed further section IV.D.5, the existing seven-business-day response periods for brokers, dealers, and banks under Rules 14b-1 and 14b-2 exceed the proposed five-business-day minimum broker search period. If intermediaries were to respond within the maximum time currently permitted, registrants would not receive responses before the record date when conducting a broker search at the proposed five-business-day minimum, which could limit the practical utility of the shortened period for some registrants and their counterparties.

¹²⁹ Rule 14a-13(a)(3)(i).

¹³⁰ *See supra* note 51 for a discussion about the practice if the inquiry 20 business-days prior to the record date of a special meeting is impracticable.

¹³¹ *See* Marco Di Maggio et al., *The Relevance of Broker Networks for Information Diffusion in the Stock Market*, 134 *J. Fin. Econ.* 419 (2019) (finding that the "best clients" of the broker used by a filer, i.e., those generating a large share of the broker's business, buy more of the target stock than other institutional investors in the 10 days prior to a Schedule 13D filing).

¹³² *See, e.g.,* Luigi Guiso et al., *Trusting the Stock Market*, 63 *J. Fin.* 2557 (2008).

voting.” Under the current framework, the 20-business-day broker search period creates a window during which some market participants may learn of an upcoming record date and borrow shares before that date, thereby acquiring voting rights while bearing little or no economic exposure to the registrant. This decoupling of voting rights from economic ownership may cause voting outcomes to reflect the preferences of parties without a substantial economic interest in the registrant.¹³³ One study suggests that voting rights are actively traded around record dates, and that such trading can affect corporate governance outcomes.¹³⁴

Reducing the minimum broker search period from 20 to five business days would shorten the interval during which market participants may learn of a record date before public disclosure. This could reduce opportunities to borrow shares strategically to acquire voting rights and improve the alignment between voting outcomes and the preferences of shareholders with a substantive economic interest in the registrant. However, the magnitude of this benefit is uncertain. Empirical evidence on the prevalence and economic significance of empty voting is mixed, and some studies suggest that, although institutional investors have the ability to engage in the practice, they may not do so frequently.¹³⁵ Given the mixed empirical evidence, we view reduced empty voting as a potential benefit of the proposed amendment, though its magnitude is uncertain.

Reducing the minimum broker search period from 20 to five business days could also impose costs on share lenders that seek to recall loaned shares

in order to vote.¹³⁶ One study suggests that institutional lenders, including pension funds and mutual funds,¹³⁷ value voting rights and may restrict lending or recall shares around important record dates.¹³⁸ Under the current rule, a lender that learns of a record date through the broker search process may have up to 20 business days to initiate and complete a recall. Reducing the minimum period to five business days would provide less time,¹³⁹ limiting the lender's flexibility and increasing the possibility that the shares are not returned before the record date.

Borrowers could also face higher costs because they would have less time to obtain replacement financing or purchase shares to satisfy a recall. These costs may be limited because the current T+1 settlement cycle generally provides time to complete a recall before the record date, and borrowers would likely still have ample time to borrow or purchase the shares without substantial market impact. The costs to share lenders and borrowers may also be mitigated when registrants publicly disclose record dates before beginning the broker search or voluntarily conduct the broker search more than five business days before the record date. We cannot estimate the magnitude of these effects, which would depend on registrants' disclosure and broker search practices, the frequency of share recalls, and the time borrowers require to obtain replacement shares.

The proposed rulemaking may also impose costs on shareholders seeking to

accumulate shares or voting support before a shareholder meeting. By shortening the period between the broker search and the record date, the amendment could leave shareholders who learn of the record date through that process less time to accumulate shares, recall loaned shares, or coordinate with other investors.¹⁴⁰ This could increase the cost of shareholder campaigns and, at the margin, reduce the frequency or likelihood of success. These constraints could also affect other investors to the extent shareholder campaigns affect firm value or governance outcomes that are relevant to them.¹⁴¹

However, as discussed in section II.D, the current broker search process is non-public and dissident shareholders that learn of a record date through that process may have an informational advantage over other investors. Shortening the period during which they can act on that information could therefore reduce informational asymmetry, so a cost to dissident shareholders may also represent a benefit to other market participants. The Commission lacks data to quantify these effects or related costs to share lenders and borrowers discussed above. Their magnitude would depend on the time borrowers need to purchase or borrow shares to satisfy recalls without materially increasing transaction costs and the extent to which dissident shareholders currently rely on advance knowledge of record dates to accumulate shares or coordinate their activities.

We do not expect the proposed amendment to impose additional costs on registrants by leaving insufficient time to complete the broker search. As discussed in section II.D and section IV.A, technological advancements, in particular the widespread adoption of the internet and related digital

¹³³ See, e.g., Henry T. C. Hu and Bernard Black, *The New Vote Buying: Empty Voting and Hidden (Morphable) Ownership*, 79 S. Cal. L. Rev. 811 (2006); Henry T. C. Hu and Bernard Black, *Hedge Funds, Insiders, and the Decoupling of Economic and Voting Ownership: Empty Voting and Hidden (Morphable) Ownership*, 13 J. Corp. Fin. 343 (2007); Alon Brav and Richmond D. Matthews, *Empty Voting and the Efficiency of Corporate Governance*, 99 J. Fin. Econ. 289 (2011).

¹³⁴ See Susan E.K. Christoffersen et al., *Vote Trading and Information Aggregation*, 62 J. Fin. 2897 (2007) (documenting that voting rights are actively traded around record dates, with share lending markets serving as a mechanism through which voting rights can be separated from economic ownership).

¹³⁵ Reena Aggarwal, Pedro A. C. Saffi and Jason Sturgess, *The Role of Institutional Investors in Voting: Evidence from the Securities Lending Market*, 70 J. Fin. 2309 (2015) (“Aggarwal study”) (finding that while institutional investors in the securities lending market have the capacity to engage in empty voting, most institutional lenders prefer to recall lent shares around record dates to reclaim voting rights rather than maintain lending income, suggesting that empty voting may not be pervasive in practice).

¹³⁶ See Haoyi (Leslie) Luo and Zijin (Vivian) Xu, *Long-term Value Versus Short-term Profits: When do Index Funds Recall Loaned Shares for Voting?*, 32 Corp. Governance: Int'l Rev. (2024), available at <https://onlinelibrary.wiley.com/doi/10.1111/corg.12576>; see also Council of Institutional Investors, *Securities Lending: Everything You Ever Wanted to Know but Were Afraid to Ask* (2011), available at https://www.cii.org/files/publications/governance_basics/Primer_Securities_Lending_JUL2011.pdf.

¹³⁷ For mutual funds, this behavior may reflect fiduciary and regulatory obligations to vote client proxies, rather than an independent preference for exercising voting rights. See, e.g., 17 CFR 275.206(4)–6 (requiring registered investment advisers, including mutual fund advisers, to adopt and implement policies and procedures reasonably designed to ensure that client securities are voted in the best interests of clients) and 17 CFR 270.30b1–4 (requiring registered investment companies to file their complete proxy voting record annually on Form N-PX).

¹³⁸ In addition, the study finds that lenders of shares place a higher value on their vote than borrowers of shares, which suggests that they would try to recall shares for important meetings. See Aggarwal study *supra* note 135.

¹³⁹ The Aggarwal study shows that the average and median durations that loans remain outstanding are 16 days and one day, respectively. Most loans have no fixed maturity and are simply renewed each day on an open-ended basis. See *id.*

¹⁴⁰ See *supra* section II.D.2 for a discussion about how shortening the broker search period may impact market participants.

¹⁴¹ See, e.g., Alon Brav et al., *Governance by Persuasion: Hedge Fund Activism and Market-Based Shareholder Influence*, Oxf. Rsch. Encyc. Econ. & Fin. (2022); Rui Albuquerque et al., *Value Creation in Shareholder Activism*, 145 J. Fin. Econ. 153 (2022); Robin Greenwood and Michael Schor, *Investor Activism and Takeovers*, 92 J. Fin. Econ. 362 (2009); Nicole Boyson et al., *Activism Mergers*, 126 J. Fin. Econ. 54 (2017); Edward Swanson et al., *Are All Activists Created Equal? The Effect of Interventions by Hedge Funds and Other Private Activists on Long-Term Shareholder Value*, 72 J. Corp. Fin. 102144 (2022); Nicole M. Boyson and Robert M. Mooradian, *Corporate Governance and Hedge Fund Activism*, 14 Rev. Derivatives Rsch. (2011); Alon Brav et al., *The Real Effects of Hedge Fund Activism: Productivity, Asset Allocation, and Labor Outcomes*, 28 Rev. Fin. Stud. 2723 (2015); Nickolay Gantchev et al., *Activism and Empire Building*, 138 J. Fin. Econ. 526 (2020).

communication tools and the common use of proxy-service providers to conduct broker searches electronically, have substantially accelerated the broker search process. The Commission understands that the broker searches can now often be completed within three days, which is shorter than the proposed five-business-day minimum.¹⁴²

5. Benefits and Costs of the Proposal To Require Contact Information on Proxy Statement and Information Statement Cover Pages

As described in section II.E, the proposed amendment would require the cover pages of Schedule 14A and Schedule 14C to identify a representative who can respond to questions or comments regarding the filing and provide that representative's name, address, and telephone number. Unlike most of the other proposed amendments discussed in section IV.B, this proposed amendment would impose a new compliance requirement on registrants.

The proposed requirement would generate two categories of benefit. First, it could facilitate communication between Commission staff and filers and allow staff inquiries to be resolved more quickly. Currently, the cover pages of Schedule 14A and Schedule 14C do not require the identification of a specific contact representative, which may require staff to identify appropriate contacts through other means. To the extent delays in resolving staff inquiries impose costs on registrants, including by potentially delaying the staff's review and comment process for a filing or the scheduling of a shareholder meeting, the proposed requirement could reduce those costs.

Second, publicly identifying an appropriate contact could also make it easier for shareholders to direct questions to the filer. The magnitude of this benefit would depend on how readily shareholders can already obtain suitable information from other sources, including the contact information already required in registration statements and tender offer statements filed with the Commission.¹⁴³ To the extent that contact information for

registrants is already widely available through investor-relations websites and other sources, the incremental benefit to shareholders from the proposed requirement may be modest.

We estimate that adding a representative's contact information on the cover page of Schedule 14A and Schedule 14C would generate a compliance cost of approximately \$63 per filing for approximately 6,111 Schedule 14A and Schedule 14C filings annually,¹⁴⁴ resulting in aggregate annual costs of approximately \$380,000.¹⁴⁵

Public disclosure of a representative's name, address, and telephone number on the cover page of Schedule 14A and Schedule 14C may generate ancillary costs for some registrants, including the cost of responding to unsolicited communications. These costs would likely vary with the registrant's size and the volume of communications received. The Commission invites commenters to provide data on these ancillary costs.

6. Other Commission Proposals

In the Rule 14a-8 Proposal, the Commission has proposed to rescind Rule 14a-8 in its entirety and to amend Rule 14a-4(c). If adopted as proposed, the Federal proxy rules would (i) no longer require companies to include in their proxy materials shareholder proposals that satisfy certain procedural and substantive requirements established under Federal law, (ii) companies would be provided with greater flexibility to seek discretionary voting authority from shareholders, and shareholders would be provided with greater control over when the company may exercise that authority with respect to their individual shares. The Rule 14a-8 Proposal, if adopted as proposed, could result in an increase or a decrease in the number of exempt solicitations and thus an increase or decrease to the benefits and costs discussed in connection with the proposed amendments to Rule 14a-6.

The proposed rescission of Rule 14a-8 in conjunction with the proposed amendments to Rule 14a-4(c) could reduce the number of shareholder proposals that companies include in their proxy materials. On one hand, exempt solicitations would remain

available as an alternative to the Rule 14a-8 submission process, and thus shareholders may elect to use exempt solicitations for shareholder engagement.¹⁴⁶ To the extent that shareholders would use exempt solicitations as an alternative to Rule 14a-8 submissions, rescinding Rule 14a-8 in conjunction with the proposed amendments to Rule 14a-4(c) may increase the number of Notices of Exempt Solicitation submitted, thereby increasing the benefits and costs discussed in connection with the proposed amendments to Rule 14a-6(g).¹⁴⁷

On the other hand, some Notices of Exempt Solicitation are submitted in conjunction with the submission of shareholder proposals.¹⁴⁸ To the extent that the proposed rescission of Rule 14a-8 in conjunction with the proposed amendments to Rule 14a-4(c) could reduce the number of shareholder proposals that are submitted, the Rule 14a-8 Proposal would reduce the number of Notices of Exempt Solicitation submitted, thereby diminishing the costs and benefits stemming from the proposed amendments to Rule 14a-6(g).¹⁴⁹ The net effect of the proposed rescission of Rule 14a-8 in conjunction with the proposed amendments to Rule 14a-4(c) on the volume of Notices of Exempt Solicitation activity is therefore uncertain and depends on the relative magnitudes of these substitution and complementarity effects, which the available data do not allow us to quantify with confidence.

In addition, as discussed in section IV.B.4, shortening the broker search period could leave shareholders who learn of the record date through that process less time to accumulate shares, recall loaned shares, or coordinate with other investors. This could increase the cost of shareholder campaigns and, at the margin, reduce the frequency or likelihood of success. To the extent that the proposed amendments to Rule 14a-4(c) independently reduce the expected probability of success of proposals submitted outside of Rule 14a-8, the proposed amendment to Rule 14a-13 could compound that effect, further reducing the frequency or likelihood of success of shareholder campaigns. These constraints could also affect other investors to the extent shareholder

¹⁴² See *supra* section IV.A and II.D.2 for information about how technological advancements have facilitated the broker search process.

¹⁴³ We estimate that complying with the proposed requirement to provide contact information on the cover page of every proxy and information statement would increase the compliance cost by \$62.50 per filing. See *infra* section IV.B.7 for information about monetized compliance cost of adding contact information of a representative on cover pages of proxy statement and information statement.

¹⁴⁴ The 6,111 filings comprise 5,757 Schedule 14A filings and 354 Schedule 14C filings, as reported in Economic Analysis Table 2. The \$62.50 per filing figure comes from section V) specifically from PRA Table 1 (0.10 burden hours increase per response) and the supporting calculations in PRA Table 2, using a \$625 per hour figure as the blended hourly rate.

¹⁴⁵ See *infra* Economic Analysis Table 2 for more information about aggregate annual monetized cost.

¹⁴⁶ See Rule 14a-8 Proposal at section IV.D.1.b.i.

¹⁴⁷ See *supra* section IV.A.1.b for information about the Commission's proposal to rescind Rule 14a-8.

¹⁴⁸ See e.g., Bhattarai study *supra* note 77.

¹⁴⁹ See also note 77 for information about how exempt solicitations may be related to shareholder proposals.

campaigns affect firm value or governance outcomes that are relevant to them.

7. Aggregate Monetized Benefits and Costs

Throughout this economic analysis, we have estimated monetized benefits and costs per filing and submission. In this section, we present aggregate measures of these monetized effects. These totals include only benefits and costs that are monetized in the economic analysis and thus do not encompass all of the proposed amendments' benefits and costs.

a. Annual Monetized Benefits and Costs

Economic Analysis Tables 1 and 2 report the benefits and costs, respectively, that are monetized in this economic analysis, aggregated across all affected entities and instances of filing and submission each year. We are only able to quantify the direct benefits and costs of the rule that are due to the compliance cost savings and increases, respectively. To aggregate these monetized effects we use estimates of the number of affected filings and burdens under the Paperwork Reduction Act of 1995¹⁵⁰ (the "PRA") in section V.

¹⁵⁰ 44 U.S.C. 3501 *et seq.*

As a caveat, these are averages, and individual registrants' costs and benefits may differ, depending on their current status and relief already available to them, the extent to which they elect to avail themselves of the proposed compliance accommodation, and their existing compliance and reporting practices and service providers and costs associated with them.

We estimate that the total aggregate annual monetized benefit is approximately \$7.7 million and the total aggregate annual monetized cost is approximately \$450,000. We discuss these estimates further in sections IV.B.1, IV.B.3, and IV.B.5.

BILLING CODE 8011-01-P

Economic Analysis Table 1. Aggregate Annual Monetized Benefits (2026 Dollars)

Proposed Amendment	Affected Collection of Information	Decrease in Burden Hour per Unit ^a	Hourly Rate	External Cost per Unit ^d	Units ^e	Initial Cost Savings	Ongoing Annual Cost Savings
		(A)	(B)	(C)	(D)	(E)	(F) = (((A)x(B)) + (C))x(D)) + (E)
Rescind Notice of Exempt Solicitation	Schedule 14A	1.50	\$462 ^b	\$300	286	\$0	\$283,998
Substitute Form 10-K for Annual Report to Security Holders	Schedule 14A	1.50	\$625 ^c	\$300	2,812	\$0	\$3,479,850
Substitute Form 10-K for Annual Report to Security Holders	Schedule 14C	1.50	\$625	\$300	29	\$0	\$35,887
Eliminate Stock Performance Graph	Schedule 14A	2	\$625	\$0	3,125	\$0	\$3,906,250
Eliminate Stock Performance Graph	Schedule 14C	2	\$625	\$0	32	\$0	\$40,000
Total							\$7,745,985

^a See section V, PRA Table 1, column “Estimated Effect.”

^b The rate of \$462 per hour is a blended hourly rate of our current estimate of the hourly rate for each of four occupations: lawyers (\$774), paralegals and legal assistants (\$281), general and operations managers (\$656), and general office clerks (\$142). This blended hourly rate assumes that lawyers will account for 30 percent of the time spent on compliance activities; paralegals and legal assistants, 20 percent; general and operations managers, 20 percent; and general office clerks, 30 percent. We expect that the types of individuals, the rates for those individuals, and the proportion of each individual’s contributions would vary among respondents and could differ depending on which specific information collection a respondent is completing. Nonetheless, for purposes of this economic analysis, we believe the \$462 per hour rate is a reasonable estimate of the hourly cost of completing the required information collection. To calculate the occupational hourly rates used in this release, the Commission uses the May 2025 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, available at <https://www.bls.gov/oes/>; see also Standard Occupational Classification, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/soc/> (describing occupational classification system used by BLS); 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 multiplied by an employment cost index (ECI) factor of 1.0227, calculated as one plus the percentage change in the seasonally adjusted ECI for wages and salaries of private industry workers from the second quarter of 2025 (ECI=173.563), which contains the May 2025 OEWS reference period, to the first quarter of 2026 (ECI=177.498), which is the date of the most recently available ECI observations when the occupational hourly rates used in this release were calculated. See Employment Cost Index, U.S. Bureau of Labor Statistics, Seasonal Data 2001-Present, available at <https://www.bls.gov/eci/tables.htm>. The adjusted mean hourly wage is then multiplied by a nonwage cost adjustment factor of 5.734, which accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as the average over 2016–2025, of the ratio of the Bureau of Economic Analysis’s gross output for NAICS 523 to total wages across all occupations for NAICS 523 in the OEWS data. See Gross Output by Industry, U.S. Bureau of Economic Analysis, available at <https://www.bea.gov/data/industries/gross-output-by-industry>; Occupational Employment and Wage Statistics, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/oes/>. For example, the \$774 occupational

hourly rate for lawyers is calculated as $\$131.91 \times 1.0227 \times 5.734$, or approximately \$774 (where \$131.91 is the May 2025 mean hourly wage for lawyers in NAICS 523). 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>. See also the public memo on the monetization methodology, section 2.4, “Use of Occupational Hourly Rates for Monetizing Internal and External Burdens,” *available at* <https://www.sec.gov/files/method-occupational-hourly-rates.pdf>.

^c The rate of \$625 per hour is a blended hourly rate of our current estimate of the hourly rate for each of four occupations: lawyers (\$774), accountants and auditors (\$330), financial managers (\$730), and general and operations managers (\$656). This blended hourly rate assumes that lawyers will account for 50 percent of the time spent on compliance activities; accountants and auditors, 30 percent; financial managers, 10 percent; and general and operations managers, 10 percent. We expect that the types of individuals, the rates for those individuals, and the proportion of each individual’s contributions would vary among registrants and could differ depending on which specific form a registrant is completing. Nonetheless, for purposes of this economic analysis, we believe the \$625 per hour rate is a reasonable estimate of the hourly cost of completing the required forms. For additional information on the methodology used to calculate this rate, please see the explanation above in footnote b.

^d See *infra* notes 174, 175, and 176.

^e See *supra* notes 98, 106, and 117.

Economic Analysis Table 2. Aggregate Annual Monetized Costs (2026 Dollars)

Proposed Amendment	Burden Hours per Unit ^a	Hourly Rate ^b	External Cost per Unit	Units ^c	Initial Cost	Ongoing Annual Cost
	(A)	(B)	(C)	(D)	(E)	(F) = (((A)x(B))+(C))x(D)) +(E)
Add Contact Information Schedule 14A	0.10	\$625	\$0	5,757	\$0	\$359,813
Add Contact Information Schedule 14C	0.10	\$625	\$0	354	\$0	\$22,125
Cost of Moving Stock Performance Graph to Form 10-K for ^d Investment Companies	2	\$625	\$0	51	\$0	\$63,750
Total						\$445,688

^a See section V, PRA Table 1, column “Estimated Effect.”

^b See note c to Economic Analysis Table 1.

^c See *supra* notes 107 and 144.

^d See *supra* note 107. The staff understands that the cost estimation does not present an additional cost to BDCs because they currently but would no longer incur the same cost by disclosing a stock performance graph in an annual report to security holders. The proposed amendments would shift this cost from being incurred when preparing an annual report to security holders to when preparing a Form 10-K. See *infra* note 179.

b. Present Values and Annualized Values of Monetized Benefits and Costs

Consistent with the requirements of Executive Order 12866, the Commission reports estimated total monetized benefits and costs for all affected entities in two additional ways specified in OMB Circular A–4.¹⁵¹ The two presentations are intended to address the fact that the various benefits and costs of the proposed amendments would not accrue at the same point in time; rather, benefits and costs that accrue sooner are generally more valuable than those that occur later in time.¹⁵² We report (1) the present values

of expected benefits and costs that are monetized in our Economic Analysis, aggregated across all affected entities, over a 10-year time horizon, starting in 2026, as well as (2) the annualized values over the same time horizon that are derived from the present values. This time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.¹⁵³ The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.¹⁵⁴ Economic Analysis Table 3 reports the

present values of the aggregate monetized benefits and costs from Economic Analysis Tables 1 and 2, respectively. The analysis uses annual real discount rates of three percent and seven percent over a 10-year time horizon, starting in 2026.¹⁵⁵ We estimate that the present value of total monetized benefits is approximately \$67.1 million using a three percent discount rate and \$56.3 million using a seven percent discount rate. We estimate that the present value of total monetized cost is approximately \$3.9 million using a three percent discount rate and \$3.2 million using a seven percent discount rate.

Economic Analysis Table 3. Present Value of Monetized Benefits and Costs over 10 Years from 2026 to 2035 (2026 Dollars)^a

Estimated Effects^b	Real Discount Rate of 3 Percent	Real Discount Rate of 7 Percent
Benefits	\$67,058,622	\$56,276,512
Costs	\$3,858,415	\$3,238,034

^a This Table includes only benefits and costs that are monetized. As discussed in this economic analysis, there are other benefits and costs that we are not able to monetize.

^b For each discount rate, the present value calculations are based on the assumption that recurring annual monetized benefits and costs totals from Economic Analysis Tables 1 and 2, respectively, begin to accrue in the year in which affected entities first comply. We assume that monetized benefits and costs occur in a steady stream, and we use a mid-year discount rate.

Economic Analysis Table 3 reports annualized aggregate monetized benefits and costs using real discount rates of three percent and seven percent over a 10-year horizon.¹⁵⁶ The lump sum present values of aggregate monetized

benefits and costs reported in Economic Analysis Table 3 are converted in Economic Analysis Table 4 into a constant stream of annualized benefits and costs over a 10-year time horizon, starting in 2026.¹⁵⁷ Because the annual

aggregated monetized benefits and costs reported in Economic Analysis Tables 1 and 2, respectively, are identical in every year of the 10-year time horizon and because there are no initial benefits or costs at Time 0, the annualized

¹⁵¹ See E.O. 12866 (Sept. 30, 1993), 58 FR 51735, 51741 (Oct. 4, 1993) (requiring agencies to provide an analysis of benefits, costs, and regulatory alternatives to OIRA for significant regulatory actions); OMB, Circular A–4, at 31–34, 45 (Sept. 17, 2003) (providing guidance to agencies regarding compliance with E.O. 12866); *see also* E.O. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring all Federal agencies, including the Securities and Exchange Commission, to comply with E.O. 12866). In addition, E.O. 14192 requires agencies to provide their best approximation of the total costs or savings associated with each new regulation or repealed regulation consistent with the analyses required by E.O. 12866. *See* E.O. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025).

¹⁵² *See* Circular A–4, at 32.

¹⁵³ *See id.* at 31 (stating that “[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule”). For the purposes of this analysis,

we assume the effective date of the proposed amendments, as well as the start year for the analysis’s time horizon, is the present year.

¹⁵⁴ *See id.* at 32 (“The Rationale for Discounting”) and 45 (“Treatment of Benefits and Costs over Time”); *see also* OIRA, Regulatory Impact Analysis: A Primer, at 11 (Aug. 15, 2011), available at https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf (“To provide an accurate assessment of benefits and costs that occur at different points in time or over different time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3% and 7% annual discount rates expressed as a present value as well as annualized.”); Harvey S. Rosen and Ted Gayer, Public Finance 151 (8th ed. 2008) (defining present value as “the value today of a given amount of money to be paid or received in the future”).

¹⁵⁵ This approach is consistent with OMB Circular A–4. *See* Circular A–4, at 31–34 (stating

that, “[f]or regulatory analysis, [agencies] should provide estimates of net benefits using both 3% and 7% discount rates and discussing why those rates are reasonable default rates). Also, we use a mid-year discount rate. *See* OMB, Circular A–94, at 21–22 (Oct. 19, 1992) (stating that, “When costs and benefits occur in a steady stream, applying mid-year discount factors is more appropriate.”).

¹⁵⁶ This approach is consistent with the recommended treatment of benefits and costs over time in Circular A–4. *See* Circular A–4 at 45 (“You should present annualized benefits and costs using real discount rates of 3 and 7%”).

¹⁵⁷ For each discount rate, the annualized monetized benefits (costs, respectively) in Economic Analysis Table 4 represent the constant annual stream of benefits (costs, respectively) whose present value over the time horizon equates the corresponding present value in Economic Analysis Table 3. *See infra* note b, Economic Analysis Table 4 for additional calculation details.

aggregate monetized benefits and costs in Economic Analysis Table 4 are the same as the annual aggregate monetized benefits and costs in Economic Analysis Tables 1 and 2, respectively.¹⁵⁸ We

estimate that annualized total monetized benefits are approximately \$7.7 million per year using both a three percent discount rate and a seven percent discount rate. We estimate that

annualized total monetized costs are approximately \$445,000 per year using both a three percent discount rate and a seven percent discount rate.

Economic Analysis Table 4. Annualized Monetized Benefits and Costs over 10 Years from 2026 to 2035 (2026 Dollars)^a		
Estimated Effects^b	Real Discount Rate of 3 Percent	Real Discount Rate of 7 Percent
Benefits	\$7,745,985	\$7,745,985
Costs	\$445,688	\$445,688

^a This Table includes only benefits and costs that are monetized. As discussed in this economic analysis, there are other benefits and costs that we are not able to monetize.

^b For each discount rate, the annualized values are calculated by dividing the corresponding present values in Economic Analysis Table 3 by the sum of discount factors over the time horizon. The discount factor in year t of the time horizon is equal to $1/(1 + \text{discount rate})^{(t-0.5)}$.

C. Effects on Efficiency, Competition, and Capital Formation

1. Effects on Efficiency

The proposed amendments could affect efficiency through several channels. Several of the proposed amendments address requirements that have remained unchanged while the need for them has evolved as a result of technological developments. To the extent that eliminating or shortening these requirements removes regulatory burden that is no longer justified by the investor protection rationale that originally motivated it, the proposed amendments would improve regulatory efficiency. For instance, registrants relying on a previously filed Form 10-K under amended Rule 14a-3 would no longer also need to comply with separate requirements in Rule 14a-3(b) regarding disclosure required in an annual report to security holders. Registrants would also no longer need to observe minimum periods under Rule 14a-13, Note D.3 to Schedule 14A, and the corresponding provisions of Forms S-4 and F-4 that may exceed the time now required to complete the relevant processes. To the extent investors would continue to receive substantially the

same information, these amendments would allow disclosure to be produced and disseminated using fewer resources, improving productive efficiency.

The proposed rescission of Rule 14a-6(g) presents a different case. It would reduce the resources expended by shareholders preparing Notices of Exempt Solicitation and, in some cases, by registrants responding to them, but it would also eliminate a channel through which information is disseminated to other shareholders. Its effect on efficiency would therefore depend on the value of the information no longer made available through EDGAR relative to the resources saved.

The rescission of Rule 14a-6(g) could also improve informational efficiency if removing voluntary Notices of Exempt Solicitation makes decision-useful information on registrants' EDGAR pages easier to identify.¹⁵⁹ However, it could simultaneously reduce informational efficiency by making it more difficult for shareholders and registrants to learn how large shareholders view and intend to vote on significant matters, to the extent that information is not disseminated through other channels. Exempt solicitations may also provide a relatively low-cost

means for shareholders to influence boards or attract third-party bids when a proxy contest or shareholder exit is impractical.¹⁶⁰ If the Rule 14a-6(g) rescission causes shareholders to rely on more costly alternatives, such as proxy contests, some efforts to influence management at underperforming registrants may no longer occur, potentially reducing allocative efficiency.¹⁶¹

The proposed requirement to include contact information on the cover pages of Schedule 14A and Schedule 14C would impose a small incremental compliance cost on registrants, partially offsetting these productive efficiency gains.¹⁶² To the extent that the contact information requirement reduces the time and resources required to resolve staff inquiries, it could also generate modest efficiency gains for the Commission and for registrants that benefit from more timely resolution of those inquiries.

Shortening the minimum broker search period could also affect informational efficiency through the securities-lending market. Stock lenders may have less time to recall shares before a record date, increasing the costs or reducing the flexibility associated

¹⁵⁸ The annualized benefits and costs present these values over the 10-year time horizon, starting in the present year.

¹⁵⁹ See *supra* section IV.B.3 for information about benefits of proposed elimination of requirement to submit Notices of Exempt Solicitation.

¹⁶⁰ See, e.g., Bhattacharya study *supra* note 77.

¹⁶¹ See *supra* section IV.B.3 for information about the cost of the proposed elimination of the requirement to submit Notices of Exempt Solicitation.

¹⁶² See *supra* section IV.B.5.

with lending. Because securities lending and short selling contribute to price discovery,¹⁶³ a sufficiently large reduction in lending or short selling activity could reduce price efficiency,¹⁶⁴ particularly for securities of registrants expected to hold special meetings. As discussed in section IV.B.4, these costs may be small as long as borrowers still have sufficient time to manage their transaction costs when they purchase or borrow shares to satisfy the recall. Any such costs could also be mitigated to the extent that registrants voluntarily disclose record dates in advance of the broker search or elect to conduct the broker search more than five business days before the record date.

Shortening or eliminating the minimum periods under Note D.3 to Schedule 14A and Forms S-4 and F-4 could reduce the window available for a competing bidder to emerge, conduct diligence, and submit a superior offer before the transaction closes. To the extent a longer window would have allowed a higher-valuing acquirer to emerge or increased consideration to target shareholders, narrowing it could result in an efficiency cost. We cannot quantify this effect, which would depend on the frequency of competing bids during the minimum period and market participants' ability to pursue competing transactions on a shorter timeline.

2. Effects on Competition

The Commission does not expect the proposed amendments to have a substantial impact on competition overall, though it discusses below

certain marginal effects of these proposed amendments.

The elimination of the Notice of Exempt Solicitation requirement could modestly affect the relative ability of different shareholders to publicize their views to other shareholders at low cost. According to a study,¹⁶⁵ historically, filers of Notices of Exempt Solicitation have been predominantly public pension funds, union funds, and hedge funds or other institutional investors. Following rescission, filers that currently rely on this low-cost channel would need to use direct engagement, independent proxy solicitations, or other communication channels, which may require greater resources than some of these filers currently have available, while entities with greater existing resources and established communication channels would be less affected. The magnitude of this effect is uncertain and would depend, in part, on the extent to which affected shareholders shift to alternative communication channels and the relative effectiveness of those channels following the rescission, as discussed in section IV.B.3.

Shortening the broker search period could affect the relative positions of incumbent management and shareholders seeking to influence a registrant's governance. As discussed in section IV.B.4, the amendment would reduce the time available for a shareholder that learns of a record date through the broker search process to accumulate shares or coordinate with other shareholders, while imposing no comparable constraint on the registrant conducting the search. However, the non-public nature of the current broker search process means that dissident shareholders who learn of the record date through the broker search currently possess an informational advantage that is not shared by other investors. To the extent that the proposed amendment reduces this informational asymmetry, what appears as a competitive cost to dissident shareholders may simultaneously represent a competitive benefit to other market participants.

The proposed amendments to Rule 14a-3, Note D.3 to Schedule 14A, and the contact information requirement are not expected to generate significant effects on competition among the registrants in the same product market.¹⁶⁶ These amendments reduce compliance burdens for registrants and

update procedural requirements whose original rationale has been substantially displaced by technological developments. In addition, smaller reporting companies would receive no benefit from rescission of the stock-performance-graph requirement because they are not currently subject to it, while savings from eliminating annual-report delivery would depend on the size of the registrant's shareholder base and its current delivery practices. The compliance-cost reductions discussed in sections IV.B.1 and IV.B.2 would vary across registrants. To the extent that compliance cost savings from these amendments vary across registrants by size or shareholder base composition, they could have modest effects on competition among registrants in the product market, but we expect such effects to be small.

3. Effects on Capital Formation

The Commission does not expect the proposed amendments to have a substantial impact on capital formation overall, though it discusses below certain marginal effects of these proposed amendments.

Shortening the minimum broker search period could impact capital formation through several channels. It could reduce the period during which intervening events create uncertainty for pending transactions and reduce the opportunity for record-date information to be disclosed selectively before public announcement. These effects could improve perceptions of market fairness and support capital formation.¹⁶⁷ Conversely, if the shorter period increases the costs or reduces the flexibility of securities lending and short selling, it could weaken price efficiency and adversely affect capital formation. As discussed in sections IV.B.4 and IV.C.1, the magnitude of this effect would depend on the extent to which share lenders rely on the broker search process to learn of upcoming record dates, the flexibility available to borrowers to obtain replacement financing within the shortened period, and the overall significance of reduced lending and short selling activity for price discovery in the affected securities.

Similarly, the proposed elimination of the minimum 20-business-day period in Forms S-4 and F-4 could affect capital formation through its effects on transaction timing and cost. These forms register securities issued in business combinations, and the current

¹⁶³ See, e.g., Truong X. Duong et al., *The Information Value of Stock Lending Fees: Are Lenders Price Takers?*, 21 Rev. Finance 2353 (2017).

¹⁶⁴ Economic literature shows that short selling improves price efficiency by allowing informed traders to trade on negative information and incorporate it into prices. See, e.g., Jonathan M. Karpoff and Xiaoxia Lou, *Short Sellers and Financial Misconduct*, 65 J. of Fin. 1879 (2010); Ekkehart Boehmer, Charles M. Jones and Xiaoyan Zhang, *Which Shorts Are Informed?*, 63 J. of Fin. 491 (2008); Lauren Cohen, Karl B. Diether and Christopher J. Malloy, *Supply and Demand Shifts in the Shorting Market*, 62 J. of Fin. 2061 (2007). The evidence on the effect of constraints on short selling on price efficiency, however, is mixed. Some studies suggest that constraints on short selling impede price efficiency by slowing or preventing the incorporation of negative information into prices. See, e.g., Ekkehart Boehmer, Charles M. Jones and Xiaoyan Zhang, *Shackling the Short Sellers: The 2008 Shorting Ban*, 26 Rev. of Fin. Studies 1363 (2013); Pedro A.C. Saffi and Kari Sigurdsson, *Price Efficiency and Short Selling*, 24 Rev. of Fin. Studies 821 (2011). Other studies, however, suggest that constraints need not result in overpricing, as rational investors anticipate and incorporate such constraints into prices. See e.g., Douglas W. Diamond and Robert E. Verrecchia, *Constraints on Short-Selling and Asset Price Adjustment to Private Information*, 18 J. of Fin. Econ. 277 (1987). See *supra* section IV.B.4.

¹⁶⁵ See *supra* note 77.

¹⁶⁶ Some registrants compete with other registrants in product markets, where they offer similar goods or services and compete for customers through strategies such as pricing, quality, or other product differentiation.

¹⁶⁷ See *supra* section IV.B.4 for information about the benefits of shortening the minimum broker search period.

requirement establishes a minimum period between when the prospectus is sent and the shareholder vote. To the extent that this period delays completion of a transaction, eliminating it could reduce the time and cost associated with registering securities in business combinations. As discussed in section IV.B.2, we cannot quantify this effect, which would depend on factors including, but not limited to, the frequency and nature of transactions and other corporate actions subject to the current requirements, the magnitude of delays and associated costs attributable to the current minimum period, the extent to which investors use the full 20-business-day period to request, receive, and review incorporated documents before voting, and the extent to which affected registrants currently manage timing risk through other means.

The proposed amendments may also affect capital formation positively or negatively by changing the costs of maintaining reporting-company status and the information available to investors. Reductions in recurring proxy-compliance costs (including compliance cost reductions from eliminating the annual report delivery requirement, the stock performance graph requirement, and the Notice of Exempt Solicitation requirement)¹⁶⁸ could marginally lower the cost of becoming or remaining a reporting company, supporting capital formation. At the same time, if the amendments to Rule 14a-3 and Note D.3 to Schedule 14A reduce the information investors receive or increase the cost of obtaining or evaluating it enough, investors may require higher returns, which could increase registrants' cost of capital on the margin. With respect to Rule 14a-3, as discussed in section IV.B.1, some retail investors may find the Form 10-K less readable than the annual report to security holders, which could affect the quality of their investment and voting decisions. With respect to Note D.3, as discussed in section IV.B.2, shareholders could have less time to review incorporated documents before a vote, which could affect their assessment of the transaction or corporate action being voted upon. These effects would likely be marginal and their magnitude would depend, among other things, on whether registrants choose to continue voluntarily preparing annual reports to security holders in the absence of a delivery requirement, the extent to which investors rely on those reports rather than the Form 10-K and other

filings, and the extent to which incorporated documents are accessible to investors through EDGAR and active hyperlinks in the incorporating submission.

The proposed rescission of Rule 14a-6(g) could similarly affect capital formation on the margin. The rescission could reduce the frequency of efforts by large shareholders to influence management at underperforming registrants, which could affect the quality of capital allocation decisions at registrants where shareholder monitoring is currently an important governance mechanism. We are unable to quantify these effects because they depend on behavioral responses (*e.g.*, changes in investor information-gathering practices, short-selling activity, shareholder engagement, and transaction timing decisions) that cannot be reliably estimated with available data. We invite commenters to provide data on these effects.

The proposed contact information requirement is not expected to generate significant capital formation effects. The compliance cost of the requirement is modest, and any benefits from improved communication efficiency between Commission staff and registrants are unlikely to affect registrants' cost of capital in a material way.

D. Reasonable Alternatives

1. Reduce Rather Than Eliminate the Minimum Period for Proxy Statements Incorporating Documents by Reference

The proposed amendments would eliminate Note D.3 to Schedule 14A and the corresponding minimum-period requirements in General Instruction A.2 to Forms S-4 and F-4. As an alternative, the Commission could retain a shorter minimum period, such as ten business days.

This alternative would preserve a minimum period for security holders to request, receive, and review documents incorporated by reference into proxy statements or prospectuses before voting, while reducing the potential delay, cost, and uncertainty associated with the current 20-business-day period. A shorter fixed period would also provide registrants and their counterparties with certainty about the applicable requirement.

The economic effects of this alternative would depend on how the registrant furnishes its proxy materials. Registrants delivering a full set of proxy materials under Rule 14a-16(n) are not subject to Rule 14a-16(a)'s timing requirement and thus Note D.3 may factor into their timing considerations. The difference between this alternative

and the proposal would thus be relevant to registrants that deliver full sets of proxy materials and incorporate documents by reference, and among transactions using Forms S-4 and F-4.

Compared to the proposed amendments, shortening (as opposed to eliminating) the 20-business-day period would lead to smaller reductions in the time and uncertainty associated with completing transactions requiring shareholder approval,¹⁶⁹ since some minimum waiting period would remain. However, this approach would preserve more time for security holders to request, receive, and review documents incorporated by reference into proxy materials before voting.

2. Disallow Only Voluntary Filing of Notices of Exempt Solicitation

The proposed amendments would rescind Rule 14a-6(g), thus eliminating the requirement for large shareholders to submit Notices of Exempt Solicitation. As an alternative, we could amend the existing rule to prevent voluntary filings of Notices of Exempt Solicitation by shareholders that do not meet the requirements of the large shareholder definition. Such an alternative would allow the continued use of a cost-efficient vehicle for some shareholders to inform other shareholders about their exempt solicitations. Also, it could be beneficial to registrants as it would allow them access to potentially useful information on exempt solicitations. Like the proposed amendments, such an alternative would also increase costs for shareholders who now file such notices voluntarily because they would otherwise be limited to other ways to communicate with other shareholders. It would also increase costs for large shareholders who would have to determine whether they do indeed meet the requirements of the large shareholder definition. If such costs are large enough, large shareholders may disclose exempt solicitations via other channels (*e.g.*, press releases).

3. Treat Notices of Exempt Solicitation Similarly to Insider Filings

Another alternative regarding the rescission of Rule 14a-6(g) would be to modify the registrant's EDGAR page such that Notices of Exempt Solicitation are displayed similarly to insider filings such as Form 3, Form 4, and Form 5, thereby preventing the registrant's EDGAR page from serving as a repository for a substantial number of

¹⁶⁸ See *supra* sections IV.B.1, and IV.B.3.

¹⁶⁹ See *supra* section IV.C.2 (discussing how the current minimum 20-business-day period may introduce transaction delays and uncertainty).

voluntary communications that obscure mandatory reports, statements, and other disclosures. Under that alternative, a Notice of Exempt Solicitation would not show up, by default, in a registrant's EDGAR filings but would show up in the EDGAR filings of the shareholder providing the notice. Under such an alternative, other shareholders and investors that are interested in the information provided by such notices would have to search for them under the filing shareholder's EDGAR filings. The EDGAR Full-Text Search¹⁷⁰ tool allows searches by registrant and date range, as well as for specified categories of filings, including but not limited to all annual, quarterly, and current reports; beneficial ownership reports; exempt offerings; registration statements and prospectuses. Such an alternative would allow the continued use of a cost-efficient vehicle for some shareholders to inform other shareholders about their exempt solicitations. Also, it would benefit registrants by allowing them access to potentially useful information on exempt solicitations. Such an alternative could also marginally increase costs for shareholders that are interested in the information as they now would have to search for such notices in the EDGAR filings of multiple filers, instead of the EDGAR filings of a single registrant.

4. Shorten the Broker Search Period to a Different Number of Days

The proposed amendments to Rule 14a-13 would shorten the minimum broker search period from 20 business days to five business days. The Commission could alternatively shorten the broker search period to a different number of days. The magnitude of these economic effects relative to the proposal depends on how much time is enough to mitigate the costs while achieving the benefits.

Relative to the proposal, a broker search period longer than five days but shorter than 20 days would have lower benefits than the proposal. For example, the alternative would result in an increased risk of external issues arising before the meeting, an increased risk of trading on non-public information about the meeting, and increased opportunities for empty voting. At the same time, such an alternative could reduce the potential costs on share lenders and share borrowers and could reduce the costs faced by dissident shareholders, which could improve the likelihood of success in their

campaigns. If these costs of the proposal were to prove to be significant relative to an alternative of a longer broker search period, registrants could always voluntarily provide more than five days for the broker search.

Relative to the proposal, a broker search period shorter than five days could have greater benefits than the proposal. The costs, however, could also be greater. In particular, securities lenders would have even less flexibility on timing their loan recalls and dissidents would have even less time to build support for shareholder campaigns, increasing the costs of shareholder campaigns and reducing the likelihood of their success.

5. Shorten the Rule 14b-1 and Rule 14b-2 Response Periods in Addition to the Proposed Amendments, and Consider Treating Investment Companies Differently

The proposed amendment to Rule 14a-13 would shorten the minimum broker search period from 20 business days to five business days. As a related alternative, the Commission could also shorten the response periods established under Rules 14b-1 and 14b-2, which govern the obligations of brokers, dealers, banks, and other intermediaries to respond to broker search inquiries and forward proxy materials to beneficial owners.

Under current Rule 14b-1(b)(1), a registered broker or dealer must respond to a registrant's broker search inquiry no later than seven business days after receipt of the inquiry with the approximate number of customers who are beneficial owners of the registrant's securities. Under current Rule 14b-2(b), a bank or other intermediary must respond within one business day with the names and addresses of any respondent banks, and within seven business days with the approximate number of beneficial-owner customers.

Under the proposed five-business-day minimum broker search period, the existing seven-business-day response period for brokers and dealers under Rule 14b-1(b)(1) and the seven-business-day response period for banks under Rule 14b-2(b) would exceed the proposed minimum broker search period itself. If intermediaries were to respond within the maximum time currently permitted under Rules 14b-1 and 14b-2, registrants would not receive responses before the record date when conducting a broker search at the proposed five-business-day minimum. This potential misalignment could limit the practical utility of the shortened broker search period for registrants and their counterparties.

To address this potential misalignment, the Commission could shorten the response periods under Rules 14b-1 and 14b-2 in conjunction with the proposed amendment to Rule 14a-13. For example, the Commission could shorten the seven-business-day response period for brokers and dealers under Rule 14b-1(b)(1) and the corresponding seven-business-day response period for banks under Rule 14b-2(b) to a period consistent with the proposed five-business-day minimum broker search period, such as three business days. The one-business-day response period for banks to provide the names and addresses of respondent banks under Rule 14b-2(b) could be retained, as it already falls within the proposed minimum broker search period.

This alternative would generate benefits by ensuring that the shortened broker search period under Rule 14a-13 operates effectively in practice and that intermediaries' response obligations are consistent with the shortened timeframe. To the extent that the current seven-business-day response periods under Rules 14b-1 and 14b-2 would otherwise constrain registrants' ability to complete the broker search process within the proposed five-business-day minimum period, shortening those response periods would amplify the benefits of the proposed Rule 14a-13 amendment, including reductions in transaction delay, costs, and uncertainty, and a narrower window for information leakage regarding upcoming record dates.

This alternative could also impose costs on brokers, dealers, and banks. Shorter response periods would require intermediaries to complete their internal processes for identifying beneficial owners and compiling responses more quickly. Intermediaries that currently rely on the full seven-business-day response period might have to invest in operational infrastructure, personnel, or automated systems. These costs may vary across intermediaries depending on their size, technological capabilities, and the complexity of their beneficial-owner records.¹⁷¹ The Commission lacks data with which to estimate the magnitude of these costs and invites commenters to provide information on this question.

The Commission also recognizes that investment companies may present distinct considerations in this context. As discussed in section II.D, investment companies often have large, diffuse, and retail-oriented shareholder bases and are

¹⁷⁰ See EDGAR Full-Text Search, available at <https://www.sec.gov/edgar/search/>.

¹⁷¹ See *supra* section IV.A for information about current practices of record holders.

frequently organized in multiple classes and series. Many investment companies, including open-end funds and unlisted closed-end funds, do not hold shareholder meetings annually, and their beneficial-owner records may be more complex than those of operating companies. These characteristics could make it more challenging for brokers, dealers, and banks holding investment company securities to compile and transmit accurate beneficial-owner information within a shortened response period. Accordingly, were the Commission to shorten the response periods under Rules 14b-1 and 14b-2, the Commission could consider retaining longer response periods for investment company solicitations. The Commission could also consider adopting a different minimum broker search period for investment companies under Rule 14a-13, as to which we requested comment in section II.D. Introducing a different minimum broker search period under Rule 14a-13 for investment companies, or different response periods for investment companies under Rules 14b-1 and 14b-2, could create complexity. The appropriate periods, if different, would depend on the time required for intermediaries to accurately identify and report beneficial owners of investment company securities, which may differ from the time required for operating companies. We request comment and supporting data on whether investment companies warrant different treatment under Rules 14a-13, 14b-1, and 14b-2, and if so, what specific periods would be appropriate.

E. Request for Comment

We request comments on all aspects of our economic analysis, including the potential costs and benefits of the proposed amendments and alternatives, and whether the proposed amendments, if adopted, would promote efficiency, competition, and capital formation. Commenters are requested to provide empirical data, estimation methodologies, and other factual support for their views, in particular, on the estimates of costs and benefits. In addition, we request comments on the following:

20. Have we correctly characterized the baseline for the Proposed Amendments? If not, what other baseline information is relevant to the Proposed Amendments?

21. Have we correctly characterized the benefits and costs to affected parties in the above analysis? Are there other effects that should be considered? Please provide supportive data to the extent available.

22. What would be the costs and benefits for a registrant of the proposed elimination of the requirement to submit Notices of Exempt Solicitation? For instance, to what extent do registrants currently rely on Notices of Exempt Solicitation submitted on EDGAR, rather than on other channels such as press releases and public announcements, to learn of exempt solicitations conducted by large shareholders? Please provide estimates where possible.

23. What would be the costs and benefits for investors of the proposed elimination of the requirement to submit Notices of Exempt Solicitation? Please provide estimates where possible.

24. What would be the costs and benefits for a registrant of the proposed elimination of the requirement to send the proxy statement at least 20 business days before the meeting date if it incorporates information by reference? For instance, how frequently do investors use the full 20-business-day period to request, receive, and review incorporated documents before voting? Please provide estimates where possible.

25. What would be the costs and benefits for investors of the shortening of the minimum broker search period? Please provide estimates where possible.

26. What would be the costs and benefits for securities lenders of the shortening of the minimum broker search period? Please provide estimates where possible.

27. What would be the costs and benefits for short sellers of the shortening of the minimum broker search period? Please provide estimates where possible.

28. What would be the costs and benefits for a registrant of the proposed elimination of the requirement to furnish annual reports to security holders? In particular, what are the current costs to registrants of delivering annual reports to security holders, and how do those costs vary depending on registrant size, shareholder base, the proportion of shareholders who have opted into electronic delivery, and the number of shareholders requesting paper copies? Please provide estimates where possible.

29. What would be the costs and benefits for investors of the proposed elimination of the requirement to furnish annual report to security holders? Please provide estimates where possible.

30. What would be the costs and benefits for a registrant of the proposed elimination of the delivery deadline

when documents are incorporated by reference into the proxy statement? Please provide estimates where possible.

31. What would be the costs and benefits for investors of the proposed elimination of the delivery deadline when documents are incorporated by reference into the proxy statement? Please provide estimates where possible.

32. What would be the costs and benefits for a registrant of the proposal to require contact information on proxy statement and information statement cover pages? Please provide estimates where possible.

33. What would be the costs and benefits for investors of the proposal to require contact information on proxy statement and information statement cover pages? Please provide estimates where possible.

34. Have we correctly characterized the effects on efficiency, competition, and capital formation from the proposed rescission and related amendments? Are there any other effects that should be considered? Please provide supportive data to the extent available.

35. Do the reasonable alternatives accurately assess the economic effects of the alternatives relative to the proposals? Please explain. Are there any other reasonable alternatives that we should have considered? If so, what are the economic effects of those alternatives relative to the proposal?

V. Paperwork Reduction Act

A. Summary of the Collections of Information

Certain provisions of our rules, schedules, and forms that would be affected by the proposed amendments contain “collection of information” requirements within the meaning of the PRA. We are submitting the proposed amendments to the Office of Management and Budget (“OMB”) for review and approval in accordance with the PRA and its implementing regulations.¹⁷² The hours and costs associated with preparing and filing the schedules, forms and responses required under the applicable rules constitute paperwork burdens imposed by each collection of information.¹⁷³ An agency may not conduct or sponsor, and a person is not required to comply with, a collection of information requirement

¹⁷² 44 U.S.C. 3507(d) and 5 CFR 1320.11.

¹⁷³ The paperwork burdens for Regulation S-K, Regulation S-T, and certain rules in Regulation C are imposed through the forms, schedules, and reports that are subject to the requirements in these regulations and are reflected in the analysis of those documents.

unless it displays a currently valid OMB control number. Compliance with the information collections is mandatory. Responses to the information collections are not kept confidential, and there is no mandatory retention period for the information disclosed. The titles for the affected collections of information are:

- Schedule 14A (OMB Control No. 3235–0059);
- Schedule 14C (OMB Control No. 3235–0057); and

- Form 10–K (OMB Control No. 3235–0063).

The schedules and form listed above were adopted under the Exchange Act. A description of the proposed amendments, including the need for the information and its proposed use, as well as a description of the likely respondents and a discussion of the potential economic effects of the proposed amendments can be found in sections II and IV above.

B. Summary of the Proposed Amendments' Estimated Effects on the Collections of Information

The following PRA Table 1 summarizes the estimated effects of the proposed amendments on the paperwork burdens associated with the affected schedules and form.

BILLING CODE 8011–01–P

PRA Table 1. Estimated Paperwork Burden Effects of the Proposed Amendments*

Proposed Amendment	Affected Collection of Information	Estimated Effect
Rescind Notice of Exempt Solicitation Entities conducting exempt solicitations under Rule 14a-2(b)(1) would no longer be required to submit a Notice of Exempt Solicitation regardless of the entity's ownership of the registrant's securities, the solicitation format, or the public availability of the solicitation	Schedule 14A	100% decrease in the number of Notices of Exempt Solicitation, resulting in a reduction of 286 responses per year and a 1.5 burden hours decrease and \$300 cost burden decrease per affected response¹⁷⁴
Substitute Form 10-K for Annual Report to Security Holders Registrants would be permitted to file a Form 10-K before a proxy statement relating to a shareholder meeting at which directors will be elected in lieu of submitting an Annual Report to Security Holders	Schedule 14A Schedule 14C	Schedule 14A: 0.70 burden hours decrease per response and \$139.60 cost

¹⁷⁴ Based on staff analysis, 286 Notices of Exempt Solicitation were submitted in calendar year 2025. For purposes of this PRA analysis, we assume that this number reflects the average number of filings that would be made on an annual basis under Rule 14a-6(g) absent the proposed amendment. Consequently, we assume that the proposed elimination of the requirement to submit a Notice of Exempt Solicitation would reduce the annual number of responses in the Schedule 14A inventory by 286 responses to a new annual total of 5,757 responses (6,043 current annual responses – 286 estimated reduction in annual responses). Further, for purposes of this PRA analysis, we estimate that the paperwork burden associated with a Notice of Exempt Solicitation reflects the burden to prepare, convert into the required electronic format, and submit the Notice of Exempt Solicitation in accordance with the EDGAR Filer Manual. We assume that this burden would be the same as the burden to take the same steps with respect to the annual report to security holders. *See Updating EDGAR Filing Requirements and Form 144 Filings*, Release No. 33-11070 (“Paper to Electronic Release”) (June 2, 2022) [87 FR 35393, 35406 (June 10, 2022)] (estimating the burden per response at 1.5 burden hours and, as later adjusted for inflation, \$300 of cost burden). Based on this assumption, we estimate that the proposed elimination of the requirement to file a Notice of Exempt Solicitation under Rule 14a-6(g) would decrease Schedule 14A total annual burden hours by 429 burden hours (286 annual responses x 1.5 burden hours per response) and total annual cost burden by \$85,800 (286 annual responses x \$300 cost burden per response).

Proposed Amendment	Affected Collection of Information	Estimated Effect
		burden decrease per response¹⁷⁵ Schedule 14C: 0.12 burden hours decrease per response and \$24.58 cost burden decrease per response¹⁷⁶

¹⁷⁵ We anticipate that the vast majority of registrants would rely on the proposed amendment permitting them to use a previously filed Form 10-K to satisfy their annual report obligation under Rule 14a-3(b). Accordingly, for purposes of this PRA analysis, we estimate that 90% of registrants would no longer submit an annual report to security holders. Based on staff analysis, registrants submitted 3,157 annual reports to security holders in calendar year 2025, approximately 99% of which, or 3,125 (0.99 x 3,157), related to proxy statements on Schedule 14A and approximately 1% of which, or 32 (0.01 x 3,157), related to information statements on Schedule 14C. We estimate, therefore, that the current OMB inventory for Schedule 14A reflects the submission of 3,125 annual reports to security holders each year and that the current OMB inventory for Schedule 14C reflects the submission of 32 annual reports to security holders each year. Consequently, we estimate that approximately 2,841 (0.90 x 3,157) fewer annual reports to security holders would be submitted under the proposed amendment, of which 2,812 (0.90 x 3,125) would relate to Schedule 14A and 29 (0.90 x 32) would relate to Schedule 14C. The Commission previously estimated that the paperwork burden associated with an annual report to security holders is 1.5 burden hours and, as later adjusted for inflation, \$300 cost burden per response (reflecting the burdens associated with preparing, converting into required electronic format, and reviewing the annual report). *See* Paper to Electronic Release. We estimate that the proposed amendment would reduce the total annual burdens associated with Schedule 14A by 4,218 burden hours (2,812 fewer annual reports to security holders related to Schedule 14A x 1.5 burden hours per submission) and \$843,600 in cost burden (2,812 fewer annual reports to security holders related to Schedule 14A x \$300 cost burden per submission). When divided by the 6,043 annual responses in the current Schedule 14A inventory, this would result in a decrease of 0.70 burden hours per response and \$139.60 cost burden per response. Our assumption that the proposed amendment would reduce burdens under Schedule 14A only with respect to electronic submission is based on (i) our assumption that the rest of the related disclosure burdens, other than the stock performance graph required by Rule 14a-3(b)(9) and Item 201(e) of Regulation S-K, are reflected in other collections of information such as Form 10-K. Relatedly, in the interest of being conservative (i.e., potentially overstating burdens rather than understating them), we assume that the proposed amendment to eliminate the requirement to deliver an annual report to security holders would not reduce burdens under Schedule 14A based on our further assumption that there is either little marginal cost to sending an annual report to security holders along with proxy materials or that registrants typically use notice and access under 17 CFR 240.14a-16 and, as a result, need not send out the annual report to security holders. PRA Table 1 separately addresses the proposed elimination of the stock performance graph because we propose to remove it as a requirement and, as a result, there would be an effect as to all annual reports to security holders, not just those that no longer would be submitted due to the proposed amendment.

¹⁷⁶ As discussed *supra* note 175, we estimate that the proposed amendment would result in 29 fewer annual reports to security holders related to Schedule 14C. Further, the Commission previously estimated that the paperwork burden associated with an annual report to security holders is 1.5 burden hours and, as later adjusted for inflation, \$300 cost burden per response (reflecting the burdens associated with preparing, converting into required electronic format, and reviewing the annual report). *See* Paper to Electronic Release. Consequently, we estimate that the proposed amendment would reduce the total annual burdens associated with Schedule 14C by 43.5 burden hours (29 fewer annual reports to security holders related to Schedule 14C x 1.5 burden hours per submission) and \$8,700 in cost burden (29 fewer annual reports to security holders related to Schedule 14C x \$300 cost burden per submission). When divided by the 354 annual responses in the current Schedule 14C inventory, this would result in a decrease of 0.12 burden hours per response and \$24.58 in

Proposed Amendment	Affected Collection of Information	Estimated Effect
Eliminate Stock Performance Graph from Annual Report to Security Holders and for investment companies, move to Form 10-K • Registrants no longer would be required to disclose a stock performance graph in an Annual Report to Security Holders but investment company registrants that are BDCs or face-amount certificate companies would instead be required to disclose it in a Form 10-K	Schedule 14A Schedule 14C Form 10-K	• Schedule 14A: 1.03 burden hours decrease per response¹⁷⁷ • Schedule 14C: 0.18 burden hours decrease per response¹⁷⁸ • Form 10-K: 0.01 burden hours increase per response¹⁷⁹

cost burden per response. We estimate that the proposed amendment would reduce burdens under Schedule 14C only with respect to electronic submission for the reasons described *supra* note 175 with respect to Schedule 14A. Relatedly, we assume that the proposed amendment to eliminate the requirement to deliver an annual report to security holders would not reduce burdens under Schedule 14C for the reasons described *supra* note 175 with respect to Schedule 14A.

¹⁷⁷ We estimate that the information collection burden associated with annual reports to security holders currently in the inventory reflects the submission of 3,125 annual reports to security holders related to Schedule 14A. *See supra* note 175. Regardless of whether a registrant would rely on a previously filed Form 10-K to satisfy its Rule 14a-3(b) obligation under the proposed amendments, the proposed elimination of the stock performance graph requirement would eliminate its burden from the Schedule 14A collection of information. We estimate the burden of the stock performance graph requirement to be two burden hours and no cost burden per annual report to security holders. Consequently, the proposed amendment would reduce the total annual burdens associated with Schedule 14A by 6,250 burden hours (3,125 annual reports to security holders without stock performance graphs x 2 burden hours per annual report). When divided by the 6,043 annual responses in the current Schedule 14A inventory, this would result in a decrease of 1.03 burden hours per response.

¹⁷⁸ As discussed *supra* notes 175 and 177, we estimate that the information collection burden associated with annual reports to security holders currently in the inventory reflects the submission of 32 annual reports to security holders related to Schedule 14C and that the proposed elimination of the stock performance graph requirement would eliminate two burden hours and no cost burden as to each annual report to security holders. Consequently, we estimate that the proposed amendment would reduce the total annual burdens associated with Schedule 14C by 64 burden hours (32 annual reports to security holders without stock performance graphs x 2 burden hours per annual report). When divided by the 354 annual responses in the current Schedule 14C inventory, this would result in a decrease of 0.18 burden hours per response.

¹⁷⁹ Based on staff analysis, we estimate that 51 BDCs and no face-amount certificate companies would disclose a stock performance graph in a Form 10-K instead of an annual report to security holders. Accordingly, we estimate that the proposed amendment would increase total annual burdens associated with Form 10-K by 102 burden hours (51 Forms 10-K would newly disclose a stock performance graph x 2 burden hours per stock performance graph). When divided by the 8,292 annual responses in the current Form 10-K inventory, this would result in an increase of 0.01 burden hours per response.

Proposed Amendment	Affected Collection of Information	Estimated Effect
Add Contact Information Entities newly would be required to provide contact information on the cover page of every proxy and information statement	Schedule 14A Schedule 14C	0.10 burden hours increase per response ¹⁸⁰
* In this table, the burden hours per response have been rounded to the second decimal place and the cost burden per response has been rounded to the nearest cent.		

180

We estimate that complying with the proposed requirement to provide contact information on the cover page of every proxy and information statement would add 0.1 burden hours and no cost burden per response. Consequently, we estimate that the proposed amendment would increase the total annual burdens associated with Schedule 14A by 575.7 burden hours ((6,043 annual responses in current inventory – 286 annual responses that would be removed by the proposed amendment to rescind the Notice of Exempt Solicitation) x 0.1 burden hours per response). Accordingly, we also estimate that total annual burdens associated with Schedule 14C would increase by 35.4 burden hours (354 responses in current inventory x 0.1 burden hours response).

C. Incremental and Aggregate Burden and Cost Estimates

We estimate below the incremental and aggregate change in paperwork burden as a result of the proposed amendments. These estimates represent the average burden for all respondents, both large and small. In deriving our estimates, we recognize that the burdens will likely vary among individual respondents based on a number of factors, including the size and complexity of their business. These estimates include the time and the cost of preparing and reviewing disclosure, filing documents, and retaining records.

We believe that some respondents would experience costs in excess of this average and some respondents would experience less than the average costs. Our methodologies for deriving these estimates are discussed in section V.B above.

For purposes of this PRA analysis, the burden is generally allocated between burden hours and costs. The cost burden generally reflects the portion of the burden carried by outside professionals, while the burden hours generally reflect the portion of the burden carried by the respondent internally. The following PRA Table 2 summarizes the estimated total annual

number of responses, the average burden hours per response, and the average cost burden per response for each information collection affected by the proposed amendments and, using those amounts, calculates the estimated total annual burden hours and total annual cost burden associated with each affected collection of information under the proposed amendments. The total annual burden hours and cost burdens are rounded to the nearest whole number, and the burden hours per response and cost burden per response are rounded to the second decimal point.

BILLING CODE 8011-01-P

PRA Table 2. Estimated Annual Responses, Burden Hours, and Cost Burden under the Proposed Amendments.

Schedules and Forms	Number of Responses (A)*	Burden Hours per Response (B)**	Cost Burden Per Response (C)**	Total Annual Burden Hours (D) = (A) x (B)	Total Annual Cost Burden (E) = (A) x (C)
Schedule 14A	5,757	140.01	\$28,198.78	806,038	\$162,340,376
Schedule 14C	354	112.10	\$22,436.42	39,683	\$7,942,493
Form 10-K	8,292	1,695.21	\$334,438.81	14,056,681	\$2,773,166,578***

* The estimated number of annual responses in column (A) are calculated based on the number of responses currently reflected in the OMB inventory as modified by the change in responses per PRA Table 1. For Schedule 14A, the estimated number of responses (5,757) is based on the current OMB inventory (6,043) minus the decrease in responses reflected in PRA Table 1 (286). For Schedule 14C, the estimated number of responses is based on the current Schedule 14C inventory of 354 responses annually, as we do not estimate any change in the number of responses for Schedule 14C as a result of the proposed amendments. For Form 10-K, the estimated number of responses is based on the current Form 10-K inventory of 8,292 responses annually, as we do not estimate any change in the number of responses for Form 10-K as a result of the proposed amendments.

** The estimated burden hours per response and cost burden per response in columns (B) and (C) are calculated based on the burden hour per response and cost burden per response currently reflected in the OMB inventory as modified by the change in burdens per PRA Table 1. For Schedule 14A, the estimated burden hours per response (140.01) and estimated cost burden per response (\$28,198.78) are calculated as follows: The current OMB Schedule 14A inventory includes 6,043 annual responses, 816,349 total annual burden hours, and \$163,269,774 total annual cost burden. We estimate that the proposed amendments would decrease the number of responses by 286 annual responses per note 174, decrease the total annual burden hours by a net total of 10,321 annual burden hours (429 annual burden hours decrease per note 174 + 4,218 annual burden hours decrease per note 175 + 6,250 annual burden hours decrease per note 177 + 575.7 annual burden hours increase per note 180), and decrease the total annual cost burden by a total of \$929,400 (\$85,800 annual decrease per note 174 + \$843,600 annual decrease per note 175). As a result, we estimate burden hours per response of 140.01 burden hours [(816,349 total annual burden hours in current inventory – 10,321 annual burden hours) divided by (6,043 annual responses in current inventory – 286 annual responses)]. Further, we estimate cost burden per response of \$28,198.78 [(\$163,269,774 total annual cost burden in current inventory – \$929,400 annual cost burden) divided by (6,043 annual responses in current inventory – 286 annual responses)]. For Schedule 14C, the estimated burden hours per response (112.10) and estimated cost burden per response (\$22,436.42) are calculated as follows: The current OMB Schedule 14C inventory includes 354 annual responses, 39,756 total annual burden hours, and \$7,951,194 total annual cost burden. We estimate that the proposed amendments would decrease the total annual burden hours by a net total of 72.1 annual burden hours (43.5 annual burden hours decrease per note 176 + 64 annual burden hours decrease per note 178 + 35.4 annual burden hours increase per note 180), and decrease the total annual cost burden by a total of \$8,700 per note 176. As a result, we estimate burden hours per response of 112.10 burden hours [(39,756 total annual burden hours in current inventory – 72.1 annual burden hours) divided by (354 annual responses in current inventory)]. Further, we estimate cost burden per response of \$22,436.42 [(\$7,951,194 total annual cost burden in current inventory – \$8,700 annual cost burden) divided by (354 annual responses in current inventory)]. For Form 10-K, the estimated burden hours per response (1,695.21) and estimated cost burden per response (\$334,438.81) are calculated as follows: The current OMB Form 10-K inventory includes 8,292 annual responses, 14,056,593 total annual burden hours, and \$2,773,166,578 total annual cost burden. We estimate that the proposed amendments would increase the total annual burden hours by 102 annual burden hours per note 180 and not affect the total annual cost burden. As a result, we estimate burden hours per response of 1695.21 burden hours [(14,056,593 total annual burden hours in current inventory + 102 annual burden hours) divided by (8,292 annual responses in current inventory)]. Further, we estimate cost burden per response of \$334,438.81 [\$2,773,166,578 total annual cost burden in current inventory divided by 8,292 annual responses in current inventory] as we do not estimate any change in cost burden as a result of the proposed amendments.

*** For Form 10-K, the total cost burden in column (E) from the current inventory does not equal the number of responses in column (A) multiplied by the cost burden per response in column (C) because we rounded the cost burden per response in column (C) to the second decimal point.

total burdens under the proposed amendments.

PRA Table 3. Changes in Paperwork Burdens under the Proposed Amendments.

Schedule/ Form	Current Burden (from OMB inventory)			Program Change			Revised Burden (from PRA Table 2)		
	Current Annual Responses	Current Annual Burden Hours	Current Annual Cost Burden	Estimated Increase or (Decrease) in Number of Annual Responses	Estimated Increase or (Decrease) in Annual Burden Hours	Estimated Increase or (Decrease) in Annual Cost Burden	Annual Responses	Annual Burden Hours	Annual Cost Burden
	(A)	(B)	(C)	(D) = (G) – (A)	(E) = (H) – (B)	(F) = (I) – (C)	(G)	(H)	(I)
Schedule 14A	6,043	816,349	\$163,269,774	(286)	(10,311)	(929,398)	5,757	806,038	\$162,340,376
Schedule 14C	354	39,756	\$7,951,194	0	(73)	(8,701)	354	39,683	\$7,942,493
Form 10-K	8,292	14,056,593	\$2,773,166,578	0	88	0	8,292	14,056,681	\$2,773,166,578

BILLING CODE 8011-01-C

D. Request for Comment

Pursuant to 44 U.S.C. 3506(c)(2)(B), we request comment in order to:

- Evaluate whether the proposed changes to the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;
- Evaluate the accuracy of our estimates of the changes in burden hours and cost burden that would result from adoption of the proposed amendments;
- Determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected;
- Evaluate whether there are ways to minimize the burden of the collections of information on those who respond, including through the use of automated collection techniques or other forms of information technology; and
- Evaluate whether the proposed amendments would have any effects on any other collection of information not previously identified in this section.

Any member of the public may direct to us any comments concerning the accuracy of these burden estimates and any suggestions for reducing these burdens. Persons submitting comments on the collection of information requirements should direct them to the OMB Desk Officer for the Securities and Exchange Commission, *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov*, and send a copy to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, using any of the methods in the **ADDRESSES** section, with reference to File No. S7–2026–33. Requests for materials submitted to OMB by the Commission with regard to the collection of information should be in writing, refer to File No. S7–2026–33 and be submitted to the Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736. OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication of this release. Consequently, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

VI. Congressional Review Act

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),¹⁸¹ the

Commission must seek OMB's determination as to whether a final regulation constitutes a "major rule." Under the Congressional Review Act, a rule is considered "major" where, if adopted, it results in or is likely to result in:

- An annual effect on the U.S. economy of \$100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment, or innovation.¹⁸²

To help inform OMB's determination as to whether any final rule that results from the proposal would be a "major rule," the Commission solicits comment and data on:

- The potential effect on the U.S. economy on an annual basis;
- Any potential increase in costs or prices for consumers or individual industries; and
- Any potential effect on competition, investment, or innovation.

Commenters are requested to provide empirical data and other factual support for their views, to the extent possible, to inform OMB's determination regarding whether any final rule following this proposal is likely to be a "major rule" for the purposes of the Congressional Review Act.

VII. Initial Regulatory Flexibility Act Analysis

When an agency issues a rulemaking proposal, the Regulatory Flexibility Act ("RFA")¹⁸³ requires the agency to prepare and make available for public comment an Initial Regulatory Flexibility Analysis ("IRFA") that will describe the impact of the proposed amendments on small entities, unless the Commission certifies that the rule, if adopted, would not have a significant economic impact on a substantial number of small entities. In section VII.A, we have prepared, and made available for public comment, the following IRFA, in accordance with the RFA. This IRFA relates to proposed amendments described in section II above.

*A. Initial Regulatory Flexibility Act Analysis***1. Reasons for, and Objectives of, the Proposed Action**

The proposed amendments are intended to, among other things, account for developments since the rules' adoption or last amendment, reduce compliance burdens for

registrants, and reduce investor confusion.

The proposed amendments would:

- Eliminate the requirement that registrants deliver an annual report to security holders;
- Eliminate the requirement to send the proxy statement at least 20 business days before the meeting date if it incorporates information by reference;
- Eliminate the requirement to submit a notice regarding certain exempt solicitations;
- Reduce the minimum broker search period in connection with proxy solicitations from 20 business days to five business days;
- Require the inclusion of contact information on proxy statement and information statement cover pages; and
- Revise various rules and forms to reflect such amendments, as well as to correct errors that are technical in nature.

The reasons for, and objectives of, the proposed amendments are discussed in more detail in section II above.

2. Legal Basis

The amendments contained in this release are being proposed under the authority set forth in the Securities Act, particularly sections 6, 7, 10, 19(a), and 28 thereof, the Exchange Act, particularly sections 3, 12, 13, 14, 15, 23(a), 35A, and 36 thereof, the Investment Company Act, particularly sections 6, 8, 20, 23, 24, 30, 31, 37, and 38 thereof; and the Trust Indenture Act, particularly section 319(a) thereof.

3. Small Entities Subject to the Proposed Amendments

The proposed amendments would affect some issuers that are small entities. The RFA defines "small entity" to mean "small business," "small organization," or "small governmental jurisdiction."¹⁸⁴ For purposes of the RFA, under 17 CFR 230.157 an issuer, other than an investment company, is a "small business" or "small organization" if it had total assets of \$5 million or less on the last day of its most recent fiscal year and is engaged or proposing to engage in an offering of securities not exceeding \$5 million.¹⁸⁵ We estimate that there are 506 issuers that file with the Commission, other

¹⁸⁴ 5 U.S.C. 601(6).

¹⁸⁵ The Commission has proposed amendments to the definitions of "small business" and "small organization" in 17 CFR 230.157 and 17 CFR 240.0–10(a). See *Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies*, Release No. 33–11419 (May 19, 2026) [91 FR 30086, 30124 (May 21, 2026)]. We encourage commenters to review that proposal to determine whether it might affect their comments on this IRFA.

¹⁸¹ See 5 U.S.C. chapter 8.

¹⁸² See 5 U.S.C. 804(2) (defining "major rule").

¹⁸³ 5 U.S.C. 601 *et seq.*

than investment companies, that may be considered small entities and are potentially affected by the proposed amendments.¹⁸⁶ An investment company, including a business development company, is considered to be a “small business” if it, together with other investment companies in the same group of related investment companies, has net assets of \$50 million or less as of the end of its most recent fiscal year. There are approximately 5 BDCs and 62 registered investment companies subject to the Federal proxy rules that may be considered small entities.¹⁸⁷

4. Projected Reporting, Recordkeeping, and Other Compliance Requirements

If adopted, the proposed amendments would, among other things:

- Eliminate the requirement that registrants deliver an annual report to security holders;
- Eliminate the requirement to send the proxy statement at least 20 business days before the meeting date if it incorporates information by reference;
- Eliminate the requirement to submit a notice regarding certain exempt solicitations;
- Reduce the minimum broker search period in connection with proxy solicitations from 20 business days to five business days;
- Require the inclusion of contact information on proxy statement and information statement cover pages; and
- Revise various rules and forms to reflect such amendments, as well as to correct errors that are technical in nature.

The proposed amendments should reduce compliance costs for small entities and other issuers. In this respect, the proposed amendments would apply to small entities to the same extent as other entities, regardless of size. We refer to the discussion of the proposed amendments’ economic effects on all affected parties, including small entities, in section IV above.

5. Duplicate, Overlapping, or Conflicting Rules

We do not believe the proposed amendments would duplicate, overlap,

or conflict with other existing Federal rules.

6. Significant Alternatives

The RFA directs us to consider alternatives that would accomplish our stated objectives, while minimizing any significant adverse impact on small entities. In connection with the proposed amendments, we considered the following alternatives:

- Establishing different compliance or reporting requirements or timetables that take into account the resources available to small entities;
- Clarifying, consolidating, or simplifying compliance and reporting requirements under the rules for small entities;
- Using performance rather than design standards; and
- Exempting small entities from all or part of the requirements.

The proposed amendments are intended to, among other things, account for developments since the rules’ adoption or last amendment, reduce compliance burdens for registrants, and reduce investor confusion. We believe the proposed amendments should reduce compliance costs for smaller and other entities and are equally appropriate for issuers of all sizes that would be affected. As a result, we do not believe it appropriate to propose different compliance or reporting requirements or timetables for small entities; clarify, consolidate, or simplify compliance and reporting requirements for small entities; or exempt small entities from the proposed amendments. We have used design rather than performance standards in connection with the proposed amendments to promote clarity and comparability.

B. Request for Comment

We encourage the submission of comments with respect to any aspect of this IRFA. In particular, we request comments regarding:

- The number of small entities that may be affected by the proposed amendments;
- The existence or nature of the potential impact of the proposed amendments on small entities discussed in the analysis;
- How the proposed amendments could further lower the burden on small entities; and
- How to quantify the impact of the proposed amendments.

Comments will be considered in the preparation of the Final Regulatory Flexibility Analysis, if the proposed amendments are adopted, and will be placed in the same public file as

comments on the proposed amendments themselves.

Statutory Authority

We are proposing the rule and form amendments contained in this document under the authority set forth in sections 6, 7, 10, 19(a), and 28 of the Securities Act, as amended; sections 3, 12, 13, 14, 15, 23(a), 35A, and 36 of the Exchange Act, as amended; sections 6, 8, 20, 23, 24, 30, 31, 37, and 38 of the Investment Company Act; and section 319(a) of the Trust Indenture Act.

List of Subjects in 17 CFR Parts 200, 229, 230, 232, 239, 240, 249, and 260

Administrative practice and procedure, Authority delegations (Government agencies), Brokers, Electronic filing, Fraud Reporting and recordkeeping requirements, Securities, Trusts and trustees.

Text of Proposed Amendments

For the reasons set forth in the preamble, the Commission is proposing to amend title 17, Chapter II of the Code of Federal Regulations as follows:

PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

- 1. The authority citation for part 200 continues to read as follows:

Authority: 5 U.S.C. 552, 552a, 552b, and 557; 11 U.S.C. 901 and 1109(a); 15 U.S.C. 77c, 77e, 77f, 77g, 77h, 77j, 77o, 77q, 77s, 77u, 77z–3, 77ggg(a), 77hhh, 77sss, 77uuu, 78b, 78c(b), 78d, 78d–1, 78d–2, 78e, 78f, 78g, 78h, 78i, 78k, 78k–1, 78l, 78m, 78n, 78o, 78o–4, 78q, 78q–1, 78t–1, 78u, 78w, 78ll(d), 78mm, 78eee, 80a–8, 80a–20, 80a–24, 80a–29, 80a–37, 80a–41, 80a–44(a), 80a–44(b), 80b–3, 80b–4, 80b–5, 80b–9, 80b–10(a), 80b–11, 7202, and 7211 *et seq.*; 29 U.S.C. 794; 44 U.S.C. 3506 and 3507; Reorganization Plan No. 10 of 1950 (15 U.S.C. 78d); sec. 8G, Public Law 95–452, 92 Stat. 1101 (5 U.S.C. App.); sec. 913, Public Law 111–203, 124 Stat. 1376, 1827; sec. 3(a), Public Law 114–185, 130 Stat. 538; E.O. 11222, 30 FR 6469, 3 CFR, 1964–1965 Comp., p. 36; E.O. 12356, 47 FR 14874, 3 CFR, 1982 Comp., p. 166; E.O. 12600, 52 FR 23781, 3 CFR, 1987 Comp., p. 235; Information Security Oversight Office Directive No. 1, 47 FR 27836; and 5 CFR 735.104 and 5 CFR parts 2634 and 2635, unless otherwise noted.

- 2. Amend § 200.30–1 by revising paragraph (f)(18)(ii) to read as follows:

§ 200.30–1 Delegation of authority to Director of Division of Corporation Finance.

* * * * *

(f) * * * *

(18) * * *

(ii) Is unable to comply with the requirements of Rule 14a–3(b) or Rule 14c–3(a) under the Act for audited

¹⁸⁶ We estimate the number of small entity companies other than asset-backed securities, registered investment companies, and BDC’s with a class of securities registered under section 12 of the Exchange Act by reviewing all filers with total assets less than or equal to \$5 million, by unique Central Index Key (CIK), of Forms 10–K and amendments thereto filed during calendar year 2025.

¹⁸⁷ Based on Commission staff approximation that as of December 2025, approximately 27 open-end funds (including 7 exchange-traded funds), 34 closed-end funds, 1 unit investment trust and 5 business development companies are small entities.

financial statements to be included in the annual report on Form 10-K or annual report to security holders preceding the proxy statement to be furnished to security holders in connection with the security holder meeting required to be held as a result of the security holder demand under state law;

* * * *

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S-K

■ 3. The authority citation for part 229 continues to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78j-3, 78l, 78m, 78n, 78n-1, 78o, 78u-5, 78w, 78ll, 78mm, 80a-8, 80a-9, 80a-20, 80a-29, 80a-30, 80a-31(c), 80a-37, 80a38(a), 80a-39, 80b-11 and 7201 *et seq.*; 18 U.S.C. 1350; sec. 953(b), Public Law 111-203, 124 Stat. 1904 (2010); and sec. 102(c), Public Law 112-106, 126 Stat. 310 (2012).

■ 4. Amend § 229.201 by:

■ a. Revising paragraph (e)(1) introductory text;

■ b. Removing Instruction 7 of the Instructions to Item 201(e);

■ c. Redesignating Instruction 8 of the Instructions to Item 201(e) as Instruction 7 of the Instructions to Item 201(e); and

■ d. Revising newly redesignated Instruction 7 of the Instructions to Item 201(e).

The revisions read as follows:

§ 229.201 (Item 201) Market price of and dividends on the registrant's common equity and related stockholder matters.

* * * *

(e) *Performance graph.*

(1) For a registrant that is an investment company, provide a line graph comparing the yearly percentage change in the registrant's cumulative total shareholder return on a class of common stock registered under section 12 of the Exchange Act (as measured by dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and the difference between the registrant's share price at the end and the beginning of the measurement period; by the share price at the beginning of the measurement period) with:

* * * *

Instructions to Item 201(e):

* * * *

■ 7. The information required by paragraph (e) of this Item shall not be deemed to be "soliciting material" or to be "filed" with the Commission or subject to Regulation 14A or 14C (17 CFR 240.14a-1 through 240.14b-2 or 240.14c-1 through 240.14c-101), other than as provided in this Item, or to the liabilities of section 18 of the Exchange Act (15 U.S.C. 78r), except to the extent that the registrant specifically requests that such information be treated as soliciting material or specifically incorporates it by reference into a filing under the Securities Act or the Exchange Act. Such information will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

* * * *

■ 5. Amend § 229.304 by revising Instruction 3 to read as follows:

§ 229.304 (Item 304) Changes in and disagreements with accountants on accounting and financial disclosure.

* * * *

Instructions to Item 304:

* * * *

3. The information required by Item 304(a) need not be provided for a company being acquired by the registrant that is not subject to the filing requirements of either section 13(a) or 15(d) of the Exchange Act, or, because of section 12(i) of the Exchange Act, has not submitted to the Commission an annual report to security holders pursuant to Rule 14a-3 or Rule 14c-3 for its latest fiscal year.

* * * *

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

■ 6. The authority citation for part 230 continues to read, in part, as follows:

Authority: 15 U.S.C. 77b, 77b note, 77c, 77d, 77f, 77g, 77h, 77j, 77r, 77s, 77z-3, 77sss, 78c, 78d, 78j, 78l, 78m, 78n, 78o, 78o-7 note, 78t, 78w, 78ll(d), 78mm, 80a-8, 80a-24, 80a-28, 80a-29, 80a-30, and 80a-37, and Public Law 112-106, sec. 201(a), sec. 401, 126 Stat. 313 (2012), unless otherwise noted.

* * * *

■ 7. Amend § 230.158 by revising paragraphs (a)(2)(i) and (b)(2) to read as follows:

§ 230.158 Definitions of certain terms in the last paragraph of section 11(a).

(a) * * *

(2) * * *

(i) On Form 10-K, Form 10-Q, Form 8-K (§ 249.308 of this chapter), or in an annual report to security holders

pursuant to Rule 14a-3 under the Securities Exchange Act of 1934 (§ 240.14a-3 of this chapter); or

* * * *

(b) * * *

(2) Has filed its report or reports on Form 10-K, Form 10-Q, Form 8-K, Form 20-F, Form 40-F, or Form 6-K, or has submitted to the Commission in electronic format, in accordance with the EDGAR Filer Manual, an annual report to security holders pursuant to Rule 14a-3(b)(2) (§ 240.14a-3(b)(2) of this chapter) containing such information. A registrant may use other methods to make an earning statement "generally available to its security holders" for purposes of the last paragraph of section 11(a).

* * * *

■ 8. Amend § 230.175 by revising paragraphs (b)(1) introductory text and (b)(2) introductory text to read as follows:

§ 230.175 Liability for certain statements by issuers.

(a) * * *

(b) * * *

(1) A forward-looking statement (as defined in paragraph (c) of this section) made in a document filed with the Commission, in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter), or in an annual report to security holders meeting the requirements of Rule 14a-3(b)(2) or 14c-3(a)(2) under the Securities Exchange Act of 1934 (§ 240.14a-3(b)(2) or 240.14c-3(a)(2) of this chapter), a statement reaffirming such forward-looking statement after the date the document was filed or the annual report was made publicly available, or a forward-looking statement made before the date the document was filed or the date the annual report was publicly available if such statement is reaffirmed in a filed document, in Part I of a quarterly report on Form 10-Q, or in an annual report made publicly available within a reasonable time after the making of such forward-looking statement; Provided, that

* * * *

(2) Information that is disclosed in a document filed with the Commission, in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter) or in an annual report to security holders meeting the requirements of Rules 14a-3(b)(2) or 14c-3(a)(2) under the Securities Exchange Act of 1934 (§§ 240.14a-3(b)(2) or 240.14c-3(a)(2) of this chapter) and that relates to:

* * * *

■ 9. Amend § 230.428 by revising paragraph (b)(2)(i) to read as follows:

§ 230.428 Documents constituting a section 10(a) prospectus for Form S-8 registration statement; requirements relating to offerings of securities registered on Form S-8.

* * * * *

(b) * * *
(2) * * *

(i) The registrant's annual report to security holders pursuant to Rule 14a-3(b)(2) (§ 240.14a-3(b)(2) of this chapter) under the Securities Exchange Act of 1934 (*Exchange Act*) for its latest fiscal year;

* * * * *

■ 10. Amend § 230.502 by revising paragraph (b)(2)(ii)(A) to read as follows:

§ 230.502 General conditions to be met.

* * * * *

(b) * * *
(2) * * *
(ii) * * *

(A) The issuer's annual report to security holders, for the most recent fiscal year, if any, if such annual report meets the requirements of Rules 14a-3(b)(2) or 14c-3(a)(2) under the Exchange Act (§ 240.14a-3(b)(2) or § 240.14c-3(a)(2) of this chapter), the definitive proxy statement filed in connection with the most recent annual meeting (or special meeting in lieu of the annual meeting) of security holders, or written consent in lieu of such meeting, at which directors are to be elected, and if requested by the purchaser in writing, a copy of the issuer's most recent Form 10-K (§ 249.310 of this chapter) under the Exchange Act.

* * * * *

PART 232—REGULATION S-T—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

■ 11. The authority citation for part 232 continues to read, in part, as follows:

Authority: 15 U.S.C. 77c, 77f, 77g, 77h, 77j, 77s(a), 77z-3, 77sss(a), 78c(b), 78l, 78m, 78n, 78n-1, 78o(d), 78w(a), 78ll, 80a-6(c), 80a-8, 80a-29, 80a-30, 80a-37, 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

* * * * *

■ 12. Amend § 232.101 by revising paragraphs (a)(1)(iii), (a)(1)(xxiv), and (a)(1)(xxv) to read as follows:

§ 232.101 Mandated electronic submissions and exceptions.

(a) * * *
(1) * * *

(iii) Statements, reports, and schedules filed with the Commission pursuant to sections 13, 14, 14A(d), 15(d), or 16(a) of the Exchange Act (15 U.S.C. 78m, 78n, 78n-1(d), 78o(d), and 78p(a));

Note 1 to paragraph (a)(1)(iii). * * *

Note 2 to paragraph (a)(1)(iii). * * *

* * * * *

(xxiv) Annual reports to security holders furnished under § 240.14a-3(b)(2)(xiii) of this chapter or § 240.14c-3(b) of this chapter, under the requirements of Form 10-K (§ 249.310 of this chapter) filed by registrants under Exchange Act Section 15(d) (15 U.S.C. 78o(d)), or by foreign private issuers filed on Form 6-K (§ 249.306 of this chapter) under § 240.13a-16 of this chapter or § 240.15d-16 of this chapter;

(xxv) Notices of exempt preliminary roll-up communications furnished for the information of the Commission pursuant to § 240.14a-6(n) of this chapter (Rule 14a-6(n));

* * * * *

■ 13. Amend § 232.304 by revising paragraphs (d) and (e) to read as follows:

§ 232.304 Graphic, image, audio and video material.

* * * * *

(d) For electronically filed ASCII documents, the performance graph required by Item 201(e) of Regulation S-K (§ 229.201(e) of this chapter), and the line graph that is to appear in registrant annual reports to security holders, as required by paragraph (b)(7)(ii) of Item 27 of Form N-1A (§ 274.11A of this chapter), must be furnished to the Commission by presenting the data in tabular or chart form within the electronic ASCII document, in compliance with paragraph (a) of this section and the formatting requirements of the EDGAR Filer Manual.

(e) Notwithstanding the provisions of paragraphs (a) through (d) of this section, electronically filed HTML documents must present the following information in an HTML graphic or image file within the electronic submission in compliance with the formatting requirements of the EDGAR Filer Manual: The performance graph required by Item 201(e) of Regulation S-K (§ 229.201(e) of this chapter), and the line graph that is to appear in registrant annual reports to security holders, as required by paragraph (b)(7)(ii) of Item 27 of Form N-1A (§ 274.11A of this chapter); and any other graphic material required by rule or form to be filed with the Commission. Filers may, but are not required to, submit any other graphic material in an HTML document by presenting the data in an HTML graphic or image file within the electronic filing, in compliance with the formatting requirements of the EDGAR Filer Manual. However, filers may not present in a graphic or image file information such as text or tables that users must be able to search and/or

download into spreadsheet form (e.g., financial statements); filers must present such material as text in an ASCII document or as text or an HTML table in an HTML document.

* * * * *

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

■ 14. The authority citation for part 239 continues to read, in part, as follows:

Authority: 15 U.S.C. 77c, 77f, 77g, 77h, 77j, 77s, 77z-2, 77z-3, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78o-7 note, 78u-5, 78w(a), 78ll, 78mm, 80a-2(a), 80a-3, 80a-8, 80a-9, 80a-10, 80a13, 80a-24, 80a-26, 80a-29, 80a-30, 80a-37, and sec. 71003 and sec. 84001, Pub. L. 114-94, 129 Stat. 1321, unless otherwise noted.

* * * * *

■ 15. Amend Form S-3 (referenced in § 239.13) by revising Item 11(a) to read as follows: "Describe any and all material changes in the registrant's affairs which have occurred since the end of the latest fiscal year for which certified financial statements were included in the registrant's latest annual report on Form 10-K and which have not been described in a report on Form 10-Q (§ 249.308a of this chapter) or Form 8-K (§ 249.308 of this chapter) filed under the Exchange Act."

Note: The text of Form S-3 does not, and this amendment will not, appear in the Code of Federal Regulations.

■ 16. Amend Form S-4 (referenced in § 239.25) by:

- a. Removing and reserving General Instruction A.2;
- b. Revising the title of General Instruction G;
- c. Revising General Instruction G.2.f;
- d. Revising Item 10(a);
- e. Revising Items 12(b)(2) introductory text, 12(c) introductory text, and 12(c)(3); and
- f. Revising Items 17(b) introductory text and 17(b)(7).

The amendments read as shown in Appendix A to this document.

Note: The text of Form S-4 does not, and these amendments will not, appear in the Code of Federal Regulations.

■ 17. Amend Form F-4 (referenced in § 239.34) by removing and reserving General Instruction A.2.

Note: The text of Form F-4 does not, and these amendments will not, appear in the Code of Federal Regulations.

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

■ 18. The authority citation for part 240 continues to read, in part, as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c-3, 78c-5, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78j-4, 78k, 78k-1, 78l, 78m, 78n, 78n-1, 78o, 78o-4, 78o-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78dd, 78ll, 78mm, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, 80b-11, 1681w(a)(1), 6801-6809, 6825, 7201 *et seq.*, and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; Public Law 111-203, 939A, 124 Stat. 1887 (2010); and sec. 503 and 602, Public Law 112-106, 126 Stat. 326 (2012), unless otherwise noted.

* * * * *

■ 19. Amend § 240.3b-6 by revising paragraphs (b)(1) introductory text and (b)(2) introductory text to read as follows:

§ 240.3b-6 Liability for certain statements by issuers.

* * * * *

(b) * * *

(1) A forward-looking statement (as defined in paragraph (c) of this section) made in a document filed with the Commission, in Part I of a quarterly report on Form 10-Q, § 249.308a of this chapter, or in an annual report to security holders meeting the requirements of Rules 14a-3(b)(2) or 14c-3(a)(2) (§ 240.14a-3(b)(2) or § 240.14c-3(a)(2)), a statement reaffirming such forward-looking statement after the date the document was filed or the annual report was made publicly available, or a forward-looking statement made before the date the document was filed or the date the annual report was made publicly available if such statement is reaffirmed in a filed document, in Part I of a quarterly report on Form 10-Q, or in an annual report made publicly available within a reasonable time after the making of such forward-looking statement; *Provided*, that:

* * * * *

(2) Information that is disclosed in a document filed with the Commission in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter) or in an annual report to security holders meeting the requirements of Rules 14a-3(b)(2) or 14c-3(a)(2) under the Act (§ 240.14a-3(b)(2) or § 240.14c-3(a)(2) of this chapter) and that relates to:

* * * * *

■ 20. Amend § 240.14a-2 by, in paragraph (b) introductory text, removing the text “(other than § 240.14a-6(g) and (p))”.

■ 21. Amend § 240.14a-3 by:

- a. Revising paragraph (b);
- b. Revising paragraph (c);
- c. Removing and reserving paragraph (d); and
- d. Revising paragraph (e).

The revisions read as follows:

§ 240.14a-3 Information to be furnished to security holders.

* * * * *

(b) If the solicitation is made on behalf of the registrant, other than an investment company registered under the Investment Company Act of 1940, and relates to an annual (or special meeting in lieu of the annual) meeting of security holders, or written consent in lieu of such meeting, at which directors are to be elected, each proxy statement furnished pursuant to paragraph (a) of this section must be preceded by either:

(1) The filing of the registrant’s annual report on Form 10-K for the registrant’s most recent fiscal year pursuant to Section 13(a) or 15(d) of the Act that contains financial statements for the registrant’s most recent fiscal year; or

(2) The furnishing of an annual report to security holders in accordance with the following requirements:

(i) The report must include, for the registrant and its subsidiaries, consolidated and audited balance sheets as of the end of the two most recent fiscal years and audited statements of income and cash flows for each of the three most recent fiscal years prepared in accordance with Regulation S-X (part 210 of this chapter), except that the provisions of Article 3 (other than §§ 210.3-03(e), 210.3-04 and 210.3-20) and Article 11 shall not apply. Any financial statement schedules or exhibits or separate financial statements which may otherwise be required in filings with the Commission may be omitted. If the financial statements of the registrant and its subsidiaries consolidated in the annual report filed or to be filed with the Commission are not required to be audited, the financial statements required by this paragraph may be unaudited. A smaller reporting company may provide the information in Article 8 of Regulation S-X (§ 210.8 of this chapter) in lieu of the financial information required by this paragraph 9(b)(1).

Note 1 to paragraph (b)(2)(i): If the financial statements for a period prior to the most recently completed fiscal year have been examined by a predecessor accountant, the separate report of the predecessor accountant may be omitted in the report to security holders, provided the registrant has obtained from the predecessor accountant a reissued report covering the prior period presented and the successor accountant clearly indicates in the scope paragraph of his or her report (a) that the financial statements of the prior period were examined by other accountants, (b) the date of their report, (c) the type of opinion expressed by the predecessor accountant and (d) the substantive reasons therefore, if it was other than unqualified. It should be noted,

however, that the separate report of any predecessor accountant is required in filings with the Commission. If, for instance, the financial statements in the annual report to security holders are incorporated by reference in a Form 10-K, the separate report of a predecessor accountant shall be filed in Part II or in Part IV as a financial statement schedule.

Note 2 to paragraph (b)(2)(i): For purposes of complying with § 240.14a-3, if the registrant has changed its fiscal closing date, financial statements covering two years and one period of 9 to 12 months shall be deemed to satisfy the requirements for statements of income and cash flows for the three most recent fiscal years.

(ii) Financial statements and notes thereto must be presented in roman type at least as large and as legible as 10-point modern type. If necessary for convenient presentation, the financial statements may be in roman type as large and as legible as 8-point modern type. All type must be leaded at least 2 points. Any presentation of financial information must be consistent with the data in the financial statements contained in the report and, if appropriate, should refer to relevant portions of the financial statements and notes thereto.

(iii) Where the annual report to security holders is delivered through an electronic medium, registrants may satisfy legibility requirements applicable to printed documents, such as type size and font, by presenting all required information in a format readily communicated to investors.

(iv) The report must contain the supplementary financial information required by Item 302 of Regulation S-K (§ 229.302 of this chapter).

(v) The report must contain information concerning changes in and disagreements with accountants on accounting and financial disclosure required by Item 304(b) of Regulation S-K (§ 229.304(b) of this chapter).

(vi) The report must contain management’s discussion and analysis of financial condition and results of operations required by Item 303 of Regulation S-K (§ 229.303 of this chapter).

(vii) The report must contain the quantitative and qualitative disclosures about market risk required by Item 305 of Regulation S-K (§ 229.305 of this chapter).

(viii) The report must contain a brief description of the business done by the registrant and its subsidiaries during the most recent fiscal year which will, in the opinion of management, indicate the general nature and scope of the business of the registrant and its subsidiaries.

(ix) The report must contain information relating to the registrant’s

industry segments, classes of similar products or services, foreign and domestic operations and exports sales required by paragraphs (b), (c)(1)(i) and (d) of Item 101 of Regulation S-K (§ 229.101 of this chapter).

(x) The report must contain the market price of and dividends on the registrant's common equity and related security holder matters required by Items 201(a), (b) and (c) of Regulation S-K (§ 229.201(a), (b) and (c) of this chapter).

(xi) Subject to the foregoing requirements, the report may be in any form deemed suitable by management and the information required by paragraphs (b)(2)(i) to (x) of this section may be presented in an appendix or other separate section of the report, provided that the attention of security holders is called to such presentation.

(xii) Paragraph (b) of this section shall not apply, however, to solicitations made on behalf of the registrant before the financial statements are available if a solicitation is being made at the same time in opposition to the registrant and if the registrant's proxy statement includes an undertaking in bold face type to furnish such annual report on Form 10-K or annual report to security holders to all persons being solicited at least 20 calendar days before the date of the meeting or, if the solicitation refers to a written consent or authorization in lieu of a meeting, at least 20 calendar days prior to the earliest date on which it may be used to effect corporate action.

(c) Any annual report to security holders, whether furnished to security holders pursuant to paragraph (b)(2) of this section or otherwise, must be submitted in electronic format, in accordance with the EDGAR Filer Manual, to the Commission not later than the date on which such report is made available to security holders or a proxy statement furnished pursuant to paragraph (a) is first sent or given to security holders, whichever date is later. The report is not deemed to be "soliciting material" or to be "filed" with the Commission or subject to this regulation otherwise than as provided in this Rule, or to the liabilities of section 18 of the Act, except to the extent that the registrant specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement or other filed report by reference.

(d) [Reserved]

(e)

(1)

(i) A registrant will be considered to have delivered a proxy statement or Notice of internet Availability of Proxy Materials, as described in § 240.14a-16,

to all security holders of record who share an address if:

(A) The registrant delivers one proxy statement or Notice of internet Availability of Proxy Materials, as applicable, to the shared address;

(B) The registrant addresses the proxy statement or Notice of internet Availability of Proxy Materials, as applicable, to the security holders as a group (for example, "ABC Fund [or Corporation] Security Holders," "Jane Doe and Household," "The Smith Family"), to each of the security holders individually (for example, "John Doe and Richard Jones") or to the security holders in a form to which each of the security holders has consented in writing;

Note to paragraph (e)(1)(i)(B): Unless the registrant addresses the proxy statement or Notice of internet Availability of Proxy Materials to the security holders as a group or to each of the security holders individually, it must obtain, from each security holder to be included in the household group, a separate affirmative written consent to the specific form of address the registrant will use.

(C) The security holders consent, in accordance with paragraph (e)(1)(ii) of this section, to delivery of one proxy statement;

(D) With respect to delivery of the proxy statement or Notice of internet Availability of Proxy Materials, the registrant delivers, together with or subsequent to delivery of the proxy statement, a separate proxy card for each security holder at the shared address; and

(E) The registrant includes an undertaking in the proxy statement to deliver promptly upon written or oral request a separate copy of the proxy statement or Notice of internet Availability of Proxy Materials, as applicable, to a security holder at a shared address to which a single copy of the document was delivered.

(ii) *Consent—*

(A) *Affirmative written consent.* Each security holder must affirmatively consent, in writing, to delivery of one proxy statement. A security holder's affirmative written consent will be considered valid only if the security holder has been informed of:

(1) The duration of the consent;

(2) The specific types of documents to which the consent will apply;

(3) The procedures the security holder must follow to revoke consent; and

(4) The registrant's obligation to begin sending individual copies to a security holder within thirty days after the security holder revokes consent.

(B) *Implied consent.* The registrant need not obtain affirmative written

consent from a security holder for purposes of paragraph (e)(1)(ii)(A) of this section if all of the following conditions are met:

(1) The security holder has the same last name as the other security holders at the shared address or the registrant reasonably believes that the security holders are members of the same family;

(2) The registrant has sent the security holder a notice at least 60 days before the registrant begins to rely on this section concerning delivery of proxy statements or Notices of internet Availability of Proxy Materials to that security holder. The notice must:

(i) Be a separate written document;

(ii) State that only one proxy statement or Notice of internet Availability of Proxy Materials, as applicable, will be delivered to the shared address unless the registrant receives contrary instructions;

(iii) Include a toll-free telephone number, or be accompanied by a reply form that is pre-addressed with postage provided, that the security holder can use to notify the registrant that the security holder wishes to receive a separate proxy statement or Notice of internet Availability of Proxy Materials;

(iv) State the duration of the consent;

(v) Explain how a security holder can revoke consent;

(vi) State that the registrant will begin sending individual copies to a security holder within thirty days after the security holder revokes consent; and

(vii) Contain the following prominent statement, or similar clear and understandable statement, in bold-face type: "Important Notice Regarding Delivery of Security Holder Documents." This statement also must appear on the envelope in which the notice is delivered. Alternatively, if the notice is delivered separately from other communications to security holders, this statement may appear either on the notice or on the envelope in which the notice is delivered.

Note to paragraph (e)(1)(ii)(B)(2): The notice should be written in plain English. See § 230.421(d)(2) of this chapter for a discussion of plain English principles.

(3) The registrant has not received the reply form or other notification indicating that the security holder wishes to continue to receive an individual copy of the proxy statement or Notice of internet Availability of Proxy Materials, as applicable, within 60 days after the registrant sent the notice required by paragraph (e)(1)(ii)(B)(2) of this section; and

(4) The registrant delivers the document to a post office box or residential street address.

Note to paragraph (e)(1)(ii)(B)(4): The registrant can assume that a street address is residential unless the registrant has information that indicates the street address is a business.

(iii) *Revocation of consent.* If a security holder, orally or in writing, revokes consent to delivery of one proxy statement or Notice of internet Availability of Proxy Materials to a shared address, the registrant must begin sending individual copies to that security holder within 30 days after the registrant receives revocation of the security holder's consent.

(iv) *Definition of address.* Unless otherwise indicated, for purposes of this section, address means a street address, a post office box number, an electronic mail address, a facsimile telephone number or other similar destination to which paper or electronic documents are delivered, unless otherwise provided in this section. If the registrant has reason to believe that the address is a street address of a multi-unit building, the address must include the unit number.

Note to paragraph (e)(1): A person other than the registrant making a proxy solicitation may deliver a single proxy statement to security holders of record or beneficial owners who have separate accounts and share an address if: (a) the registrant or intermediary has followed the procedures in this section; and (b) the registrant or intermediary makes available the shared address information to the person in accordance with § 240.14a-7(a)(2)(i) and (ii).

(2) Notwithstanding paragraphs (a) and (b) of this section,

(i) Unless state law requires otherwise, a registrant's obligation to send a proxy statement or Notice of internet Availability of Proxy Materials to a security holder is suspended if:

(A) A proxy statement or a Notice of internet Availability of Proxy Materials for two consecutive annual meetings has been mailed to such security holder's address and has been returned as undeliverable; or

(B) All, and at least two, payments (if sent by first class mail) of dividends or interest on securities, or dividend reinvestment confirmations, during a twelve month period, have been mailed to such security holder's address and have been returned as undeliverable.

(ii) If any such security holder delivers or causes to be delivered to the registrant written notice setting forth such security holder's then current address for security holder communications purposes, the registrant's obligation to send a proxy statement or a Notice of internet Availability of Proxy Materials under this section is reinstated.

■ 22. Amend § 240.14a-6 by:

■ a. Revising paragraphs (a) introductory text, (b), and (c);

■ b. Removing and reserving paragraph (g); and

■ c. Revising paragraphs (h), (i)(2), and (n)(2).

The revisions read as follows:

§ 240.14a-6 Filing requirements.

(a) *Preliminary proxy statement.* A preliminary copy of the proxy statement and form of proxy shall be filed with the Commission at least 10 calendar days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period prior to that date as the Commission may authorize upon a showing of good cause thereunder. A registrant, however, shall not file with the Commission a preliminary proxy statement, form of proxy or other soliciting material to be furnished to security holders concurrently therewith if the solicitation relates to an annual (or special meeting in lieu of the annual) meeting, or for an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) or a business development company, if the solicitation relates to any meeting of security holders at which the only matters to be acted upon are:

* * * * *

(b) *Definitive proxy statement and other soliciting material.* Definitive copies of the proxy statement, form of proxy and all other soliciting materials, in the same form as the materials sent to security holders, must be filed with the Commission no later than the date they are first sent or given to security holders.

(c) *Personal solicitation materials.* If part or all of the solicitation involves personal solicitation, then a copy of all written instructions or other materials that discuss, review or comment on the merits of any matter to be acted on, that are furnished to persons making the actual solicitation for their use directly or indirectly in connection with the solicitation, must be filed with the Commission no later than the date the materials are first sent or given to these persons.

* * * * *

(g) [Reserved]

(h) *Revised material.* Where any proxy statement, form of proxy or other material filed pursuant to this section is amended or revised, such amended or revised material filed pursuant to this section shall be marked to indicate clearly and precisely the changes effected therein. If the amendment or

revision alters the text of the material the changes in such text shall be indicated by means of underscoring or in some other appropriate manner.

(i) * * *

(2) For all other proxy submissions, no fee shall be required.

* * * * *

(n) * * *

(2) At the commencement of that solicitation both owns five percent (5%) or more of the outstanding securities of a class that is the subject of the proposed roll-up transaction, and engages in the business of buying and selling limited partnership interests in the secondary market, shall furnish to the Commission, not later than three days after the date an oral or written solicitation by that person is first made, sent or provided to any security holder, a statement containing the information specified in the Notice of Exempt Preliminary Roll-up Communication (§ 240.14a-104). Any amendment to such statement shall be furnished to the Commission not later than three days after a communication containing revised material is first made, sent or provided to any security holder.

* * * * *

■ 23. Amend § 240.14a-9 by, in paragraph (c), removing the words “the Federal proxy rules.”.

■ 24. Amend § 240.14a-12 by:

■ a. In paragraph (b), removing the words “Three copies” and adding, in their place, the words “A copy”;

■ b. In paragraph (c)(1), removing the text “provisions of § 240.14a-3 (b) and (c)” and adding, in its place, the text “provisions of § 240.14a-3(b)”;

■ c. Removing Instruction 1 to § 240.14a-12;

■ d. Redesignating Instruction 2 to § 240.14a-12 as Instruction 1 to § 240.14a-12; and

■ e. Redesignating Instruction 3 to § 240.14a-12 as Instruction 2 to § 240.14a-12.

■ 25. Amend § 240.14a-13 by:

■ a. Removing and reserving paragraph (a)(1)(i)(B);

■ b. Removing paragraph (a)(1)(ii)(A);

■ c. Redesignating paragraph (a)(1)(ii)(B) as paragraph (a)(1)(i)(A);

■ d. Redesignating paragraph (a)(1)(ii)(C) as paragraph (a)(1)(ii)(B);

■ e. In each of paragraphs (a)(3) introductory text, (a)(3)(i) and (a)(3)(ii), removing the number “20” and adding, in its place, the word “five”;

■ f. In paragraph (a)(4), removing the words “copies of the proxy, other proxy soliciting material, and/or the annual report to security holders” and adding, in their place, the words “copies of the proxy and other proxy soliciting material”;

- g. In paragraph (a)(5), removing the words “and/or annual reports to security holders”;
- h. In Note 2 to paragraph (a), removing the text “(a)” and “and (b) annual reports to security holders to beneficial owners on whose behalf it holds securities,”;
- i. In Note 3 to paragraph (a), adding the word “and” before the words “proxy soliciting material”, and removing the words “and annual reports to security holders”;
- j. Removing and reserving paragraph (c); and
- k. In paragraph (d), removing the text “voting instructions), proxy soliciting material and annual reports to security holders” and adding, in its place, the text “voting instructions) and proxy soliciting material”.
- 26. Amend § 240.14a–16 by:
 - a. In paragraph (a)(1), removing the text “, or an annual report to security holders pursuant to § 240.14a–3(b),”;
 - b. In paragraph (d)(8), removing the words “, annual report to security holders,”;
 - c. In paragraph (d)(10), removing the words “and, if required by § 240.14a–3(b), the annual report to security holders”;
 - d. In paragraph (h)(2), removing the text “and any annual report to security holders that is required by § 240.14a–3(b)”;
 - e. In each of paragraphs (j)(1) and (j)(2), removing the words “annual report to security holders,”;
 - f. In paragraph (n)(1)(i), adding the word “and” after the semicolon;
 - g. Removing paragraph (n)(1)(ii); and
 - h. Redesignating paragraph (n)(1)(iii) as paragraph (n)(1)(ii).
- 27. Amend § 240.14a–101 by:
 - a. On the cover of the schedule, adding, on successive lines, a blank space, a line, and the text “(Name, address, and telephone number of person authorized to receive communications on behalf of filing persons)” directly under the text “(Name of Person(s) Filing Proxy Statement, if other than the Registrant)”;
 - b. On the cover of the schedule, removing the text “required by Item 25(b)” and adding, in its place, the text “required by Item 25(c)” directly under the text “[] Fee Paid previously with preliminary materials”;
 - c. Removing and reserving Note D.3;
 - d. Adding a Note F;
 - e. In the Instruction to Item 7, removing the text “Item 7 will” and adding, in its place, “Item 7 will”;
 - f. Revising Instruction 3 to Item 10; and
 - g. Revising Item 23.

The revisions read as follows:

§ 240.14a–101 Schedule 14A. Information required in proxy statement.

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant []

Filed by a party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement

[] Confidential, for Use of the Commission Only (as permitted by Rule 14a–6(e)(2))

[] Definitive Proxy Statement

[] Definitive Additional Materials

[] Soliciting Material under § 240.14a–12

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

(Name, address, and telephone number of person authorized to receive communications on behalf of filing persons)

Payment of Filing Fee (Check all boxes that apply):

[] No fee required

[] Fee paid previously with preliminary materials

[] Fee computed on table in exhibit required by Item 25(c) per Exchange Act Rules 14a–6(i)(1) and 0–11

Notes

* * * * *

D. * * *

3. [Reserved]

* * * * *

F. Include an undertaking to provide, without charge, to each person to whom a proxy statement is delivered, upon written or oral request of such person and by first class mail or other equally prompt means within one business day of receipt of such request, a copy of the registrant’s annual report on Form 10–K (§ 249.310 of this chapter), including the financial statements and the financial statement schedules, required to be filed with the Commission pursuant to Rule 13a–1 (§ 240.13a–1 of this chapter) under the Act for the registrant’s most recent fiscal year, and the address (including title or department) and telephone numbers to which such a request is to be directed. In the discretion of management, a registrant need not undertake to furnish without charge copies of all exhibits to

its Form 10–K, provided that the copy of the annual report on Form 10–K furnished without charge to requesting security holders is accompanied by a list briefly describing all the exhibits not contained therein and indicating that the registrant will furnish any exhibit upon the payment of a specified reasonable fee, which fee shall be limited to the registrant’s reasonable expenses in furnishing such exhibit. A registrant shall furnish a copy of its annual report on Form 10–K (§ 249.310 of this chapter) to a beneficial owner of its securities upon receipt of a written request from such person that sets forth a good faith representation that, as of the record date for the solicitation requiring the furnishing of the proxy statement, the person making the request was a beneficial owner of securities entitled to vote. With respect to investment companies registered under the Investment Company Act of 1940, refer to Item 22(a)(3)(iii) of this Schedule in lieu of this Note.

* * * * *

*Item 7. Directors and executive officers. * * **

Instruction to Item 7. The information disclosed pursuant to paragraph (d) of this Item 7 will not be deemed incorporated by reference into any filing under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*), the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), or the Investment Company Act of 1940 (15 U.S.C. 80a–1 *et seq.*), except to the extent that the registrant specifically incorporates that information by reference.

* * * * *

*Item 10. Compensation Plans. * * **

Instructions

* * * * *

3. If the plan to be acted upon is set forth in a written document, a copy shall be filed with the Commission at the time copies of the proxy statement and form of proxy are first filed pursuant to paragraph (a) or (b) of § 240.14a–6 as an appendix to the proxy statement. It need not be provided to security holders unless it is a part of the proxy statement.

* * * * *

Item 23. Delivery of documents to security holders sharing an address. If one proxy statement or Notice of internet Availability of Proxy Materials is being delivered to two or more security holders who share an address in accordance with § 240.14a–3(e)(1), furnish the following information:

(a) State that only one proxy statement or Notice of internet Availability of Proxy Materials, as applicable, is being delivered to

multiple security holders sharing an address unless the registrant has received contrary instructions from one or more of the security holders;

(b) Undertake to deliver promptly upon written or oral request a separate copy of the proxy statement or Notice of internet Availability of Proxy Materials, as applicable, to a security holder at a shared address to which a single copy of the documents was delivered and provide instructions as to how a security holder can notify the registrant that the security holder wishes to receive a separate copy of a proxy statement or Notice of internet Availability of Proxy Materials, as applicable;

(c) Provide the phone number and address to which a security holder can direct a notification to the registrant that the security holder wishes to receive a separate proxy statement, or Notice of internet Availability of Proxy Materials, as applicable, in the future; and

(d) Provide instructions how security holders sharing an address can request delivery of a single copy of proxy statements or Notices of internet Availability of Proxy Materials.

* * * * *

■ 28. Remove and reserve § 240.14a–103.

■ 29. Amend § 240.14b–1 by:

- a. Revising paragraphs (b)(1) introductory text, (b)(1)(ii) and (b)(2);
- b. Revising Note to paragraph (b)(2);
- c. Revising paragraphs (c)(1)(i), (c)(2), and (c)(3); and
- d. Revising paragraphs (d)(5) introductory text, (d)(5)(i)(A), and (d)(5)(i)(B).

The revisions read as follows:

§ 240.14b–1 Obligation of registered brokers and dealers in connection with the prompt forwarding of certain communications to beneficial owners.

* * * * *

(b) * * *

(1) The broker or dealer shall respond, by first class mail or other equally prompt means, directly to the registrant no later than seven business days after the date it receives an inquiry made in accordance with § 240.14a–13(a) or § 240.14c–7(a) by indicating, by means of a search card or otherwise:

(i) * * *

(ii) The number of customers of the broker or dealer who are beneficial owners of the registrant's securities who have objected to disclosure of their names, addresses, and securities positions; and

* * * * *

(2) The broker or dealer shall, upon receipt of the proxy, other proxy soliciting material, and/or information statement from the registrant or other soliciting person, forward such materials to its customers who are beneficial owners of the registrant's securities no later than five business days after receipt of the proxy material or information statement.

Note to paragraph (b)(2): At the request of a registrant, or on its own initiative so long as the registrant does not object, a broker or dealer may, but is not required to, deliver one proxy statement, information statement, or Notice of internet Availability of Proxy Materials to more than one beneficial owner sharing an address if the requirements set forth in § 240.14a–3(e)(1) (with respect to proxy statements and Notices of internet Availability of Proxy Materials) and § 240.14c–3(c) (with respect to information statements and Notices of internet Availability of Proxy Materials) applicable to registrants, with the exception of § 240.14a–3(e)(1)(i)(E), are satisfied instead by the broker or dealer.

* * * * *

(c) * * *

(1) * * *

(i) Not include information in its response pursuant to paragraph (b)(1) of this section or forward proxies (or in lieu thereof requests for voting instructions), proxy soliciting material, or information statements pursuant to paragraph (b)(2) of this section to such beneficial owners; and

(ii) * * *

(2) A broker or dealer need not satisfy its obligations under paragraphs (b)(2), (b)(3) and (d) of this section if the registrant or other soliciting person, as applicable, does not provide assurance of reimbursement of the broker's or dealer's reasonable expenses, both direct and indirect, incurred in connection with performing the obligations imposed by paragraphs (b)(2), (b)(3) and (d) of this section.

(3) In its response pursuant to paragraph (b)(1) of this section, a broker or dealer shall not include information about proxy statements or information statements that will not be delivered to security holders sharing an address because of the broker or dealer's reliance on the procedures referred to in the Note to paragraph (b)(2) of this section.

(d) * * *

(5) Notwithstanding any other provisions in this paragraph (d), if the broker or dealer receives copies of the proxy statement from the soliciting person with instructions to forward such materials to beneficial owners, the broker or dealer:

(i) Shall either:

(A) Prepare a Notice of internet Availability of Proxy Materials and forward it with the proxy statement; or
(B) Incorporate any information required in the Notice of internet Availability of Proxy Materials that does not appear in the proxy statement into the broker or dealer's request for voting instructions to be sent with the proxy statement;

* * * * *

■ 30. Amend § 240.14b–2 by:

- a. Revising Note 2 to paragraph (a)(2);
- b. Revising paragraphs (b)(1)(ii)(B) introductory text and (b)(3) introductory text;
- c. Revising Note to paragraph (b)(3); and
- d. Revising paragraphs (c)(1)(i), (c)(2), (c)(4), (d)(5) introductory text, (d)(5)(i)(A), and (d)(5)(i)(B).

The revisions read as follows:

§ 240.14b–2 Obligation of banks, associations and other entities that exercise fiduciary powers in connection with the prompt forwarding of certain communications to beneficial owners.

(a) * * *

(2) * * *

Note 2: If more than one person shares voting power or if the instrument creating that voting power provides that such power shall be exercised by different persons depending on the nature of the corporate action involved, all persons entitled to exercise such power shall be deemed beneficial owners; Provided, however, that only one such beneficial owner need be designated among the beneficial owners to receive proxies or requests for voting instructions, other proxy soliciting material and/or information statements, if the person so designated assumes the obligation to disseminate, in a timely manner, such materials to the other beneficial owners.

(b) * * *

(1) * * *

(ii) * * *

(B) The following:

* * * * *

(3) Upon receipt of the proxy, other proxy soliciting material and/or information statement from the registrant or other soliciting person, the bank shall forward such materials to each beneficial owner on whose behalf it holds securities, no later than five business days after the date it receives such material and, where a proxy is solicited, the bank shall forward, with the other proxy soliciting material, either:

* * * * *

Note to paragraph (b)(3): At the request of a registrant, or on its own initiative so long as the registrant does not object, a bank may, but is not required to, deliver one proxy statement, information statement, or Notice of internet Availability of Proxy Materials to

more than one beneficial owner sharing an address if the requirements set forth in § 240.14a-3(e)(1) (with respect to proxy statements and Notices of internet Availability of Proxy Materials) and § 240.14c-3(c) (with respect to information statements and Notices of internet Availability of Proxy Materials) applicable to registrants, with the exception of § 240.14a-3(e)(1)(i)(E), are satisfied instead by the bank.

* * * * *

(c) * * *

(1) * * *

(i) Include information in its response pursuant to paragraph (b)(1) of this section; or forward proxies (or in lieu thereof requests for voting instructions), proxy soliciting material or information statements pursuant to paragraph (b)(3) of this section to such beneficial owners; or

(ii) * * *

(2) The bank need not satisfy its obligations under paragraphs (b)(2), (b)(3), (b)(4) and (d) of this section if the registrant or other soliciting person, as applicable, does not provide assurance of reimbursement of its reasonable expenses, both direct and indirect, incurred in connection with performing the obligations imposed by paragraphs (b)(2), (b)(3), (b)(4) and (d) of this section.

(3) * * *

(4) In its response pursuant to paragraph (b)(1)(ii)(A) of this section, a bank shall not include information about proxy statements or information statements that will not be delivered to security holders sharing an address because of the bank's reliance on the procedures referred to in the Note to paragraph (b)(3) of this section.

(d) * * *

(5) Notwithstanding any other provisions in this paragraph (d), if the bank receives copies of the proxy statement from the soliciting person with instructions to forward such materials to beneficial owners, the bank:

(i) Shall either:

(A) Prepare a Notice of internet Availability of Proxy Materials and forward it with the proxy statement; or

(B) Incorporate any information required in the Notice of internet Availability of Proxy Materials that does not appear in the proxy statement into the bank's request for voting instructions to be sent with the proxy statement;

* * * * *

■ 31. Amend § 240.14c-2 by, in paragraph (a)(2)(ii), removing the words "an annual report to security holders or".

■ 32. Amend § 240.14c-3 by revising it to read as follows:

§ 240.14c-3 Information to be furnished to security holders.

(a) If the information statement relates to an annual (or special meeting in lieu of the annual) meeting, or written consent in lieu of such meeting, of security holders at which directors of the registrant, other than an investment company registered under the Investment Company Act of 1940, are to be elected, it must be preceded by either:

(1) The filing of the registrant's annual report on Form 10-K for the registrant's most recent fiscal year pursuant to Section 13(a) or 15(d) of the Act that contains financial statements for the registrant's most recent fiscal year; or

(2) The submission of an annual report to security holders in accordance with the requirements in paragraphs (b)(2)(i) through (xi) of § 240.14a-3.

(b) An annual report to security holders pursuant to paragraph (a)(2) must be submitted in electronic format, in accordance with the EDGAR Filer Manual, to the Commission not later than the date on which such report is made available to security holders or an information statement pursuant to § 240.14c-2(a) is first sent or given to security holders, whichever date is later. The report is not deemed to be "filed" with the Commission or subject to this regulation otherwise than as provided in this rule, or to the liabilities of section 18 of the Act, except to the extent that the registrant specifically requests that it be treated as a part of the information statement or incorporates it in the information statement or other filed report by reference.

(c) A registrant will be considered to have delivered a Notice of internet Availability of Proxy Materials or information statement to security holders of record who share an address if the requirements set forth in § 240.14a-3(e)(1) are satisfied with respect to the Notice of internet Availability of Proxy Materials or information statement, as applicable.

■ 33. Amend § 240.14c-7 by:

■ a. Removing and reserving paragraphs (a)(1)(i)(B) and (a)(1)(ii)(A);

■ b. In each of paragraphs (a)(3)(i) and (a)(3)(ii), removing the number "20" and adding, in its place, the word "five";

■ c. In paragraph (a)(4), removing the words "and/or the annual report to security holders";

■ d. In paragraph (a)(5), removing the words "Proxy Materials, information statements and/or annual reports to security holders" and adding, in their place, the words "Proxy Materials and/or information statements";

■ e. In Note 2 to paragraph (a), removing the text "therein, (a) information

statements to beneficial owners on whose behalf it holds securities, and (b) annual reports to security holders to beneficial owners on whose behalf it holds securities" and adding, in its place, the text "therein, information statements to beneficial owners on whose behalf it holds securities";

■ f. In Note 3 to paragraph (a), removing the words "and annual reports to security holders";

■ g. In paragraph (b)(2), removing the word "registrant's" and adding, in its place, the word "registrant's";

■ h. Removing and reserving paragraph (c); and

■ i. In paragraph (d), removing the words "and annual reports to security holders".

■ 34. Amend § 240.14c-101 by:

■ a. On the cover of the schedule, adding, on successive lines, a blank space, a line, and the text "(Name, address, and telephone number of person authorized to receive communications on behalf of Registrant)" directly under the text "(Name of Registrant As Specified In Its Charter)";

■ b. On the cover of the schedule, removing the text "required by Item 25(b) and adding, in its place, the text "required by Item 25(c)" directly under the text "[] Fee Paid previously with preliminary materials"; and

■ c. Revising Item 5.

The revisions read as follows:

§ 240.14c-101 Schedule 14C. Information required in information statement.

Schedule 14C Information

Information Statement Pursuant to Section 14(c) of the Securities Exchange Act of 1934

(Amendment No.)

Check the appropriate box:

[] Preliminary Information Statement

[] Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

[] Definitive Information Statement

(Name of Registrant As Specified In Its Charter)

(Name, address, and telephone number of person authorized to receive communications on behalf of Registrant)
Payment of Filing Fee (Check all boxes that apply):

[] No fee required

[] Fee paid previously with preliminary materials

[] Fee computed on table in exhibit required by Item 25(c) of Schedule 14A (17 CFR 240.14a-101) per Item 1 of this

Schedule and Exchange Act Rules 14c–5(g) and 0–11

Note

* * * * *

Item 5. Delivery of documents to security holders sharing an address. If one information statement or Notice of internet Availability of Proxy Materials is being delivered to two or more security holders who share an address, furnish the following information in accordance with § 240.14a–3(e)(1):

(a) State that only one information statement or Notice of internet Availability of Proxy Materials, as applicable, is being delivered to multiple security holders sharing an address unless the registrant has received contrary instructions from one or more of the security holders;

(b) Undertake to deliver promptly upon written or oral request a separate copy of the information statement or Notice of internet Availability of Proxy Materials, as applicable, to a security holder at a shared address to which a single copy of the documents was delivered and provide instructions as to how a security holder can notify the registrant that the security holder wishes to receive a separate copy of an information statement or Notice of internet Availability of Proxy Materials, as applicable;

(c) Provide the phone number and address to which a security holder can direct a notification to the registrant that the security holder wishes to receive a separate information statement or Notice of internet Availability of Proxy Materials, as applicable, in the future; and

(d) Provide instructions how security holders sharing an address can request delivery of a single copy of information statements or Notices of internet Availability of Proxy Materials if they are receiving multiple copies of information statements or Notices of internet Availability of Proxy Materials.

■ 35. Amend § 240.14d–5 by, in paragraph (g)(2)(i), removing the words “annual report to shareholders” and adding, in their place, the words “proxy statement or information statement that relates to an annual (or special meeting in lieu of the annual) meeting of security holders, or written consent in lieu of such meeting, at which directors are to be elected”.

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 36. The authority citation for part 249 continues to read, in part, as follows:

Authority: 15 U.S.C. 78a *et seq.* and 7201 *et seq.*; 12 U.S.C. 5461 *et seq.*; 18 U.S.C. 1350;

Sec. 953(b) Pub. L. 111–203, 124 Stat. 1904; Sec. 102(a)(3) Pub. L. 112–106, 126 Stat. 309 (2012), Sec. 107 Pub. L. 112–106, 126 Stat. 313 (2012), Sec. 72001 Pub. L. 114–94, 129 Stat. 1312 (2015), and secs. 2 and 3 Pub. L. 116–222, 134 Stat. 1063 (2020), unless otherwise noted.

* * * * *

■ 37. Amend Form 10–K (referenced in § 249.310) by:

■ a. Revising General Instruction G(2) to read as follows:

“The information called for by Parts I and II of this Form (Items I through 9A or any portion thereof) may, at the registrant’s option, be incorporated by reference from the registrant’s annual report to security holders furnished pursuant to Rule 14a–3(b)(2) or Rule 14c–3(a)(2), provided such annual report contains the information required by Rule 14a–3(b).

Note 1. In order to fulfill the requirements of Part I of Form 10–K, the incorporated portion of the annual report to security holders must contain the information required by Items 1–3 of Form 10–K; to the extent applicable.

Note 2. If any information required by Part I or Part II is incorporated by reference into an electronic format document from the annual report to security holders as provided in General Instruction G, any portion of the annual report to security holders incorporated by reference shall be filed as an exhibit in electronic format, as required by Item 601(b)(13) of Regulation S–K.”;

■ b. Removing and reserving General Instruction H;

■ c. In Item 8(a), removing the text “Rule 14a–3(b)” and adding, in its place, the text “Rule 14a–3(b)(2)”; and

■ d. In Item 15(c) introductory text, removing the text “Rule 14a–3(b)” and adding, in its place, the text “Rule 14a–3(b)(2)”.

Note: The text of Form 10–K does not, and this amendment will not, appear in the Code of Federal Regulations.

PART 260—GENERAL RULES AND REGULATIONS, TRUST INDENTURE ACT OF 1939

■ 38. The authority citation for part 260 continues to read as follows:

Authority: 15 U.S.C. 77c, 77ddd, 77eee, 77ggg, 77nnn, 77sss, 78ll (d), 80b–3, 80b–4, and 80b–11, unless otherwise noted.

■ 39. Amend § 260.0–11 by revising paragraphs (b)(1) introductory text and (b)(2) to read as follows:

§ 260.0–11 Liability for certain statements by issuers.

* * * * *

(b) * * *

(1) A forward-looking statement (as defined in paragraph (c) of this section)

made in a document filed with the Commission, in Part I of a quarterly report on Form 10–Q, § 249.308a of this chapter, or in an annual report to security holders meeting the requirements of Rules 14a–3(b)(2) or 14c–3(a)(2) under the Securities Exchange Act of 1934 (§ 240.14a–3(b)(2) or § 240.14c–3(a)(2) of this chapter), a statement reaffirming such forward-looking statement after the date the document was filed or the annual report was made publicly available, or a forward-looking statement made before the date the document was filed or the date the annual report was made publicly available if such statement is reaffirmed in a filed document, in Part I of a quarterly report on Form 10–Q, or in an annual report made publicly available within a reasonable time after the making of such forward-looking statement; *Provided, that:*

* * * * *

(2) Information relating to the effects of changing prices on the business enterprise presented voluntarily or pursuant to Item 303 of Regulation S–K (§ 229.303 of this chapter), Item 5 of Form 20–F (§ 249.220f of this chapter), “Operating and Financial Review and Prospects,” Item 302 of Regulation S–K (§ 229.302 of this chapter), “Supplementary Financial Information,” or Rule 3–20(c) of Regulation S–X (§ 210.3–20(c) of this chapter), and disclosed in a document filed with the Commission, in Part I of a quarterly report on Form 10–Q, or in an annual report to security holders meeting the requirements of Rules 14a–3(b)(2) or 14c–3(a)(2) (§ 240.14a–3(b)(2) or § 240.14c–3(a)(2)) under the Securities Exchange Act of 1934.

* * * * *

By the Commission.

Dated: September 16, 2026.

Vanessa A. Countryman,
Secretary.

Note: The following appendices will not appear in the Code of Federal Regulations.

Appendix A—Form S–4

FORM S–4

* * * * *

General Instructions

A. Rule as To Use of Form S–4

* * * * *

2. [Reserved]

* * * * *

G. Filing and Effectiveness of Registration Statement Involving Formation of Holding Companies; Requests for Confidential Treatment; Number of Copies

* * * * *

2. * * *

f. there has been no material adverse change in the financial condition of the company being acquired since the latest fiscal year end included in the registrant's latest Form 10-K filed pursuant to Sections 13(a) or 15(d) of the Exchange Act and/or latest annual report to security holders.

* * * * *

Item 10. Information with Respect to S-3 Registrants.

* * * * *

(a) Describe any and all material changes in the registrant's affairs that have occurred since the end of the latest fiscal year for which audited financial statements were included in the registrant's latest annual report on Form 10-K and that have not been described in a report on Form 10-Q (§ 249.308a of this chapter) or Form 8-K (§ 249.308 of this chapter) filed under the Exchange Act.

* * * * *

Item 12. Information with Respect to S-3 Registrants.

* * * * *

(b) * * *

(2) Include financial statements and information as required by Rule 14a-3(b)(2)(i) (240.14a-3(b)(2)(i) of this chapter) to be included in an annual report to security holders. In addition, provide:

* * * * *

(c) The registrant shall furnish the information required by paragraph (b) of this Item if:

* * * * *

(3) such restatement of financial statements or disposition of assets was not reflected in the registrant's latest Form 10-K filed pursuant to Sections 13(a) or 15(d) of the Exchange Act and/or its latest annual report to security holders.

* * * * *

Item 17. Information with Respect to Companies Other Than S-3 Companies.

* * * * *

(b) If the company being acquired is not subject to the reporting requirements of either Section 13(a) or 15(d) of the Exchange Act; or, because of Section 12(i) of the Exchange Act, has not filed an annual report

on Form 10-K or furnished an annual report to security holders pursuant to Rule 14a-3 (§ 240.14a-3 of this chapter) or Rule 14c-3 (§ 240.14c-3 of this chapter) for its latest fiscal year; furnish the information that would be required by the following if securities of such company were being registered:

* * * * *

(7) Financial statements that would be required in an annual report sent to security holders under Rule 14a-3(b)(2)(i) (§ 240.14a-3(b)(2)(i) of this chapter), if an annual report was required. In a de-SPAC transaction, see § 210.15-01 (Rule 15-01 of Regulation S-X). If the registrant's security holders are not voting, the transaction is not a roll-up transaction (as described by Item 901 of Regulation S-K (§ 229.901 of this chapter)), and:

* * * * *

[FR Doc. 2026-19259 Filed 9-18-26; 8:45 am]

BILLING CODE 8011-01-P



FEDERAL REGISTER

Vol. 91

Monday,

No. 181

September 21, 2026

Part III

Securities and Exchange Commission

17 CFR Parts 200, 229, 232, et al.

Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals
and Amendments to Rule 14a-4; Proposed Rule

SECURITIES AND EXCHANGE
COMMISSION

17 CFR Parts 200, 229, 232, 240, and
249

[Release No. 34–106383; File No. S7–2026–
32]

RIN 3235–AN47

Rescission of Rule 14a–8’s Federal
Regulation of Shareholder Proposals
and Amendments to Rule 14a–4

AGENCY: Securities and Exchange
Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission (“Commission”) is proposing to rescind Rule 14a–8 under the Securities Exchange Act of 1934 (“Exchange Act”) and leave determinations about the role of shareholder proposals to State law and company governing documents. The Commission also is proposing to amend Rule 14a–4 under the Exchange Act to expand the circumstances under which a company may exercise, with respect to proxies it receives, discretionary voting authority on proposals that will be presented at a shareholder meeting but not included in the company’s proxy materials. At the same time, the proposed amendments to Rule 14a–4 would provide shareholders with the means to elect to prevent the company

from exercising such authority with respect to their individual shares.

DATES: This release was published in the **Federal Register** on September 21, 2026. Comments should be received on or before November 20, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/comments/s7-2026-32/rescission-rule-14a-8s-federal-regulation-shareholder-proposals-amendments-rule-14a-4>).
- Send an email to rule-comments@sec.gov. Please include File Number S7–2026–32 on the subject line.

Paper Comments

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090. All submissions should refer to File Number S7–2026–32. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all submitted comments on the Commission’s website (<https://www.sec.gov/rules-regulations/public-comments/s7-2026-32>). Do not include personally identifiable information in submissions; you should

submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission’s website. To ensure direct electronic receipt of such notifications, sign up through the “Stay Connected” option at www.sec.gov to receive notifications by email. A summary of the proposal of not more than 100 words is posted on the Commission’s website (<https://www.sec.gov/rules-regulations/2026/09/s7-2026-32>).

FOR FURTHER INFORMATION CONTACT: Jenny J. Choi, Special Counsel, or Matt McNair, Senior Adviser to the Chief Counsel, Office of Chief Counsel, at (202) 551–3500, David M. Plattner, Special Counsel, or Blake M. Grady, Special Counsel, Office of Mergers and Acquisitions, at (202) 551–3440, Division of Corporation Finance, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission is proposing to rescind 17 CFR 240.14a–8 (“Rule 14a–8”) and amend the following rules and forms:

Commission Reference		CFR Citation (17 CFR)
Organization; Conduct and Ethics; and Information Requests		§ 200.30-1
		§ 200.82
Regulation S-K ¹	Item 407 of Regulation S-K	§ 229.407
Regulation S-T ²	Rule 101 of Regulation S-T	§ 232.101
Securities Exchange Act of 1934 (“Exchange Act”) ³	Rule 14a-2	§ 240.14a-2
	Rule 14a-4	§ 240.14a-4
	Rule 14a-5	§ 240.14a-5
	Rule 14a-6	§ 240.14a-6
	Rule 14c-5	§ 240.14c-5
	Schedule 14C	§ 240.14c-101
	Form 8-K	§ 249.308

Table of Contents

I. Introduction

II. Discussion of Proposed Amendments

A. Proposed Rescission of Rule 14a–8

1. Rule 14a–8 Exceeds the Commission’s
Statutory Authority

2. Policy Reasons for Rescinding Rule 14a–
8

3. Investment Company Considerations

B. Proposed Amendments to Rule 14a–4(c)

1. Overview of Current Rules Related to
Discretionary Voting Authority

¹ 17 CFR 229.10 through 229.1610.

² 17 CFR 229.10 through 232.501.

³ 15 U.S.C. 78a *et seq.*

- 2. Historical Background
- 3. Proposed Rule Amendments
- C. Other Proposed Amendments
- D. General Request for Comment
- III. Other Matters
- IV. Economic Analysis
 - A. Introduction
 - B. Baseline
 - 1. Current Regulatory Framework
 - 2. Affected Parties
 - 3. Current Practices
 - C. Benefits and Costs
 - 1. Proposed Rescission of Rule 14a–8
 - 2. Proposed Amendments to Rule 14a–4(c)
 - 3. The Benefits and Costs for Proxy-Related Service Providers
 - 4. Aggregate Monetized Benefits and Costs
 - D. Effects on Efficiency, Competition, and Capital Formation
 - 1. Efficiency
 - 2. Competition
 - 3. Capital Formation
 - E. Reasonable Alternatives
 - 1. Alternative to Rescinding Rule 14a–8
 - 2. Switch the Default Choice of Check Box in Proposed Rule 14a–4(c)(2) Amendment
 - 3. Require a Separate Check Box for Each Proposal
 - F. Request for Comment
- V. Paperwork Reduction Act
 - A. Summary of the Collection of Information
 - B. Estimated Paperwork Burden Effects of the Proposed Amendments
 - C. Incremental and Aggregate Burden and Cost Estimates for the Proposed Amendments
 - D. Request for Comment
- VI. Congressional Review Act
- VII. Initial Regulatory Flexibility Act Analysis
 - A. Reasons for, and Objectives of, the Proposed Action
 - B. Legal Basis
 - C. Small Entities Subject to the Proposed Amendments
 - D. Projected Reporting, Recordkeeping, and Other Compliance Requirements
 - E. Duplicative, Overlapping, or Conflicting Federal Rules
 - F. Significant Alternatives
 - G. Request for Comment

Statutory Authority

I. Introduction

“Corporations are creatures of state law.”⁴ Because “regulation of corporate governance is regulation of entities whose very existence and attributes are a product of state law,” “[n]o principle of corporation law and practice is more

⁴ *Cort v. Ash*, 422 U.S. 66, 84 (1975). Foreign issuers, as that term is defined in 17 CFR 240.3b–4(b), are not creatures of State law. Accordingly, to the extent this release refers to State law, the corresponding reference for foreign issuers would be to the applicable foreign law. Foreign private issuers, as defined in 17 CFR 240.3b–4, are exempt from the Commission’s proxy requirements with respect to solicitations of their own security holders, 17 CFR 240.3a12–3(b); Regulation 14A (17 CFR 240.14a–1 through 240.14b–2). Foreign private issuers also are not subject to information statement requirements. See Regulation 14C (17 CFR 240.14c–1 through 240.14c–101).

firmly established than a State’s authority to regulate domestic corporations, including the authority to define the voting rights of shareholders.”⁵ Shareholder voting rights are generally exercised at shareholder meetings, where proposals are put before the shareholders for a vote.⁶ The conduct of shareholder meetings, including how proposals are presented, is governed by State law.⁷

The manner in which shareholders exercise their rights to vote at shareholder meetings has evolved over time. Historically, shareholders exercised their rights by attending the shareholder meeting and voting in person. However, the development of large corporations with widely dispersed shareholders led to the rise of proxy voting, which permits shareholders to vote through a representative without being present at the shareholder meeting.⁸ Before 1934, State law governed the manner in which proxies to cast shareholders’ votes were solicited, but “[t]oo often proxies [were] solicited without explanation to the stockholder of the real nature of the questions for which authority to cast his vote [was] sought.”⁹ In response, when it passed the Exchange Act in 1934, Congress included section 14¹⁰ to give the Commission authority to regulate the proxy solicitation process.¹¹ Section 14(a)¹² makes it unlawful to solicit any proxy or consent or authorization in respect of any security “in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in

⁵ *CTS Corp v. Dynamics Corp. of Am.*, 481 U.S. 69, 89 (1987); see also e.g., 8 Del. C. sections 211, 212.

⁶ If permitted under State law, and in accordance with any applicable provisions in a company’s governing documents, action may be taken by written consent without a meeting and without a vote. See, e.g., 8 Del. C. section 228.

⁷ See, e.g., 8 Del. C. section 212; Model Bus. Corp. Act sections 7.01 through 7.08.

⁸ See Jill E. Fisch, *From Legitimacy to Logic: Reconstructing Proxy Regulation*, 46 Vand. L. Rev. 1129, 1134–38 (1993) (“Fisch 1993”) (explaining that “proxy voting developed as a means of giving dispersed shareholders an opportunity to vote.”).

⁹ S.Rep. No. 792, 73d Cong., 2d Sess. (1934) at 12; see also H.R. Rep. No. 1383 at 13–14, 73 Cong., 2d Sess. (1934) (“Insiders have at times solicited proxies without fairly informing the stockholders of the purposes for which the proxies are to be used and have used such proxies to take from the stockholders for their own selfish advantage valuable property rights.”).

¹⁰ 15 U.S.C. 78n (“section 14”).

¹¹ See H.R. Rep. No. 1383 at 13–14, 73d Cong., 2d Sess. (1934) (“the proposed bill gives the Commission power to control the conditions under which proxies may be solicited with a view to preventing the recurrence of abuses which have frustrated the free exercise of the voting rights of stockholders.”).

¹² 15 U.S.C. 78n(a) (“section 14(a)”).

the public interest or for the protection of investors.”¹³ Relying on its authority under section 14(a), the Commission in 1942 adopted the predecessor of Rule 14a–8 to require a company to include certain shareholder proposals in its proxy statement and identify the proposal in its form of proxy.¹⁴

As explained by then-Chairman Ganson Purcell, Rule 14a–8 was adopted to facilitate shareholders’ ability under State law¹⁵ to present certain proposals for consideration at a company’s annual or special meeting,¹⁶ and to facilitate the ability of all shareholders to consider and vote by proxy on such proposals.¹⁷ Specifically, shortly after the rule was adopted, Chairman Purcell stated that the purpose of the rule was to “assure to the stockholders . . . those rights that [the stockholder] has traditionally had under State law, to appear at the meeting; to make a proposal; to speak on that proposal at appropriate length; and to have [the] proposal voted on.”¹⁸ The rule originally required a company to include a shareholder proposal that is

¹³ 15 U.S.C. 78n(a)(1). See also, section II.A.3, discussing the Commission’s authority under Section 20(a) of the Investment Company Act of 1940 (“Investment Company Act”).

¹⁴ See Release No. 34–3347 (Dec. 18, 1942) [7 FR 10655 (Dec. 22, 1942)] (adopting Rule X–14A–7, 17 CFR 240.14a–7) (“1942 Adopting Release”). In 1947, the Commission renumbered the rule to its present designation, 17 CFR 240.14a–8. See *Adoption of Revised Proxy Rules*, Release No. 34–4037 (Dec. 16, 1947) [12 FR 8768 (Dec. 24, 1947)]. A reference in this release to “Rule 14a–8” includes Rule X–14A–7 unless stated otherwise. In addition, we use the terms “companies,” “registrants,” and “issuers” interchangeably in this release. Unless otherwise specified, these terms are intended to be broadly inclusive and encompass not only corporations, but also other types of entities, such as partnerships and other business organizations, that may be subject to our proxy rules and regulations. The use of different terms in different places is not meant to connote a substantive difference.

¹⁵ We refer to State law to mean a State’s legislative enactment and judicial interpretations of such enactment, as well as State common law.

¹⁶ See, e.g., 8 Del. C. section 211; Model Bus. Corp. Act section 7.01. Throughout this release, when discussing State corporate law, we frequently refer to Delaware law because of the large percentage of public companies incorporated under that State’s law. The Delaware Division of Corporations reports that over 50% of publicly traded companies listed on U.S. stock exchanges are incorporated in Delaware. See Delaware Dep’t of State, *Facts and Myths*, Delaware Corporate Law (n.d.), <https://corplaw.delaware.gov/facts-and-myths/>. We also frequently refer to the Model Business Corporation Act (“MBCA”) because the corporate statutes of many States adopt or closely track its provisions.

¹⁷ See *Securit[ies] and Exchange Commission Proxy Rules: Hearings on H.R. 1493, H.R. 1821, and H.R. 2019 Before the House Comm. on Interstate and Foreign Commerce*, 78th Cong., 1st Sess. 172 (1943) (Statement of the Hon. Ganson Purcell, Chairman, Securities and Exchange Commission) (“Statement of Chairman Purcell”).

¹⁸ *Id.*

“a proper subject for action by the security holders,” as long as the shareholder proponent¹⁹ provided “reasonable notice” to the company.²⁰ Although the rule did not specify that State law provides the standard for determining what was “a proper subject for action by the security holders,” the Commission subsequently issued a release containing a letter from the then-Director of the Division of Corporation Finance clarifying²¹ that State law provided the applicable standard. The Commission later amended the text of Rule 14a-8 to make this point explicit by providing that a proposal could be excluded from a company’s proxy materials if “the proposal as submitted is, under the laws of the issuer’s domicile, not a proper subject for action by security holders.”²²

As discussed in greater detail in section II.A.1.b, however, the Commission has amended Rule 14a-8 multiple times in ways that incrementally have increased the Commission’s role in defining and interpreting standards that implicate core State law corporate governance matters, such as shareholder voting

rights. As a result, despite the Commission’s prior statements asserting that Rule 14a-8 was not “intended to supplant [S]tate law but . . . to reinforce [it] with a sturdy [F]ederal disclosure and proxy solicitation regime,”²³ numerous observers have expressed the view that Rule 14a-8 effectively has evolved to function as a Federal common law as to what constitutes a proper subject for shareholder action.²⁴ But Congress’s grant of authority to the Commission in the Exchange Act does not authorize such evolution. Section 14 does not purport to displace State law with respect to shareholder governance rights. As discussed below, only Congress can authorize the Commission to intervene in matters traditionally left to State law.

Accordingly, as discussed in more detail in the sections that follow, we propose to rescind Rule 14a-8 in its entirety because the rule exceeds the Commission’s statutory authority under section 14(a) by improperly intruding into State law without express authorization from Congress.²⁵ Moreover, even if the rule or aspects of it were within the Commission’s

statutory authority, there are independent policy reasons to rescind Rule 14a-8 in its entirety and leave decisions regarding the appropriate role of shareholder proposals in the corporate governance process to the States or, if permitted by State law, to companies. In reaching this determination, we note that: (i) many of the justifications that were originally provided to support adoption of Rule 14a-8 either have not been substantiated in practice or are less compelling today; (ii) Rule 14a-8 has had, and will continue to have, certain unintended consequences that further undermine any justification for retaining the rule; and (iii) retaining any version of Rule 14a-8—assuming the Commission were authorized to do so—is unwarranted and unlikely to avoid those unintended consequences.²⁶ Nevertheless, to better understand the potential impact of rescinding Rule 14a-8, we are seeking comment on the proposed rescission, potential reliance interests in the current rule, and alternative approaches within the scope of the Commission’s authority.²⁷

We are also proposing amendments to 17 CFR 240.14a-4(c) (“Rule 14a-4(c)”), which addresses when a proxy card submitted by a shareholder may confer discretionary voting authority on the proxy holder with respect to a matter that is not included on the proxy card. The proposed amendments to Rule 14a-4(c) are intended to provide companies with greater flexibility, and shareholders with greater control, regarding proposals for which a company may seek discretionary voting

¹⁹ Throughout this release, references to “shareholder proponent” and “proponent” generally refer to shareholders who submit proposals under Rule 14a-8, and references to “shareholder proposal” and “proposal” generally refer to proposals submitted under Rule 14a-8, unless the context otherwise requires, such as when discussing proposed amendments to Rule 14a-4 in the context of discretionary voting authority for proposals submitted outside the Rule 14a-8 process.

²⁰ See 1942 Adopting Release in which the predecessor of current Rule 14a-8, Rule X-14A-7, provided that “[i]n the event that a qualified security holder of the issuer has given the management reasonable notice that such security holder intends to present for action at a meeting of security holders of the issuer a proposal which is a proper subject for action by the security holders, the management shall set forth the proposal and provide means by which security holders can make a specification” on such matter; see also *infra* section II.A.1.b.

²¹ See Release No. 40-375, 34-3638 (Jan. 3, 1945) [Letter of Division of Corporation Finance Director published at 11 FR 10988, 10995 (Sept. 27, 1946)] (“1945 Release”) (stating that Rule 14a-8 pertains to matters that “are proper subjects for stockholders’ action under the laws of the state under which [the company] is organized”). In a subsequent release, the Commission stated that it had previously adopted as its own the view that “State law is the standard” for determining what is a proper subject for shareholder action. See also *Adoption of Amendments to Proxy Rules*, Release No. 34-4979 (Jan. 6, 1954) [19 FR 246 (Jan. 14, 1954)] (“1954 Adopting Release”) (citing 1945 Release).

²² 1954 Adopting Release. The rule’s current language—“If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company’s organization”—was adopted in 1998. See *Amendments to Rules on Shareholder Proposals*, Release No. 34-40018 (May 21, 1998) [63 FR 29106, 29120 (May 28, 1998)] (“1998 Adopting Release”).

²³ See, e.g., *Shareholder Proposals*, Release No. 34-56160 (July 27, 2007) [72 FR 43466, 43467 (Aug. 3, 2007)] (“2007 Proxy Access Long Release”) (explaining that “the federal proxy authority is not intended to supplant state law, but rather to reinforce state law rights with a sturdy federal disclosure and proxy solicitation regime,” and noting as an example that “Rule 14a-8, the shareholder proposal rule, explicitly provides that a shareholder proposal is not required to be included in a company’s proxy materials if it ‘is not a proper subject for action by shareholders under the laws of the jurisdiction of the company’s organization’” (citing 17 CFR 240.14a-8(i)(1))).

²⁴ See, e.g., Jill Fisch et al., *Stockholder Proposals—Law and Policy Considerations*, Harv. L. Sch. F. Corp. Governance (Dec. 9, 2025), available at <https://corpgov.law.harvard.edu/2025/12/09/stockholder-proposals-law-and-policy-considerations/> (“Yet, by regulating proxy access, the SEC determines what matters are proper or improper for stockholder meetings, often restricting stockholder rights beyond the contours of state law.”); Fisch 1993 at 1151 (“[B]oth in determining appropriate criteria for excluding shareholder proposals and in applying those criteria, the SEC does not replicate passively the annual meeting process by applying state law principles, but creates a Federal common law as to what constitutes a proper subject for shareholder action”); Kevin W. Waite, *Note, The Ordinary Business Operations Exception to the Shareholder Proposal Rule: A Return to Predictability*, 64 Fordham L. Rev. 1253, 1259–60 (1995) (“Because little state law was developed discussing what was a proper subject for action by security holders, the SEC staff developed its own common law regarding what was a proper subject for shareholder action. While the SEC claimed to be relying on state law in determining what was a proper subject for shareholder action, the SEC more accurately appeared to be deciding what the state law was and influencing state courts in deciding the rare case that arose regarding what was a proper subject for shareholder action.”) (citations omitted).

²⁵ See *infra* section II.A.

²⁶ See *infra* section II.A. President Donald J. Trump issued an executive order titled, “Protecting American Investors from Foreign-Owned and Politically-Motivated Proxy Advisors” on Dec. 16, 2025. This order, among other things, ordered the “SEC Chairman . . . [to] consider revising or rescinding all rules, regulations, guidance, bulletins, and memoranda relating to shareholder proposals, including Rule 14a-8 (17 CFR 240.14a-8), that are inconsistent with the purposes of [such executive order].” Exec. Order No. 14366, *Protecting American Investors from Foreign-Owned and Politically-Motivated Proxy Advisors*, 90 FR 58503 (Dec. 16, 2025).

²⁷ The Commission has recently received several rulemaking petitions requesting to preserve or amend, but largely retain, Rule 14a-8. See, e.g., Ceres et al., *Petition Regarding Amendments to Rule 14a-8 Under the Securities Exchange Act of 1934* (July 23, 2026), available at <https://www.sec.gov/files/rules/petitions/2026/petn4-917.pdf>; Shareholder Rights Group et al., *Defend Shareholder Rights Petition* (July 20, 2026), available at <https://www.sec.gov/files/rules/petitions/2026/petn4-918.pdf>; Bruce A. Burkey et al., *Americans for Financial Reform* (July 20, 2026), available at <https://www.sec.gov/files/rules/petitions/2026/petn4-918.pdf>. We will consider these petitions, together with any comments received in response to this release, when considering whether to finalize the proposed rescission of Rule 14a-8.

authority. Occasions for seeking such authority may become more frequent if Rule 14a-8 is rescinded, as proposed. While our proposed amendments to Rule 14a-4(c) are aligned with our proposed rescission of Rule 14a-8, there are independent justifications for the proposed amendments to Rule 14a-4 even if the proposed rescission of Rule 14a-8 is not adopted.

Finally, we are proposing certain other amendments to facilitate implementation of the proposed changes to the proxy rules and conforming amendments to our rules and forms.

II. Discussion of Proposed Amendments

A. Proposed Rescission of Rule 14a-8

We are proposing to rescind Rule 14a-8 because the rule exceeds the Commission's statutory authority. We also believe there are independent policy reasons to rescind Rule 14a-8. Under the proposed rescission, the Federal proxy rules would no longer require companies to include in their proxy materials shareholder proposals on the basis that they satisfy procedural and substantive requirements established under Federal law. Instead, State law or, if permitted by State law, a company's governing documents would determine whether a shareholder proposal would be required to be included in a company's proxy materials.

1. Rule 14a-8 Exceeds the Commission's Statutory Authority

Although section 14(a) authorizes the Commission to regulate proxy solicitations, the question of whether the vote that is the subject of such a solicitation is permissible in the first instance—*i.e.*, whether shareholders have a right to present a matter for other shareholders to vote on—is distinct and is determined by State law or, if permitted by State law, a company's governing documents. Because section 14(a) does not authorize the Commission to regulate the scope of matters presented to shareholders for a vote, the Commission lacks the power to override State law on this threshold question.²⁸ To the contrary, it has long

been understood that section 14(a) empowers the Commission to facilitate—not alter—State law rights by regulating the manner in which the proxy solicitation is made and the information that the soliciting party must disclose.²⁹ As explained below, the rule has come to operate not as a procedural mechanism to facilitate shareholders' rights under State law through the proxy process, but as a substantive Federal overlay that improperly intrudes into matters of State law by dictating that companies include (or allowing them to exclude) certain shareholder proposals in the companies' proxy materials. Because Congress has not expressly authorized such an intrusion, Rule 14a-8 exceeds the scope of the Commission's authority. We therefore propose to rescind the rule in its entirety.

a. Scope of Section 14(a) Authority

Section 14(a) makes it unlawful “to solicit any proxy or consent or authorization in respect of any security” “in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.”³⁰ The statutory text limits the Commission's regulatory authority to proxy solicitation—the request for the power to vote on a shareholder's behalf—which encompasses the manner in which that solicitation is made (*e.g.*, the timing and form of proxy) and the information that the soliciting party must disclose in the request. The Commission therefore is authorized to regulate the form of proxy solicitation and the means by which shareholders are asked to express their voting position in response to the solicitation. We construe “in the public interest or for the protection of investors” in light of the statutory context to authorize the Commission to prohibit false or misleading statements in a proxy solicitation and to promulgate disclosure requirements ensuring that shareholders are adequately informed of the proposals on which they may vote under State law and the voting positions for which their proxies would be used.³¹ This authority is consistent with other grants of authority provided to the Commission under the Exchange Act,

which focus on ensuring that investors receive accurate disclosure of material information.³²

While section 14(a) provides authority to facilitate shareholders' exercise of State law rights by regulating the proxy solicitation process, nothing in section 14(a) authorizes the Commission to regulate the scope of the voting or other rights shareholders may have under State law, such as the right to propose a matter for a shareholder vote.³³ Rather, by focusing on the *solicitation* of a shareholder's vote, the text makes clear that Congress's purpose was to ensure that shareholders are fully informed as to the use of the proxy being solicited and to protect them from being denied the fair exercise of their State law voting rights.³⁴

Section 14(a)'s grant of authority to regulate solicitations of the power to vote on a shareholder's behalf presupposes that the shareholder already has a right to vote on particular proposals. The scope of those rights has traditionally been governed by State law, and section 14(a) does not purport to disturb that allocation.³⁵ If Congress had intended section 14(a) to displace State law on the subject of shareholder voting, presumably it would have referred to shareholder voting in section 14(a). For example, the Public Utility Holding Company Act (“PUHCA”), enacted by Congress in the year after the Exchange Act,³⁶ directed the Commission to oversee the allocation of voting power in public utility companies. Section 11(b)(2) of that law authorized the Commission “[t]o require by order . . . that the corporate structure . . . does not . . . unfairly or inequitably distribute voting power among security holders.”³⁷ No

²⁸ See 15 U.S.C. 78j, 78l, 78m.

²⁹ But see *supra* note 28.

³⁰ Cf. *Bus. Roundtable v. SEC*, 905 F.2d 406, 410 (D.C. Cir. 1990) (“Proxy solicitations are, after all, only *communications* with potential absentee voters. The goal of federal proxy regulation was to improve those communications and thereby to enable proxy voters to control the corporation as effectively as they might have by attending a shareholder meeting.” (italics in original)).

³¹ See *supra* notes 5, 7, 23, and 28.

³² Public Law 74-333 (Aug. 26, 1935), 15 U.S.C. 79 *et seq.*, repealed by Public Law 109-58, title XII, section 1263, Aug. 8, 2005, 119 Stat. 974.

³³ 15 U.S.C. 79k(b)(2) (2004); see also PUHCA section 7(c)(1) (granting the Commission authority to prohibit the sale of common stock unless it has “at least equal voting rights with[] any outstanding security of the declarant”) and (e) (barring the exercise of voting rights if “the Commission finds that such exercise of such privilege or right will result in an unfair or inequitable distribution of voting power among holders of the securities of the declarant”) [15 U.S.C. 79g(c)(1), (e) (2004)]; *supra* note 28.

²⁸ Congress requires that certain matters be presented to shareholders for a vote. See, *e.g.*, 15 U.S.C. 78n-1 (requiring advisory say-on-pay, say-on-frequency, and golden parachute arrangements to be submitted for shareholder vote) and section II.A.3 (discussing provisions of the Investment Company Act that require certain matters to be presented to shareholders for a vote). The fact that Congress has established Federal voting rights in these instances does not alter the scope of the Commission's authority over the solicitation of proxies under section 14. Nor does the discussion in this release of the Commission's authority under

section 14 address the legal status of these other provisions.

²⁹ See *infra* note 58.

³⁰ 15 U.S.C. 78n(a)(1). We discuss section 14(a)'s references to “the public interest” and “the protection of investors” in more detail below.

³¹ See, *e.g.*, *Virginia Bankshares, Inc. v. Sandberg*, 501 U.S. 1083 (1991) (applying Rule 14a-9 to allegedly misleading disclosures by directors seeking shareholder approval of a merger).

comparable language appears in section 14(a).³⁸

Therefore, the Commission's authority under section 14(a) to regulate the proxy solicitation process does not permit the Commission to displace State law regarding shareholder voting rights.³⁹ By establishing standards not found in State law for when a shareholder proposal must be included in, or may be excluded from, a company's proxy materials, the Commission effectively dictates the scope of shareholder voting rights and, therefore, exceeds its authority.

To the extent legislative history is considered, it only underscores the limitations on the Commission's authority that are inherent in the statutory text and structure. That history indicates that Congress's purpose in enacting this provision was to empower the Commission to facilitate "fair corporate suffrage" on the proxy by regulating the "conditions under which proxies may be solicited."⁴⁰ It also suggests an intent to authorize regulations that would protect "free exercise of the voting rights" of shareholders,⁴¹ require "adequate disclosure" of the matters to be decided at the shareholder meeting,⁴² and prevent "irresponsible outsiders" and "unscrupulous corporate officials" from "concealing and distorting facts" in their proxy solicitations.⁴³ Courts have thus interpreted section 14(a) as bearing "almost exclusively on disclosure," with a "central concern" that proxies not be obtained through "deceptive or inadequate disclosure in proxy solicitation."⁴⁴

These limitations are also consistent with the Commission's longstanding understanding that its authority under section 14(a) is limited to promulgating "federal proxy rules [that] facilitate shareholders' exercise of [S]tate law rights,"⁴⁵ such that the corporate proxy process "functions, as nearly as possible, as a replacement for an actual, in-person gathering of security

holders."⁴⁶ As the Commission has acknowledged, section 14(a) does not grant it authority to "alter those [State law] rights."⁴⁷

Interpreting section 14(a)(1) more broadly would not only lack any basis in the statutory text and structure but would inappropriately interfere with matters traditionally reserved to the States. As the Supreme Court explained in *Santa Fe Industries, Inc. v. Green*, "[a]bsent a clear indication of congressional intent, we are reluctant to federalize the substantial portion of the law of corporations that deals with transactions in securities, particularly where established State policies of corporate regulation would be overridden."⁴⁸ The approach taken by the Supreme Court in *Santa Fe* accords with a substantial body of precedent establishing a clear statement rule for laws tilting the balance of federalism.⁴⁹ For example, in *Business Roundtable*, the U.S. Court of Appeals for the District of Columbia Circuit found that section 14(a)(1) did not express an intention by Congress to override State law with respect to "corporate governance."⁵⁰ To the contrary, the court explained, those advocating for the Exchange Act in Congress expressly disclaimed any intent to confer upon the Commission authority to interfere in corporate management: opponents had raised concerns that the bill would confer "power to interfere in the management of corporations," and the Senate Committee on Banking and Currency responded that it had "no such intention" and that the bill "furnish[ed] no justification for such an interpretation."⁵¹ Similarly, neither the text nor legislative history of section

14(a) contains any indication that the statute authorizes the Commission to interfere with shareholder rights established by State law. More generally, members of Congress have repeatedly proposed bills to create a "federal corporation law," but none has been enacted.⁵² On the rare occasions when Congress has intended for the Commission to intervene directly in the governance of public companies, it has done so through clear statutory mandates.⁵³

Nor do the references to the "public interest" and "protection of investors" in section 14(a) provide a basis for the Commission to intrude into shareholder voting rights or corporate management. Courts have consistently recognized that "public interest" is not an open-ended delegation of power; rather, such language "must be limited to the purposes Congress had in mind when it enacted the legislation."⁵⁴ Those statutory purposes are discerned from the text and context of the statute, which in turn cabin what is "necessary or appropriate" under the Commission's

⁵² Manuel Cohen, *Federal Legislation Affecting the Public Offering of Securities*, 28 Geo. Wash. L. Rev. 119, 124 n.18 (1959) ("For some years after the passage of Securities Act of 1933, bills were introduced in the Senate proposing federal incorporation. None of these were enacted."); Joel Seligman, *The Transformation of Wall Street: A History of the Securities and Exchange Commission and Modern Corporate Finance 205–10* (3d ed. Aspen Publ'rs 2003) (describing efforts by the Roosevelt administration to regulate corporate governance and its eventual abandonment); Symposium: Federal Chartering of Corporations: A Proposal, 61 Geo. L.J. 89, 89 n. 1 (1972) (collecting bills that would have established federal corporate chartering from the 1930s).

⁵³ See, e.g., Exchange Act section 10A(m) (directing the Commission to adopt rules requiring national securities exchanges to prohibit the listing of any security of an issuer that does not meet certain specified requirements related to audit committee procedures and independence) [15 U.S.C. 78j–1(m)]; Exchange Act section 14A (requiring public companies, among other things, to conduct a separate shareholder advisory vote to approve the compensation of executives, as disclosed pursuant to Item 402 of Regulation S-K) [15 U.S.C. 78n–1].

⁵⁴ *Bus. Roundtable*, 905 F.2d at 413 (quoting *NAACP v. Fed. Power Comm'n*, 425 U.S. 662, 670 (1976)); see generally *FCC v. Consumers' Research*, 606 U.S. 656, 690 (2025) (explaining that the Supreme Court has "long held that the words 'public interest' in a regulatory statute do not encompass the general public welfare but rather take meaning from the purposes of the regulatory legislation") (quotation marks and citation omitted). See also *Acceleration of Effectiveness of Registration Statements of Issuers with Certain Mandatory Arbitration Provisions*, Release No. 33–11389 (Sept. 17, 2025) [90 FR 45125 (Sept. 19, 2025)] (noting that courts have considered the scope of the public interest and investor protection standard in the context of the Federal securities laws and determined that, when applying this standard, it is only permissible to consider those matters over which the Commission has authority under the Federal securities laws).

⁴⁶ *Id.* at 43467 n.19 and accompanying text (citing *Bus. Roundtable*, 905 F.2d at 410); see also *Facilitating Shareholder Director Nominations*, Release No. 33–9046 (June 10, 2009) [74 FR 29024 (June 18, 2009)].

⁴⁷ *Id.* at 43478.

⁴⁸ 430 U.S. 462, 479 (1977); see *id.* (rejecting an interpretation of Exchange Act Rule 10b–5 that "would overlap and quite possibly interfere with state corporate law"); see also *Bus. Roundtable*, 905 F.2d at 408 ("[T]he Exchange Act cannot be understood to include regulation of an issue that is so far beyond matters of disclosure . . . and that is concededly a part of corporate governance traditionally left to the states."). In section II.A.1.c below, we discuss how the structure and conditions of current Rule 14a–8, including its various eligibility criteria and bases for exclusion, can act to supplant State law voting rights.

⁴⁹ *Ala. Ass'n of Realtors v. Dep't of Health & Hum. Servs.*, 594 U.S. 758, 764 (2021) ("Our precedents require Congress to enact exceedingly clear language if it wishes to significantly alter the balance between federal and state power . . .") (quoting *U.S. Forest Serv. v. Cowpasture River Pres. Ass'n*, 590 U.S. 604, 621–622 (2020)).

⁵⁰ 905 F.2d at 408.

⁵¹ *Id.* at 411 (citing S.Rep. No. 792, 73d Cong., 2d Sess. 12 (1934)).

³⁸ But see *supra* note 28.

³⁹ Cf. *Bus. Roundtable*, 905 F.2d at 411 (stating that section 14(a) was not intended to authorize the Commission to "step beyond control of voting procedure and into the distribution of voting power").

⁴⁰ H.R. Rep. No. 1383 at 13–14, 73d Cong., 2d Sess. (1934); see also, e.g., *Virginia Bankshares, Inc. v. Sandberg*, 501 U.S. 1083, 1103 (1991).

⁴¹ H.R. Rep. No. 1383 at 14, 73d Cong., 2d Sess. (1934); see also, e.g., *Virginia Bankshares*, 501 U.S. at 1103.

⁴² H.R. Rep. No. 1383 at 13–14, 73d Cong., 2d Sess. (1934); S.Rep. No. 792 at 12, 73d Cong., 2d Sess. (1934); S.Rep. No. 1455 at 75, 73d Cong., 2d Sess. (1934).

⁴³ S.Rep. No. 1455 at 77.

⁴⁴ *Bus. Roundtable*, 905 F.2d at 410.

⁴⁵ 2007 Proxy Access Long Release at 43478.

rulemaking authority.⁵⁵ In the context of section 14(a), this means that rules adopted under this provision must focus on the statute's core concern with regulating the proxy solicitation process and the disclosures within the solicitations—not on defining or reshaping the substantive scope of shareholder voting rights. The phrase “protection of investors” likewise cannot reasonably be construed to authorize the Commission to engage in such intrusions into State law.⁵⁶ To read these terms otherwise would permit the Commission to use the Federal securities laws to supplement or override “firmly established” State law authority over shareholder rights—an approach that the Supreme Court has rejected absent explicit congressional authorization.⁵⁷

b. Evolution of Rule 14a–8

The earliest versions of the Commission's proxy rules enacted under section 14(a) focused on disclosure and providing shareholders with the means to specify the action to be taken pursuant to their proxies.⁵⁸ In 1942, the Commission adopted Rule 14a–8's predecessor, Rule X–14A–7, which established a requirement that management include in the company's proxy materials a shareholder proposal that “is a proper subject for action by the security holders.”⁵⁹ Although the

Commission did not define “proper subject” in the rule, it issued a release in 1945 that contained a letter from Division of Corporation Finance Director Baldwin B. Bane explaining that the term referred to “such matters . . . as are proper subjects for stockholders' action under the laws of the [S]tate under which [the company] is organized.”⁶⁰

The letter responded to a company that sought exclusion of proposals relating to matters of a “general political, social or economic nature” and asked whether such proposals were a proper subject for shareholder action under Rule X–14A–7. Without referencing the laws of the State under which the company was organized, Director Bane stated that “[i]t is my conclusion that the proposals which have been presented to you are not ‘proper subjects for action’ by your company's stockholders within the meaning of that phrase as used in Rule X–14A–7. Consequently, it will be unnecessary for you to include the proposals in the management's proxy statement if you do not wish to do so.”⁶¹ Director Bane also stated that “[it] was not the intent of Rule X–14A–7 to permit stockholders to obtain the consensus of other stockholders with respect to matters which are of a general political, social or economic nature. Other forums exist for the presentation of such views.”⁶² Whether intentionally or not, Director Bane's letter effectively positioned Rule X–14A–7 as a new Federal common law for shareholder voting rights, and the letter's informal understanding of whether a matter was “a proper subject for action” does not appear to have been based on the law of any particular State, let alone the State under which the company was organized.

In the years that followed, the Commission repeatedly amended what is now Rule 14a–8 in ways that progressively expanded the Commission's role in determining, interpreting, and effectively shaping matters traditionally governed by State law. As discussed above, the 1942 rule relied substantially on the concept of “proper subject for action” to determine which proposals must be included on the company's proxy. Due to a lack of relevant State laws to provide guidance on what was a “proper subject,” as questions arose about the content of

shareholder proposals, proponent conduct, and management objections, the Commission increasingly inserted Federal criteria in place of State law standards.⁶³

Through a series of amendments adopted in 1947 and 1948, the Commission required issuers to provide an explanation to the Commission when asserting that shareholder proposals were improper or untimely⁶⁴ and introduced new bases for excluding such proposals.⁶⁵ These amendments provide an early example of how the proxy rules began to delineate the limits of shareholder voting rights independent of State law. In particular, adding new exclusionary bases that went beyond whether a proposal was a “proper subject for action” under State law opened the door for more grounds for exclusion to be added, sometimes on a seemingly ad hoc basis in response to emergent issues. As a result of these and subsequent amendments, it became possible—as remains the case today—for there to be circumstances under which a shareholder's proposal is a “proper subject for action” and thereby permissible under State law but eligible for exclusion from the proxy materials under Rule 14a–8.⁶⁶

⁶³ See *Medical Committee for Human Rights v. SEC*, 432 F.2d 659, 677 (D.C. Cir. 1970), *vacated*, 404 U.S. 403 (1972) (noting that “the paucity of applicable state law giving content to the concept of ‘proper subject’ led the Commission to seek guidance from precedent existing in jurisdictions which had a highly developed commercial and corporate law and to develop its own ‘common law’ relating to proper subjects for shareholder action”); see also *Hearings on Problems in Enforcing the Securities Laws Before a Subcommittee of the Senate Committee on Banking and Currency*, 85th Cong., 1st Sess. 117–118 (1957) (“In the absence of a State statute establishing that a proposal is a proper subject for stockholder action, the Commission will rely on the common law if this can be ascertained. It will also consider other sources such as the corporate law of other States, particularly of the leading commercial States, as well as the decisions of the Federal courts, textbooks, law journals, and other similar material where the question may be discussed.”).

⁶⁴ See *Adoption of Revised Proxy Rules*, Release No. 34–4037 (Dec. 16, 1947) [12 FR 8768 (Dec. 24, 1947)].

⁶⁵ See *Adoption of Amendments to Proxy Rules*, Release No. 34–1485 (Nov. 5, 1948) [13 FR 6678 (Nov. 12, 1948)] (“1948 Adopting Release”).

⁶⁶ See 1948 Adopting Release. For example, the 1948 amendments added provisions permitting exclusion on the basis of, among other things, a personal grievance or resubmission of a proposal. Thus, a proposal that may have been a proper subject for shareholder action under State law but that (1) could be characterized as submitted “primarily for the purpose of enforcing a personal claim or of redressing a personal grievance against the issuer or its management” or (2) was substantially the same proposal as was submitted for a vote of shareholders at the previous annual meeting (or any subsequent special meeting) that received less than three percent of votes cast could be excluded from a company's proxy materials. *Id.*

Continued

⁵⁵ See *Davis v. Mich. Dep't of Treasury*, 489 U.S. 803, 809 (1989) (explaining that “statutory language cannot be construed in a vacuum,” but rather “the words of a statute must be read in their context and with a view to their place in the overall statutory scheme”).

⁵⁶ See *id.*

⁵⁷ See, e.g., *CTS Corp. v. Dynamics Corp. of Am.*, 481 U.S. 69, 89 (1987).

⁵⁸ Release No. 34–378 (Sept. 24, 1935) 1935 WL 29270 (requiring a “brief description” of the matters to be considered, together with the proposed action to be taken by the proxy holder, requiring the mailing of proxy materials to record owners at the requesting shareholder's expense, and prohibiting materially false or misleading statements under a general anti-fraud provision); Release No. 34–1823 (Aug. 11, 1938) [3 FR 1991 (Aug. 13, 1938)] (introducing the concept of the proxy statement that must be given to each person solicited, and requiring that each matter to be considered be subject to a separate yes or no vote).

⁵⁹ Rule X–14A–7 provided in pertinent part: “In the event that a qualified security holder of the issuer has given the management reasonable notice that such security holder intends to present for action at a meeting of security holders of the issuer a proposal which is a proper subject for action by the security holders, the management shall set forth the proposal and provide means by which security holders can make a specification as provided in [the proxy rules].” 17 CFR 240.14a–7 (1943). The 1942 rule also introduced the requirement that management, if it opposed the shareholder's proposal, include in its proxy materials the name and address of the proponent and a 100-word statement in support of the proposal, if requested by the proponent. *Id.* The maximum length of a proponent's supporting statement under Rule 14a–

8 has been revised by the Commission on several occasions and is currently 500 words, inclusive of the proposal text.

⁶⁰ See 1945 Release.

⁶¹ *Id.*

⁶² *Id.*

Later amendments, including the 1952 exclusion for proposals promoting “general economic, political, racial, religious, social or similar causes”⁶⁷ and the 1954 “ordinary business” exclusion,⁶⁸ further entangled Federal criteria with State law requirements. The application of these criteria often required judgments about matters of boards’ authority and shareholders’ role in corporate decision-making. The 1954 amendments also restructured Rule 14a–8 such that the “proper subject for action” criterion was no longer a threshold qualification for the inclusion of a shareholder proposal; instead, it was re-framed as a basis permitting an issuer to exclude a proposal if it was *not* a proper subject for action under State law.⁶⁹ Moreover, “the burden of proof” to make that showing was placed “upon the management.”⁷⁰

In 1976, the Commission reorganized the rule into the modern structure of 13 substantive exclusions.⁷¹ In doing so, the Commission made inclusion of shareholder proposals in the company’s

proxy materials dependent on, among other things, whether proposals relate significantly to an issuer’s business or implicate areas of board and management discretion.⁷² Some of these exclusions were based on the Commission’s interpretation of State law allocations of authority between shareholders and management, and the rest lacked any connection to State law.⁷³ The Commission also added a note to Rule 14a–8(i)(1) explaining that the propriety of a shareholder proposal under State law may depend on whether the proposal is precatory or mandatory, signaling broader Federal takeover in the purported application of State law concepts.⁷⁴ The note, as discussed further in section II.A.1.c below, effectively created a presumption that precatory proposals are proper based on the Commission’s own interpretation of State law, as opposed to deferring to States to resolve the question.

The Commission again modified the regulatory framework for shareholder proposals in 1983.⁷⁵ The adopted amendments (including revisions to the relevance, resubmission, and personal grievance exclusions) and Commission interpretive guidance on the ordinary business and mootness exclusions largely preserved the central role that the Commission’s understandings of shareholder authority and corporate decision-making—traditionally the province of State law—played in the administration of the Commission’s rule. Similarly, revisions made in 1998, while primarily structural and intended to improve readability by recasting the

rule in a question-and-answer format, carried over the existing exclusionary framework.⁷⁶

Subsequent amendments—frequently relating to shareholder-proponent eligibility, resubmission thresholds, and procedural requirements—have continued to revise a Federal overlay that either constrains or expands the rights of shareholders to present a matter for a vote without any grounding in State law.⁷⁷ Taken together, the evolution of Rule 14a–8 demonstrates a consistent trend: over time, through rulemaking, the Commission has increasingly assumed responsibility for defining and interpreting standards that implicate core State law concepts of corporate governance.

As this history illustrates, the evolution of current Rule 14a–8 has taken the Commission from its original 1942 posture of deferring to State law on the scope of which matters are a proper subject for shareholder action to a regime in which the rule now purports to prescribe the “few specific circumstances” under which a company is “permitted to exclude” a shareholder proposal, including a presumption that precatory proposals are “proper unless the company demonstrates otherwise.”⁷⁸ Throughout this evolution, there has been little meaningful analysis of State law to justify the Commission’s line drawing. Instead, the Commission has relied on generalized impressions of what State law requires or on inferences drawn from its own experience administering the Federal proxy rules to construct what is, in substance, a Federal standard governing when a shareholder proposal is a proper subject for shareholder action. Nothing in the text or context of section 14(a) supports the Commission’s authority to prescribe such a standard. Indeed, the plain and best reading of section 14(a) confirms that Congress did not grant the Commission such authority.

c. Rule 14a–8 Exceeds the Commission’s Authority Under Section 14(a)

As discussed above, Rule 14a–8 dictates when a company “must include” a shareholder proposal in its proxy materials. The rule prescribes eligibility and procedural requirements that a shareholder must satisfy to have

at 6679. These exclusions remain, as subsequently revised, in the current rule. See 17 CFR 240.14a–8.

⁶⁷ See *Amendment of Proxy Rules*, Release No. 34–4775 (Dec. 11, 1952) [17 FR 11431 (Dec. 18, 1952)]. In 1972, the Commission revised the existing “social policy” exclusion relating to “general economic, political, racial, religious, social or similar causes” to eliminate the formulation that focused on whether a proposal was submitted “primarily for the purpose of” promoting a particular cause. *Solicitations of Proxies*, Release No. 34–9784 (Sept. 22, 1972) [37 FR 23178 (Oct. 31, 1972)]. In its place, the Commission adopted a broadened standard that turned on the relationship between the issuer and the subject matter of the proposal. *Id.* at 23179 (permitting exclusion of a matter that is “not significantly related to the business of the issuer or is not within the control of the issuer”). As the adopting release explained, the amendment sought “to replace the subjective terms of the provision with objective standards to the extent feasible and thereby create greater certainty in the application of the rule.” *Id.* at 23178. The Commission also made a corresponding revision to the personal grievance exclusion, removing similar language so that the two exclusions no longer required inquiry into a proponent’s motivations. See *id.* at 23179.

⁶⁸ See 1954 Adopting Release.

⁶⁹ See *id.* Through this amended language, the 1954 amendments included in Rule 14a–8 for the first time an express reference to State law, which was previously referenced only in the 1945 Release.

⁷⁰ See *id.*

⁷¹ See *Adoption of Amendments Relating to Proposals by Security Holders*, Release No. 34–12999 (Nov. 22, 1976) [41 FR 52994 (Dec. 3, 1976)] (“1976 Adopting Release”). The 1976 amendments significantly changed the approach to the existing “social policy” exclusion. Specifically, the Commission removed from the exclusion the express references to “economic, political, racial, religious, social, or similar causes.” In the adopting release for the amendments, the Commission stated that those “illustrative references” to various causes were “superfluous and unnecessary” and that, in revising the provision, the “substance” of the existing exclusionary basis was retained. *Id.* at 52997.

⁷² See, e.g., *id.* at 52998 (discussing the adoption of subordinate (i)(7) of Rule 14a–8—permitting exclusion of proposals dealing with a “matter relating to the conduct of the ordinary business operations of the issuer”—and stating that matters that have “significant policy, economic or other implications inherent in them” were to be “considered beyond the realm of an issuer’s ordinary business operations” and therefore not excludable under that subordinate).

⁷³ For example, the Commission adopted Rule 14a–8(i)(11) [17 CFR 240.14a–8(i)(11)] to permit the exclusion of a proposal that substantially duplicates one previously submitted by another shareholder. The Commission explained that this rule was adopted “in order to eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other,” without citing any connection to State law. See 1976 Adopting Release.

⁷⁴ See *id.* at 52996; 17 CFR 240.14a–8, Note to subordinate (c)(1) (1977).

⁷⁵ See *Amendments to Rule 14a–8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders*, Release No. 34–20091 (Aug. 16, 1983) [48 FR 38218 (Aug. 23, 1983)]; see also *Proposed Amendments to Rule 14a–8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders*, Release No. 34–19135 (Oct. 14, 1982) [47 FR 47420 (Oct. 26, 1982)] (“1982 Proposing Release”) (proposing three alternative approaches to Rule 14a–8).

⁷⁶ See 1998 Adopting Release.

⁷⁷ See, e.g., *Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a–8*, Release No. 34–89964 (Sept. 23, 2020) [85 FR 70240 (Nov. 4, 2020)] (“2020 Adopting Release”) (amending requirements under the rule including resubmission thresholds and security ownership amounts for shareholder-proponent eligibility).

⁷⁸ 17 CFR 240.14a–8.

a proposal included. It then identifies the bases on which a company may exclude a proposal. It also sets forth certain steps that a company must follow if it seeks to rely on one of those bases.⁷⁹ Collectively, these provisions effectively operate as a Federal standard governing when a matter is properly put before shareholders for a vote through the proxy.⁸⁰ Because section 14(a) empowers the Commission to regulate the proxy solicitation process—not codify its own understanding of State law rights as a matter of Federal law—Rule 14a–8 exceeds the Commission’s authority under section 14(a).

In its current form, Rule 14a–8(i) contains 13 substantive bases for exclusion. Of these, only Rule 14a–8(i)(1) and Rule 14a–8(i)(2) directly refer to State law by permitting exclusion when a proposal “is not a proper subject for action by shareholders under the laws of the jurisdiction of the company’s organization,”⁸¹ or when a proposal “would, if implemented, cause the company to violate any [S]tate . . . law to which it is subject.”⁸² The remaining exclusion bases codify criteria developed by the Commission—often evolving over time—regarding what matters are appropriate for inclusion in a company’s proxy materials, some of which derived from the Commission’s own interpretation of State law and the rest of which lacked any identified connection to State law.⁸³ These criteria include the proposal’s subject matter (such as matters relating to ordinary business operations, the director election process, or dividend amount determinations) and other considerations (such as the motivation of the proponent, economic relevance, duplication, substantial implementation, or the level of past shareholder support).⁸⁴ Although some of these exclusion bases may intersect with concepts found in State law, they are not derived from, and do not consistently track, State law frameworks governing shareholder rights to present

a proposal at a meeting for a vote by their fellow shareholders.

Even where Rule 14a–8 incorporates State law considerations in Rule 14a–8(i)(1), the rule conditions that reference with a Commission-created presumption that non-binding, precatory proposals are proper subjects for shareholder action under State law.⁸⁵ This presumption, grounded in prior Commission staff “experience,” effectively places a thumb on the scale in favor of inclusion. A company bears the burden to overcome the presumption, but meeting that burden, in practice, is often difficult. State law is frequently undeveloped, ambiguous, or fact-specific with respect to shareholder proposals, and the company is required to submit an opinion of counsel supporting its views on State law, which may be particularly difficult to obtain when State law is silent on the subject. In these situations, companies could lack a meaningful pathway to meet their burden to rebut the presumption. As a result, what is framed as a presumption operates in substance as a mandate. Rather than looking or deferring to State law, the Commission has, instead, substituted its own judgment for which proposals are proper under State law.

Beyond the 13 substantive bases for exclusion and the presumption regarding precatory proposals, the overall structure of Rule 14a–8 underscores its function as a *de facto* Federal standard for shareholder voting rights by specifying which shareholder proposals are appropriate for inclusion in company proxy materials. Rule 14a–8 has, over time and through successive revisions, evolved into a detailed framework that identifies the “few specific circumstances” in which a company is “permitted to exclude” a shareholder proposal. As an illustration of how Rule 14a–8 has expanded in complexity over time, the predecessor to Rule 14a–8 was a little over 200 words whereas the current provision is over 3,000 words. Companies seeking to exclude a proposal must explain the basis for exclusion—often by citing one or more of the 13 substantive grounds noted above—and, where the basis relies on State or foreign law, provide a

supporting opinion of counsel.⁸⁶ The rule also imposes numerous requirements that a shareholder must satisfy to require inclusion of a proposal in the company’s proxy materials, including eligibility criteria based on the amount and duration of share ownership; a requirement that the shareholder (or a qualified representative) personally attend the meeting to present the proposal; and limits on the number and length of proposals.⁸⁷ None of these requirements is grounded in State law.⁸⁸

Despite the Commission’s stated goal of “facilitat[ing] shareholders’ exercise of [S]tate law rights”⁸⁹ and making the proxy process “function[], as nearly as possible, as a replacement for an actual in-person gathering of security holders,”⁹⁰ these conditions and exclusions—which constitute the vast majority of Rule 14a–8’s provisions—bear little or no connection to whether the proposal is proper for a shareholder vote at the shareholder meeting under State law. Instead, these requirements create a complex Federal regime governing the rights of shareholders to present proposals for shareholder action that functionally supplants State law.⁹¹ Section 14(a) does not empower the Commission to create such a regime.

It might be argued that Rule 14a–8 does not dictate the scope of proposals submitted by one shareholder to be voted on by other shareholders but rather defines the conditions under which a shareholder may take advantage of the opportunity provided by Federal law to have a proposal included in the company’s proxy materials.⁹² But, as

⁸⁶ 17 CFR 240.14a–8(j)(1), (j)(2)(iii).

⁸⁷ 17 CFR 240.14a–8(b)(1)(i), (b)(1)(iv), (c).

⁸⁸ While the procedural and eligibility requirements may have been intended to foster an orderly process for the inclusion of proposals, because the Commission is not authorized by section 14(a) to interpose Federal criteria on shareholders’ or companies’ State law rights, these requirements similarly are not supported by our statutory authority.

⁸⁹ 2007 Proxy Access Long Release at 43478.

⁹⁰ *Id.* at 43467.

⁹¹ See Fisch 1993 at 1151 (“[B]oth in determining appropriate criteria for excluding shareholder proposals and in applying those criteria, the SEC does not replicate passively the annual meeting process by applying state law principles, but creates a federal common law as to what constitutes a proper subject for shareholder action. The SEC has thereby thrust itself into the role of determining the proper balance of power between management and shareholders.”) (citing Louis Loss, *Fundamentals of Securities Regulation* 537–38 (1983) (“Inevitably the Commission (normally its staff), while purporting to find and apply a general[ly] nonexistent state law, has been building a ‘common law’ of its own as to what constitutes a ‘proper subject’ for shareholder action.”)).

⁹² See, e.g., *Dyer v. SEC*, 266 F.2d 33 (8th Cir. 1959) (stating that Rule 14a–8 “affords a privilege

Continued

⁷⁹ See *supra* section II.A.1.b.

⁸⁰ See Fisch 1993 at 1149–50 (“Many of the restrictions imposed by the proxy rules can be attributed to a pragmatic effort by the SEC to limit the number of shareholder proposals and to restrict use of the proxy statement to issues of general importance to shareholders. Although such limits may be desirable, they have no foundation in state or common-law restrictions regarding proper subjects to be raised at a shareholders’ meeting. The SEC’s authority to impose these restrictions on the use of the proxy mechanism is therefore unclear.”).

⁸¹ 17 CFR 240.14a–8(i)(1).

⁸² 17 CFR 240.14a–8(i)(2).

⁸³ See, e.g., 1982 Proposing Release at 47428–29 (discussing the origin of 17 CFR 240.14a–8(i)(7), the ordinary business exclusion).

⁸⁴ 17 CFR 240.14a–8(i)(3) through 240.14a–8(i)(13).

⁸⁵ The current Note to Rule 14a–8(i)(1) reads as follows: “Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.”

described above, by establishing standards not found in State law for whether a shareholder proposal must be included in a company's proxy materials, the Commission effectively dictates the scope of shareholder voting rights and, therefore, exceeds its authority. Because voting by proxy has largely replaced attendance at the shareholder meeting as the primary means of corporate suffrage, applying the Commission's determinations of whether and what shareholder proposals may properly appear on a company's proxy materials effectively alters the corporate voting process.⁹³

By way of contrast, in the context of director elections, the Commission has facilitated the ability of shareholders to exercise the voting rights they have under State law. In 2021, the Commission adopted rules requiring the use of a universal proxy card in non-exempt solicitations involving director election contests.⁹⁴ The foundation for the universal proxy rules is the right of shareholders—explicit in State law—to vote for the election of directors.⁹⁵ Accordingly, the predicate question of whether under State law the proposal (*i.e.*, the election of directors) is proper for a shareholder vote at the shareholder meeting is clearly answered by State law.⁹⁶ To ensure that shareholders voting by proxy are able to participate in the election of directors in the same manner they could if voting in person at a shareholder meeting, the rule

[to have a proposal included in the company's proxy statement], which does not otherwise ordinarily exist in favor of stockholders. Necessarily, the Commission could properly impose reasonable conditions and limitations on the scope and manner of enjoyment of the privilege, in relation to the other elements of holding stockholder meetings and conducting corporate affairs.”)

⁹³ See Fisch 1993 at 1170 (“[T]he SEC’s proxy rules are not passive attempts to implement shareholders’ state law rights in an increasingly large and impersonal voting system. Instead, the rules change the voting process, both by determining issues upon which shareholder democracy is appropriate and by structuring the way in which such democracy can be exercised.”).

⁹⁴ See *Universal Proxy*, Release No. 34–93596 (Nov. 17, 2021) [86 FR 68330 (Dec. 1, 2021)] (“Universal Proxy Release”). The universal proxy rules do not apply to solicitations involving director election contests for registered investment companies and business development companies.

⁹⁵ See *Universal Proxy Release* at 68330 (“State statutes require corporations to hold an annual meeting of shareholders for the purpose of electing directors. A shareholder’s ability to participate in the election of directors is a fundamental right under state corporate law, and the process by which directors are elected is a fundamental aspect of corporate governance that is central to maintaining the accountability of directors to shareholders.”) (footnotes omitted).

⁹⁶ See, *e.g.*, Cal. Corp. Code section 600(b); 8 Del. C. section 211(b); N.Y. Bus. Corp. Law section 602(c).

requires that a proxy card include the names of all duly nominated⁹⁷ director candidates presented for election,⁹⁸ thereby allowing shareholders voting by proxy in contested elections to replicate the vote they could cast if they voted in person. Such an exercise of the Commission’s rulemaking authority under section 14(a) works in conjunction with State law.

It is not always clear whether a matter is a proper subject for shareholder action under State law. In some instances, State law entitlements are relatively straightforward. For example, it is widely recognized that State law generally confers voting rights on equity shareholders in director elections but does not confer voting rights on bondholders in those elections.⁹⁹ In other instances, applying State law can present difficult interpretive questions, even within a single jurisdiction. For example, it remains uncertain whether the Delaware General Corporation Law (“DGCL”) permits precatory proposals; the statute does not speak to the question.¹⁰⁰ These difficulties are compounded by the fact that States vary in how they address particular governance matters.¹⁰¹ But section 14(a)

⁹⁷ See *Universal Proxy Release* at 68331–32 (noting that universal proxy cards “must include the names of all duly nominated director candidates presented for election by any party . . .” and explaining that “[a] duly nominated director candidate is a candidate whose nomination satisfies the requirements of any applicable [S]tate or foreign law provision and a registrant’s governing documents as they relate to director nominations”).

⁹⁸ See 17 CFR 240.14a–19(e).

⁹⁹ Compare 8 Del. C. section 212 (granting voting rights to stockholders) with 8 Del. C. section 221 (authorizing a corporation to grant bondholders rights similar to those held by stockholders, including the right to vote, because such rights do not exist by default under State law).

¹⁰⁰ See Mohsen Manesh, *The Corporate Contract & The Private Ordering of Shareholder Proposals*, 50 J. Corp. L. 1, 29 (2024) (noting that the statutory text of the DGCL is silent as to whether shareholders have the right to make or vote on a precatory proposal) (“Manesh 2024”). See also Kyle A. Pinder, *The Non-Binding Bind: Reframing Precatory Stockholder Proposals Under Delaware Law*, 15 Mich. Bus. & Entrepreneurial L. Rev. 1 (2026), available at: <https://repository.law.umich.edu/mbelr/vol15/iss1/2> (concluding that Delaware law does not provide an inherent precatory proposal right).

¹⁰¹ See Stephen M. Bainbridge, *Revitalizing SEC Rule 14a–8’s Ordinary Business Exclusion: Preventing Shareholder Micromanagement by Proposal*, 85 Fordham L. Rev. 705 (2016) (“[T]here is an unfortunate degree of inconsistency from state to state as to which actions are deemed extraordinary and which are deemed ordinary. States are divided, for example, as to whether such basic matters as filing a lawsuit or executing a guarantee of another corporation’s debts are ordinary or extraordinary.”). While many states have adopted the MBCA, its adoption is not universal, and some states have adopted it only in part. See American Bar Ass’n, Bus. Law Section, Model Business Corporation Act Resource Center, available at [does not authorize the Commission to resolve ambiguous questions of State law or to impose a uniform Federal standard. Indeed, doing so has inhibited and may continue to inhibit the development of State law by State legislatures and courts interpreting the law of the relevant States of incorporation, as we discuss below.¹⁰² Absent clear congressional direction to the contrary, State legislatures and courts interpreting State law are the appropriate bodies to develop and define the scope of shareholder rights.](https://www.americanbar.org/groups/</p>
</div>
<div data-bbox=)

The Commission has, at times, noted that its authority to promulgate Rule 14a–8 under section 14(a) was upheld in 1947 in *SEC v. Transamerica Corp.*¹⁰³ But in *Transamerica*, which upheld an application of the 1942 version of the rule, the scope of the Commission’s authority under section 14(a) was not squarely presented or addressed. To the extent the court’s analysis could be read to endorse a more expansive view of the Commission’s authority than the Commission’s interpretation in this release, the Commission disagrees with such a reading for the reasons discussed above.

d. Rule 14a–8 Should Be Rescinded

An administrative agency must act within its statutory authority.¹⁰⁴ As

business law/resources/model-business-corporation-act/ (noting that 36 jurisdictions have adopted the MBCA in whole or in part).

¹⁰² See section II.A.2.b.ii. See also Fisch 1993 at 1192–93 (“The interdependence of the state and federal regulatory systems has several consequences. First, the mere existence of the federal proxy rules may have restrained the development of state corporation law in the area of voting regulation. A state statute that conflicted with the proxy rules might not be valid under the Supremacy Clause. Additionally, the federal rules subdue state motivation to legislate. State legislatures have become accustomed to leaving the regulation of the voting process to the SEC and defer to that agency’s expertise. State and federal courts also have grown accustomed to viewing shareholder proxy rights as those rights defined by the SEC rules. In spite of the SEC’s statements that its rules simply enable shareholders to realize state law rights, courts are loathe to recognize ballot access, information, or procedural rights that extend beyond those explicitly guaranteed by federal law.”).

¹⁰³ 163 F.2d 511 (3d Cir. 1947); see, *e.g.*, *Shareholder Proposals Relating to the Election of Directors*, Release No. 34–56161 (July 27, 2007) [72 FR 43488, 43489 n.8 (Aug. 3, 2007)]. But see 1954 Adopting Release (explaining that “state law is to be the standard of eligibility of a proposal under the rule” and that “[t]he Commission wishes to make it clear that it considers this standard consistent with [Transamerica]”).

¹⁰⁴ See *Bd. of Governors of Fed. Rsv. Sys. v. Dimension Fin. Corp.*, 474 U.S. 361, 373 n.6 (1986) (holding that an administrative agency, in this case the Federal Reserve Board, only has the power “to police within the boundaries of the [relevant authorizing statute]” and not “to expand its jurisdiction beyond the boundaries established by Congress”); *West Virginia v. EPA*, 597 U.S. 697, 723 (2022) (“Agencies have only those powers given to

discussed, Rule 14a–8 exceeds the plain and best reading of the Commission’s rulemaking authority under section 14(a). Accordingly, we propose to rescind the rule. Furthermore, as discussed below, even if the Commission had the authority to adopt Rule 14a–8 or aspects of the rule, for independent policy reasons, the Commission is proposing to rescind the rule in its entirety.

We acknowledge that Rule 14a–8 has been in existence for many years and that both shareholders and companies are likely to have shaped certain governance and engagement practices around the rule’s provisions. However, agencies may not add to their powers by adverse possession; longevity is not a substitute for legal authority. Indeed, the passage of time has seen Rule 14a–8 stray further from section 14’s authorization. That said, to better understand the potential impact of rescinding Rule 14a–8 and possible measures to mitigate such impact, we are seeking comment on reliance interests in the current rule and on alternatives to complete rescission that would fall within our authority.

2. Policy Reasons for Rescinding Rule 14a–8

Independent of our lack of statutory authority, there are also policy reasons for rescinding Rule 14a–8 in its entirety. Specifically, we believe that (i) many of the justifications that were originally provided to support adoption of Rule 14a–8 either have not been substantiated in practice or are less compelling today; (ii) Rule 14a–8 has had, and will continue to have, certain

them by Congress, and ‘enabling legislation’ is generally not an open book to which the agency [may] add pages and change the plot line.”) (citation omitted); *Util. Air Regul. Grp. v. EPA*, 573 U.S. 302, 327–328 (2014) (stating that to avoid “a severe blow to the Constitution’s separation of powers,” an agency must act within the bounds established by Congress and may not rewrite statutory terms “to suit its own sense of how [a] statute should operate”); *City of Arlington v. FCC*, 569 U.S. 290, 297 (2013) (“No matter how it is framed, the question a court faces when confronted with an agency’s interpretation of a statute it administers is always, simply, whether the agency has stayed within the bounds of its statutory authority.”) (italics in original); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281, 291 (1988) (“In determining whether a challenged regulation is valid, a reviewing court must first determine if the regulation is consistent with the language of the statute.”); *Stark v. Wickard*, 321 U.S. 288, 309 (1944) (“When Congress passes an Act empowering administrative agencies to carry on governmental activities, the power of those agencies is circumscribed by the authority granted.”); *Cal. Indep. Sys. Operator Corp. v. FERC*, 372 F.3d 395, 398 (D.C. Cir. 2004) (stating that a Federal agency is a creature of statute, has no constitutional or common law existence or authority, and has “only those authorities conferred upon it by Congress”) (italics in original) (citation omitted).

unintended consequences; and (iii) retaining any version of Rule 14a–8—assuming the Commission were authorized to do so—is unwarranted and unlikely to avoid these unintended consequences.

a. Many of the Original Justifications for Adopting Rule 14a–8 Either Have Not Been Substantiated in Practice or Are Less Compelling Today

When the Commission first adopted Rule 14a–8, Chairman Purcell stated that the rule was adopted with the understanding that (i) the cost to companies to include shareholder proposals in their proxy materials was “small;”¹⁰⁵ (ii) many proposals were either already supported by management or received meaningful shareholder support;¹⁰⁶ (iii) the overall volume of proposals was low;¹⁰⁷ and (iv) the rights of shareholders to present certain matters for a vote to their fellow shareholders under State law was reasonably clear, such that the Commission’s rules could operate to facilitate those rights.¹⁰⁸ As discussed below, many of these justifications either have not been substantiated in practice or have become less compelling given the evolution of the shareholder proposal process, and ambiguity about the scope of shareholder voting rights under State law. In addition to these considerations, other developments, including the reduced burden in conducting independent solicitations and availability of other methods of shareholder engagement due to technological advancements, also may have rendered Rule 14a–8’s original justifications less compelling.

First, the cost to companies of addressing and including shareholder

proposals in proxy materials is no longer small. In response to commenter feedback on the proposing release to the Commission’s 2020 amendments to Rule 14a–8, the Commission estimated that the cost to a company ranged from \$20,000 to \$150,000 per proposal.¹⁰⁹ One recent survey found that the aggregate direct costs over a four-year period that companies incurred to comply with Rule 14a–8 varied widely among 35 public company respondents: 20 percent reported four-year aggregate direct costs of less than \$100,000; 25.7 percent reported between \$100,000 and \$250,000; and 17.1 percent reported between \$251,000 and \$500,000.¹¹⁰ Nearly one-quarter reported aggregate, four-year costs exceeding \$500,000, including 14.3 percent reporting between \$501,000 and \$1,000,000 and 11.4 percent reporting more than \$1,000,000 over that period.¹¹¹ Another survey found that nearly 20 percent of the 35 responding companies, including some companies that have small market capitalization, noted that they spend over \$500,000 in external costs addressing shareholder proposals in a typical proxy season.¹¹²

Companies incur costs, including internal time, as well as external legal and compliance expenditures.¹¹³ Companies also incur indirect costs associated with addressing shareholder proposals, including internal legal and administrative resources, management time, and opportunity costs from diverting management’s attention away from core business operations, which may be substantial.¹¹⁴ These costs

¹⁰⁹ 2020 Adopting Release at 70245 n.63.

¹¹⁰ See Lawrence A. Cunningham, *Shareholder Proposal Survey: Report and Analysis of Results*, University of Delaware, John L. Weinberg Center for Corporate Governance (Jan. 2026), at 4, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6045474. The report states that public companies responding to this survey were predominantly large capitalization or mega capitalization firms, drawn from diverse industries. The estimated costs may vary for other types of companies, such as investment companies.

¹¹¹ See *id.*

¹¹² See Business Roundtable, *The Need for Bold Proxy Process Reform* (Apr. 2025), available at <https://www.businessroundtable.org/the-need-for-bold-proxy-process-reforms>.

¹¹³ See *id.*

¹¹⁴ See *Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a–8*, Release No. 34–87458 (Nov. 5, 2019) [84 FR 66458, 66496 (Dec. 4, 2019)] (“2019 Proposing Release”) (“Shareholder proposals also impose opportunity costs on companies and their shareholders because management, the board, and the voting shareholders could spend the time spent on processing a shareholder proposal and voting on the proposal to engage in other value enhancing activities.”); Mary Jo White, Chair, SEC, Speech at the 69th Nat’l Conf. of the Soc’y of Corp. Secretaries and Governance Professionals: Building Meaningful

Continued

ultimately are borne by the company's shareholders,¹¹⁵ who, in addition to absorbing the costs incurred by the company, face their own costs in analyzing and voting on proposals.¹¹⁶

Second, most shareholder proposals today do not receive majority shareholder support and are not supported by management. We estimate that approximately seven percent of submitted proposals and 11 percent of proposals that were voted on received majority shareholder support in 2025.¹¹⁷ It is also clear that management frequently opposes shareholder proposals today, as reflected in the number of proposals companies exclude from their proxy materials each proxy season,¹¹⁸ the number of proposals companies seek to exclude,¹¹⁹ and the opposition statements companies routinely include in their proxy materials to rebut proposals that are included and voted on.¹²⁰

Third, the volume of shareholder proposals has increased significantly over time in comparison to the increase in the number of companies required to file proxy statements.¹²¹ In contrast to

the relatively low number of shareholder proposals included in company proxy materials between 1943 and 1946, which totaled between 34 and 66,¹²² the annual number of shareholder proposals submitted to companies between 2020 and 2025 is estimated to have ranged from 697 to 932, with an estimated 437 to 599 proposals included in company proxy materials each year.¹²³

Finally, when it adopted Rule 14a–8, the Commission appears to have assumed that it would be clear, or at least reasonably easy to determine, which matters are proper to present to shareholders for a vote under State law. However, State law is often unclear or silent as to what matters may be presented to shareholders. For instance, Delaware law is unclear about the status of precatory proposals—the most common type of Rule 14a–8 proposal.¹²⁴ While section 211 of the DGCL states that, in addition to the election of directors, “[a]ny other proper business may be transacted at the annual meeting,” it does not define what can be considered as “proper business.”¹²⁵ Consequently, there is a diversity of opinion about whether the DGCL permits precatory proposals. While a number of commentators have observed that Delaware law does not explicitly authorize or contemplate precatory proposals as proper subjects for shareholder action,¹²⁶ the question

remains unresolved. For example, one scholar of Delaware law has stated that section 211 of the DGCL could be interpreted to authorize precatory proposals as proper¹²⁷ and another legal scholar has argued that the authority to present and vote on precatory proposals is an “incidental power[.]” derived from section 121 of the DGCL and the broader governance framework created by statute.¹²⁸ Regardless of their views, no commentator has identified any controlling authority from a Delaware court on this issue, and the DGCL (like the MBCA) does not directly address the question as to whether precatory proposals are proper subjects for a shareholder vote.¹²⁹ Moreover, even if Delaware law were clear on this issue, other States may take a different position.

The Commission appears to have underestimated the challenges associated with discerning and applying State corporate law when it adopted Rule 14a–8, leading to subsequent efforts to provide clarity through incremental amendments to the rule (such as, for example, through the current codified presumption regarding precatory proposals¹³⁰). However, as explained in section II.A, when State law is unclear or silent as to what matters can be presented to shareholders, it is not the Commission's role to fill those gaps or impose

Communication and Engagement with Shareholders (June 25, 2015), <https://www.sec.gov/newsroom/speeches-statements/building-meaningful-communication-engagement-shareholders> [<https://perma.cc/NQ8C-NRRE>] (“Briefing boards [on shareholder proposals], analyzing issues and determining how to communicate the company's views to shareholders and markets take time and resources, as does hiring lawyers to analyze the proper interpretation of the Commission's grounds for exclusion and preparing communications with the staff.”).

¹¹⁵ See *Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a–8*, Release No. 34–95267 (July 13, 2022) [87 FR 45052, 45067 (July 27, 2022)] (“[C]ompanies may bear both direct costs and opportunity costs associated with the submission of a shareholder proposal, and these costs may be passed on to shareholders.”); 2020 Adopting Release at 70267 (“[A]ll shareholders may incur passed-through costs associated with companies' consideration and processing of shareholder proposals and experience the economic impact of shareholder proposals that are implemented.”).

¹¹⁶ See 2020 Adopting Release at 70277 (“[T]he costs to non-proponent shareholders of analyzing and voting on shareholder proposals are significant.”).

¹¹⁷ See *infra* section IV.B.3.a.

¹¹⁸ See *id.* (noting that 22% of proposals were omitted from company proxy materials in 2025).

¹¹⁹ For example, between Oct. 1, 2024 and Sept. 30, 2025, companies sought to exclude approximately 370 proposals. See U.S. Securities & Exchange Commission, *Shareholder Proposals*, available at <https://www.sec.gov/rules-regulations/shareholder-proposals>.

¹²⁰ See Asaf Eckstein, *The Rise of Corporate Guidelines in the United States, 2005–2021: Theory and Evidence*, 98 Indiana L.J. 921 (2023), available at <https://www.repository.law.indiana.edu/ilj/vol98/iss3/6/> (stating that boards choose to recommend against shareholder proposals that are included in a company's proxy statement “most of the time”).

¹²¹ There were 1,467 proxy statements filed by companies in 1943, see Securities and Exchange

Commission, *Thirteenth Annual Report of the Securities and Exchange Commission Fiscal Year Ended June 30, 1947*, 42 (1948), available at https://www.sec.gov/about/annual_report/1947.pdf, and we estimate that 6,043 proxy statements are filed by companies today, see section V.C.

¹²² See Securities and Exchange Commission, *Thirteenth Annual Report of the Securities and Exchange Commission Fiscal Year Ended June 30, 1947*, 42 (1948), available at https://www.sec.gov/about/annual_report/1947.pdf (noting that the number of shareholder proposals included in company proxy statements was 66 in 1943, 38 in 1944, 34 in 1945, and 34 in 1946).

¹²³ See Matteo Tonello, *2025 Proxy Season Review: From Escalation to Recalibration*, Harv. L. Sch. F. Corp. Governance (Sept. 15, 2025), available at <https://corpgov.law.harvard.edu/2025/09/15/2025-proxy-season-review-from-escalation-to-recalibration/> (estimating the total number of shareholder proposal submissions to be 697 proposals in 2020, 715 in 2021, 801 in 2022, 836 in 2023, 932 in 2024, and 781 in 2025, while estimating the total number of voted shareholder proposals to be 437 in 2020, 419 in 2021, 538 in 2022, 586 in 2023, 599 in 2024, and 462 in 2025).

¹²⁴ See *supra* notes 16 and 100.

¹²⁵ See 8 Del. C. section 211; see also Model Bus. Corp. Act section 7.01.

¹²⁶ See e.g., Manesh, *supra* note 100, at 29 (“For one, there is nothing in Delaware's statute or caselaw establishing as ‘settled’ public policy the right of shareholders to make or vote on a proposal at a shareholder meeting. As previously noted, the statutory text of the [Delaware General Corporation Law] makes no reference to such a right. And to the extent that right is recognized by case law, judicial

references to it are scant and fleeting”); Pinder, *supra* note 100 (“[T]he Delaware General Corporation Law . . . does not contemplate (and thus does not expressly authorize) precatory stockholder proposals.”); Unofficial Transcript of the Roundtable Discussion Regarding the Federal Proxy Rules and State Corporation Law Before the Chairman and Commissioners of the Securities and Exchange Commission (May 7, 2007), available at <https://www.sec.gov/spotlight/proxyprocess/proxy-transcript050707.pdf> (“2007 Proxy Roundtable Transcript”) comment of Stanley Keller (“14a–8 in and of itself I think has created the non-binding proposal. I think as a matter of state law it really didn't exist outside of 14a–8”); cf. Leo E. Strine, Jr., *Breaking the Corporate Governance Logjam in Washington: Some Constructive Thoughts on a Responsible Path Forward*, 63 Bus. Law. 1079, 1088 (2008) (“Strangely, precisely because state corporation laws do not contemplate non-binding stockholder votes on anything, the SEC has permitted non-binding or ‘precatory’ proposals on virtually everything, including takeover defenses and executive compensation.”).

¹²⁷ See 2007 Proxy Roundtable Transcript, comment of Frank Balotti (“I think precatory resolutions are authorized by [section] 211 [of the DGCL], which says that a stockholder can bring before a meeting anything that is proper for a stockholder to act on. I believe that it is proper for stockholders to ask directors to do whatever, as opposed to telling directors to do whatever.”).

¹²⁸ See Fisch et al., *supra* note 24.

¹²⁹ Despite the recent enactment of Tex. Bus. Orgs. Code Ann. section 21.373, Texas law similarly does not address this question.

¹³⁰ See Note to Rule 14a–8(i)(1).

uniformity through the Federal proxy rules.

In addition to the specific considerations discussed above, other developments also may have rendered Rule 14a–8's original justifications less compelling. For example, independent solicitation may have become less burdensome due to, among other factors, technological and regulatory advancements, including the introduction of the Commission's e-proxy rules (*i.e.*, notice and access).¹³¹ In 2021, we estimated that the median basic cost of soliciting shareholders, namely, the proxy distribution fees and postage costs for the first mailing, was approximately \$14,000.¹³² We also estimated that the costs of a nominal solicitation—where dissidents minimize their solicitation efforts and rely on the notice-and-access mechanism—would fall within a range of \$5,300 to \$9,800, with the specific cost dependent on the subject company's market capitalization.¹³³ These estimates assumed that the dissident would meet the minimum 67 percent solicitation requirement under 17 CFR 240.14a–19 ("Rule 14a–19"), the Commission's universal proxy rule, which is not applicable if a shareholder does not solicit proxies in support of director nominees other than the company's nominees.¹³⁴ While estimating the total

costs of a specific solicitation is challenging due to the variability of discretionary solicitation expenditures, we believe that technological and regulatory advancements have helped to facilitate independent solicitations.

In addition, although the original purpose of Rule 14a–8 was not to facilitate shareholder engagement or communication, shareholders frequently use the rule for these purposes, as discussed in section II.A.2.b.i below. To the extent shareholders use Rule 14a–8 for these purposes, technological advancements have given rise to a wide range of alternative channels—such as online platforms and social media forums—that facilitate communication among shareholders, enable the expression of shareholders' views, and allow investors to attempt to influence corporate behavior.¹³⁵ These means were not available when Rule 14a–8 was first adopted. Modern technology allows investors—including smaller shareholders—to communicate both with management and fellow shareholders, mitigating concerns that rescinding Rule 14a–8 would limit engagement to larger shareholders or those with more access to management or board members.¹³⁶

b. Rule 14a–8 Has Had, and Will Continue To Have, Certain Unintended Consequences

i. Rule 14a–8 Has Become a Mechanism for Influencing the Interactions Between Companies and Their Shareholders in Ways That Are Inconsistent With the Rule's Original Purpose

Under Rule 14a–8, a company is required to include a shareholder proposal in its proxy statement and form of proxy unless it can identify a basis to exclude it, in which case it must

file with the Commission its reasons for exclusion.¹³⁷ If a company excludes or attempts to exclude a proposal, it may be exposed to litigation risk.¹³⁸ Proponents may thus use Rule 14a–8 in an attempt to gain leverage in negotiations with company management or to secure private benefits from such negotiations.¹³⁹ Use of Rule 14a–8 in this way represents a departure from the rule's original purpose and implicates matters more appropriately addressed by State law.

For example, proponents may submit proposals to initiate a dialogue with a company when they have little or no intent for their proposals to actually be included in company proxy materials and voted on by fellow shareholders. In fact, many shareholder proposals today are resolved without a shareholder vote, suggesting that the Rule 14a–8 process has deviated from its original purpose.¹⁴⁰ For instance, based on available data, proponents withdrew their proposals at rates ranging from 18.4 percent to 32.1 percent during the four-year period between 2021 and 2025, with approximately 18 percent of proposals being withdrawn in 2025.¹⁴¹ Companies and proponents alike may have incentives to settle privately, rather than proceed to a shareholder vote.¹⁴² For companies, the perceived

¹³⁷ See *supra* section II.A.1.c.

¹³⁸ See, e.g., *DiNapoli v. BJ's Wholesale Club Holdings, Inc.*, No. 26–cv–11075, 2026WL1762143 (D. Mass. Apr. 22, 2026); *Heritage Found. & Am. Conservative Values ETF v. Airbnb, Inc.*, 1:25–cv–00676 (D.Del. Feb. 12, 2026).

¹³⁹ See Sarah C. Haan, *Shareholder Proposal Settlements and the Private Ordering of Public Elections*, 126 Yale L.J. 262, 298–299 (2016) (stating that shareholder proponents are incentivized to negotiate settlements because they "may extract private benefits from settlements" and that they may "bring a proposal solely for the purpose of bargaining it away, or to put pressure on management to accede to a different demand").

¹⁴⁰ See *id.* at 293 ("[I]n virtually all cases, the private settlement of a proposal undercuts the basic justifications for the shareholder-proposal framework under Rule 14a–8.").

¹⁴¹ See Subodh Mishra, *2025 U.S. Governance Post-Season Review Evolving Priorities in a Shifting Landscape*, ISS STOXX, Harv. L. Sch. F. Corp. Governance (Oct. 15, 2025), available at <https://corpgov.law.harvard.edu/2025/10/13/2025-u-s-governance-post-season-review-evolving-priorities-in-a-shifting-landscape/> (explaining that, of proposals submitted from Jan. 1 to June 30, 2025, 58% were voted on, 23.6% were omitted from the proxy statement, and 18.4% were withdrawn or not presented). Note that these numbers do not represent the full scope of withdrawn proposals, such as proposals that were withdrawn before companies filed no-action requests to exclude them from their proxy materials.

¹⁴² Cf., e.g., Ross Kerber, *This conservative activist is no fan of Trump's SEC*, Reuters.com (Mar. 4, 2026), available at <https://www.reuters.com/markets/us/this-conservative-activist-is-no-fan-trumps-sec-2026-03-04/> (quoting a shareholder proponent as saying, "[C]ompanies hate

¹³¹ See Broadridge, *2025 Proxy Season Key Stats and Performance Ratings* (2025), available at <https://www.broadridge.com/campaign/2025-proxy-season-key-stats-and-performance-ratings> (noting that 90% of the proxy communications Broadridge processed were digital and that issuers and funds experienced an estimated \$5 billion in cost savings on paper and postage). The Commission's e-proxy rules require issuers and other soliciting persons to post their proxy materials on an internet website and furnish notice of the materials' availability to shareholders. The notice and access model was intended to promote the use of the internet as a reliable and cost-efficient means of making proxy materials available to shareholders. See *Amendments to Rules Requiring Internet Availability of Proxy Materials*, Release No. 33–9108 (Feb. 22, 2010) [75 FR 9074 (Feb. 26, 2010)].

¹³² See Universal Proxy Release, at 68359 (the Commission calculated this estimate based on industry data provided by a proxy services provider for a sample of 31 proxy contests from July 1, 2018 through June 30, 2019).

¹³³ See *id.* at 68359 n.273. See Table IV in section IV.B.3.b for estimates of proxy solicitation costs between 2022 and 2025.

¹³⁴ Rule 14a–19 requires the use of universal proxy cards by companies and by persons soliciting proxy votes for their own candidates in contested director elections. The universal proxy card must include the names of all company and dissident director nominees. Rule 14a–19 establishes certain notice and filing requirements, as well as formatting and presentation requirements for universal proxy cards, and requires dissidents to solicit at least 67% of the voting power of shares entitled to vote on the election of directors. Rule 14a–19 does not apply, however, in a "zero-slate" campaign in which the dissident does not nominate or solicit proxies for its own director nominees.

¹³⁵ See, e.g., Donna Fuscald, *Say Gives Retail Investors A Voice And Tesla Listens*, Forbes (Feb. 19, 2019), available at <https://www.forbes.com/sites/donnafuscald/2019/02/19/say-gives-retail-investors-a-voice-and-tesla-listens/> (describing a digital platform that offers retail investors the ability to engage with companies they invest in); Seth C. Oranburg, *A Little Birdie Said: How Twitter Is Disrupting Shareholder Activism*, 20 Fordham J. Corp. & Fin. L. 695, 707 (2015), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2544363 ("Activists can now access virtually all shareholders and influence public opinion through social networks, relatively unencumbered by reporting requirements under SEC rules."); Taylor Nicole Rogers, *Robby Starbuck: the activist pushing U.S. companies to ditch their DEI vows*, Fin. Times (Sep. 5, 2024), available at <https://www.ft.com/content/0c8974ee-60bf-4ed8-b39c-bc24b8ecbcb81> (reporting on how a shareholder uses his social media presence to influence corporate initiatives).

¹³⁶ Cf. Fisch et al., *supra* note 24 (suggesting that eliminating precatory proposals would lead to only those with large share holdings or personal relationships with board members having access to the board).

advantages of private resolution may include reducing reputational risk associated with proposals, mitigating litigation risk related to statements made in opposition or in connection with exclusion, or avoiding the potentially greater costs associated with either including a proposal in the proxy materials or seeking to exclude it under the Commission's rules.¹⁴³ For proponents, reaching a settlement can provide a more certain path to achieving a tangible outcome since shareholder proposals are typically non-binding even when they receive majority support.¹⁴⁴ The frequent withdrawal of shareholder proposals as part of the Rule 14a–8 process does not fully align with Congress's intent that section 14(a) and the Federal proxy rules promote “fair corporate suffrage.”¹⁴⁵ Rather than having their proposals reach a shareholder vote through the proxy process, proponents often utilize the existence of the rule as leverage for private negotiations with companies, while company management may also find it advantageous when proposals are withdrawn.¹⁴⁶

shareholder proposals. They're a nuisance to them. Usually somebody's bringing it because they have a criticism of the company and they just, they want to do everything they can that's possible to get the proponent to withdraw. So if they can work out some kind of minimally painful step to [get] us to withdraw, they do it.”)

¹⁴³ See Haan, *supra* note 139, at 293–297; see also Kobi Kastiel and Yaron Nili, *The Giant Shadow of Corporate Gadjflies*, 94 So. Cal. L. Rev. 569, 617 (2021).

¹⁴⁴ See Nickolay Gantchev & Mariassunta Giannetti, *The Costs and Benefits of Shareholder Democracy*, Eur. Corp. Governance Inst. (Nov. 2019), available at https://www.ecgi.global/sites/default/files/working_papers/documents/finalgantchevgiannetti_2.pdf (“Gantchev Article”) (noting that an “overall low implementation rate” of approximately 16% of proposals “indicates that management may choose not to implement proposals even when they are approved by a majority of the voting shareholders”); see also John G. Matsusaka et al., *Can Shareholder Proposals Hurt Shareholders? Evidence from Securities and Exchange Commission No-Action Letter Decisions*, 64 J.L. & Econ. 107, 110 (2021), available at <https://www.journals.uchicago.edu/doi/epdf/10.1086/710828> (“When a proposal is withdrawn, it often means that the company granted some concession to the proponent, who in exchange withdrew the proposal.”).

¹⁴⁵ H.R. Rep. No. 1383, 73d Cong., 2d Sess. 13 (1934).

¹⁴⁶ See, e.g., Ross Kerber, *Shareholder activist Behar says Trump is ‘disassembling capitalism,’ Reuters.com* (Jan. 21, 2026), available at <https://www.reuters.com/sustainability/sustainable-finance-reporting/shareholder-activist-behar-says-trump-is-disassembling-capitalism-2026-01-21/> (quoting a shareholder proponent as saying “Most companies will have a dialogue. There are those where you have to escalate by filing a resolution, about half of those then say, ‘OK, if you withdraw it, we’ll take some action.’ Then there are the really resistant ones, about 25% or so, that you have to go to a vote . . . We’ve had some of our biggest wins at 6% (support), we’ve had some of our biggest losses at 80%. We want to bring forth new ideas.”).

Furthermore, Rule 14a–8 can serve as a mechanism for shareholder proponents to advance interests that in many cases may not be shared by a company's shareholders at large. For instance, in 2025, only 56 out of 786 submitted proposals (seven percent) received majority support.¹⁴⁷ In addition, a significant proportion of shareholder proposals are submitted by a small number of proponents who advance substantially similar proposals across numerous companies.¹⁴⁸ In 2025, 10 shareholder proponents submitted an aggregate of 58 percent of all proposals (455 out of 786).¹⁴⁹

Such use is counter to how the Commission intended the rule to be used. For example, when the rule was first adopted, Chairman Purcell explained, “[I]f [a shareholder proponent] were going to use the corporate proxy machinery for making a stump speech for some political party, that obviously is without the spirit of [the rule]”¹⁵⁰ The Commission also subsequently noted that it did not intend for the rule to be used as a “publicity mechanism” for advancing personal or partisan interests unrelated to the interests of a company's shareholders.¹⁵¹ Yet Rule 14a–8 often serves as a stump from which,

¹⁴⁷ The data cover proposals submitted for meetings held in calendar year 2025. Data is retrieved from the FactSet SharkRepellent Proxy Proposal dataset, which includes around 5,000 U.S.-incorporated public companies and some foreign-incorporated companies. Unless otherwise specified, we exclude from our analysis shareholder proposals that are not subject to Rule 14a–8, such as proposals related to proxy contests and other proposals appearing in dissident shareholders' proxy soliciting material, proposals that were raised from the floor of the annual or special meetings and were not submitted to appear in the companies' proxy statements, and proposals submitted for a vote at meetings of foreign private issuers, as defined in 17 CFR 240.3b–4, which are not subject to the Federal proxy rules. See section IV.B.3.a.

¹⁴⁸ See Gantchev Article *supra* note 144 (“The press has widely reported that a small group of individuals, often referred to as corporate gadflies, submits a disproportionate number of proposals. These individual sponsors, such as John Chevedden and William Steiner, do not acquire large stakes and are not particularly wealthy, but submit dozens of shareholder proposals every year, convinced that ‘it is the right thing to do.’”); see also Kobi Kastiel and Yaron Nili, *The Giant Shadow of Corporate Gadjflies*, 94 So. Cal. L. Rev. 569, 591 (2020) (reporting that five individual investors accounted for almost 40% of shareholder proposals submitted to S&P 500 companies in 2018). See section IV.B.3.a.

¹⁴⁹ See *supra* note 147 for source of the data.

¹⁵⁰ See Statement of Chairman Purcell.

¹⁵¹ See, e.g., 1982 Proposing Release at 47422 n.8 (explaining that “the rule was not designed to burden the proxy solicitation process by requiring the inclusion” of proposals submitted by proponents “us[ing] the rule as a publicity mechanism to further personal interests that are unrelated to the interests of security holders as security holders”).

figuratively, a small number of shareholders give speeches.¹⁵²

Furthermore, since Rule 14a–8 includes substantive and procedural bases that companies may use to exclude proposals that otherwise may be permitted under State law, companies may seek to use the rule to exclude proposals they disfavor or to limit shareholder involvement in corporate affairs. The various default positions, bases for exclusion, and eligibility criteria have made Rule 14a–8 a contested vehicle for influencing corporate governance practices and other corporate behavior. However, the allocation of power between shareholders and management, as well as determinations about the appropriate role of shareholder advocacy in corporate governance, are matters for the States to resolve and not the appropriate province of the Commission.¹⁵³

ii. The Existence of Rule 14a–8 Places the Commission in the Position of Making Judgments About the Application of State Law That Are Best Left to Other Actors

In our experience, Rule 14a–8 has drawn the Commission into matters that should be addressed by State legislatures, courts, and, if permitted by relevant State law, companies.¹⁵⁴ Although certain aspects of State law may be clear—for example, State law generally affords shareholders the right to elect directors¹⁵⁵ and amend the bylaws¹⁵⁶—many other areas contain

¹⁵² See, e.g., Business Roundtable, *supra* note 112 (“One repeat proponent openly stated they would not withdraw their proposal, not due to company-specific concerns, but because keeping it on the proxy statement provided a larger platform for their cause.”).

¹⁵³ See Fisch 1993 (explaining that Rule 14a–8 permits shareholder proposals to be excluded from company proxy materials for reasons that are not grounded in State law, discussing the rule's role in shaping corporate governance, and describing the role of Federal and State law in regulating proxy solicitations and shareholder voting).

¹⁵⁴ See Alan R. Palmiter, *The Shareholder Proposal Rule: A Failed Experiment in Merit Regulation*, 45 Ala. L. Rev. 879, 910 (1994) (citing then-Commissioner Richard Roberts who stated that “it is neither fair nor reasonable to expect securities experts to deduce the prevailing wind on public policy issues that have yet to be addressed by Congress in any decisive fashion.”).

¹⁵⁵ See, e.g., Julian Velasco, *The Fundamental Rights of the Shareholder*, 40 U.C. Davis L. Rev. 407 (2006), available at https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=1314&context=law_faculty_scholarship (noting that the right to elect directors is a fundamental right of shareholders); 8 Del. C. section 109(a) (“the power to adopt, amend or repeal bylaws shall be in the stockholders entitled to vote.”).

¹⁵⁶ See Albert H. Choi et al., *Contractarian Theory and Unilateral Bylaw Amendments*, 104:1 Iowa L. Rev. 1, 36 (2018), available at <https://ssrn.com/abstract=3024873> (stating that under both the

gaps, ambiguities, or conflicting interpretations. State legislatures and courts—not the Commission—are the appropriate authorities to resolve those gaps, ambiguities, and conflicts. Similarly, it is not the Commission's role to synthesize potentially conflicting State laws for purposes of administering the Federal proxy rules. For example, State corporate codes are silent as to whether precatory proposals are proper to present for a shareholder vote.¹⁵⁷ Historically, however, in assessing whether a proposal is a proper subject for shareholder action under State law, the Commission has assumed precatory proposals are presumptively proper.¹⁵⁸ The Commission cannot provide definitive answers to State law questions. Such questions are properly decided by courts, with the highest court in each State exercising final authority on questions of State law.¹⁵⁹ More generally, we do not believe that section 14(a) authorizes the Commission to direct or influence substantive corporate governance matters that fall within the purview of State legislatures, courts, and the private ordering mechanisms established in a company's governing documents.

The continued existence of a Federal rule governing shareholder proposals—even one that purports facially to defer to State law—encourages companies and shareholders to look to the Commission to resolve ambiguities in the application of such rule. Moreover, because the Commission has authority to bring actions to enforce compliance with the proxy rules, including Rule 14a–8, companies inevitably turn to the Commission and its staff for guidance on the application of the Federal rule.¹⁶⁰ As a result of the foregoing, State authorities who are the appropriate bodies to resolve corporate governance matters may have little incentive or occasion to provide clarity on the role of shareholder proposals. This dynamic is reflected in the fact that, with the recent exception of Texas,¹⁶¹ no State

has adopted legislation governing shareholder proposals in more than 80 years since Rule 14a–8 was first adopted, and we are not aware of any companies that have incorporated their own framework for addressing shareholder proposals into their governing documents.¹⁶² Under the proposed rescission of Rule 14a–8, the Commission would continue to oversee the Federal proxy process but would no longer determine which shareholder proposals must be presented to shareholders through a company's proxy materials. Removing the Commission from the shareholder proposal process would ensure that the appropriate bodies—i.e., State legislatures, courts, and, when permitted by relevant State law, companies—determine the circumstances under which proposals should be included in a company's proxy materials.

iii. The Presence of a Federal Rule Has Inhibited the Development of State Law and Private Ordering

Although States can enact laws determining the appropriate role of shareholder proposals and establishing whether and to what extent shareholders have access to company proxy materials for their proposals, they have largely declined to do so. As discussed above, Rule 14a–8 was not intended to displace State law; rather, it was originally designed to facilitate State law rights through a Federal disclosure and proxy solicitation framework.¹⁶³ Although the rule has evolved over time in ways that stray from this original intent, a remnant of this principle remains in Rule 14a–8(i)(1), which expressly permits companies to exclude proposals that are “not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization.”¹⁶⁴ Accordingly, where State law sets forth standards governing which proposals may be presented for a vote of shareholders, a proposal not meeting those standards is excludable under Rule 14a–8(i)(1) as “not a proper subject for action by shareholders.”¹⁶⁵

for a minimum amount of time, and to solicit a minimum percentage of shares entitled to vote on the proposal, in order to submit a matter for a shareholder vote).

¹⁶² We are, however, aware of a small number of companies that have recently opted into Tex. Bus. Orgs. Code Ann. section 21.373.

¹⁶³ See section II.A.1.a.

¹⁶⁴ 17 CFR 240.14a–8(i)(1).

¹⁶⁵ See *Shareholder Proposals Relating to the Election of Directors*, Release No. 34–56914 (Dec. 6, 2007) [72 FR 70450 (Dec. 11, 2007)] (“With respect to subjects and procedures for shareholder votes, most state corporation laws provide that a

Similarly, if permitted by State law, companies can adopt standards in their governing documents, such as establishing company-specific ownership thresholds for presenting proposals for shareholder action or limits on the types of proposals that may be presented, and a proposal not complying with those requirements could be excluded under Rule 14a–8(i)(1).¹⁶⁶ For example, if State law or a company's governing documents (if permitted by State law) were to disallow precatory shareholder proposals, then a company may exclude such precatory proposals pursuant to Rule 14a–8(i)(1).

Although current Rule 14a–8(i)(1) accommodates the ability of States and their domiciled companies to tailor the shareholder proposal process to reflect their own views about the optimal approach to corporate governance and the particular circumstances of the company and its shareholders, States and companies have, with one notable exception, generally declined to exercise this authority to date.¹⁶⁷ This reluctance may stem from concerns that adopting standards that deviate from those in Rule 14a–8 could bring unwanted public attention and criticism from investors and other parties. In this regard, State authorities may be disinclined to undertake politically contentious decisions and companies may fear that adopting such standards could lead to accusations of disenfranchising shareholders, trigger organized investor campaigns, and/or

corporation's charter or bylaws can specify the types of proposals that are permitted to be brought before the shareholders for a vote at an annual or special meeting. Rule 14a–8(i)(1) supports these determinations by providing that a proposal that is not a proper subject for action by shareholders under the laws of the jurisdiction of the corporation's organization may be excluded from the corporation's proxy materials.”); see also *Shareholder Proposals Relating to the Election of Directors*, Release No. 34–56161 (July 27, 2007) [72 FR 43488, 43490 (Aug. 3, 2007)] (same).

¹⁶⁶ See *supra* notes 161 and 162.

¹⁶⁷ But see *supra* notes 161 and 162. We also note that companies have sought to exclude shareholder proposals based on limitations in their governing documents about what matters shareholders may vote on. See, e.g., Senior Hous. Props. Tr., SEC Staff No-Action Letter, 2019 WL 530450 (Mar. 13, 2019) (agreeing with the company that a proposal could be omitted from the proxy statement under 17 CFR 240.14a–8(b), which, among other things, requires a proponent to hold “securities to be entitled to vote on the proposal,” because the company's governing documents limited the matters shareholders could vote on and the proposal dealt with a matter that was not within the enumerated list of matters as to which shareholders were entitled to vote on); RAIT Financial Trust, SEC Staff No-Action Letter, 2017 WL 373305 (Mar. 20, 2017) (similar); Scripps Networks Interactive, Inc., SEC Staff No-Action Letter, 2016 WL 390053 (Jan. 14, 2016) (agreeing with exclusion of a proposal where the company had multiple classes of stock and the proponent owned a class of common shares that were not entitled to vote on the proposal).

MBCA and DGCL, the shareholders' right to amend bylaws cannot be restricted).

¹⁵⁷ See, e.g., *supra* note 100.

¹⁵⁸ See *supra* section II.A.1.c.

¹⁵⁹ See *Fidelity Union Trust Co. v. Field*, 311 U.S. 169, 177 (1940). Decisions by courts, not the Commission, provide precedent that proponents and companies may appropriately rely on going forward.

¹⁶⁰ As discussed in section IV.B.3.a, during the 2022–2025 period, companies submitted 1,073 no-action requests to the Commission to exclude shareholder proposals submitted under Rule 14a–8 (corresponding to 33 percent of all proposal submissions).

¹⁶¹ See Tex. Bus. Orgs. Code Ann. section 21.373 (for eligible publicly traded companies that opt in, requiring a shareholder or group of shareholders to hold a minimum amount of a company's securities

result in voting recommendations against board nominees by proxy advisory firms. Indeed, simply being singled out as insufficiently responsive to a perceived shareholder right could impose reputational costs for companies.¹⁶⁸ Despite the capacity of States to enact laws and companies to engage in private ordering under Rule 14a–8(i)(1), there have been only limited efforts to tailor the modern shareholder proposal regime.¹⁶⁹

In addition, despite prior Commission statements to the contrary,¹⁷⁰ some uncertainty may exist as to whether States and companies can establish shareholder proposal standards that differ from those set forth in Rule 14a–8.¹⁷¹ Part of this uncertainty may stem from an early judicial decision—*SEC v. Transamerica Corp.*¹⁷²—which some have interpreted as holding that Rule 14a–8 preempts State law and privately ordered procedures governing the submission of shareholder proposals.¹⁷³ Rescinding Rule 14a–8 would eliminate any implication of preemption stemming from *Transamerica* or otherwise and thus remove that potential disincentive for States to develop their own laws governing shareholder proposals. To the extent some believe that Rule 14a–8 currently preempts State law, we expect that if the rule were rescinded, States and/or companies, in compliance with State law, would be more inclined to adopt their own standards for when shareholder proposals must be included

in, or may be excluded from, the company's proxy materials.

Finally, we note that, to the extent State law or a company's governing documents were to require inclusion of a shareholder proposal in a company's proxy statement, the company would be required to comply with the Commission's proxy rules with respect to that proposal.

c. Retaining Rule 14a–8 Is Unwarranted and Unlikely To Avoid Unintended Consequences

Even if the Commission had authority to retain some version of Rule 14a–8, doing so would require the Commission to establish certain baseline assumptions, such as whether shareholder proposals should, by default, be included in or excluded from a company's proxy materials. Whatever default rule the Commission were to select—inclusion or exclusion—would establish the starting point for how disputes are resolved. The rule also would have to articulate what a company or a shareholder must do to opt out of the default. In doing so, the rule necessarily would advantage one side over the other by shaping the burdens of persuasion and the practical likelihood of success. Such a structural choice, even if made with the intention of neutrality, would have the practical effect of shaping how companies and shareholders interact, negotiate, and ultimately view the costs and utility of the shareholder proposal process.

Even if the Commission could attempt to amend the rule to completely defer to State law, in practice we do not believe such an alternative would address our fundamental concern about the Commission's entanglement in State law issues. So long as a Federal rule remains, experience has shown that parties will continue to look to that rule—and the Commission—to resolve questions about the inclusion of shareholder proposals in a company's proxy materials given the greater uniformity offered by a Federal framework and notwithstanding the fact that State law determines the proper scope of a shareholder's power to present a proposal to their fellow shareholders for a vote.¹⁷⁴ The history of Rule 14a–8 underscores this dynamic as, over time, the Federal rule has become the primary reference for determining the scope, operation, and limits of shareholder proposals, effectively displacing the authority of State law notwithstanding the Commission's disclaimers of any intention to do so. Thus, even if the

Commission had the authority to retain a version of Rule 14a–8—with the clear intention of deferring to State law—over time it would inevitably be drawn into matters that should be left to States or private ordering.

In addition, we do not believe that retaining such a version of Rule 14a–8 would be warranted. We expect that total rescission of the rule would lead the States and/or (where authorized by State law) companies to be more inclined to adopt their own standards in this area. State courts are the proper venue to resolve any disputes that may arise directly based on State law and the terms of corporate governance documents, without need for a Federal rule that would itself necessarily incorporate State law (and risk overriding it). Accordingly, we believe it is prudent for the Commission to defer to States and companies to determine if, and under what circumstances, shareholder proposals must be included in company proxy materials.¹⁷⁵

3. Investment Company Considerations

Section 20(a) of the Investment Company Act includes substantially the same language as section 14(a) but relates to proxies, consents, or authorizations in respect of any security issued by registered investment companies. The Commission has used the authority under section 20(a) of the

¹⁶⁸ See Manesh 2024 (“The risk of political backlash, resistance among investors, and other practical considerations may lead some, perhaps most, companies to leave shareholder proposal rights untouched.”).

¹⁶⁹ See *supra* note 161 and accompanying text.

¹⁷⁰ See *supra* note 165; but see 1982 Proposing Release. By proposing, in the 1982 Proposing Release, a new rule that would have allowed companies and their shareholders to establish customized requirements for submitting and including shareholder proposals in the company's proxy materials—subject to shareholder approval, periodic reapproval, and potentially certain minimum ownership and other requirements—the Commission may have suggested that the Federal rule preempts State law.

¹⁷¹ See, e.g., Elizabeth Ising, Ronald Mueller & Julia Lapitskaya, *Considerations for Shareholder Proposals in a Post-Rule 14a–8 World*, Harv. L. Sch. F. Corp. Governance (June 15, 2026), available at <https://corpgov.law.harvard.edu/2026/06/15/considerations-for-shareholder-proposals-in-a-post-rule-14a-8-world/#10> (“As Rule 14a–8 has increasingly contained provisions that are not reflected in state corporate laws, it has become unclear whether and to what extent Rule 14a–8 preempts state law.”).

¹⁷² 163 F.2d 511 (3d Cir. 1947).

¹⁷³ See, e.g., Jill Fisch, *The Transamerica Case, The Iconic Cases in Corporate Law* (Jonathan Macey, ed. 2008) (stating that the court “concluded that any issuer-specific limitations on the shareholder voting power conferred by [Rule 14a–8] were improper”).

¹⁷⁴ See *supra* note 102.

¹⁷⁵ To the extent the Commission has previously suggested that the mere omission of a shareholder proposal from a company's proxy materials could render those materials materially false or misleading in the absence of a rule like Rule 14a–8, we disagree. Cf. Statement of Chairman Purcell (“The proxy statement purports to tell the stockholders everything that is going to be taken up at the meeting. The management knew [shareholder] proposals were going to be taken up at the meeting. It knew that it intended to oppose them. Any [proxy] statement which did not include those proposals and the position of the management was obviously misleading, because the soliciting material purported to tell the stockholders everything that is going to be taken up at a meeting that management knew about.”). The omission of a shareholder proposal from a company's proxy materials or the failure to disclose that it will be considered at the meeting is generally not, without more, materially false or misleading. Cf. *Heinze v. Tesco Corp.*, 971 F.3d 475 (5th Cir. 2020) (rejecting a pure-omissions theory under Rule 14a–9); cf. also *Basic v. Levinson*, 485 U.S. 224, 239, n.17 (1988) (“Silence, absent a duty to disclose, is not misleading under Rule 10b–5.”); *Macquarie Infrastructure Corp. v. Moab Partners LP*, 601 U.S. 257, 266 (2024) (holding that pure omissions are not actionable under Rule 10b–5(b)). There could, however, be situations where the failure to disclose a shareholder proposal could be false and misleading under the circumstances. If, for example, management were to state that it was unaware of any other business to come before the meeting when it had in fact been advised that a shareholder intended to present a matter, such statement may be materially false and misleading in the context of soliciting discretionary voting authority for such matter.

Investment Company Act to adopt a rule that requires any proxy, consent, or authorization with respect to any security issued by a registered investment company to comply with the rules and regulations adopted pursuant to section 14(a) of the Exchange Act.¹⁷⁶ As a result, registered investment companies are subject to Rule 14a–8 regardless of whether they have a class of equity securities registered under section 12 of the Exchange Act.

We are proposing to rescind Rule 14a–8 for all companies, including registered investment companies and business development companies¹⁷⁷ (together, “regulated funds”). We recognize that the regulatory framework for regulated funds is different from that of other companies that have a class of equity securities registered under section 12 of the Exchange Act (“operating companies”). In particular, the Investment Company Act provides regulated fund shareholders with voting rights that are independent of State law corporate governance provisions.¹⁷⁸ For example, section 18(i) of the Investment Company Act requires that, with limited exceptions, every share of investment company stock must “be a voting stock and have equal voting rights with every other outstanding voting stock.”¹⁷⁹ In addition, several provisions of the Investment Company Act require shareholder approval by vote on matters such as changes to an investment company’s fundamental investment policies, approval of an investment company’s advisory contract, or certain director elections.¹⁸⁰ Moreover, any investment advisory agreement with a regulated fund must provide that it may

be terminated at any time by vote of a majority of the outstanding voting securities.¹⁸¹

The proposed rescission of Rule 14a–8 would not affect the status or applicability of these statutory voting rights.¹⁸² The fact that Congress established voting rights in these instances, however, does not alter the scope of the Commission’s authority over the solicitation of proxies.¹⁸³ While section 20(a) of the Investment Company Act, like section 14(a) of the Exchange Act, provides authority to regulate the proxy solicitation process, section 20(a) does not empower the Commission to expand upon or restrict the scope of shareholder voting rights.¹⁸⁴ By establishing standards for when a shareholder proposal must be included in, or may be excluded from, a company’s proxy materials that are neither grounded in State law nor authorized by other statutory provisions, Rule 14a–8 effectively dictates the scope of shareholder voting rights at regulated funds. Thus, Rule 14a–8 exceeds the scope of the Commission’s authority to regulate the proxy solicitation process with respect to regulated funds just as with respect to operating companies.

Apart from legal authority considerations, we recognize that regulated funds’ experiences with shareholder proposals differ in some respects compared to operating companies. For example, regulated funds generally receive fewer shareholder proposals than other types of companies and, on average, the shareholder proposals that regulated funds receive gain higher levels of shareholder support.¹⁸⁵ In addition, open-end investment companies and unlisted closed-end investment companies generally do not hold shareholder meetings annually,

reducing the likelihood of shareholder proposals in proxy materials in any given year for these companies. While these considerations may mean that including shareholder proposals in proxy materials may be less costly for regulated funds than for other types of companies, we also understand that general costs associated with proxy solicitations may be different for regulated funds than for other types of companies. For example, obtaining sufficient votes on regulated fund proxy matters can present challenges because these funds often have diffuse, retail-oriented shareholder bases.¹⁸⁶ Given the unique considerations that apply with respect to the proxy process for regulated funds, we are soliciting comment below on whether to take a different approach to shareholder proposals for these funds.

Request for Comment

1. Should Rule 14a–8 be rescinded as proposed? Why or why not? Are there alternative approaches within the scope of the Commission’s authority we should consider that would adequately address our policy concerns with respect to Rule 14a–8?

2. Do companies and proponents have reliance interests in Rule 14a–8 that should be considered? If so, what are those interests and how can we balance the need to address the Commission’s authority concerns with the potential effects on affected parties?

3. To what extent have the original justifications for adopting Rule 14a–8 been or not been substantiated in practice given the evolution of the shareholder proposal process?

4. To what extent have costs to registrants associated with Rule 14a–8 (such as the costs of addressing and including shareholder proposals), the volume of shareholder proposals, and the degree of shareholder support changed since the adoption of Rule 14a–8?

5. As discussed above, in many cases, State law is unclear or silent as to whether particular types of proposals, including precatory proposals, are proper subjects for action by shareholders in a given jurisdiction. Is this an accurate assessment of the current status of State law as it pertains to shareholder proposals? Are there any additional observations or analyses regarding State law that we should consider?

¹⁷⁶ 17 CFR 270.20a–1.

¹⁷⁷ Business development companies are a category of closed-end investment company that do not register under the Investment Company Act but rather elect to be subject to the provisions of sections 55 through 65 of the Investment Company Act. See section 2(a)(48) of the Investment Company Act [15 U.S.C. 80a–2(a)(48)].

¹⁷⁸ See *New Germany Fund*, SEC No-Action Letter (May 8, 1998) (the Commission declined to provide a no-action position with respect to a fund’s request to exclude a shareholder proposal to terminate the fund’s advisory agreement based on the argument that State law vested in the board exclusive authority to terminate the agreement and noted that “Section 15(a)(3) of the [Investment Company] Act confers independent authority on the Fund’s shareholders to terminate the Fund’s investment advisory agreement at any time”).

¹⁷⁹ 15 U.S.C. 80a–18(i). See also 15 U.S.C. 80a–18(a) (providing an exception for specific voting rights of holders of any senior security of a closed-end fund that is stock, e.g., preferred stock).

¹⁸⁰ See, e.g., 15 U.S.C. 80a–13, 80a–15, 80a–16. Business development companies are subject to some of these shareholder voting requirements to the same extent as registered investment companies and have some separate shareholder voting requirements under the Investment Company Act. See, e.g., 15 U.S.C. 80a–57, 80a–58.

¹⁸¹ 15 U.S.C. 80a–15(a), 80a–58 (applying section 15(a) to a business development company to the same extent as if it were a registered closed-end investment company).

¹⁸² For example, following any rescission of Rule 14a–8, proponents wishing to terminate an advisory agreement would remain free to present a proposal to that effect at a meeting of shareholders or conduct an independent proxy solicitation with respect to such a proposal.

¹⁸³ Indeed, the fact that Congress mandated certain voting rights for shareholders of regulated funds under the Investment Company Act only underscores that when Congress intends to intervene in corporate governance matters, it does so expressly.

¹⁸⁴ For the avoidance of doubt, this release addresses the scope of the Commission’s authority to regulate the proxy solicitation process under section 14(a) of the Exchange Act and section 20(a) of the Investment Company Act. It does not relate to or address the scope of any other authorities available to the Commission under those statutes.

¹⁸⁵ See *infra* section IV.B.3.a.

¹⁸⁶ See, e.g., *Confronting Growing Burden of Fund Proxy Campaigns*, Investment Company Institute (Mar. 2026), available at <https://www.ici.org/system/files/2026-03/26-confronting-growing-burden-fund-proxy-campaigns.pdf>.

6. To what extent have recent developments, including the potentially lower burdens of independent solicitation campaigns and the emergence of alternative shareholder engagement channels, weakened the original justifications for a Federal shareholder proposal rule? To what extent have costs to proponents associated with conducting an independent solicitation changed since the adoption of Rule 14a-8?

7. As discussed above, Rule 14a-8 has had certain unintended consequences, such as becoming a mechanism for influencing interactions between companies and their shareholders and potentially inhibiting the development of State law and private ordering. Are there alternatives to full rescission within the Commission's authority that would avoid these unintended consequences? If so, how could the Commission retain a Federal rule on shareholder proposals without becoming entangled in State law issues?

8. If Rule 14a-8 is rescinded as proposed, would States and, where authorized by State law, companies be more likely to set their own standards and requirements regarding shareholder proposals? If so, what would be the advantages and disadvantages? If not, what would be the advantages and disadvantages?

9. If Rule 14a-8 is rescinded, what are the most likely forms of State and private ordering that would develop? For example, would States adopt uniform standards applicable to all companies organized in their jurisdiction, or would they instead enable companies to establish their own standards? If the latter, would a market-wide standard likely develop or would companies largely adopt their own individual standards?

10. What impact would rescission of Rule 14a-8 together with the proposed amendments to Rule 14a-4 (described in section II.B, below) have on shareholders and shareholder voting rights under State law?

11. If the Commission rescinds Rule 14a-8 as proposed, should the Commission provide guidance regarding any other relevant rules adopted pursuant to section 14? If so, which rules?

12. Would rescinding Rule 14a-8 have different effects on regulated funds and their shareholders than it would on other companies and shareholders?

13. Should we rescind Rule 14a-8, including for regulated funds, as proposed, or should we take a different approach to shareholder proposals for regulated funds? For example, should we adopt a new rule under the

Investment Company Act that addresses inclusion in regulated funds' proxy materials of shareholder proposals relating to matters on which the Investment Company Act provides shareholder voting rights? If so, are there additional requirements or conditions that should be included in such a rule that would be within the scope of our authority to regulate the proxy solicitation process?

B. Proposed Amendments to Rule 14a-4(c)

1. Overview of Current Rules Related to Discretionary Voting Authority

Historically, few shareholders of companies with a class of equity securities registered under the Exchange Act attend shareholder meetings to vote in person. Instead, the most common way by which shareholders learn about matters to be voted on at a shareholder meeting and vote on such matters is through the proxy process.¹⁸⁷ State corporate law generally authorizes the use of proxies to permit shareholders to vote through a representative without attending the shareholder meeting.¹⁸⁸ Parties soliciting proxy authority to vote Exchange Act-registered securities on behalf of shareholders entitled to vote at the meeting must comply with the Federal proxy rules pursuant to section 14 of the Exchange Act.¹⁸⁹

Currently, the Federal proxy rules provide shareholders two methods to present proposals for consideration by company shareholders voting by proxy at a shareholder meeting. First, a shareholder may seek inclusion of its proposal in the company's proxy materials in accordance with Rule 14a-8.¹⁹⁰ Second, a shareholder may submit its proposal to the company pursuant to the company's governing documents¹⁹¹ and conduct its own proxy solicitation

for its proposal, at the shareholder's expense, using its own proxy materials.

The company has two means to vote shares represented by proxies it receives from shareholders on a given matter, including a shareholder proposal. The company may seek direct voting authority for a proposal included in the company's proxy statement and form of proxy (*i.e.*, proxy card), in which case the company would receive direction as to how to vote on the proposal from the selection made (*e.g.*, "for" or "against" the proposal) by shareholders on their proxy cards. Alternatively, the company may seek discretionary voting authority (as further explained below) with respect to a proposal omitted from the company's proxy statement and proxy card in the limited circumstances where a company is allowed to do so under the current proxy rules, in which case the company would be authorized to exercise its discretion to determine how to vote on the proposal.

Current Rule 14a-4 addresses when a proxy card submitted by a shareholder may confer discretionary voting authority on the proxy holder.¹⁹² Discretionary voting authority under Rule 14a-4(c) is the proxy holder's power to vote on behalf of a shareholder with respect to a matter that is not included on the proxy card.¹⁹³ A company may omit from its proxy card a shareholder proposal presented by means other than Rule 14a-8¹⁹⁴ and may vote the shares represented by proxies the company receives against the proposal if, under Rule 14a-4(c), the proposal is a matter on which a proxy may confer discretionary voting authority. Current 17 CFR 240.14a-4(c)(1) ("Rule 14a-4(c)(1)") permits a company to exercise discretionary voting authority at an annual meeting to

¹⁹² See 17 CFR 240.14a-4.

¹⁹³ See 17 CFR 240.14a-4(c). This authority differs from broker discretionary authority, which relates to the ability of brokers to vote uninstructed shares held in "street name" (*i.e.*, held in the name of the bank, broker, or other intermediary on behalf of the shareholder), generally regarding routine matters on the proxy card. See New York Stock Exchange Rule 452. Discretionary voting authority under Rule 14a-4(c) also differs from discretionary authority under 17 CFR 240.14a-4(b)(1) ("Rule 14a-4(b)(1)"), pursuant to which a company (or soliciting shareholder, as the case may be) receives the power to vote on behalf of a shareholder because the shareholder has submitted a signed proxy card without specifying a choice regarding one or more proposals listed on the card.

¹⁹⁴ By "means other than Rule 14a-8," "other than through Rule 14a-8," or "outside of the Rule 14a-8 process," we mean, generally, proposals that are submitted pursuant to the advance notice provisions of a company's governing documents and are a proper subject for shareholder action under applicable State law, and that a shareholder intends to present for a vote at the shareholder meeting but does not expressly request that the company include in the company's proxy materials.

¹⁸⁷ See *supra* note 8.

¹⁸⁸ See, *e.g.*, 8 Del. C. section 212(b) ("Each stockholder entitled to vote at a meeting of stockholders . . . may authorize another person or persons to act for such stockholder by proxy . . ."); Model Bus. Corp. Act section 7.22(a) ("A shareholder may vote the shareholder's shares in person or by proxy.").

¹⁸⁹ 15 U.S.C. 78n(a).

¹⁹⁰ See *supra* section II.A.

¹⁹¹ State law generally requires that, where a company has advance notice bylaw provisions, a proposal comply with those provisions. Advance notice bylaws generally provide procedural and informational requirements that shareholders must satisfy to submit valid director nominations or other proposals at a shareholder meeting, outside of the processes associated with Rule 14a-8 and proxy access bylaws. Advance notice bylaws generally require a shareholder who intends to nominate a director or make a proposal at a shareholder meeting to provide certain information to the company about itself, its director nominees, and its proposals within a specified period of time in advance of the meeting.

vote the shares represented by proxies with respect to matters for which the company did not receive timely notice, provided a specific statement to that effect is made in the company's proxy statement or form of proxy.¹⁹⁵ Current 17 CFR 240.14a-4(c)(2) ("Rule 14a-4(c)(2)") permits a company to exercise discretionary voting authority at an annual meeting with respect to matters for which the company has received timely notice, provided the company includes, in its proxy statement, "advice"¹⁹⁶ on the nature of the matter and how the company intends to exercise its discretion to vote on each matter. Currently, however, a company may not exercise discretionary voting authority under Rule 14a-4(c)(2) if the shareholder proponent does the following: (i) notifies the company on a timely basis in accordance with the rule that it intends to send its own proxy materials to holders of at least the percentage of the company's voting shares required under applicable law to carry the proposal;¹⁹⁷ (ii) includes the same statement in its own proxy materials;¹⁹⁸ and (iii) provides evidence to the company that it has in fact solicited the holders of at least the percentage of voting shares required to carry the proposal.¹⁹⁹

17 CFR 240.14a-4(c)(3) ("Rule 14a-4(c)(3)") through 17 CFR 240.14a-4(c)(7) ("Rule 14a-4(c)(7)") set forth additional matters on which a proxy may confer discretionary voting authority. These consist of:

- for solicitations by the company related to special meetings, or for solicitations by persons other than the company related to annual or special meetings, matters which the persons making the solicitation do not know, a "reasonable time" before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;²⁰⁰

¹⁹⁵ Rule 14a-4(c)(1) provides that a company has not received timely notice if the company did not have notice of the matter at least 45 days before the date on which the company first sent its proxy materials for the prior year's annual meeting of shareholders (or the date specified by an applicable advance notice provision in the company's bylaws). In addition, if during the prior year the company did not hold an annual meeting, or if the date of the meeting has changed more than 30 days from the prior year, then notice is not sufficient if the company has not received it a "reasonable time" before the company sends its proxy materials for the current year. See 17 CFR 240.14a-4(c)(1).

¹⁹⁶ "Advice" as currently used in the rule means that a company must provide brief disclosure regarding the nature of the proposal.

¹⁹⁷ See 17 CFR 240.14a-4(c)(2)(i).

¹⁹⁸ See 17 CFR 240.14a-4(c)(2)(ii).

¹⁹⁹ See 17 CFR 240.14a-4(c)(2)(iii).

²⁰⁰ See 17 CFR 240.14a-4(c)(3).

- approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at that meeting;²⁰¹

- the election of any person to any office for which a bona fide nominee is named in a proxy statement and such nominee is unable to serve or for good cause will not serve;²⁰²

- any proposal omitted from the proxy statement and form of proxy pursuant to Rule 14a-8 or 17 CFR 240.14a-9 ("Rule 14a-9");²⁰³ and

- matters incident to the conduct of the meeting.²⁰⁴

2. Historical Background

Beginning in 1948, the Commission has sought to balance flexibility for companies with shareholder protection by adopting amendments to the rules governing discretionary voting authority, with amendments often related to the determination of when a company has received sufficient notice of a shareholder's proposal.²⁰⁵ Nonetheless, there have been numerous disputes between companies and shareholder proponents, often involving Commission staff as well, regarding the timeliness of proposals, particularly in the period leading up to, and into, the 1990s.²⁰⁶ Under Rule 14a-4 as it existed

²⁰¹ See 17 CFR 240.14a-4(c)(4).

²⁰² See 17 CFR 240.14a-4(c)(5).

²⁰³ See 17 CFR 240.14a-4(c)(6). Rule 14a-9 prohibits the solicitation of proxies by means of materially false or misleading statements or omissions.

²⁰⁴ See 17 CFR 240.14a-4(c)(7).

²⁰⁵ See *Solicitation of Proxies*, Release No. 4185 (Nov. 5, 1948) [13 FR 6678 (Nov. 13, 1948)]; see also, e.g., *Amendments to Rules on Shareholder Proposals*, Release No. 34-39093 (Sept. 18, 1997) [62 FR 50682, 50692-50693 (Sept. 26, 1997)] ("1997 Proposing Release") (highlighting (i) companies' interest in avoiding potential delay and expense when they are notified of proposals after they have begun to print or even mail proxy materials to shareholders; (ii) shareholders' interest in having some control over companies' discretionary voting authority on matters for which the company received adequate notice, meaningful opportunity to review disclosures in the proxy statement, and sufficient information to make informed voting decisions; and (iii) companies' and shareholders' interest in clearer and more predictable ground rules).

²⁰⁶ See, e.g., *United Mine Workers of Am., et al. v. Pittston Co.*, No. 89-0962, 1989 WL 201060 (D.D.C. Nov. 24, 1989) (finding that the company did not have discretionary voting authority because it had received sufficient notice, under Rule 14a-4(c)(1), of a shareholder's proposals, where the shareholder provided the company the text of the proposals approximately one month before the company's annual meeting); see also *Larkin v. Baltimore Bancorp.*, 769 F. Supp. 919, 925 (D.Md. 1991) (noting that Commission staff had notified a company that the company could not exercise discretionary voting authority where the company received notice of the dissident's proposals 12 days before the annual meeting); *Union of Needletrades, Industrial and Textile Employees et al. v. May Department Stores Company*, 26 F. Supp. 2d 577 (S.D.N.Y. 1997).

at that time, a company could not exercise discretionary voting authority on matters known to the company a "reasonable time" before its solicitation.²⁰⁷

With the aim of striking an appropriate balance between the competing interests involved, the Commission staff, in 1996, expressed its view in a no-action letter to the Idaho Power Company (the "*Idaho Power* letter") that it would not object to the exercise of discretionary voting authority to vote against a timely received shareholder proposal not subject to Rule 14a-8, so long as the company advised shareholders about the matter and specified how the shares would be voted.²⁰⁸ The *Idaho Power* letter also indicated, however, that in the staff's view a company could not exercise discretionary voting authority if the proponent delivered a proxy statement and form of proxy to holders of a majority of the shares entitled to vote on the matter or, if a greater percentage were required under applicable law to carry the proposal, holders of the minimum required.

In 1997, the Commission proposed amendments to Rule 14a-4 to establish that a proposal would be considered timely if it were received 45 days before the date on which the company first mailed its proxy materials for the prior year's annual meeting (or otherwise, in the case of an applicable advance notice bylaw provision).²⁰⁹ The proposed rules also would have permitted companies to exercise discretionary voting authority on timely received proposals, provided

²⁰⁷ At the time, Rule 14a-4(c)(1) provided that "[a] proxy may confer discretionary authority to vote with respect to . . . [m]atters which the persons making the solicitation do not know, a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy." See *Proxy and Stockholder Information Rules*, Release No. 34-8206 (Dec. 14, 1967) [32 FR 20960, 20963 (Dec. 29, 1967)].

²⁰⁸ See *Idaho Power Co.*, SEC No-Action Letter, 1996 WL 114545 (Mar. 13, 1996); see also *Borg-Warner Security Corp.*, SEC No-Action Letter, 1996 WL 119943 (Mar. 14, 1996). The statements in staff no-action letters and any other staff statements or guidance referenced in this release represent the views of Commission staff. See 17 CFR 202.1(d). Any such staff statements are not a rule, regulation, or statement of the Commission. Further, the Commission has neither approved nor disapproved their content. These statements, like all staff statements, have no legal force or effect; they do not alter or amend applicable law, and they create no new or additional obligations for any person. See *generally Statement of Informal Procedures for the Rendering of Staff Advice with Respect to Shareholder Proposals*, Release No. 34-12599 (July 7, 1976) [41 FR 29989 (July 20, 1976)].

²⁰⁹ See 1997 Proposing Release at 50692. The Commission noted that the availability of discretionary voting authority on proposals had "been the subject of litigation and attendant uncertainty."

companies included in their proxy statements a “discussion of the nature” of the proposals, as well as, on the proxy card, a cross-reference to this discussion in the proxy statement and a check box to permit shareholders to prevent the proxy holder from exercising discretionary voting authority.²¹⁰

In 1998, following public comment on the proposed rules, the Commission declined to adopt the check box concept and instead effectively adopted the approach set out in the *Idaho Power* letter, namely that companies could exercise discretionary voting authority with respect to timely received proposals, unless, among other matters, the proponent solicited a sufficient number of shareholders.²¹¹ The final rule did, however, retain the proposed 45-day period, or alternative advance notice deadline, to determine whether a proposal is timely received.²¹² The Rule 14a-4 framework adopted in 1998 continues to apply today, although, as discussed further below, the likelihood of companies including shareholder proposals in their proxy materials even when not required appears to have increased following the Commission’s adoption of the universal proxy rules in 2021.²¹³

3. Proposed Rule Amendments

As further described below, under the current proxy rules, companies may feel compelled to include on their proxy cards certain shareholder proposals received outside of Rule 14a-8, notwithstanding that the Federal proxy rules (and existing State law) do not require that they do so. We are proposing amendments to Rule 14a-4(c) that are intended to address this issue by providing companies with greater flexibility to seek and obtain discretionary voting authority regarding such proposals. At the same time, the proposed amendments would provide shareholders with the means to elect to prevent the company from exercising such authority with respect to their individual shares.

The proposed amendments to Rule 14a-4(c) are aligned with our proposed

rescission of Rule 14a-8, as companies may receive shareholder proposals outside of Rule 14a-8 more frequently if Rule 14a-8 is rescinded, as proposed. As described in more detail below, there are also independent justifications for the proposed amendments to Rule 14a-4, even if the proposed rescission of Rule 14a-8 is not adopted.

We are proposing to amend Rule 14a-4(c)(2) to no longer prohibit a company from exercising discretionary voting authority with respect to timely received shareholder proposals submitted outside the Rule 14a-8 process, regardless of whether the shareholder proponent delivers its own proxy materials to holders of the requisite percentage of the company’s shares necessary to carry the proposal.

Under the proposed amendments, a company would be able to exercise discretionary voting authority with respect to timely received shareholder proposals if it includes: (i) in the proxy statement, a brief description²¹⁴ of the matter (for example, “a non-binding proposal from a pension fund that the company adopt a proxy access bylaw provision”),²¹⁵ and how the company intends to vote through its exercise of discretionary authority; (ii) on the proxy card, a cross-reference to the location of this disclosure in the proxy statement; and (iii) a check box on the proxy card that, if checked by a shareholder, would prevent the company from exercising its discretion.²¹⁶ The Commission declined to adopt a check box requirement in 1998 due, in part, to some commenters’ concerns about potential shareholder confusion.²¹⁷ However, as discussed

²¹⁴ Current Rule 14a-4(c)(2) states that registrants must include, in the proxy statement, “advice on the nature of the matter,” which results in disclosure of a brief description of the matter. We propose to amend Rule 14a-4(c)(2) to instead state that registrants must provide “a brief description of the matter,” solely for clarity; we do not intend for this proposed amendment to change the scope of the disclosure that registrants must provide regarding the proposal.

²¹⁵ Generally, we would expect that such disclosure, without more, would suffice. As with any disclosures in the proxy statement, the description would be subject to the antifraud provision in Rule 14a-9.

²¹⁶ The company’s description of the proposal, under the proposed amendments, remains at the discretion of the company. In addition, Rule 14a-4(c), as proposed to be amended, would not establish a right of proponents to comment on, or seek revision of, the description.

²¹⁷ See 1998 Adopting Release at 29110. Other commenters objected to the check box concept because of concerns that the availability of the box “would in effect create a new system for submitting shareholder proposals without having to comply with the restrictions under [R]ule 14a-8.” *Id.* We do not find such arguments compelling, given that, unlike shareholders that submit proposals under the current Rule 14a-8 framework, shareholders that submit proposals outside of Rule 14a-8 must

below, we believe that these potential concerns are less likely to materialize under the proposed amendments.

By eliminating the circumstances under which a single shareholder proponent could effectively prevent a company from seeking and obtaining discretionary voting authority, the proposed amendments are intended to provide companies with greater flexibility, and shareholders with greater agency, regarding the use of discretionary voting authority for proposals that companies receive outside the Rule 14a-8 process. Under the proposed rules, each shareholder would be able to prevent the company from exercising discretionary voting authority on such proposals solely with respect to the proxy card the shareholder returns to the company, while under the current rules, a single shareholder proponent (through its satisfaction of the solicitation threshold under Rule 14a-4(c)) may prevent the company from exercising discretionary voting authority with respect to *all* proxy cards that the company receives.

Under the current rules, when a company is unable to exercise discretionary voting authority for a shareholder proposal received outside of the Rule 14a-8 process, the company may determine to include the proposal in its proxy materials even though it is not required to do so by our rules, so that the company can seek and exercise proxy voting authority from shareholders on the proposal.²¹⁸ Otherwise, if the company were to omit the proposal from its proxy card, the company would be unable to solicit votes with respect to the proposal on the company’s card.²¹⁹ In those circumstances, the proponent’s solicitation effort may obtain sufficient votes needed to pass the proposal using the proponent’s card.²²⁰ The shareholder proponent, who may be soliciting less than all shareholders, thus may be able to effectively obtain

engage in their own solicitations, and such proposals are not automatically included on companies’ proxy cards.

²¹⁸ See Cydney Posner, *A Few Interesting Items from the CCR Proxy Disclosure Conference*, Harv. L. Sch. F. Corp. Governance (Oct. 24, 2024), available at <https://corpgov.law.harvard.edu/2024/10/24/a-few-interesting-items-from-the-ccr-proxy-disclosure-conference/>.

²¹⁹ We note that this discussion assumes that the proponent has satisfied the solicitation threshold and related requirements set forth in Rule 14a-4(c)(2)(i)–(iii). If the proponent has not done so, the company may seek and exercise discretionary authority to vote against the proponent’s proposal. See *supra* notes 197 through 199 and related text.

²²⁰ The possibility of the proposal passing is more likely if the proposal is subject to a majority-of-votes-cast standard as opposed to, for example, a majority-of-shares-outstanding standard.

²¹⁰ See *id.* at 50693.

²¹¹ See 1998 Adopting Release at 29110. This provision was codified—and remains to this day—as Rule 14a-4(c)(2). See section II.B.3 below for a discussion of why the Commission in 1998 abandoned the check box approach in favor of the *Idaho Power* approach, and why we are now once again proposing to adopt the check box approach.

²¹² This provision was codified—and remains to this day—as Rule 14a-4(c)(1). We are now proposing clarifying changes to that rule. See section II.C. below.

²¹³ See *infra* notes 221 through 223 and related text.

inclusion of its proposal on a company's proxy card that is distributed to all shareholders, thereby benefitting from the company's solicitation efforts toward all shareholders without having to incur the full costs associated with such solicitation efforts.

If Rule 14a-8 is rescinded, as proposed, more proponents may choose to conduct their own solicitations, including solicitations of the requisite percentage of shareholders under current Rule 14a-4(c)(2) that would prevent a company from exercising discretionary voting authority on proposals omitted from the company's proxy card. Under those circumstances, if current Rule 14a-4(c)(2) were to remain in effect, more companies may feel compelled to include a proponent's proposals in the company's own proxy materials to obtain proxy voting authority from shareholders on the proposals, which would perpetuate the ability of proponents to effectively obtain inclusion of their proposals on the company's proxy card at the company's expense, even if Rule 14a-8 is rescinded. As discussed in section II.A, part of the Commission's goal in proposing to rescind Rule 14a-8 is to leave decisions about the appropriate role of shareholder proposals in corporate governance to the States and companies, by reducing the impact of the Federal proxy rules on these matters. It would be counter to that goal if another Commission rule (Rule 14a-4(c)) nonetheless resulted in companies including shareholder proposals in company proxy materials even when not required under State law or the company's governing documents.

In addition, the likelihood of companies including shareholder proposals in their proxy materials even when not required appears to have increased in recent years following the Commission's adoption of the universal proxy rules.²²¹ Following those amendments, a proponent, when conducting a proxy solicitation for a shareholder proposal, can include the company's director nominees on the proponent's proxy card, even when the proponent does not present its own competing director nominees (often referred to as a "zero slate" campaign).²²² In these circumstances, if

the company does not also include the proponent's proposals (submitted outside Rule 14a-8) on the company's proxy card, shareholders may be more likely to use the proponent's proxy card to vote their shares instead of the company's proxy card, given that the proponent's card would provide shareholders the ability to vote on *both* the company's nominees and the proponent's proposals. The proposed amendments are intended to address the pressure companies may feel to include proponent proposals submitted outside Rule 14a-8 in the companies' own proxy materials following the adoption of the universal proxy rules.²²³ Under the proposed amendments, a proponent's proxy card could include the company's nominees, management proposals, and the proponent's proposals, while the company's card could solely include the company's nominees and management proposals. The company could then exercise discretionary voting authority to vote proxies it receives against the proponent's proposals, other than for proxy cards the company receives on which shareholders have checked the proposed box, as described below.²²⁴

While we are proposing to expand the circumstances under which a company may seek and exercise discretionary voting authority, we are also proposing to require a check box on company proxy cards that would provide shareholders an option to prohibit the company from exercising discretionary

voting authority on proposals omitted from the company's proxy card. This proposed requirement is intended to increase shareholders' control with respect to the company's exercise of discretionary voting authority by allowing shareholders, particularly those who are not solicited by a proponent, to vote on a company's proxy card without effectively obligating those shareholders to grant discretionary authority to the company to vote those shareholders' shares on matters not included on the card. Without the proposed check box, simply by voting on a company's card, rather than on a proponent's card, the shareholder would grant the company discretionary authority to vote on any matters not included on the company's card. Under those circumstances, such a shareholder would typically have two choices. One option would be to vote using the company's proxy card notwithstanding that the company may use its discretionary authority to vote the shareholder's shares contrary to the shareholder's wishes on a proposal omitted from the card. Unless the shareholder is able to attend the meeting or obtain a proxy card from the proponent, the shareholder's other option would be to not vote at all.²²⁵

In addition, under the current rules, a proponent effectively has the ability to determine whether the company is prevented from seeking and exercising discretionary voting authority—on behalf of all shareholders—with respect to the proponent's proposals, through the proponent's decision whether to solicit the requisite percentage of shareholders. The presence of the check box, alongside the absence of a solicitation threshold under the proposed rules that would restrict the company's ability to exercise discretionary voting authority, would shift that agency from the proponent to each individual shareholder to make that determination on an individual basis.

²²³ The Commission staff has observed at least three zero slate campaigns since the universal proxy rules went into effect in 2022, and in each case the company included the proponent's proposal(s) on the company's proxy card: in 2024, one by the United Mine Workers of America with respect to Warrior Met Coal, Inc. (the company supported one of the five non-binding proposals submitted by the United Mine Workers of America) and another by Starboard Value with respect to News Corporation; and in 2026, one by Stilwell Activist Investments, L.P. with respect to Central Plains Bancshares, Inc. (the company indicated in its proxy statement that because Stilwell's "proposal is advisory in nature only, [the company] would like to use this proposal as an opportunity for our stockholders to express their views on this subject."). In addition, in the 2026 proxy season, at least two separate proponents—Trillium Asset Management (with respect to BJ's Wholesale Club Holdings, Inc.) and Communications Workers of America (with respect to Nexstar Media Group, Inc.)—threatened zero slate campaigns in an effort to exert pressure on companies. See Meredith Irvine, *Another Proponent Uses Rule 14a-4 for Multiple Proposals*, The Corporate Counsel (May 1, 2026), available at <https://www.thecorporatecounsel.net/blog/2026/05/another-proponent-uses-rule-14a-4-for-multiple-proposals.html>.

²²⁴ We expect that, under the proposed amendments, the company would not feel compelled to include the proponent's proposals on the company's proxy card, because the company could seek and exercise discretionary voting authority to vote the proxy cards the company receives against the proponent's proposals.

²²⁵ See John C. Coffee, Jr., *The Bylaw Battlefield: Can Institutions Change the Outcome of Corporate Control Contests?* 51 U. Miami L. Rev. 605, 620 (1997) (stating that if a shareholder is not solicited, "the public shareholder faces Hobson's Choice: the shareholder can either grant a proxy to management (knowing that management will vote against this proposal) or refrain from voting"); see also J. Robert Brown, Jr., *The Proxy Rules and Restrictions on Shareholder Voting Rights*, 47 Seton Hall L. Rev. 45, 79 (2016) (stating that the "rule allows for the involuntary transfer of voting rights for proposals known to management well in advance of the meeting. Shareholders are left with a Hobson's choice of either conceding the transfer or preventing discretionary authority by giving up the right to vote" (internal citations omitted) (citing Coffee, *supra*, at 620)).

²²¹ See *supra* notes 94 through 98 and related text.

²²² When the Commission adopted the universal proxy rules in 2021, 17 CFR 240.14a-4(d)(1) ("Rule 14a-4(d)(1)"), referred to as the "bona fide nominee rule," was amended to facilitate the use of universal proxy cards by requiring a director nominee to consent to being named in *any* proxy statement for the meeting rather than just one specific party's proxy statement. See Universal Proxy Release.

In sum, we believe that the check box would appropriately balance the additional flexibility granted to companies under the proposed rules with the ability of shareholders to prevent companies from exercising discretionary voting authority with respect to their shares. Providing this option is consistent with Congress's intent that section 14(a) and the Federal proxy rules facilitate the exercise of shareholders' voting rights under State law through the proxy process.²²⁶

With respect to concerns that were raised in the past²²⁷ indicating that a check box might create confusion among shareholders, we believe that, given the practice of most shareholders to cast their votes through electronic voting platforms rather than paper proxy cards,²²⁸ as well as the resulting shareholder familiarity with electronic voting platforms and continued advances in the ease of use of electronic voting platforms, the risk of confusion has been reduced. In addition, both companies and shareholder proponents could further mitigate confusion by including clear instructions and disclosure in their proxy materials. Such instructions and disclosure could address, for example, the treatment under State law of the proxy cards of a shareholder voting to approve a shareholder proposal on a proponent's proxy card and later not marking the check box on the company's card, thereby allowing the company to exercise discretion to vote against the shareholder proposal.²²⁹

Proposed Rule 14a-4(c)(2) would require at least a single check box, regardless of the number of matters subject to discretionary voting authority under the rule. We are proposing that companies may use a single check box, as opposed to requiring a check box for each non-management proposal subject to discretionary voting authority, to address potential shareholder

confusion, as a single check box would result in a simpler proxy card in situations involving multiple shareholder proposals. The proposed use of a single check box allows a company to avoid listing all non-management proposals subject to discretionary voting authority on the proxy card, which would be necessary under a multiple-check-box approach and potentially create a system for effectively providing shareholder proposals access to the company's proxy card.²³⁰ However, nothing in the proposed rules would prevent a company from voluntarily providing multiple check boxes for multiple non-management proposals subject to discretionary voting authority, should a company wish to provide shareholders with additional flexibility.

Request for Comment

14. Should we adopt the proposed amendments to Rule 14a-4(c)? Why or why not?

15. Do the proposed amendments, taken as a whole, strike an appropriate balance between, on the one hand, guarding against possible abuse of discretionary voting authority by companies, and, on the other hand, avoiding the present situation where proponents, as a practical matter, are often able to obtain inclusion of their proposals in companies' proxy materials while not fully bearing the costs of solicitation?

16. If the proposed amendments to Rule 14a-4(c) and the proposed rescission of Rule 14a-8 are adopted, are there reasons to expect that a company may continue to voluntarily include, on its own proxy card, shareholder proposals as to which proponents are conducting their own solicitation?

17. Under the proposed amendments to Rule 14a-4(c)(2), consistent with the requirements of the current rule, a company would be able to exercise discretionary voting authority if, among other things, it includes in its proxy statement a brief description of the proposal. Accordingly, a company would not need to disclose the full text of a non-Rule 14a-8 proposal to exercise discretionary voting authority. Should we maintain in the proposed amendments the requirement for a brief description of the proposal? Is the disclosure currently provided by companies under this requirement appropriate to inform shareholders about shareholder proposals submitted outside of Rule 14a-8 as to which the company intends to exercise

discretionary voting authority? Would a brief description provide sufficient information for a shareholder to assess the company's position on the proposal and to decide whether to prohibit the company from exercising discretionary voting authority via the proposed check box or leave the box unmarked thereby permitting the company to exercise discretionary voting authority? In addition, are there reasons that we should require companies to identify the specific source of the proposal as part of the brief description of the proposal?

18. Should we adopt the check box requirement, as proposed? Why or why not? Should we instead consider an amendment allowing companies to exercise discretionary voting authority while not providing shareholders with the means to elect to prevent the company from exercising such authority with respect to their individual shares via a check box? Should the requirement that companies provide the check box be tied to a particular solicitation threshold being met by the relevant proponent? Why or why not?

19. Should we consider any modifications to the proposed check box requirement, or a different mechanism to give shareholders an option to prevent the company from exercising discretionary voting authority on matters not included on the proxy card? For example, should the default rule be that companies do not have discretionary voting authority, and that shareholders must check a box to elect to grant such authority?

20. We are proposing that companies may use a single check box, as opposed to requiring a check box for each non-management proposal subject to discretionary voting authority. As an alternative approach, should we instead require companies to include a check box for each non-management proposal subject to discretionary voting authority, thereby allowing shareholders the option to prevent the company from exercising its discretion on each such matter on an individualized basis?

21. Could the proposed check box be confusing to shareholders? What challenges may occur in implementing the proposed check box requirement (including shareholders' use of the check box)? How could such challenges be mitigated?

22. A shareholder that submits a proposal outside of Rule 14a-8 to a company may not be aware of proposals submitted by other proponents. Under the current rules, a soliciting shareholder may exercise discretionary authority to vote the shares represented by proxies it receives on matters that it

²²⁶ See Statement of Chairman Purcell ("[t]he rights that we are endeavoring to assure to the stockholders are those rights that he has traditionally had under State law . . ."); see also H.R. Rep. No. 1383 at 13, 73 Cong., 2d Sess. (1934) ("Fair corporate suffrage is an important right that should attach to every equity security bought on a public exchange.").

²²⁷ See 1998 Adopting Release at 29110.

²²⁸ See Broadridge Financial Solutions, 2025 Proxy Season Key Stats and Performance Ratings, available at https://www.broadridge.com/assets/pdf/2025proxykeystats_report.pdf ("Over 97% of the voted shares were cast electronically via Broadridge's secure digital platforms.").

²²⁹ We believe that, as a matter of both current technology and State law, proxy service providers' electronic voting platforms should be able to accommodate the submission of multiple proxy cards by the same shareholder and to ensure that non-conflicting instructions are in fact honored and tabulated across such cards.

²³⁰ See *supra* note 217.

does not know, a “reasonable time” before its solicitation, are to be presented at the meeting, so long as a specific statement to that effect is made in the shareholder’s proxy statement or form of proxy.²³¹ Given the uncertainty associated with “a reasonable time,” and the potential for this provision (Rule 14a–4(c)(3)) to be used more frequently in light of the proposed rescission of Rule 14a–8, should we amend Rule 14a–4(c)(3) to replace “a reasonable time” with a definite length of time, such as three or five business days before the date on which the shareholder proponent’s proxy statement and form of proxy are first sent or given to shareholders? Why or why not? As this rule covers both companies in non-annual meeting situations and shareholders in all situations, would there be reasons to distinguish between companies and shareholders when it comes to establishing the appropriate timing requirement?

23. Should companies be required to notify proponents when other proponents submit proposals outside of Rule 14a–8? If so, what deadlines and method of notification would be appropriate?

24. It is our understanding that, generally, under State law, a later dated proxy card overrides an earlier dated proxy card. However, we also understand that, to the extent that no conflict or inconsistency is present as between two (or more) proxy cards (for example, a shareholder marks the check box on the company’s proxy card so as not to confer discretionary voting authority to the company on a proposal, and separately votes either for or against a proposal on the proponent’s card), State law generally is capable of honoring or otherwise resolving the voting choices made on each of the cards. Are there additional amendments to our rules that we should consider to facilitate the reconciliation of a shareholder’s instructions on multiple proxy cards, or any other factors with respect to the proxy process or State law we should take into consideration, particularly related to the proposed check box? Please explain in detail. Would proxy service providers’ electronic voting platforms be able to accommodate the submission of multiple proxy cards by the same shareholder and to ensure that non-conflicting instructions are in fact honored and tabulated across such cards?

25. Should we amend 17 CFR 240.14a–101 (“Schedule 14A”) to

require companies to provide a brief description of shareholder proposals not included on the company’s proxy card and for which the company does not seek discretionary voting authority? Why or why not?

C. Other Proposed Amendments

The proposed rescission of Rule 14a–8 and the proposed amendments to Rule 14a–4(c)(2), if adopted as proposed, would necessitate corresponding amendments to other provisions of the proxy rules. We are also proposing certain amendments to facilitate implementation of these proposed changes to the proxy rules.

As discussed above in section II.B., current Rule 14a–4(c) addresses when a proxy card submitted by a shareholder may confer discretionary voting authority on the proxy holder, and current Rule 14a–4(c)(1) sets forth deadlines for determining whether a company has received timely notice of a matter for purposes of exercising discretionary voting authority on such matter.²³² We are proposing to amend Rule 14a–4(c) to clarify that discretionary voting authority under this provision only relates to matters that are not included on the proxy card.²³³ We are proposing to amend Rule 14a–4(c)(1) to clarify that a company’s advance notice provision, or an applicable State or foreign law provision, generally determines whether a company has received timely notice of a matter, and, only in the absence of such a provision would the default deadline under Rule 14a–4(c)(1) (*i.e.*, at least 45 days before the date on which the company first sent its proxy materials for the prior year’s annual meeting of shareholders, as is currently the case under the rule) apply. We are also similarly proposing to amend Rule 14a–4(c)(1) to provide that if a company did not hold an annual meeting during the prior year, or if the date of the meeting has changed more than 30 days from the prior year, any deadline established under the company’s advance notice provision, or an applicable State or foreign law provision, would govern instead of the default deadline in the current rule (*i.e.*, a reasonable time before the registrant sends its proxy materials), which would, under the proposed amendment, only apply in the absence of such a provision.²³⁴

We are also proposing to delete 17 CFR 240.14a–4(c)(6) (“Rule 14a–

4(c)(6)”).²³⁵ In light of the proposed rescission of Rule 14a–8 and proposed amendments to Rule 14a–4(c)(2), we do not see benefit in retaining Rule 14a–4(c)(6). Retaining the provision with only a reference to Rule 14a–9 may further expand the ability of companies to use discretionary voting authority but without providing the disclosure required by proposed Rule 14a–4(c)(2).

Current 17 CFR 240.14a–5(e) (“Rule 14a–5(e)”) sets forth certain deadlines that must be disclosed in all proxy statements.²³⁶ We propose to amend 17 CFR 240.14a–5(e)(1) (“Rule 14a–5(e)(1)”) to reflect that, if Rule 14a–8 is rescinded as proposed, the relevant deadline, if any, for submitting shareholder proposals for inclusion in a company’s proxy statement and form of proxy would be pursuant to an applicable State or foreign law provision or the company’s governing documents, which would eliminate the reference to Rule 14a–8 currently in the rule.²³⁷ Similarly, we propose to amend 17 CFR 240.14a–5(e)(2) (“Rule 14a–5(e)(2)”) to provide that the deadline required to be disclosed under that provision relates to shareholder proposals for which the shareholder is not seeking inclusion in the company’s proxy statement and form of proxy and also to eliminate the current reference to Rule 14a–8.²³⁸ The deadline to be disclosed under Rule 14a–5(e)(2), as proposed to be amended, would be the deadline set forth in Rule 14a–4(c)(1), as proposed to be amended, which would be the deadline established under an applicable State or foreign law provision or the company’s governing documents, or, in the absence of such a provision, the default deadline under Rule 14a–4(c)(1).

Current 17 CFR 240.14a–5(f) (“Rule 14a–5(f)”) sets forth a registrant’s obligations to disclose changed deadlines under Rules 14a–5(e)(1) and (e)(2) in the event of a change in the date of the registrant’s annual meeting. We are proposing to amend Rule 14a–5(f) to require that such disclosure be provided regarding paragraphs (e)(1) through (e)(4) of Rule 14a–5 to the extent applicable.²³⁹ Currently, the rule only requires disclosure of changed deadlines with respect to paragraphs (e)(1) and (e)(2) of Rule 14a–5, but the same rationale for requiring such disclosure—*i.e.*, the need to inform

²³⁵ Rule 14a–4(c)(6) currently states that a proxy may confer discretionary authority to vote on “[a]ny proposal omitted from the proxy statement and form of proxy pursuant to § 240.14a–8 or § 240.14a–9 of this chapter.”

²³⁶ See 17 CFR 240.14a–5(e).

²³⁷ See proposed 17 CFR 240.14a–5(e)(1).

²³⁸ See proposed 17 CFR 240.14a–5(e)(2).

²³⁹ See proposed 17 CFR 240.14a–5(f).

²³¹ See 17 CFR 240.14a–4(c)(3).

²³² See *supra* section II.B.

²³³ See proposed 17 CFR 240.14a–4(c).

²³⁴ See proposed 17 CFR 240.14a–4(c)(1).

shareholders of such changes in a timely manner—applies equally to changed deadlines under paragraphs (e)(3) and (e)(4).²⁴⁰

We also propose to amend current 17 CFR 240.14a–6(a) (“Rule 14a–6(a)”), which sets forth the circumstances in which companies are not required to file a preliminary proxy statement. Under current Rule 14a–6(a),²⁴¹ companies are not required to file proxy materials in preliminary form on account of the inclusion of a shareholder proposal under Rule 14a–8.²⁴² There is not currently an analogous provision for companies that receive adequate notice of a shareholder proposal submitted outside of Rule 14a–8, and in fact, current Rule 14a–6(a) explicitly states that companies are not excluded from the preliminary proxy statement filing requirement if they, in their proxy materials, comment upon or refer to a solicitation in opposition.²⁴³

We believe that a company should not be required to file a preliminary proxy statement and form of proxy whenever the company provides disclosure in accordance with Rule 14a–4(c)(2). At the same time, we believe that a preliminary filing by a company may be appropriate when that company is facing a shareholder proposal that is the subject of an independent, non-exempt solicitation. Therefore, we are proposing amendments that would provide that a company does not need to file its proxy statement in preliminary form solely because of the submission of a shareholder proposal.²⁴⁴ However, we are proposing that the company would need to file preliminary proxy materials

if such a shareholder proposal, or the company’s election of directors, involves a “solicitation in opposition,” which would include any solicitation (other than a solicitation exempt under 17 CFR 240.14a–2 (“Rule 14a–2”)): (i) subject to Rule 14a–19; (ii) to vote against or withhold votes from any of the registrant’s director nominee(s); (iii) to vote against a proposal that the registrant expressly supports in its proxy materials; and (iv) to vote in support of a proposal that the registrant does not expressly support in its proxy materials.²⁴⁵ In each case, the registrant’s obligation to file in preliminary form is subject to the additional condition that the registrant knows, or reasonably should know, of such solicitation.²⁴⁶ In other words, just the inclusion of a shareholder proposal in a company’s proxy materials (or the exclusion therefrom), without a corresponding non-exempt solicitation made by the shareholder proponent, would not require the company to file a preliminary proxy statement. If, however, (i) the company includes a shareholder proposal in (or excludes from) its proxy materials and (ii) the shareholder proponent prepares and distributes its own proxy materials to shareholders, the company would be required to file a preliminary proxy statement.²⁴⁷

In addition, we propose to delete current Note 2 to paragraph (a) of Rule 14a–6,²⁴⁸ as companies already are aware of the importance of verifying the accuracy and completeness of information in their proxy materials, as

well as the benefits associated with filing preliminary proxy materials at the earliest practicable date.²⁴⁹ While these instructions were helpful when adopted over 50 years ago, we believe they are no longer necessary.²⁵⁰ Relatedly, we are proposing to amend 17 CFR 240.14c–5(a) (“Rule 14c–5(a)”), which sets forth the circumstances in which companies are not required to file a preliminary information statement,²⁵¹ in the same manner as we propose to amend Rule 14a–6(a), to the extent applicable.

We also propose to amend Rule 14c–101 to remove Item 4 from Schedule 14C and to amend Rule 14c–5(a) to remove the references to Item 4.²⁵² Currently, if a company will distribute an information statement required by 17 CFR 240.14c–2 and a shareholder has submitted a proposal for action at the shareholder meeting a reasonable time before the company distributes the information statement, the company must “make a statement to that effect, identify the proposal and indicate the disposition proposed to be made of the proposal by the [company] at the meeting.”²⁵³ If Rule 14a–8 is rescinded as proposed and Rule 14a–4(c)(2) is amended as proposed, the only circumstance in which a company would be expressly required by the Federal proxy rules to identify or describe a shareholder proposal in its proxy materials would be if the company is seeking to exercise discretionary voting authority with respect to a proposal not included on its proxy card under proposed Rule 14a–4(c)(2). That circumstance would not arise in connection with an information statement that is distributed to shareholders from whom proxies are not solicited. Accordingly, we propose to

²⁴⁰ 17 CFR 240.14a–5(e)(3) relates to the deadline for submitting nominees for inclusion in the registrant’s proxy statement and form of proxy pursuant to an applicable State or foreign law provision or a registrant’s governing documents as they relate to the inclusion of shareholder director nominees in the registrant’s proxy materials for the registrant’s next annual meeting of shareholders. 17 CFR 240.14a–5(e)(4) relates to the deadline for providing notice of a solicitation of proxies in support of director nominees other than the registrant’s nominees pursuant to 17 CFR 240.14a–19 for the registrant’s next annual meeting unless the registrant is an investment company registered under the Investment Company Act or a business development company as defined by section 2(a)(48) of the Investment Company Act (15 U.S.C. 80a–2(a)(48)).

²⁴¹ See 17 CFR 240.14a–6(a).

²⁴² See 17 CFR 240.14a–6(a)(3).

²⁴³ See 17 CFR 240.14a–6(a); Note 3 to paragraph (a) of Rule 14a–6.

²⁴⁴ Rule 14a–6(a) currently states that “[a] registrant . . . shall not file with the Commission a preliminary proxy statement” with respect to an annual meeting (or special meeting in lieu of the annual meeting) at which only the enumerated matters are to be acted upon. See Rule 14a–6(a). We propose to change “shall not file” to “need not file” in order to clarify that companies are permitted to voluntarily file in preliminary form.

²⁴⁵ A registrant’s disclosure under proposed Rule 14a–4(c)(2) that it intends to exercise its discretion to vote against a proposal omitted from the proxy card would constitute the registrant “not expressly support[ing]” the proposal for purposes of clause (iv), thereby requiring the registrant to file in preliminary form, so long as the proponent is conducting an independent, non-exempt solicitation. Our approach taken under the proposed rules is designed to be consistent with the approach taken under the current rules, in that under both the existing and proposed framework, with respect to a “solicitation in opposition,” a registrant’s obligation to make a preliminary filing arises if and only if a matter is truly contested, as determined by the existence of an independent, non-exempt solicitation by a shareholder.

²⁴⁶ A company would know, for example, of materials furnished or filed on the company’s EDGAR page and of notices submitted to the company pursuant to a company’s advance notice bylaw.

²⁴⁷ Rule 14a–6(a) currently requires that shareholder proponents file proxy materials in preliminary form in all cases without exception. We do not propose to change that requirement.

²⁴⁸ The first sentence of current Note 2 to paragraph (a) of Rule 14a–6 states that “[t]he official responsible for the preparation of the proxy material should make every effort to verify the accuracy and completeness of the information required by the applicable rules.” See current Note 2 to paragraph (a) of Rule 14a–6.

²⁴⁹ The specific filing deadline is set out in the opening sentence of Rule 14a–6(a), which requires that preliminary proxy materials be filed with the Commission at least 10 calendar days prior to the date definitive copies of such materials are first sent or given to security holders.

²⁵⁰ See *Proxy and Stockholder Information Rules*, Release No. 34–8206 (Dec. 14, 1967) [32 FR 20960 (Dec. 29, 1967)].

²⁵¹ The information statement required to be distributed to shareholders from whom the company is not soliciting proxies is intended to provide those shareholders with information equivalent to that which is provided to shareholders in a proxy statement. See *Stockholder Information Statements*, Release No. 34–7774 (Dec. 30, 1965) [31 FR 262 (Jan. 7, 1966)] (noting that information statements delivered to shareholders pursuant to Regulation 14C are “required to contain substantially the same information as that which would be required in a proxy statement if proxies were solicited.”). The information statement is required by section 14(c) of the Exchange Act.

²⁵² See Rule 14c–5(a)(3) and Note 3 to Rule 14c–5(a).

²⁵³ Item 4 of Rule 14c–101 (Schedule 14C).

remove Item 4 of Schedule 14C, which requires the company to identify timely received shareholder proposals in information statements, so that, under the proposed amendments, shareholders receiving proxy statements and information statements receive equivalent information.

Finally, we are also proposing to remove references²⁵⁴ to Rule 14a–8 throughout the Federal securities rules.²⁵⁵

Request for Comment

26. Should we adopt the additional proposed amendments discussed above? Why or why not?

27. We are proposing to delete Rule 14a–4(c)(6) in its entirety. Should we instead remove the rule's current reference to Rule 14a–8 but retain the reference to Rule 14a–9? Why or why not?

28. Have we taken the appropriate approach in proposing revisions to Rule 14a–6(a) (regarding companies' preliminary proxy statement filing requirements) and Rule 14c–5(a) (regarding companies' preliminary information statement filing requirements)? Have we selected the appropriate types of "solicitations in opposition" for which a preliminary proxy statement filing by the company would be required under the proposal? Is our proposal underinclusive or overinclusive in that respect? Relatedly, should we consider any changes to Rule 14a–6(a)'s current requirement that shareholder proponents file proxy materials in preliminary form in all cases without exception? Are there any considerations particular to information statements, as compared to proxy statements, that we should take into account?

29. Our proposed changes to Rule 14a–6(a) and Rule 14c–5(a) also would remove current rule text providing that

a registrant's commenting on or referring to a solicitation in opposition is a trigger for a preliminary filing. Would it be more appropriate to retain that element of these rules? Are there any benefits associated with a company filing in preliminary form under these circumstances?

30. We are proposing to amend Rule 14a–6 and Rule 14c–5 to provide that a registrant's obligation to file in preliminary form is subject to the additional condition that a registrant knows, or reasonably should know, of a non-exempt solicitation in opposition described in proposed Note 2 to paragraph (a)²⁵⁶ of Rule 14a–6 and Rule 14c–5. Should we instead include a different standard in proposed Note 2 to paragraph (a) of Rule 14a–6 and Rule 14c–5? For example, should we amend the rule to provide that the registrant's obligation to file in preliminary form is subject to the additional condition that a shareholder has filed proxy materials in connection with the shareholder's solicitation in opposition?

31. We are proposing to remove Item 4 of Schedule 14C,²⁵⁷ which requires a company to disclose that it has received a shareholder proposal and identify that proposal, if it receives such a proposal a "reasonable time" before the information statement is to be transmitted to security holders.²⁵⁸ Should we instead retain Item 4? Are there any changes we should make to Item 4, if retained?

32. In light of the proposed rescission of Rule 14a–8 and the proposed amendments to Rule 14a–4 and the other rules discussed above, are there other aspects of any of the Commission's proxy rules that we should amend or as to which market participants would benefit from additional guidance?

D. General Request for Comment

We request and encourage any interested person to submit comments on any aspect of the proposed amendments, other matters that might have an impact on the proposed amendments, and any suggestions for additional changes. With respect to any comments, we note that they are of greatest assistance if accompanied by supporting data and analysis of the

issues addressed in those comments and by alternatives to our proposals where appropriate.

III. Other Matters

This proposing release is an economically significant regulatory action under section 3(f)(1) of Executive Order 12866 and has been reviewed by the Office of Management and Budget ("OMB"), consistent with Executive Order 14215. This action, if finalized as proposed, is expected to be an Executive Order 14192 deregulatory action.

IV. Economic Analysis

A. Introduction

The Commission is mindful of the costs imposed by, and the benefits obtained from, its rules. Section 2(b) of the Securities Act of 1933 and section 3(f) of the Exchange Act require the Commission, when engaging in rulemaking where it is required to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.²⁵⁹ Section 23(a)(2) of the Exchange Act separately requires the Commission to consider the effects on competition of any rules it adopts under the Exchange Act and prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.²⁶⁰

We are proposing to rescind Rule 14a–8, which requires companies to include shareholder proposals in their proxy materials, subject to certain procedural requirements and substantive bases for exclusion. We are also proposing amendments to Rule 14a–4(c), which governs the circumstances under which a company may exercise discretionary voting authority with respect to matters not included on the company's proxy card. Although these two proposed changes to our rules are separate and address distinct aspects of the proxy rules, they both have implications for the costs and burdens associated with the proxy solicitation process for shareholders and companies. Accordingly, where appropriate, we consider how the economic effects of the two proposed changes might interact with one another.

This economic analysis identifies the principal economic effects of the proposed amendments, the parties that would bear them, and the key sources

²⁵⁴ See 17 CFR 240.14a–2(b), 14a–5(e)(1)–(2), 17 CFR 200.30–1(f)(4), 17 CFR 200.82, Instruction 4 to 17 CFR 229.407(f), 17 CFR 232.101(c)(3), and Item 5.07(d) of Form 8–K.

²⁵⁵ The Commission recently proposed and is concurrently proposing amendments to certain proxy rules in other Commission proposing releases. See *Electronic Delivery of Information Under the Federal Securities Laws*, Release No. 33–11430 (July 16, 2026) [91 FR 45884 (July 21, 2026)] ("Reg E-Delivery Proposal"), Proxy Solicitation Modernization, Release No. 34–106385 (September 16, 2026) [●] FR [●] ([●], 2026)] ("Proxy Solicitation Modernization Proposal"). The discussion in section II of the amendments we are proposing in this release does not reflect the amendments to certain proxy rules proposed in other Commission releases because they have not been adopted. Similarly, the text of proposed amendments set forth in this release does not reflect the amendments to certain proxy rules proposed in other Commission releases because they have not been adopted.

²⁵⁶ By "proposed Note 2 to paragraph (a)," we are referring to the proposed revision to current Note 3 to paragraph (a), which we propose to redesignate as Note 2 given the proposed deletion of current Note 2, for each of Rule 14a–6(a) and Rule 14c–5(a).

²⁵⁷ 17 CFR 240.14c–101.

²⁵⁸ Such disclosure need only be provided if the shareholder provides notice to the company of the shareholder's intention to present the proposal for action at the meeting. See Item 4 of 17 CFR 240.14c–101.

²⁵⁹ See 15 U.S.C. 77b(b); 15 U.S.C. 78c(f).

²⁶⁰ See 15 U.S.C. 78w(a)(2).

of uncertainty that would affect the magnitude of those effects. Many of the benefits and costs identified in this analysis are difficult to quantify with precision. Where quantification is not practicable, the analysis provides a qualitative assessment of the expected direction and relative magnitude of the relevant effects. The Commission encourages commenters to provide data, including relevant quantitative estimates, and information that would help quantify the benefits and costs of the proposed amendments and their potential impacts on efficiency, competition, and capital formation.

B. Baseline

The baseline against which the costs, benefits, and the impact on efficiency, competition, and capital formation of the proposed amendments are measured consists of the current regulatory framework governing the shareholder proposal process as well as the current practices of companies and shareholders related to shareholder proposals.²⁶¹

1. Current Regulatory Framework

State laws, company charters and bylaws (and other governing documents), and the Federal securities laws jointly govern the shareholder proposal process. State law determines the substantive and procedural requirements for presenting a shareholder proposal for a vote at the annual meeting, whereas the Federal proxy rules currently govern (i) procedural and substantive conditions for when shareholder proposals must be included in, or may be excluded from, a company's proxy materials under Rule 14a-8 and (ii) the process for soliciting authority to vote on such matters by proxy under Rule 14a-4.

a. Commission Rules

Currently, the Federal proxy rules provide shareholders two methods to present proposals for consideration by company shareholders who intend to vote by proxy. First, a shareholder may seek to include its proposal in the company's proxy materials pursuant to

Rule 14a-8. Among other things, Rule 14a-8 specifies procedural and substantive requirements that a shareholder must satisfy to have a proposal included in the company's proxy materials. The requirements of Rule 14a-8 are described in further detail in section II.A.1.

Second, a shareholder may conduct its own solicitation for its proposal, at the shareholder's expense, using its own proxy statement.²⁶² To do so, the shareholder must comply with the requirements to furnish a proxy statement,²⁶³ satisfy the form and disclosure requirements regarding the proxy card,²⁶⁴ and the presentation and disclosure requirements regarding the proxy statement,²⁶⁵ file the applicable preliminary and definitive proxy materials,²⁶⁶ and ensure that the solicitation does not contain any materially false or misleading statements.²⁶⁷ With respect to independent solicitations, where a company omits from its proxy card a proposal presented through an independent solicitation, Rule 14a-4(c) specifies the circumstances under which a company may exercise discretionary authority to vote on such proposals by proxy. The current regulatory framework governing a company's discretionary authority to vote on proposals that will be presented at a shareholder meeting but not included in the company's proxy materials is described in further detail in section II.B.1.

Beyond these provisions, several other aspects of the Federal proxy rules bear on the shareholder proposal process. For instance, the Federal proxy rules currently allow proponents to include the company's director nominees on their own proxy card, even if they do not nominate alternative directors.²⁶⁸ When shareholders undertake a zero slate campaign, companies may choose to include shareholder proposals on their own proxy cards in order to exercise proxy voting authority with respect to those proposals.²⁶⁹ If so, this may result in those proponents having their proposals considered by all shareholders rather

than only the shareholders that were solicited by the proponent.

In addition, Rule 14a-2 provides multiple exemptions for certain shareholder communications and solicitations, either by shareholders or certain third parties, from the proxy disclosure and filing requirements that may provide alternatives to the Rule 14a-8 submission process or independent non-exempt solicitations.²⁷⁰

Finally, the Commission is concurrently proposing amendments to modernize certain rules related to proxy solicitations.²⁷¹ If adopted as proposed, those amendments primarily would eliminate the requirement that registrants deliver an annual report to security holders, eliminate the delivery deadline when documents are incorporated by reference into a proxy statement, eliminate the requirement to file soliciting material regarding certain exempt solicitations, and shorten the minimum broker search period for proxy solicitations.

b. State Law and Corporate Charters and Bylaws on Shareholder Proposals

State law and, if State law permits, company governing documents govern when and how shareholder proposals can be presented for a shareholder vote.²⁷² Notwithstanding that such matters are traditionally reserved to the States, State law is often silent or ambiguous about what matters may be presented for a shareholder vote. For example, State law is unclear as to whether the presentation of nonbinding shareholder proposals is permitted.²⁷³ Because shareholder proposals fall under the purview of State law, States may enact legislation that either enables or restricts the ability of shareholders to submit proposals. One State recently enacted legislation permitting companies to impose additional eligibility requirements on shareholders

²⁷⁰ See 17 CFR 240.14a-2; see also generally 17 CFR part 240, Regulation 14A.

²⁷¹ See Proxy Solicitation Modernization Proposal.

²⁷² See e.g., *Restatement of the Law, Corporate Governance* section 1.01 cmt. a (Am. L. Inst. 2022) and the MBCA sections 7.01 through 7.05 (shareholder meetings and voting), section 7.04 (shareholder amendment of bylaws), section 10.20 (shareholder action by written consent) (Am. Bar Ass'n 2016); see also Thomas Lee Hazen, *Treatise on the Law of Securities Regulation* section 10:27 (7th ed. 2016). While shareholder voting rights are typically defined by State law, as discussed in section II.A.1.a, there are instances in which Federal law may establish voting rights for shareholders. This is especially true with respect to registered investment companies. See section II.A.3.

²⁷³ See *supra* section II.A.2.a.

²⁶¹ See, e.g., *Nasdaq v. SEC*, 34 F.4th 1105, 1111-14 (D.C. Cir. 2022). This approach also follows Commission staff guidance on economic analysis for rulemaking. See SEC Staff, *Current Guidance on Economic Analysis in SEC Rulemaking* (Mar. 16, 2012), available at https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf ("The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action."); *id.* at 7 ("The baseline includes both the economic attributes of the relevant market and the existing regulatory structure.").

²⁶² See generally 17 CFR part 240, Regulation 14A.

²⁶³ See 17 CFR 240.14a-3.

²⁶⁴ See 17 CFR 240.14a-4.

²⁶⁵ See 17 CFR 240.14a-5; 17 CFR 240.14a-101.

²⁶⁶ See 17 CFR 240.14a-6.

²⁶⁷ See 17 CFR 240.14a-9.

²⁶⁸ See 17 CFR 240.14a-4(d)(1); *supra* note 222.

²⁶⁹ The Commission staff has observed at least three zero slate campaigns since the universal proxy rules went into effect in 2022, and in each case the company included the proponent's proposal(s) on the company's proxy card. See *supra* note 223.

seeking to submit proposals for approval at a shareholder meeting.²⁷⁴

If permitted under State law, companies generally may establish or modify shareholder rights through their charter or bylaw provisions.²⁷⁵ For example, State corporate law may provide default rules that govern shareholder action, while allowing companies to modify such rules through their governing documents. As a result, companies may have the ability to adopt provisions in their governing documents that expand, limit, or eliminate certain procedures and conditions related to shareholder action.²⁷⁶

2. Affected Parties

The proposed rescission of Rule 14a–8 and the proposed amendments to Rule 14a–4(c) would affect different but overlapping populations. The proposed rescission of Rule 14a–8 would primarily affect companies subject to the Federal proxy rules that receive shareholder proposals submitted pursuant to Rule 14a–8, as well as the proponents of those proposals and the non-proponent shareholders of those companies. The proposed amendments to Rule 14a–4(c) would primarily affect companies that receive shareholder proposals presented through proponents' own proxy solicitations, as well as the proponents of those proposals and the non-proponent shareholders of those companies. In addition, the proposed amendments could have indirect effects on providers of administrative and advisory services related to proxy solicitation and shareholder voting.

a. Companies

Companies that have a class of equity securities registered under section 12 of the Exchange Act are subject to the Federal proxy rules, including Rule 14a–8 and Rule 14a–4(c). In addition, registered investment companies and business development companies are subject to the Federal proxy rules.²⁷⁷

²⁷⁴ See *supra* note 161 and related text.

²⁷⁵ See, e.g., Model Bus. Corp. Act section 7.04(b) (permitting corporations to alter the default rule requiring unanimous written consent by specifying alternative consent thresholds in their articles of incorporation).

²⁷⁶ See, e.g., 8 Del. C. section 228 (permitting corporations to restrict shareholder action by written consent through the certificate of incorporation); N.Y. Bus. Corp. Law section 601(b) (authorizing bylaws to address matters relating to shareholder rights and powers); Model Bus. Corp. Act section 7.04 (permitting corporations to modify the default rule requiring unanimous written consent).

²⁷⁷ See *supra* section II.A.3. Business development companies are a category of closed-end investment company that are not registered under the Investment Company Act [15 U.S.C. 80a–2(a)(48)].

Finally, there are certain companies that voluntarily file proxy materials that could be affected to the extent that they receive shareholder proposals.

We estimate that 5,357 companies, including 142 business development companies, had a class of securities registered under section 12 of the Exchange Act and filed on domestic forms during calendar year 2025.²⁷⁸ This estimate represents an upper bound estimate of the number of potentially affected companies because some of these companies may not file proxy materials or receive a shareholder proposal in a given year. Out of the 5,357 potentially affected companies mentioned above, 4,527 (85 percent) filed proxy materials with the Commission during calendar year 2025.²⁷⁹ In addition, there were 74 companies that voluntarily filed proxy materials in calendar year 2025.²⁸⁰

As of December 31, 2025, there were 2,720 registered investment companies²⁸¹ that were subject to the

²⁷⁸ We estimate the number of companies other than issuers of asset-backed securities and registered investment companies with a class of securities registered under section 12 of the Exchange Act by reviewing all filers, by unique Central Index Key (CIK), of Forms 10–K and amendments thereto filed during calendar year 2025.

²⁷⁹ The proxy materials we consider in our analysis are materials filed via EDGAR under submission types DEF 14A, DEF 14C, DEFA14A, DEFC14A, DEFM14A, DEFM14C, DEFR14A, DEFR14C, DFAN14A, PRE 14A, PRE 14C, PREC14A, PREM14A, PREM14C, PRER14A, PRER14C, N–14, S–4, and F–4. Forms N–14, S–4, and F–4 can be a registration statement and/or proxy statement. For purposes of this economic analysis, we have reviewed all Forms N–14, S–4, and F–4 filed during calendar year 2025 with the Commission and excluded from our estimates above Forms N–14, S–4, and F–4 that are exclusively registration statements.

²⁸⁰ We identify companies that voluntarily file proxy materials as companies reporting pursuant to section 15(d) of the Exchange Act but not registered under section 12(b) or section 12(g) of the Exchange Act and foreign private issuers that filed any proxy materials during calendar year 2025 with the Commission.

²⁸¹ The number of registered investment companies was based on Form N–CEN data for the reporting period ending Dec. 2025 with filings received through Mar. 31, 2026. These 2,720 registered investment companies were associated with the following funds: (i) 12,710 open-end funds, out of which 4,194 were Exchange Traded Funds (“ETFs”) registered as open-end funds or open-end funds that had an ETF share class; (ii) 707 closed-end funds; (iii) 15 variable annuity separate accounts registered as management investment companies; (iv) 414 variable annuity separate accounts registered as unit investment trusts; (v) 239 variable insurance contracts registered as unit investment trusts; (vi) 40 other unit investment trusts; and (vi) 2 face amount certificate companies. Open-end funds are series of trusts registered on Form N–1A. Closed-end funds are trusts registered on Form N–2. Variable annuity separate accounts registered as management companies are trusts registered on Form N–3. Variable annuity separate accounts registered as unit investment trusts are

Federal proxy rules, of which 718 (26 percent) reported to have submitted matters for their security holders' vote during the reporting period.²⁸² The percentage of registered investment companies that submitted matters to shareholders for a vote is lower than for other types of companies because open-end investment companies (which are the most common form of investment company) and unlisted closed-end investment companies generally do not hold shareholder meetings annually. We estimate that 816 unique entities associated with registered investment companies²⁸³ filed proxy materials with the Commission during calendar year 2025 on 1,634 unique forms.²⁸⁴

b. Shareholder Proponents

Proponents of shareholder proposals also would be affected by the proposed rule amendments. We estimate that there were approximately 184 identified proponents that submitted a shareholder proposal under Rule 14a–8 to be included in a company's proxy materials as lead proponents²⁸⁵ during

registered on Form N–4. Variable insurance contracts registered as unit investment trusts are registered on Form N–6. All other unit investment trusts in this time frame are registered on Form N–8B–2. Face amount certificates were found on Form 10–K by manually reviewing non-BDC investment companies.

²⁸² Only management investment companies submitted matters for their security holders' vote during this time frame. We estimate this number by reviewing Item B.10 in all Forms N–CEN of management companies active through Dec. 2025 received by the Commission as of Mar. 31, 2026. These 718 management companies were associated with the following funds: (i) 2,811 open-end funds, out of which 740 were ETFs registered as open-end funds or open-end funds that had an ETF share class; (ii) 388 closed-end funds; and (iii) no variable annuity separate accounts.

²⁸³ The proxy materials we consider in our analysis are materials filed via EDGAR under submission types DEF 14A, DEF 14C, DEFA14A, DEFC14A, DEFM14A, DEFM14C, DEFR14A, DEFR14C, DFAN14A, PRE 14A, PRE 14C, PREC14A, PREM14A, PREM14C, PRER14A, PRER14C, N–14, S–4, and F–4. Forms N–14, S–4, and F–4 can be a registration statement and/or proxy statement. For purposes of this economic analysis, we have reviewed all Forms N–14, S–4, and F–4 filed during calendar year 2025 with the Commission and excluded from our estimates above Forms N–14, S–4, and F–4 that are exclusively registration statements. Because management investment companies could comprise multiple funds and proxy materials could be filed with the Commission at the management company, fund family, a combination of funds or fund families, or individual fund level, the number of entities associated with management companies that filed proxy materials during calendar year 2025 exceeds that number of management companies that submitted matters for their security holders' vote.

²⁸⁴ We estimate the number of unique proxy filings by reviewing the unique accession numbers of proxy materials filed by entities associated with registered investment companies.

²⁸⁵ See 17 CFR 240.14a–8(b)(1)(iii)(B).

calendar year 2025.²⁸⁶ Because proponents may not submit a shareholder proposal every year, this estimate, which is based solely on 2025 submissions, likely understates the number of proponents that could be affected by the proposed amendments. For example, there were approximately 502 unique lead proponents that submitted a shareholder proposal to be included in a company's proxy materials for annual and special meetings from 2022 through 2025.²⁸⁷

c. Non-Proponent Shareholders

Non-proponent shareholders of companies also could be indirectly affected by the proposed rule amendments. According to a study based on the 2022 Survey of Consumer Finances, approximately 76 million households owned publicly traded stock directly or indirectly (through other investment instruments, such as pooled investment funds, retirement accounts, and other managed assets).²⁸⁸ Moreover, based on an academic study using U.S. retail shareholder voting data from Broadridge covering nearly all annual and special meetings from 2015 to 2017, there were approximately 46 million retail accounts that directly held shares of U.S. public companies.²⁸⁹ Our analysis of institutional investor data also shows that there were 9,184 unique institutional investors during 2025.²⁹⁰

²⁸⁶ Data is retrieved from the FactSet SharkRepellent Proxy Proposal dataset. See *infra* note 293. This data allows for the unique identification of a sole lead proponent of each proposal, but not the unique identification of all co-proponents across proposals. As a result, our estimated number of proponents should be interpreted as a lower bound on the total number of unique shareholder proponents.

²⁸⁷ See *id.*

²⁸⁸ See Aditya Aladangady et al., *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*, Washington: Board of Governors of the Federal Reserve System, Oct. (2023), available at <https://www.federalreserve.gov/publications/files/scf23.pdf> (reporting that 58% of the 131.3 million families represented owned stock in publicly-traded companies). Indirect holdings of publicly-traded stock are those in pooled investment funds, retirement accounts, and other managed assets. The same study estimates that approximately 28 million households (21%) held publicly traded stock directly in 2019. This is a triennial survey, and the latest data available as of this time is from the 2022 survey.

²⁸⁹ See Alon Brav et al., *Retail Shareholder Participation in the Proxy Process: Monitoring, Engagement, and Voting*, 144 J. Fin. Econ. 492, 497 (2022). The number of retail accounts is an approximation of the number of retail investors because each retail investor can hold multiple accounts and multiple retail investors can hold a single account. Further, this data only covers a subset of all retail accounts.

²⁹⁰ Data is retrieved from the Thomson/Refinitiv Institutional (13F) Holdings dataset. Unique institutional investors are composed of filers with a unique Manager Number that filed a Form 13F at

With respect to registered investment companies, there are approximately 76 million households owning these funds, comprising approximately 56% of U.S. households.²⁹¹

3. Current Practices

a. Rule 14a–8 Shareholder Proposals

The practices relating to shareholder proposals in more recent years may differ from prior years due to certain amendments to Rule 14a–8 that have applied to proposals submitted for annual or special meetings held on or after January 1, 2022.²⁹² As a result, the bulk of our analysis focuses on shareholder proposals submitted for meetings held from January 1, 2022 through December 31, 2025. The percentage of proposals submitted but not included in companies' proxy materials can vary considerably from one proxy season to the next, limiting our ability to draw conclusions regarding the current practices related to shareholder proposal exclusions based on data from any individual proxy season.

Our data²⁹³ on shareholder proposals contains proposals that were (i) included in companies' proxy materials and voted on by shareholders; (ii) omitted from companies' proxy materials following a no-action letter²⁹⁴

least for one quarter during calendar year 2025 with the Commission. The estimated number of institutional investors is a lower bound of the actual number of institutional investors because only institutional investment managers that exercise discretion over \$100 million or more in section 13(f) securities on the last trading day of any month of any calendar year must file Form 13F with the Commission. See 17 CFR 240.13f-1.

²⁹¹ See 2026 Investment Company Fact Book, Investment Company Institute, available at <https://www.icifactbook.org/pdf/2026-factbook.pdf>.

²⁹² The 2020 amendments to Rule 14a–8, which apply to shareholder proposals submitted for annual and special meetings held on or after Jan. 1, 2022, introduced several changes, including revised ownership and resubmission thresholds. See 2020 Adopting Release.

²⁹³ Unless stated otherwise, all data in this section is retrieved from the FactSet SharkRepellent Proxy Proposal dataset (accessed on May 10, 2026). Dataset coverage for 2025 includes around 5,000 U.S.-incorporated public companies and some foreign-incorporated companies. FactSet extracts and processes proxy data from regulatory filings and press releases, as well as through web monitoring and in rare instances, direct engagement with companies and shareholder proponents. Unless otherwise specified, we exclude from our analysis shareholder proposals that are not subject to Rule 14a–8, such as proposals related to proxy contests and other proposals appearing in dissident shareholders' proxy soliciting material, proposals that were raised from the floor of the annual or special meetings and were not submitted to appear in the companies' proxy statements, and proposals submitted for a vote at meetings of foreign private issuers, which are not subject to the Federal proxy rules.

²⁹⁴ On Nov. 17, 2025 the Division of Corporation Finance (the "Division") announced that for the

or notice of exclusion; or (iii) submitted by the proponents but withdrawn prior to a vote, where the information about the proposal is publicly available.²⁹⁵ Throughout the analysis, we disaggregate statistics by company size, proponent types, and proposal topics to understand how the practices related to shareholder proposals have varied across these categories.

Focusing first on shareholder proposals submitted to companies for annual and special meetings held in 2025, the most recent full calendar year for which we have data, we find that 786 shareholder proposals were submitted to be included in companies' proxy materials under Rule 14a–8. Of these submissions, the majority of proposals (64 percent) were included in companies' proxy materials and voted on, while 22 percent were omitted and 14 percent were withdrawn by the proponent prior to the applicable meeting.²⁹⁶ The majority (74 percent) of

2025–2026 proxy season it would not respond to no-action requests for, and would instead express no views on, companies' intended reliance on any basis for exclusion of shareholder proposals under Rule 14a–8, other than no-action requests to exclude a proposal under Rule 14a–8(i)(1). See U.S. Sec. & Exch. Comm'n, Division of Corporation Finance, *Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a–8 Process for the Current Proxy Season* (Nov. 17, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/statement-regarding-division-corporation-finance-role-exchange-act-rule-14a-8-process-current-proxy-season>. Accordingly, data in our analysis from any date on or after Nov. 17, 2025 reflects exclusions based on a company's notice of exclusion rather than a response to a no-action request. On Aug. 14, 2026, the Division announced that, effective immediately, it had determined to discontinue responding to Rule 14a–8 no-action requests entirely, including those submitted under subsection (i)(1). The Aug. 14 announcement also stated that the Division would no longer respond to notices filed under Rule 14a–8(j) with a letter indicating that it will not object if a company omits a proposal from its proxy materials. Companies continue to be required under Rule 14a–8(j) to submit notices to the Commission when they intend to exclude proposals from their proxy materials. The Division of Investment Management will take a substantially similar approach to reviewing Rule 14a–8 requests related to investment companies. See U.S. Sec. & Exch. Comm'n, Division of Corporation Finance, *Updated Statement Regarding Rule 14a–8 No-Action Requests* (Aug. 14, 2026), available at <https://www.sec.gov/newsroom/speeches-statements/corpfin-statement-rule-14a-8-process-081426>.

²⁹⁵ Our data is comprehensive with respect to shareholder proposals that appear in companies' proxy statements and those for which the company submitted a no-action request or notice of exclusion to Commission staff. However, proposal submission counts in our analysis represent a lower bound on all shareholder proposal submissions because this data may not include all shareholder proposals that were withdrawn by proponents. In particular, if a submitted but withdrawn proposal did not appear in a press release or a company's no-action request, it may not be included in the data we use for the analysis in this section.

²⁹⁶ See *supra* note 295, which discusses the potential underestimation of the volume of

proposals were submitted to S&P 500 companies. For those proposals where we can identify the proponent, we estimate that 53 percent of proposals were submitted by individual proponents while 47 percent were submitted by institutional proponents.²⁹⁷ The average (median) shareholder support for proposals that proceeded to a vote (“voted proposals”) during this period was 24 (14) percent of the total number of votes cast, with approximately seven percent of all proposals being approved by the voting shareholders (11 percent of voted proposals). Lastly, the volume and substance of shareholder proposal submissions is not uniform across companies. There were 449 different companies receiving a shareholder

proposal for meetings held in 2025, five of which were registered investment companies. The average (median) number of proposals received by a company per meeting was 1.8 (one), and the maximum number any company received was 21.

Because the number and characteristics of shareholder proposal submissions can vary from one year to the next, we also repeat the analysis above for shareholder proposals submitted for annual and special meetings held in the four-year period from 2022 through 2025. A total of 3,205 proposals were submitted for inclusion in companies’ proxy materials for annual and special meetings held from 2022 through 2025, representing an average of approximately 801 proposals

submitted each year (see Table 1 below). Of the submissions during this period, the majority of proposals (74 percent) were included in companies’ proxy materials and voted on, while 14 percent were omitted following a no-action letter, and 12 percent were withdrawn by the proponents prior to the applicable meeting.²⁹⁸ Shareholder proposal activity in this four-year period was concentrated among the S&P 500 companies, with 77 percent of proposals submitted to this group.²⁹⁹ Lastly, 1,429 proposals were submitted by proponents identified as individuals,³⁰⁰ but these proposals were more likely to be omitted and less likely to be withdrawn than those submitted by proponents identified as institutions.³⁰¹

Table 1: Rule 14a-8 shareholder proposal submissions by status, 2022-2025³⁰²

Proposal Status	Voted On	Omitted	Withdrawn	Total
Number	2,363	458	384	3,205
<i>Company Size</i>				
S&P 500	1,850 (78%)	331 (72%)	280 (73%)	2,461 (77%)
All Other	513 (22%)	127 (28%)	104 (27%)	744 (23%)
<i>Proponent Type</i>				
Institution	1,108 (47%)	158 (34%)	233 (60%)	1,499 (47%)
Individual	1,055 (45%)	259 (57%)	115 (30%)	1,429 (45%)

Source: FactSet SharkRepellent Proxy Proposals.

There were 716 unique companies receiving one or more shareholder proposals under Rule 14a–8 for meetings held between 2022 and 2025,

21 of which were registered investment companies. The average (median) number of proposals received per company and meeting among these 716

companies was 2.0 (one), and the maximum number any company received for one single meeting was 21.

The number of omitted proposals in Table 1 above represents proposals

withdrawn proposals in our analysis. In this analysis, we classify a shareholder proposal that was included in a company’s proxy statement but was not voted on in the annual or special meeting as a withdrawn proposal.

²⁹⁷ Throughout our analysis, “individual” proponents are composed of retail investors. “Institutional” proponents are composed of asset managers, unions, pension funds, religious organizations, nonprofit organizations, and other organizations. The data is missing lead proponents’ identities for 94 (11%) of shareholder proposals over this period which is presumably because companies are not required to disclose the identity of the proponent in proxy statements. See 17 CFR 240.14a–8(l).

²⁹⁸ See *supra* note 295.

²⁹⁹ We note that the volume of shareholder proposal submissions is not uniform across

companies. Over the four-year period, around one quarter of S&P 500 companies received no shareholder proposals, while 42 S&P 500 companies received four or more proposals on average per year. We also estimate that approximately 1% of all shareholder proposals were submitted to registered investment companies.

³⁰⁰ See *supra* note 297 for a description of how we categorized proponent types. The data is missing lead proponents’ identities for 277 (9%) of shareholder proposals over the 2022–2025 period. Because proponent identity is missing for some proposals in our data, the percentages in the Proponent Type rows of Table 1 do not sum up to 100%.

³⁰¹ Some find that the higher likelihood of withdrawal for proposals submitted by institutional shareholder-proponents could be due to these shareholders having more direct channels of

communication and engagement and influence with companies than individual investors. See, e.g., Eugene Soltes et al., *What Else do Shareholders Want? Shareholder Proposals Contested by Firm Management* (Harv. Bus. Sch. Acct. & Mgmt Unit, Working Paper, July 14, 2017), available at <https://ssrn.com/abstract=2771114> (retrieved from SSRN Elsevier database) (finding that the level of shareholder ownership of shares is positively associated with the probability that a proposal is withdrawn, which is consistent with the idea that large shareholders “are more influential and are more likely to have dialogue with managers that would facilitate implementation of their proposal prior to a shareholder vote”) (“Soltes et al. (2017)”).

³⁰² The percentages in parentheses in each column of the table represent percentages of the total number of proposals in the first row of each column.

excluded from companies’ proxy materials following receipt of a no-action letter issued by the Commission staff on either procedural or substantive grounds under Rule 14a–8. With respect to all shareholder proposals received for meetings held in the 2022–2025 period, companies submitted 1,073 no-action requests (corresponding to 33 percent of all proposal submissions). No-action letters concurring with the company were issued for 462 of those proposals,

which is equal to 43 percent of the no-action letter requests. All but four proposals for which a no-action letter was issued were subsequently excluded by the company.

Table 2 summarizes data on shareholder support and proponent types. The average (median) shareholder support for voted proposals over the four-year sample period was 26 (21) percent of the total number of votes cast, with approximately 10 percent of

proposals receiving majority support. Shareholder support varied across proponent types. In particular, proposals submitted by individual proponents received higher shareholder support on average and were more likely to be supported by the majority of voting shareholders than proposals submitted by institutional proponents.³⁰³

Table 2: Rule 14a-8 shareholder proposal voting support from 2022 to 2025

	Percentage of votes cast in favor of proposals		Percentage of total proposals receiving majority support
	Average	Median	
All Proposals	26%	21%	10%
<i>Proponent Type</i>			
Institution	20%	15%	6%
Individual	32%	31%	13%

Source: FactSet SharkRepellent Proxy Proposals.

Table 3 presents data on shareholder support for proposals submitted to registered investment companies for the 2022–2025 period. There were 33 such proposals submitted to 21 different registered investment companies. Of the

33 proposals, 25 were voted on and 8 were withdrawn. As the data in Table 3 suggests, proposals submitted to such companies received high support on average compared to proposals submitted to operating companies: an

average of 45% and a median of 53%. Most of the proponents were institutions: 24 of the 25 proposals were submitted by institutions, and one was submitted by an individual.

Table 3: Rule 14a-8 shareholder proposal voting support for proposals from 2022 to 2025 - registered investment companies only

	Percentage of votes cast in favor of proposals		Percentage of total proposals receiving
	Average	Median	Majority support
All Proposals	45%	53%	48%

Source: FactSet SharkRepellent Proxy Proposals.

³⁰³ Differences in the types of proposals submitted by individual and institutional shareholder proponents could be driving the differences in the voting support across these two

groups. For example, we find that individual shareholder proponents submitted the majority of voted governance proposals (75%) over the four-year period, while institutional shareholder

proponents submitted the majority of voted social and environmental proposals (70%).

b. Proxy Contests

We identify 69 proxy contests containing a solicitation for one or more proposals that were initiated through the filing of preliminary proxy statements by proponents for annual or special shareholder meetings held in calendar years 2022–2025 across all companies subject to the Federal proxy rules.³⁰⁴ Out of these contests, 11 contests included binding proposals, 49 included nonbinding proposals, and 9 included both binding and nonbinding proposals. Furthermore, 63 out of the 69 contests included one or more proponent director nominees, whereas six contests were solely proponent solicitations for one or more proposals. Out of the six proxy contests not involving board nominations, only two contests solely involved non-binding proposals.³⁰⁵

In terms of the characteristics of the companies targeted for the above proxy contests involving proposals, 14 percent (10 companies) of contests involved S&P 500 companies, which contrasts with the 77 percent of S&P 500 companies

that received Rule 14a–8 shareholder proposals.³⁰⁶ In addition, more than 43 percent of contests (30 contests) targeted closed-end funds, which is a notable difference compared to the much lower proportion of funds among registrants receiving Rule 14a–8 proposals. In terms of the type of proponents initiating proxy contests involving proposals, 13 percent (9 contests) were initiated by individuals, and the rest by institutions (mainly hedge funds and other types of institutional investors).

Around 45 percent of the proxy contests with proposals (31 contests) ended before the proposals were voted on at a meeting (either because they were withdrawn by the proponent or settled in some other manner prior to the meeting). Among the 38 contests that lasted through a shareholder meeting, there were 57 proponent proposals up for a vote, around 49 percent of which (28 proposals) received enough voting support to pass the specific voting requirements applicable to each proposal. Of these 57 proposals, 24 targeted investment

companies, and 67 percent of these 24 received sufficient voting support to pass.

In proxy contests, both companies and proponents incur direct costs of solicitation.³⁰⁷ These costs may include, for example, fees paid to proxy solicitors, expenditures for attorneys and public relations advisors, and printing and mailing costs. We understand that for companies, the costs of solicitation in proxy contests generally exceed the solicitation costs associated with a shareholder meeting without a contested election. Both proponents and companies are required to provide estimates of the costs of solicitation in their proxy statements.³⁰⁸ As shown in Table 4 below, based on available data on estimated solicitation costs for the proxy contests involving proponents at meetings held in years 2022–2025, the median reported estimated total costs per contest were approximately \$825,000 for companies and approximately \$275,000 for proponents.

Table 4. Reported estimates of solicitation expenses in election contests with proposals at shareholder meetings held in 2022–2025³⁰⁹

	Mean	Median	Minimum	Maximum
Estimated Total Costs:				
Company (N= 49)	\$5,460,302	\$825,000	\$155,000	\$40,000,000
Proponent (N= 57)	\$2,288,465	\$275,000	\$22,500	\$25,000,000

Source: FactSet SharkRepellent Proxy Proposals.

Beyond these estimated solicitation expenses, proxy contests may be associated with other indirect costs, such as the cost of management or proponent time spent in the process of conducting the contest and expenses associated with any discussions held between management and the proponent(s) or other participants who could influence the outcome (e.g., large

investors and proxy advisor firms). We do not have data on these indirect costs.

Turning to current voting mechanics in shareholder proposal proxy solicitations, as an alternative to the Rule 14a–8 process, a proponent can present a proposal to shareholders by sending its own separate proxy card.³¹⁰ Such a solicitation is conducted by sending out electronically and/or via

regular mail a proxy statement to some subset of shareholders. Shareholders that are solicited may then choose between returning the proponent's proxy card or the company's proxy card if they wish to vote on the proxy matters, as an alternative to attending the meeting. A shareholder that is not initially solicited by the proponent may be able to expend effort to contact the

³⁰⁴ Based on information from FactSet's SharkRepellent database and staff's review of EDGAR filings. This total number of proxy contests includes all cases in which a proponent initiated a "solicitation in opposition" to the company which included a proposal from the proponent to be presented and voted on, whether or not the proponent's proxy also included its own director nominees. This total does not include proxy contests that are only for directors' nominations.

³⁰⁵ The two contests that solely involved non-binding proposals were "zero slate" contests involving Warrior Met Coal, Inc. and News Corporation, discussed earlier in the release. See *supra* note 223 and related text. The remaining four

contests are not ones typically considered "zero slate," as they involved special meetings in which the proponent sought to remove existing board members, rather than annual meetings involving the election of directors.

³⁰⁶ See Table 1 in section IV.B.3.a.

³⁰⁷ In some cases, proponents may seek reimbursement of their expenses from companies. Such potential reimbursement is governed by State law and is more likely in the case of a successful proxy contest. The Federal proxy rules require proponents to disclose whether reimbursement will be sought from the company, and, if so, whether the question of such reimbursement will be submitted

to a vote of shareholders. See 17 CFR 240.14a–101, Item 4(b)(5).

³⁰⁸ Companies may, but do not have to, exclude from the total estimated solicitation costs the amount normally expended for a proxy solicitation in the absence of a contest, and costs represented by salaries and wages of regular employees and officers, provided a statement to that effect is included in the proxy statement. It is our understanding that most companies exclude such costs from their estimated total costs.

³⁰⁹ Based on data from FactSet's SharkRepellent database in calendar years 2022–2025.

³¹⁰ See section IV.C.1.a.

proponent to request solicitation, but the success of this effort is not guaranteed. Those that are not solicited by the proponent are limited to using the company's proxy card if voting by proxy. The company is not required, unlike with the Rule 14a-8 process, to include the proponent's proposal in its proxy materials. If the company omits the proposal, however, and if the proponent satisfies the solicitation threshold and related requirements set out in current Rule 14a-4(c)(2)(i)-(iii), the company would be unable to exercise discretionary voting authority with respect to the proponent's proposal under current Rule 14a-4(c)(2). In other words, the company would not be allowed to vote on the proponent's proposal on behalf of shareholders who return the company's proxy. With votes with respect to the proposal coming only from shareholders who received and returned the proponent's card and from shareholders who vote in person or virtually at the meeting, the proponent's solicitation effort may obtain sufficient votes needed to pass the proposal using the proponent's card.

A company may include proponent proposals received outside the Rule 14a-8 process in its proxy materials, which would provide a means for shareholders to vote with respect to the proposal using the company's proxy card.³¹¹ To the extent shareholders who choose to return the company's proxy card are more inclined to vote with management than shareholders who choose to return the proponent's proxy card, including the proponent's proposal may allow the company to increase the proportion of votes with respect to the proposal that are favorable to the company. Under current rules, the company could also vote on behalf of shareholders who do not vote at all with respect to such proposal but return a signed proxy card provided the company stated on its proxy card how it intends to vote proxy cards that are returned signed but without specifying a choice regarding the proposal.³¹² If the company is not in favor of the proposal, for example, the shares of shareholders who sign and return the company's proxy card but do not vote with respect to the proposal would be counted as "against" votes as long as the proxy card includes such disclosure.

A company's decision on whether to include a proponent's proposal presented outside the Rule 14a-8 process in its proxy materials, where the

company does not support the proposal, thus involves a tradeoff. On the one hand, not including the proposal potentially increases the likelihood that the non-Rule 14a-8 proponent's solicitation effort obtains the votes needed to pass the proposal if shareholders who vote using the proponent's proxy card are more amenable to the proposal. On the other hand, including the proposal incurs many of the same costs incurred with Rule 14a-8 proposals.

c. Other Forms of Shareholder Engagement

Although Rule 14a-8 was not adopted to serve as a means of shareholder engagement, we recognize for purposes of assessing the baseline that some shareholders use the Rule 14a-8 process as an engagement tool.³¹³ The baseline of the existing regulatory regime with respect to shareholder proposals is discussed in section IV.B.1 above. The baseline also includes other existing forms of shareholder engagement that can serve as complements to or substitutes for shareholder proposals. These alternative engagement methods include, among others, voting in director elections and on management proposals, communicating with management informally, conducting exempt solicitations, calling a special meeting of shareholders, acting by written consent, nominating one or more directors for election to a company's board of directors, using proxy access provisions, making floor proposals or nominations, using social media platforms, and leveraging the threat of divestment. The availability and effectiveness of these mechanisms as substitutes for Rule 14a-8 proposals varies considerably, as discussed below.

Below we discuss available research on existing practices related to these forms of shareholder engagement. Where academic research on any particular form of engagement is limited, the lack of specific data and evidence makes it difficult to quantify the pros and cons of these particular methods. In addition, the costs and benefits of using a particular shareholder engagement method may vary depending on the investor and the company involved. In particular, as noted in various instances below, State law and companies' governing documents may dictate the form of, restrict, or have other implications for the feasibility and expense of undertaking, a given approach.³¹⁴

Voting in director elections and on management proposals is, broadly speaking, a method of shareholder engagement.³¹⁵ The ability to vote in director elections is accessible to shareholders irrespective of their level of share ownership and can be construed as a low-cost form of shareholder engagement. Although most director elections are uncontested and directors typically receive majority support,³¹⁶ some research suggests that the level of support can influence governance, management changes, and corporate decisions.³¹⁷ Other evidence suggests that the level of support for management-sponsored proposals—particularly in the context of executive compensation—has a limited effect.³¹⁸ Shareholders that are dissatisfied with

of Empirical Research, 44 J. Corp. Fin. 405 (2017), available at <https://ssrn.com/abstract=2608085> (retrieved from SSRN Elsevier database) ("Denes et al. (2017)"); Tara Bhandari et al., *Governance Changes through Shareholder Initiatives: The Case of Proxy Access*, 44 J. Fin. Quant. Anal. 405 (2017), available at <https://doi.org/10.1017/S0022109020000484>; James A. Brickley et al., *Corporate Voting: Evidence from Charter Amendment Proposals*, 1 J. Corp. Fin. 5 (1994).

³¹⁵ See, e.g., Randall S. Thomas & Patrick C. Tricker, *Shareholder Voting in Proxy Contests for Corporate Control, Uncontested Director Elections and Management Proposals: A Review of the Empirical Literature*, 70 OKLA. L. REV. 9 (2017) at 12, available at <https://digitalcommons.law.ou.edu/cgi/viewcontent.cgi?article=1311&context=olr>.

³¹⁶ See, e.g., 2025 Proxy Season Review: From Escalation to Recalibration, at Figure 11 (showing that in 2024 and 2025 proxy seasons directors received approximately 94.5% and 94.9% votes on average, respectively).

³¹⁷ See, e.g., Fabrizio Ferri, *Low-Cost' Shareholder Activism: A Review of the Evidence*, in Research Handbook on the Economics of Corporate Law 192 (Claire A. Hill & Brett H. McDonnell eds., Edward Elgar Publishing, 2012); David L. Yermack, *Shareholder Voting and Corporate Governance*, 2 ANN. REV. Fin. Econ. 103 (2010), available at <https://doi.org/10.1146/annurev-financial-073009-104034>. See also, e.g., Jie Cai et al., *Electing Directors*, 64 J. Fin. 2389 (2009) (documenting that "shareholder votes are significantly related to firm performance, governance, director performance, and voting mechanisms" but also noting that "differences in votes are statistically significant but economically minor"); Paul E. Fischer et al., *Investor Perceptions of Board Performance: Evidence from Uncontested Director Elections*, 48 J. Acct. Econ. 172 (2009) (finding that "firms with low vote approval are more likely to experience CEO turnover, greater board turnover, lower CEO compensation, fewer and better-received acquisitions, and more and better-received divestitures in the future"). As a caveat, it is not always possible to rule out that low vote approval parallels other engagement by dissatisfied shareholders that is not fully accounted for in the studies but that may also contribute to the direction of the effect on management and corporate decisions.

³¹⁸ See, e.g., Christopher Armstrong et al., *The Efficacy of Shareholder Voting: Evidence from Equity Compensation Plans*, 51 J. Acct. Rsch. 909 (2013) (finding "little evidence that either lower shareholder voting support for, or outright rejection of, proposed equity compensation plans leads to decreases in the level or composition of future CEO incentive compensation").

³¹¹ For each such proposal, the company would need to provide a means for shareholders to vote "for," "against," or to abstain. See Rule 14a-4(b)(1).

³¹² See Rule 14a-4(b)(1).

³¹³ See *supra* section II.A.2.b.i.

³¹⁴ See, e.g., the survey in Matthew R. Denes et al., *Thirty Years of Shareholder Activism: A Survey*

management performance, or have other unrelated concerns, also sometimes express their views by voting against a company's executive compensation in a "say-on-pay" ("SOP") vote.³¹⁹ Although SOP votes are non-binding, advisory votes, there is some evidence that they can affect board composition and management compensation practices.³²⁰ However, not all companies are required to conduct SOP votes.³²¹ These mechanisms are reactive in nature, allowing shareholders to express dissatisfaction with existing management decisions but do not provide a channel for proposing specific governance changes, which limits their effectiveness as substitutes for the Rule 14a-8 submission process.

Informal communication with management, a method commonly used by large institutional investors, is another means of shareholder engagement.³²² This method is most

effective when it involves shareholders with larger stakes or groups of shareholders. However, shareholders with greater than five percent beneficial ownership of a company's equity securities may be deterred from pursuing this channel as a substitute for Rule 14a-8 proposals to the extent their contemplated engagement could constitute "changing or influencing control," thereby affecting their eligibility to report on Schedule 13G rather than Schedule 13D and subjecting them to accelerated filing deadlines and additional disclosure requirements.³²³

Shareholders with concerns who wish to express their views about management actions or who desire to effect change at companies also may conduct "exempt solicitations,"³²⁴ which include solicitations that are exempt from most of the Federal proxy rules other than the antifraud provision³²⁵ because the person soliciting does not directly or indirectly seek authority to act as proxy and does not furnish or request a form of revocation, abstention, consent, or authorization. Such a solicitation may include creating a website to gather and publicize views about the company's decisions, organizing certain forms of

"vote no" campaigns,³²⁶ or undertaking certain other communications to shareholders.³²⁷ Academic research has shown that "vote no" campaigns can result in changes to CEO pay and board decisions sought by the shareholder.³²⁸ Shareholders also may request a special meeting between annual meetings or an action by written consent, if permitted by State law and a company's governing documents.³²⁹

Commission rules provide for certain other forms of engagement exempt from the proxy rules, such as solicitations limited to no more than 10 persons.³³⁰ However, data and research specific to such activity are lacking (in large part due to the absence of a proxy filing

³¹⁹ The requirement to conduct SOP votes is in accordance with section 14A of the Exchange Act, as added by section 951 of the Dodd-Frank Act 17 U.S.C. 78n-1; Public Law 111-203, 124 Stat. 1376 (2010), sec. 951. The Commission adopted rules implementing section 951 in 2011. See 17 CFR 240.14a-21, *Shareholder Approval of Executive Compensation and Golden Parachute Compensation*, Release No. 33-9178 (Jan. 25, 2011) [76 FR 6009 (Feb. 2, 2011)].

³²⁰ See, e.g., Mary Elizabeth Badgett et al., *Director Reputational Penalties When Shareholders Disapprove of Executive Compensation*, 45 J. Fin. Rsch. 759 (2022) (examining "directors of firms that receive a low-support Say-on-Pay (SOP) vote" and finding that "[t]hese affected directors face a significantly greater likelihood of losing board seats, both at the voting firm and in the external labor market"); Yonca Ertimur et al., *Shareholder Votes and Proxy Advisors: Evidence From Say on Pay*, 51 J. Acct. Rsch. 951 (2013) (examining the role of proxy advisors in mandatory SOP votes and also finding that "[m]ore than half of the firms respond to the adverse shareholder vote triggered by a negative recommendation by engaging with investors and making changes to their compensation plan").

³²¹ Title I of the JOBS Act exempted Emerging Growth Companies from the requirement to conduct SOP votes. Public Law 112-106, 126 Stat. 306 (2012), sec. 102(a)(1). A recent Commission proposal, if adopted, would also exempt the class of non-accelerated filers, as defined in the proposed rulemaking, from the SOP requirement. See *Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies*, Release No. 34-105515 (May 19, 2026) [91 FR 30086 (May 21, 2026)].

³²² See, e.g., Stuart L. Gillan & Laura T. Starks, *The Evolution of Shareholder Activism in the United States*, 19 J. Appl. Corp. Fin. 55 (2007). See also Joseph A. McCahery et al., *Behind the Scenes: The Corporate Governance Preferences of Institutional Investors*, 71 J. Fin. 2905 (2016) ("McCahery et al. (2016)") (finding in a 2012-2013 survey of "143 respondents, mostly very large institutional investors with a long-term focus" that "voice, especially when conducted behind the scenes, is important. For example, 63% of respondents state that in the past five years they have engaged in direct discussions with management, and 45% state that they have had private discussions with a company's board outside of management's presence"). See also, e.g., a UK

study examining engagement data provided by a single institutional investor. Marco Becht et al., *Returns to Shareholder Activism: Evidence From a Clinical Study of the Hermes UK Focus Fund*, 22 Rev. Fin. Stud. 3093 (2009).

³²³ See Tonello, *supra* note 123 (noting that in 2025 "Institutional investor engagement was affected by new SEC guidance issued in Feb. 2025, which introduced uncertainty around Schedule 13G eligibility. Some investors temporarily paused or narrowed the scope of engagement, shaping a more cautious, issuer-led dialogue environment heading into the 2026 proxy season."); See also Maia Gez et al., "Under Pressure": *Walking the Fine Line of Section 13(d) Passive Investor Status*, Harv. L. Sch. F. Corp. Governance (Mar. 29, 2025), available at <https://corpgov.law.harvard.edu/2025/03/29/under-pressure-walking-the-fine-line-of-section-13d-passive-investor-status/>; *Modernization of Beneficial Ownership Reporting*, Release No. 34-98787 (Oct. 10, 2023) [88 FR 72700 (Oct. 25, 2023)]. Coordination among activists undertaking a campaign also may result in their share ownership being consolidated for purposes of the application of the Schedule 13D reporting threshold.

³²⁴ See 17 CFR 240.14a-2(b). Rule 14a-6(g) requires shareholders that own more than \$5 million of a company's securities and that are engaged in an exempt solicitation to file Notice of Exempt Solicitation (submission type PX14A6G). Data prior to Jan. 2026 included voluntarily submitted exempt solicitation notices, including those by shareholders with a smaller stake. In Jan. 2026, Commission staff issued guidance stating it will object to the voluntary submission of Notices of Exempt Solicitation. See *Proxy Rules and Schedules 14A/14C Corporation Finance Interpretation* 126.06 (Jan. 23, 2026), available at <https://www.sec.gov/rules-regulations/staff-guidance/corporation-finance-interpretations/proxy-rules-schedules-14a14c>. Thus, post-2025 exempt solicitation notice data only includes larger shareholders.

³²⁵ See Rule 14a-9.

³²⁶ As one source describes it, "[i]n a vote-no campaign, an activist shareholder files an exempt solicitation to urge fellow investors to vote against certain management proposals or directors (or withhold votes on those directors)," seeking to "register shareholder discontent and pressure the board or management . . . through the weight of negative votes and public pressure, even if no alternate director is standing for election." Such campaigns may combine filings with other communications, such as "press releases, open letters, and social media to amplify their impact." See Matteo Tonello, *The Recent Evolution of Shareholder Activism in the United States*, Harv. L. Sch. F. Corp. Governance (Dec. 24, 2025), available at <https://corpgov.law.harvard.edu/2025/12/24/the-recent-evolution-of-shareholder-activism-in-the-unit>.

³²⁷ See 17 CFR 240.14a-2(b)(1).

³²⁸ See, e.g., Diane Del Guercio et al., *Do Boards Pay Attention when Institutional Investor Activists "Just Vote No"?*, 90 J. Fin. Econ. 84 (2008) (examining another researcher's hypothesis "that a substantial withheld vote motivates directors to take immediate action"); Joseph A. Grundfest, *Just Vote No: A Minimalist Strategy for Dealing With Barbarians Inside the Gates*, 45 Stanford L. Rev. 857 (1993), available at <https://doi.org/10.2307/1229199> (finding that "a variety of supportive evidence, including operating performance improvements and abnormal disciplinary chief executive officer (CEO) turnover, indicating that such campaigns induce boards to take actions in shareholders' interests."); Yonca Ertimur et al., *Shareholder Activism and CEO Pay*, 24 Rev. Fin. Stud. 535 (2011) (finding that "[f]irms with excess CEO pay targeted by vote-no campaigns experience a significant reduction in CEO pay").

³²⁹ See, e.g., Emiliano M. Catan & Marcel Kahan, *The Never-Ending Quest for Shareholder Rights: Special Meetings and Written Consent*, 99 B. U. L. Rev. 743 (2019); Paul Gompers et al., *Corporate Governance and Equity Prices*, 118 Q. J. Econ. 107 (2003) (including limits on the ability to call a special meeting "that either increase the level of shareholder support required to call a special meeting beyond that specified by state law or eliminate the ability to call one entirely" in the paper's measure of greater management power (lower shareholder power) and noting that "[s]uch provisions add extra time to proxy fights, since bidders must wait until the regularly scheduled annual meeting to replace board members or dismantle takeover defenses. This delay is especially potent when combined with limitations on actions by written consent."). Calling a special shareholder meeting could be a part of the proxy fight (see section IV.B.3.b for more discussion of proxy contests).

³³⁰ 17 CFR 240.14a-2(b)(2).

obligation for shareholders undertaking this type of exempt solicitation).

“Proxy access” provisions, which allow shareholders to include their director nominees directly on a company’s proxy card (if permitted by the company’s governing documents), is another available avenue of shareholder engagement.³³¹ Shareholders also may engage with companies by making proposals or director nominations from the floor at a shareholders’ meeting, subject to compliance with a company’s governing documents (e.g., advance notice requirements).³³²

Social media platforms represent a lower-cost alternative voice mechanism that may be more accessible to resource-constrained shareholders than independent solicitation or other formal engagement mechanisms. Recent research documents the use of social media by shareholders to mobilize support, share information, and coordinate governance engagement.³³³ However, social media engagement is a less formal and less direct mechanism for influencing specific governance outcomes than the Rule 14a–8 process, and the evidence on its effectiveness as a substitute is limited.

Finally, academic literature has also discussed the role of the threat of divestment as a potentially important alternative to more traditional methods of shareholder engagement.³³⁴ The

effectiveness of this method directly depends on the credibility of the exit threat, the magnitude of the shareholder’s stake, and the extent to which the shareholder is well-informed about managerial conduct.³³⁵ This strategy is likely to be more effective for larger shareholders, as selling a significant stake can have greater impact on the stock price, making the threat of divestment more significant. The threat of divestment also can complement other methods of shareholder engagement.³³⁶ Divestment is an exit mechanism rather than a direct engagement mechanism, however, and its effectiveness as a substitute for the proactive governance engagement that Rule 14a–8 shareholder proposals may enable is therefore limited, particularly for smaller individual shareholders for whom the exit threat may not be significant.

as a Form of Voice, 22 Rev. Fin. Stud. 2645 (2009) (showing in a theoretical setting that a large shareholder’s threat of exit can reduce agency costs); Alex Edmans, *Blockholder Trading, Market Efficiency, and Managerial Myopia*, 64 J. Fin. 2481 (2009); Alex Edmans, *Blockholders and Corporate Governance*, 6 Annu. Rev. Fin. Econ. 23 (2014); Alex Edmans & Clifford G. Holderness, *Blockholders: A Survey of Theory and Evidence*, in 1 The Handbook of the Economics of Corporate Governance 541 (Benjamin E. Hermalin & Michael S. Weisbach eds., North-Holland 2017). For an empirical analysis in the context of CEO turnover, see, for example, Robert Parrino et al., *Voting with Their Feet: Institutional Ownership Changes Around Forced CEO Turnover*, 68 J. Fin. Econ. 3 (2003); Jean Helwege et al., *Voting with their Feet or Activism? Institutional Investors’ Impact on CEO Turnover*, 18 J. Corp. Fin. 22 (2012) (examining the role of activism and exit in driving CEO turnover); and Sreedhar T. Bharath et al., *Exit as Governance: An Empirical Analysis*, 68 J. Fin. 2515 (2013). For investor survey evidence, see, for example, McCahery et al. (2016), *supra* note 322 (“document[ing] widespread behind-the-scenes intervention as well as governance-motivated exit. These governance mechanisms are viewed as complementary devices, with intervention typically occurring prior to a potential exit.”). But see also Doron Levit et al., *Trading and Shareholder Democracy*, 79 J. Fin. 257 (2024) (noting, in a theoretical framework, among other findings, that “when shareholders can trade, shareholder voting may not lead to optimal outcomes. First, shareholders with extreme views can accumulate large positions and use their voting power to implement their preferred policies, which can be detrimental to moderate shareholders and to shareholder welfare . . .” and that “trading may exacerbate, rather than alleviate, the collective action problems of the shareholder voting process.”).

³³⁵ See Dragana Cvijanovic et al., *The Wall Street Stampede: Exit as Governance With Interacting Blockholders*, 144 J. Fin. Econ. 433 (2022) (finding an activist hedge fund’s exit can lead to correlated institutional exits). See also Qingyuan Li et al., *The Information Advantage of Industry Common Owners and its Spillover Effect on Stock Price Crash Risk*, 92 J. Corp. Fin. 102764 (2025) (noting shareholders who hold multiple firms in an industry may be better informed about the individual firms).

³³⁶ See *supra* note 334.

C. Benefits and Costs

In this section, we consider the potential benefits and costs of the proposed amendments. Some of the benefits and costs are difficult to quantify or estimate with certainty.³³⁷ Accordingly, the discussion contains qualitative assessments and, where possible, we provide quantitative estimates of the potential benefits and costs.

The potential benefits and costs of the proposed amendments will depend, to a certain degree, on the value of the shareholder proposals that may be forgone under the proposed amendments. By “value,” we mean the degree to which the proposals are associated with value-enhancing or value-reducing corporate policy changes and thus more likely to be of interest to the broader shareholder base. Such changes are not necessarily limited to traditional corporate governance (or agency cost) concerns but may encompass broader considerations, such as corporate strategy or management dynamics.³³⁸ In the analysis that follows, we discuss how the economic effects of the proposed amendments may differ depending upon the value of underlying shareholder proposals, without characterizing any particular types of proposals as value-enhancing or value-reducing.³³⁹

1. Proposed Rescission of Rule 14a–8

As discussed in section II.A.1, the principal basis for the proposed rescission of Rule 14a–8 is the Commission’s conclusion that the rule exceeds the Commission’s authority under section 14(a) of the Exchange Act. Independent of that conclusion, the policy reasons discussed in section II.A also provide a basis for rescinding Rule 14a–8 in its entirety. In this section, we examine economic dimensions of those policy reasons, focusing on two principal economic issues.

First, Rule 14a–8 creates a cost structure that generates an externality. The rule requires a company to include qualifying shareholder proposals in its proxy materials, meaning that the

³³⁷ See *supra* section IV.B.3 (discussing the magnitude and uncertainty of the effects regarding the rescission of Rule 14a–8).

³³⁸ Existing academic literature on the value of shareholder proposals is discussed in section IV.C.1.b.ii.

³³⁹ See 2020 Adopting Release at 70265 (“As a threshold matter, under state corporate law, [such] evaluations are properly left to the company’s owners—the shareholders. In addition, our regulation of shareholder proposals under Rule 14a–8 has not been designed to judge the economic value of any particular shareholder proposal, or intended to take a position on the merits of any shareholder proposal topic.”)

³³¹ See, e.g., Denes et al. (2017), *supra* note 314. A proxy contest may still take place for the same meeting, however, if a separate solicitation (by a different shareholder) ends up being put forth (as discussed above in section IV.B.3.b).

³³² See, e.g., Broc Romanek, *Brush Up on the Floor Proposal Process Before Your Annual Meeting*, Mar. 31, 2025, The Governance Beat—Cooley, available at <https://governancebeat.cooley.com/brush-up-on-the-floor-proposal-process-before-your-annual-meeting/> (retrieved May 21, 2016) (stating that “[f]loor proposals allow shareholders to raise issues at an annual meeting if they properly notify the company in accordance with the company’s bylaws”). The reach of floor proposals is also qualified to the extent companies make efforts to preserve discretionary voting authority over such proposals by including requisite language in the proxy card in reliance on Rule 14a–4(c)(1). *Id.*

³³³ See, e.g., James S. Ang et al., *The Role of Social Media in Corporate Governance*, 96 Acc. Rev. 1 (2021) (showing that “small investors’ negative postings are able to predict a potential acquirer’s subsequent decision to withdraw its attempt . . .” and “that message board criticisms are also able to predict governance outcomes beyond acquisition decisions”); J. Anthony Cookson et al., *Can Social Media Inform Corporate Decisions? Evidence from Merger Withdrawals*, 81 J. Fin. 91 (2026) (showing that social media sentiment signals can be important for corporate M&A decisions); Daniel Cahill, Zhangxin (Frank) Liu, & Theresa Santos, *Media and Social Media Sentiment and CEO Pay Cuts*, 48 J. Acc. Lit. 311 (2026) (finding that firms facing more negative sentiment are more likely to engage in pay cuts).

³³⁴ See Anat R. Admati & Paul Pfleiderer, *The “Wall Street Walk” and Shareholder Activism: Exit*

incremental costs of including and distributing the proposal are borne by the company (and its shareholders). More precisely, the marginal cost the proponent bears is below the total marginal cost that the submission process imposes on all affected parties (including the company and its non-proponent shareholders), thus creating a wedge that is the source of the externality.³⁴⁰ Because the proponent does not bear the full costs of submission, the decision to submit a proposal may be only weakly disciplined by its expected value to those who bear those costs.³⁴¹ As a result, there may be a greater total volume, or a different mix, of proposals than would emerge if proponents bore a larger share of the costs resulting from their submission.³⁴²

Second, Rule 14a–8’s Federal framework has given States and companies little occasion or incentive to develop their own shareholder proposal frameworks—frameworks that States competing for incorporations might otherwise tailor to differences in ownership structure, industry, size, and other company-specific circumstances, and that companies might otherwise develop through charter and bylaw provisions to reflect their particular circumstances. With limited exceptions, most States have not enacted a comprehensive shareholder proposal framework during the more than 80 years that Rule 14a–8 has been in place, and the Commission is not aware of any company that has adopted such a framework in its own governing documents.³⁴³

The proposed rescission would address these considerations by leaving the allocation of proposal-related costs to State law and private ordering, thus providing States and companies more

opportunities to develop frameworks suited to their circumstances.³⁴⁴

a. Benefits of the Proposed Rescission of Rule 14a–8

We identify four principal categories of potential benefits of the proposed rescission: direct compliance cost savings for issuers, reallocation of managerial time and resources, potential improvements in the focus of corporate communications, and reductions in voting costs for shareholders. Each of these potential benefits is discussed in turn below, and the magnitude of each benefit is subject to uncertainty. Where State law or company governing documents require inclusion of shareholder proposals in circumstances similar to Rule 14a–8, affected companies and non-proponent shareholders would not experience the full benefits described below.

i. Direct Cost Savings for Companies and Their Shareholders

A direct benefit of the proposed rescission would be a reduction of the compliance costs that Rule 14a–8 currently imposes on issuers. Without the rule, companies would no longer be required by the Federal proxy rules to include shareholder proposals in their proxy materials. Some companies may decline to include such proposals absent an independent State law requirement, while others may adopt their own framework for addressing shareholder proposals in their governing documents, if permitted by State law. The magnitude of the resulting direct cost savings is uncertain and depends on various factors, including the extent to which companies would continue to include shareholder proposals in their proxy materials voluntarily or as a result of State law or other requirements.

Currently, the direct costs that companies may incur under Rule 14a–8 include, to the extent applicable, the costs to: (i) review the submitted proposal and respond to issues raised in the proposal (including time spent by internal legal, corporate governance, communications, and investor relations staff, law firms and other service providers, subject matter experts, executive management, and the board of directors on evaluating each proposal);³⁴⁵ (ii) engage in discussions

and other communications with the proponent(s);³⁴⁶ (iii) prepare a statement of opposition to the submission, if the company chooses; (iv) print and distribute proxy materials;³⁴⁷ and monitor votes on the proposal; (v) communicate with outside consultants such as proxy solicitation firms and engage with non-proponent shareholders; and (vi) where the company intends to exclude the proposal, conduct a legal analysis and file a notice with the Commission³⁴⁸ (collectively, these activities are referred to as “processing” a proposal). Opportunity costs also arise, as these expenditures could otherwise support more value-enhancing activities. The magnitude of these opportunity costs cannot be estimated but may be significant for companies receiving large numbers of proposals involving complex issues.

The direct cost to companies of addressing Rule 14a–8 proposals cannot

proposal is a resubmission rather than an initial submission. For example, some commenters stated that in the case of statements in opposition of resubmitted proposals, companies often repeat the arguments made in a prior year, which should result in a lower cost of responding to resubmissions relative to first-time submissions. *See, e.g.*, letters in response to 2019 Proposing Release from AFL–CIO dated Feb. 3, 2020; CalPERS dated Feb. 3, 2020; Council of Institutional Investors dated Jan. 30, 2020; Interfaith Center on Corporate Responsibility dated Jan. 27, 2020; International Brotherhood of Teamsters dated Feb. 3, 2020; Principles for Responsible Investment dated Feb. 3, 2020; UAW Retiree Medical Benefits Trust dated Jan. 30, 2020. *See also* letter in response to the Proxy Process Roundtable from Shareholder Rights Group dated Dec. 4, 2018. In certain instances, however, resubmissions could be costlier than initial submissions. For example, companies might decide to challenge a resubmission or to make a concession to the proponent in exchange for the proposal being dropped and incur the associated costs.

³⁴⁶ If there is engagement, the costs vary depending on the manner of the engagement (*e.g.*, face-to-face meetings versus phone calls). *See, e.g.*, comment letters received in response to the 2019 Proposing Release from Council of Institutional Investors dated Jan. 30, 2020; International Brotherhood of Teamsters dated Feb. 3, 2020; Richard A. Liroff dated Jan. 28, 2020.

³⁴⁷ To the extent the Reg E-Delivery Proposal is adopted as proposed and reduces companies’ costs for printing and distributing proxy materials when addressing shareholder proposals under Rule 14a–8, the cost savings from printing and distribution anticipated under this proposal may be correspondingly diminished for those companies that choose to rely on Regulation E-Delivery to electronically deliver proxy materials. *See supra* note 255.

³⁴⁸ These costs have varied in the past depending on whether the company submitted a no-action request and the extent to which the company submitted rebuttals to proponent communications submitted pursuant to 17 CFR 240.14a–8(k). *See, e.g.*, comment letters in response to the 2019 Proposing Release from CalPERS dated Feb. 3, 2020; John Coates and Barbara Roper dated Jan. 30, 2020; Council of Institutional Investors dated Jan. 30, 2020; International Brotherhood of Teamsters dated Feb. 3, 2020; Richard A. Liroff dated Jan. 28, 2020.

³⁴⁰ Although Rule 14a–8 requires proponents to hold a minimum ownership stake as a condition of eligibility, the minimum eligibility thresholds are low relative to the total outstanding equity of most affected companies, and the proponent’s pro-rata share of company processing costs through its ownership interest may not discipline the submission decision. *See supra* section IV.B.1.a.

³⁴¹ The same asymmetric cost structure may give proponents leverage in private negotiations with management. To the extent that proponents use the shareholder proposal process to obtain concessions reflecting private interests rather than those of shareholders more broadly, the resources devoted to pursuing and resisting those concessions represent economic costs not offset by commensurate benefits to other shareholders.

³⁴² *See* section IV.C.1.a for a discussion of the direct compliance costs associated with Rule 14a–8 proposals. *See* Table 2 in section IV.B.3.a for statistics on shareholder support of proposals.

³⁴³ *See supra* section II.A.2.b.iii.

³⁴⁴ *See supra* section II.A.2.b.ii (including note 161 and related text).

³⁴⁵ These costs can vary depending on the nature of the proposal, including whether the topic of the proposal is one with which the company is familiar. *See, e.g.*, letters in response to the 2019 Proposing Release from Council of Institutional Investors dated Jan. 30, 2020; Richard A. Liroff dated Jan. 28, 2020. In addition, these costs can be smaller if the

be precisely measured. However, several sources provide estimates of its magnitude. In the 2020 Adopting Release, the Commission estimated the direct cost to companies of addressing a single shareholder proposal at \$20,000 to \$150,000, based on estimates provided by market participants and commenters.³⁴⁹ Adjusted for inflation, this range is equivalent to approximately \$25,000 to \$188,000 in 2026 dollars.³⁵⁰ In this release, we estimate that each proposal carries a burden of 107 hours, 80.25 of which are borne internally and 26.75 of which are external.³⁵¹ We monetize both the internal and external burdens at an hourly rate of \$462³⁵² to estimate a cost savings of the proposed rescission of about \$49,000 per proposal, which is consistent with the range presented in the 2020 Adopting Release.³⁵³

Survey data help illustrate the magnitude of direct costs. A 2025 survey based on responses by 35 public companies found that 25.7 percent of respondents reported cumulative four-season direct costs between \$100,000 and \$250,000 to address shareholder proposals, while 14.3 percent reported costs between \$501,000 and \$1,000,000, and 11.4 percent reported costs above \$1,000,000.³⁵⁴ A separate 2025 survey

found that nearly 20 percent of responding companies spend over \$500,000 in external costs in a typical proxy season, including some small-cap firms.³⁵⁵ The wide dispersion in reported costs may reflect substantial heterogeneity in the compliance burden across companies, which results in part from the variability in the number of proposals received by different companies (which is itself correlated with company size). An interview-based study documents that the costs vary by the type of proposal.³⁵⁶ Because these surveys involve small samples of uncertain representativeness, the available data may be subject to response bias. For example, if companies with higher compliance costs are more likely to respond to surveys about compliance costs, then the responses would overestimate the magnitude of the direct costs of Rule 14a–8. However, if the responses include only external costs, then the survey responses would understate the direct costs since internal costs associated with a company's response to Rule 14a–8 proposals would not be captured. Surveys can also be subject to design concerns such as whether questions might influence survey responses. Thus, we cannot provide a reliable aggregate estimate of total annual issuer compliance costs.³⁵⁷ We invite comments on data that would support such an estimate.

Where a company seeks to exclude a Rule 14a–8 proposal, the data in section IV.B.3.a suggest that complying with the notice requirement in Rule 14a–8(j) is an additional resource-intensive process.³⁵⁸ Specifically, over the 2022–

reporting allocations of 1–10%.”). As a caveat, the sample consists of 35 very large companies, and thus the numbers may not be representative of all firms.

³⁵⁵ See Business Roundtable, *supra* note 113.

³⁵⁶ See Timothy M. Doyle & Robert G. Eccles, *Rule 14a–8 in Practice: A Descriptive Account from Twenty Interviews*, available at <https://roberteccles.com/wp-content/uploads/2026/07/RBI-Rule-14a-8-in-Practice.pdf>.

³⁵⁷ The costs discussed here, which range in dollars from tens of thousands to one million, are small relative to the market capitalizations (in the billions and trillions) of S&P 500 companies which most Rule 14a–8 proposals target (see *supra* section IV.B.3.b). These costs would be proportionally more significant for smaller public companies.

³⁵⁸ Prior to Nov. 17, 2025, companies typically submitted these notices as no-action requests. Beginning that month, however, the Division determined to not respond to no-action requests for, and express no views on, companies' intended reliance on any basis for exclusion of shareholder proposals under Rule 14a–8, other than no-action requests to exclude a proposal under Rule 14a–8(j)(1). When a company's Rule 14a–8(j) notice included an unqualified representation that the company had a reasonable basis to exclude the proposal under Rule 14a–8, the Division issued a letter stating that, based solely on the company's or

2025 period, companies submitted 1,073 notices/no-action requests, corresponding to 33 percent of all proposals received.³⁵⁹ Also, the costs of the notice/no-action process could fluctuate from year to year depending on a variety of factors, such as the subject matter of the proposals submitted for inclusion and staff application of Rule 14a–8's exclusion bases and procedural requirements. Additional cost uncertainty could arise from negotiation between companies and proponents that seek private resolution and proposal withdrawal. A withdrawal, with any concessions by the company, could be lower cost for the company than proceeding to proposal inclusion (or else it would not likely decide to engage in negotiation in the first place), as well as possibly lowering costs for non-proponent shareholders who would not need to review the proposal.³⁶⁰ Negotiation could fail, however. In that case, the direct costs of proceeding with proposal inclusion would still apply, with the added burden of the negotiation expenses.³⁶¹

The cost savings from the proposed rescission would not be uniformly distributed across companies. Over the 2022–2025 period, 716 companies received at least one proposal, with an average of 2.0 proposals per company and a median of one. The gap between the mean and the median indicates a distribution in which a small number of companies receive a disproportionately large share of proposals, while most companies that receive at least one proposal receive only one. Companies receiving large numbers of proposals involving complex issues would experience substantially greater savings than companies receiving one or two proposals involving less complex issues. Companies receiving no proposals

counsel's representation, it would not object to the company omitting the proposal from its proxy materials. See U.S. Sec. & Exch. Comm'n, Division of Corporation Finance, *Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a–8 Process for the Current Proxy Season* (Nov. 17, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/statement-regarding-division-corporation-finance-role-exchange-act-rule-14a-8-process-current-proxy-season>. See also *supra* note 294 (discussing the Division's Aug. 14, 2026 statement announcing, among other things, the Division's determination to discontinue responding to Rule 14a–8 no-action requests altogether).

³⁵⁹ With respect to all shareholder proposals received for meetings held in the 2022–2025 period, the staff received approximately 198 notices of intent to exclude a shareholder proposal.

³⁶⁰ See *infra* sections IV.C.1.a.iii and iv.

³⁶¹ While 12% of Rule 14a–8 proposals are withdrawn (see *supra* section IV.B.3.a), we do not have visibility into the degree of private negotiation.

³⁴⁹ See 2020 Adopting Release at 70245 n.63.

³⁵⁰ Inflation calculations use historical annual data on the GDP price index from 2020 to 2025, along with the Congressional Budget Office's most recent projection of the increase in the GDP price index from 2025 to 2026, to convert 2020 dollars to 2026 dollars.

³⁵¹ See PRA Table 1, table note 1.

³⁵² See *infra* note 420.

³⁵³ See PRA Table 1, table note 2, along with the public memo, section 2.4, “Use of Occupational Hourly Rates for Monetizing Internal and External Burdens,” which explains that “Commission staff may determine that it is appropriate to apply the same occupational hourly rate to monetize burden hours” when “external labor and internal labor have equivalent knowledge, skills, and abilities for a task.” The \$49,000 is a rounded estimate that reflects the sum of internal costs (80.25 hours × \$462 = \$37,000) and external costs (20.75 hours × \$462 = \$12,000).

³⁵⁴ See Cunningham (2026), *supra* note 110. The survey was open from Nov. 19 through Dec. 24, 2025. The reported cumulative four-season expenditures span a wide range: 20.0% (n=7) reported cumulative costs of less than \$100,000, 25.7% (n=9) report cumulative costs between \$100,000 and \$250,000, 17.1% (n=6) report a range between \$251,000 and \$500,000, 14.3% (n=5) report costs between \$501,000 and \$1,000,000, and 11.4% (n=4) report costs above \$1,000,000. Cunningham (2026) also reports results for distribution of these costs (“Reliance on outside counsel accounts for a substantial portion of these costs. Most company respondents (57.1%, n=20) report that more than half of their Rule 14a–8 compliance costs are paid to external lawyers, including 37.1% (n=13) indicating that more than 75% of costs are external and 20.0% (n=7) reporting allocations of 51–75%. Only a small minority report minimal or no spending on outside counsel, including 2.9% (n=1) reporting zero external costs and 5.7% (n=2)

would experience minimal direct cost savings.

Several factors would partially offset these savings. First, the rescission may result in the loss of value-increasing proposals, and this would represent a cost to companies and their shareholders. Although theoretical arguments support a valuable role for nonbinding shareholder proposals as a communication and engagement mechanism, the empirical evidence on their economic impact is mixed. Some empirical research suggests that Rule 14a–8 proposals can improve company performance by motivating value-enhancing policy changes, limiting insider entrenchment, and providing management with useful information about shareholder views.³⁶² The counterview is that shareholder proposals can result in costs for companies and for those shareholders who do not support a given proposal, as they require company resources to address (including the cost of diverting attention of management and the board from their primary responsibilities).³⁶³ The fact that many proposals often receive less than majority support³⁶⁴ suggests that they may address issues of interest primarily to a minority of shareholders rather than shareholders more broadly and therefore can result in costs without commensurate benefit,³⁶⁵ although minority support alone does not mean a proposal is not important or of no value to the company.

Second, State law or company governing documents that require inclusion of shareholder proposals in circumstances similar to Rule 14a–8 would reduce the full savings described above. To the extent that a State adopts statutory criteria governing the inclusion of shareholder proposals, or, if State law permits, a company incorporates such criteria into its charter or bylaws, companies subject to those requirements would continue to bear many of the same processing costs they currently incur under Rule 14a–8,

regardless of whether the Federal rule is rescinded.³⁶⁶ The degree to which this factor offsets the direct cost savings from the proposed rescission would depend on how States and companies respond to the proposed rescission, which is uncertain at this time and would likely vary across jurisdictions and companies.

Third, savings would be partially offset if proponents were to decide, should Rule 14a–8 be rescinded, to conduct independent solicitations and management were to choose to engage with them. Under current rules, companies facing independent solicitations may choose to include proponent proposals in their own proxy materials to obtain discretionary voting authority,³⁶⁷ incurring many of the same costs as they would when facing a shareholder proposal submitted under Rule 14a–8. Additionally, savings from the proposed rescission could be partially offset if proponents switch to alternative engagement mechanisms such as calling a special meeting, acting by written consent, utilizing proxy access provisions (where available), and submitting floor proposals, as issuers would have to expend resources. The overall magnitude of such offsetting effects is difficult to quantify because it is difficult to ascertain how proponents, companies, and States may respond to the proposed rescission.

Fourth, the proposed rescission is being considered alongside proposed amendments to Rule 14a–4(c)(2). As discussed in section IV.B.2, those amendments may reduce the probability that a proposal submitted through independent solicitation would receive majority support, all else equal. This may reduce proponents' incentives to conduct their own solicitations as a substitute for the Rule 14a–8 process. The volume of independent solicitations, and therefore the degree to which the benefits of the proposed rescission would be offset by substitution activity, likely would be smaller under the combined set of proposed amendments than under the proposed rescission of Rule 14a–8 alone.

ii. Reallocation of Managerial Resources and Reduction in Agency Costs

Beyond the direct costs described above, addressing shareholder proposals generates indirect opportunity costs: the time and attention that management and the board devote to shareholder proposals could otherwise support core business functions, strategic planning, and other value-enhancing activities. To the extent the proposed rescission reduces the total volume of proposals, rather than simply redirecting them to alternative channels, it would free those resources for value-enhancing activities. The magnitude of this benefit therefore depends on the degree to which proposals are actually forgone following rescission rather than substituted through alternative mechanisms, and the extent to which freed up managerial resources are used for value-enhancing activities, which is uncertain and is discussed further in the context of the offsetting factors above.

The proposed rescission of Rule 14a–8 could affect agency costs in two opposing ways. On the one hand, where management or the board has private incentives to resist proposals that would benefit shareholders, they may devote more resources to opposition than shareholder value maximization requires. To the extent rescission eliminates such proposals, it would reduce this wasteful expenditure. On the other hand, if rescission eliminates value-enhancing proposals, then it would increase rather than reduce agency costs. The net effect on agency costs therefore depends on the distribution of proposals between those that are value-enhancing and those that are not. The two effects cannot be bifurcated with available data, and we accordingly treat the net agency cost effect of rescission as uncertain.

A related benefit of the proposed rescission of Rule 14a–8 would be the reduction in management's perceived pressure to implement value-reducing proposals. Because Rule 14a–8 proposals are generally nonbinding, implementation is often discretionary. Academic evidence suggests that management sometimes implements value-reducing proposals due to reputational concerns about disregarding proposals that receive widespread shareholder support.³⁶⁸ The costs of implementing value-reducing proposals are distinct from processing costs; the proposed rescission could reduce both. The magnitude of this effect is uncertain as the frequency of such implementations and the

³⁶² See, e.g., Vicente Cuñat et al., *The Vote Is Cast: The Effect of Corporate Governance on Shareholder Value*, 67 J. Fin. 1943 (2012); Luc Renneboog & Peter G. Szilagyi, *The Role of Shareholder Proposals in Corporate Governance*, 17 J. Corp. Fin. 167 (2011); John G. Matsusaka, Oguzhan Ozbas & Irene Yi, *Opportunistic Proposals by Union Shareholders*, 32 Rev. Fin. Stud. 3215 (2019) (“Matsusaka et al. (2019)”).

³⁶³ See, e.g., Gantchev Article, *supra* note 144; Maxime Couvert, *What Are the Firm Value Implications of SEC-Challenged Shareholder Proposals?*, 71 Mgmt. Sci. 4533 (2025) available at <https://doi.org/10.1287/mnsc.2022>.

³⁶⁴ See section IV.B.3.a for data.

³⁶⁵ See, e.g., Stuart L. Gillan & Laura T. Starks, *Corporate Governance Proposals and Shareholder Activism: The Role of Institutional Investors*, 57 J. Fin. Econ. 275 (2000) (“Gillan & Starks (2000)”).

³⁶⁶ Since a company's decision to adopt provisions in its governing documents regarding the inclusion of shareholder proposals (absent a State law requirement) would be within its control, it seems reasonable to assume that the company would elect to adopt such a provision, and accept its attendant costs, only if it determines that doing so is beneficial.

³⁶⁷ See *supra* section II.B.1.

³⁶⁸ See Gantchev Article, *supra* note 144.

associated reduction in value are not directly observable from available data.

iii. Potential Improvements in the Focus of Corporate Communications

A related potential benefit of the proposed rescission is a reduction in the burden that low-value proposals impose on the broader shareholder base. Where proposals reflect concerns not broadly shared by the shareholder base, the inclusion of proposal text, supporting statements by proponents, and any voluntary opposition statements by the company in its proxy materials may consume shareholder attention without commensurate benefit, potentially distracting from communications of greater relevance. Under the current rule, this cost falls not just on companies but also on all shareholders who review and process the resulting proxy materials. To the extent the proposed rescission reduces the frequency of such proposals, it could allow the proxy materials to serve more effectively as a channel for communications relevant to the broader shareholder base. The magnitude of this benefit depends on the proportion of forgone proposals that would not have provided meaningful informational value to the broader shareholder base, an issue that the available data do not allow us to assess with confidence. In addition, although not commonly used today, any potential reduction in shareholder communications might be offset by an increase in use of electronic shareholder forums permitted by Rule 14a-17 as an alternative option for communication.

iv. Reductions in Voting Costs for Shareholders and Their Fiduciaries

Voting shareholders (including institutional investors acting on behalf of beneficiaries) currently incur costs to analyze proposals, cast votes, and report on voting decisions to their own stakeholders (if any). These costs scale with the volume and complexity of proposals each proxy season. The proposed rescission of Rule 14a-8 would reduce these costs to the extent it reduces the number of proposals presented for a vote.

The baseline data show that over the 2022 to 2025 period, the average voted proposal received support from 26 percent of votes cast, with a median of 21 percent, and approximately 90 percent of voted proposals failed to pass.³⁶⁹ These figures are consistent with the view that a large portion of proposals submitted under Rule 14a-8 do not reflect broadly shared

shareholder concerns. To the extent that such proposals do not reflect broadly shared shareholder concerns, a reduction in their number would allow shareholders and their fiduciaries to redirect time and resources to more productive uses. Voting support is, however, a noisy signal of proposal quality: shareholder apathy, management solicitation against proposals, proxy advisor recommendations, and institutional voting policies may all affect the measured support independently of the underlying proposal value. Accordingly, these figures are not able to speak to whether the proposals most likely to be forgone following the proposed rescission necessarily would be those of low value for companies and shareholders.

For institutional investors acting as fiduciaries, the voting costs described above carry legal significance beyond their administrative dimension. Depending on the scope of voting authority assumed in the relationship, investment advisers, pension fund managers subject to the Employee Retirement Income Security Act of 1974, and other institutional investors subject to analogous fiduciary frameworks can be responsible for making voting determinations for their clients or beneficiaries. Under these circumstances, the voting determinations must be consistent with the relevant fiduciary duties of the party, and in many cases votes are documented and reported.

These obligations can result in costs that scale directly with the number of proposals presented for a vote: each additional proposal can involve incremental analysis, documentation, and reporting regardless of the ultimate voting outcome. This cost may be partially, but not fully, mitigated to the extent that institutional fiduciaries retain proxy advisory firms to provide voting recommendations or voting execution services.³⁷⁰

To the extent that a meaningful share of current Rule 14a-8 proposals do not reflect broadly shared shareholder concerns, institutional fiduciaries currently can incur voting-related costs on proposals that may generate limited

value for their clients.³⁷¹ The proposed rescission would reduce these fiduciary voting-related costs to the extent it reduces the number of proposals presented for a vote. However, the magnitude of this benefit cannot be quantified with available data.

b. Costs of the Proposed Rescission of Rule 14a-8

We identify two principal categories of costs: costs to shareholder proponents, and costs to non-proponent shareholders and the broader shareholder base. As with the expected benefits, these costs would be reduced to the extent that State law or company governing documents require inclusion of shareholder proposals in certain circumstances.

i. Costs to Proponents

Direct costs due to rescission. Submission of shareholder proposals pursuant to Rule 14a-8 is generally the only mechanism currently available to shareholders for communicating their views or concerns directly to the full shareholder base through the company's own proxy materials. Rescission would remove this mechanism, leaving an independent proxy solicitation as the most direct substitute available to proponents.³⁷² Although technological and regulatory developments have reduced the cost of independent proxy solicitation, the cost differential between independent solicitation and the Rule 14a-8 submission process is likely to be meaningful for many proponents; the magnitude of that differential, however, is uncertain. Theoretical work on shareholder engagement suggests that shareholders will use more costly forms of engagement only when expected benefits exceed expected costs.³⁷³ Accordingly, we anticipate that the proposals most likely to be pursued through independent solicitation

³⁷¹ A client and its investment adviser may agree that the adviser would not exercise voting authority on certain types of matters where the cost of voting would be high, or the benefit to the client would be low. See *id.* at discussion accompanying n.35. As a result, the extent to which advisers incur voting-related costs on shareholder proposals depends, in part, on the agreement between the adviser and its client on the scope of the adviser's authority and responsibilities to vote proxies on behalf of the client.

³⁷² Shareholder proponents may also be able to use social media campaigns, shareholder forums, and exempt solicitations as a means of communicating with management and fellow shareholders, although as discussed below, these alternative mechanisms are unlikely to be as effective as conducting an independent solicitation.

³⁷³ See Andrei Shleifer & Robert W. Vishny, *Large Shareholders and Corporate Control*, 94 J. Pol. Econ. 461 (1986), available at <https://www.jstor.org/stable/1833044> ("Shleifer & Vishny (1986)").

³⁶⁹ See *supra* Table 2 in section IV.B.3.a.

³⁷⁰ For example, the Commission has stated that investment advisers retaining proxy advisory firms should consider taking steps to evaluate whether the proxy advisory firm's voting recommendations are consistent with its voting policies and procedures and in the client's best interest before the votes are cast, which could include a higher degree of analysis for certain votes. See *Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers*, Investment Advisers Act Release No. 5325 (Aug. 21, 2019) [84 FR 47420 (Sept. 20, 2019)].

following the proposed rescission would be those with the greatest value-enhancement potential for the broader shareholder base or those that benefit the proponent's private interests (and not those of the broader shareholder base), while proposals with lower value-enhancement potential would more likely be forgone or pursued through other channels.

The substitution effect from Rule 14a–8 proposals to independent solicitations would depend on the cost structure of independent solicitation and the distribution of value-enhancing proposals in the current baseline. Proxy solicitation costs are generally lower with respect to smaller companies, as they tend to have less dispersed ownership, making it easier for proponents to reach a large fraction of a company's shareholders. The baseline data indicate that 23 percent of proposals submitted between 2022 and 2025 were directed to non-S&P 500 companies. This distribution could shift towards smaller companies following the proposed rescission. At the same time, smaller companies tend to have more concentrated insider ownership, which could reduce the probability that an independent solicitation will succeed and thereby partially offset the cost advantage of targeting smaller companies.

The proposed rescission could disproportionately affect less well-resourced proponents—including individual retail investors and smaller advocacy groups—for whom independent solicitation could be cost-prohibitive. Individual proponents accounted for approximately 45 percent of proposals submitted between 2022 and 2025, a share that rose to 53 percent in 2025. Whether this increase reflects a trend or year-to-year variation is uncertain, but it suggests that a group of proponents potentially most affected by the proposed rescission may be a group that has accounted for a growing share of proposal activity under the baseline.

Proposals submitted by individual proponents received higher voting support (average: 32 percent; median: 31 percent) and a higher majority support rate (14 percent of voted proposals) than those submitted by institutional proponents (average: 20 percent; median: 15 percent; majority support rate: 6 percent of voted proposals).³⁷⁴ Subject to the caveat about the noisiness of voting support as a signal of proposal value,³⁷⁵ these figures indicate that

individual proponents are more likely to submit proposals reflecting broadly shared shareholder concerns. The loss of Rule 14a–8 as an engagement mechanism for this group therefore could result in governance costs, the magnitude of which depends on the degree to which individual proponent proposals generate value for the broader shareholder base and on the degree to which State law or the company's governing documents allow similar access for shareholder proponents in a world without Rule 14a–8.³⁷⁶

Costs associated with switching to alternative engagement mechanisms. The costs to proponents could be mitigated by utilizing alternative engagement mechanisms. Several alternatives to Rule 14a–8 may be available where permitted by State law and a company's governing documents. First, as discussed above, subject to State law and a company's governing documents, proponents may be able to nominate directors (proxy access), call special meetings, or act by written consent. These mechanisms can provide engagement channels for shareholders. Their availability is not uniform, however, and companies with more restrictive governing documents would offer shareholders fewer substitutes, increasing the engagement costs for proponents. Also, engagement based on the Rule 14a–8 process provides companies with a lower friction, lower reputation cost mechanism to come to an agreement and learn about shareholder preferences. Switching to these alternative engagement mechanisms, even if available, might increase costs for both proponents and companies.

Second, exempt solicitations—including public advocacy campaigns, vote-no campaigns, and other communications intended to influence voting without involving a shareholder proposal—are available as an alternative to the Rule 14a–8 proposal submission process.

Third, voting in director elections, participating in say-on-pay votes, and divesting are all available alternative

engagement mechanisms to shareholders but are not perfect substitutes for the type of proactive shareholder engagement that Rule 14a–8 proposals enable. For example, divestment is an exit mechanism rather than a direct engagement mechanism, and its effectiveness as a substitute for engagement under Rule 14a–8 depends on the size of the shareholder's stake and the significance of the exit threat. These are conditions that are least likely to be met by the smaller individual shareholders that may be most affected by the proposed rescission.

Fourth, social media platforms could serve as a lower-cost alternative engagement mechanism for some proponents compared to independent solicitation.³⁷⁷ However, as noted in section IV.B.3, social media engagement is a less formal and direct mechanism for influencing specific corporate governance issues and outcomes than the Rule 14a–8 submission process, and the evidence on its effectiveness as a substitute is limited. The net effect of rescission on social media engagement is uncertain—the proposed rescission may prompt some proponents to shift their engagement to social media, while others may disengage entirely in the absence of a formal proposal mechanism.

Lastly, proponents may engage in informal communications with management. For smaller proponents, such communications are less likely to compel management attention. Some small or resource-constrained proponents may find that better-resourced shareholders with aligned interests are willing to sponsor solicitations on their behalf, particularly for proposals with greater expected benefits. The extent to which this substitution would occur is uncertain. Multiple proponents targeting the same company may also have incentives to conduct joint solicitations, sharing the fixed cost component. As mentioned in section IV.B.3, however, shareholders with five percent or greater beneficial ownership may be deterred from pursuing this channel to the extent their contemplated engagement could affect their eligibility to use Schedule 13G rather than Schedule 13D.

Taken together, these alternative mechanisms of engagement may not provide a uniform or complete substitute for the Rule 14a–8 process. Their availability and effectiveness vary systematically with shareholder size, company governing documents, and State law in ways that may disadvantage smaller proponents and shareholders of

support independently of proposal value. *See supra* section IV.C.1.a.iv.

³⁷⁶ According to researchers, Rule 14a–8 can serve as a valuable advisory role by providing a cost-effective method of communicating shareholder views to management, whose decisions benefit from managerial learning when there is large heterogeneity in beliefs about such decisions. This is especially important for shareholders who are not able to engage with management directly. *See* Ali Kakhbod et al., *Advising the Management: A Theory of Shareholder Engagement*, 36 Rev. Fin. Stud. 1319 (2023), available at <https://ssrn.com/abstract=3231365> (retrieved from SSRN Elsevier database) (“Kakhbod et al., 2023”).

³⁷⁷ *See supra* section IV.B.3.c and note 333.

³⁷⁴ *See supra* Table 2 in section IV.B.3.a.

³⁷⁵ Shareholder apathy, management solicitation against proposals, proxy advisor recommendations, and institutional voting policies may all affect

companies with governing documents that have more restrictive requirements related to shareholder proposals. The costs of the rescission would be higher for proponents of companies whose governing documents and State laws provide fewer (or no) alternative mechanisms, and lower with respect to companies whose governing documents and State laws provide more mechanisms. The revealed preferences of current proponents are consistent with the view that they regard the Rule 14a-8 process as preferable to the available alternatives, though this preference may reflect factors other than the relative cost and effectiveness of the mechanisms, such as familiarity and the formal structure of the process.

Costs associated with loss of shareholder leverage in negotiations with management. Although not the intended use of Rule 14a-8, proponents may also lose a means for exercising leverage in private negotiations with management. Between 2022 and 2025, approximately 12 percent of proposals submitted under Rule 14a-8 (382 in total) were withdrawn prior to the applicable meeting, suggesting that negotiated withdrawals following communication between management and proponents occurred in some or many of these cases.³⁷⁸ The frequency of such negotiated outcomes reflects the bargaining structure that Rule 14a-8 creates: a proponent can credibly threaten to place a proposal on the company's proxy at near-zero marginal cost to the proponent but at a cost to the company. This asymmetric cost structure incentivizes company management to negotiate. Private negotiations are effective precisely because the threat is credible and cheap to execute for proponents. To the extent that these proposals were value-enhancing to the company, their withdrawals may represent improvements achieved without an actual vote. Withdrawal practices vary across proponent types: institutional proponents accounted for 60 percent of withdrawals despite submitting 47 percent of proposals, while individual proponents accounted for only 30 percent of withdrawals despite submitting 45 percent of proposals. As evidenced by this data, the negotiated withdrawal mechanism operates more prevalently with respect to institutional proponents. The potential unavailability of this mechanism as a result of the proposed rescission of Rule 14a-8 therefore would be expected to have a

greater impact on those proponents than individual proponents.

The potential value of Rule 14a-8 proposals as leverage in private negotiations with management could be gauged by the frequency of submissions and withdrawals of various shareholder proposals under Rule 14a-8. For example, environmental and social proposals accounted for 61 percent of withdrawals despite representing 53 percent of submissions, while governance proposals accounted for only 36 percent of withdrawals despite representing 45 percent of submissions. This higher withdrawal rate for environmental and social proposals suggests that proponents bringing proposals in this category may be more likely to negotiate with management and withdraw following engagement.³⁷⁹ The proposed rescission would eliminate this negotiation-and-withdrawal channel along with the Rule 14a-8 submission process. This analysis assumes that, absent Rule 14a-8, companies would not engage with shareholder proponents; however, that assumption may not be accurate, as some companies may still choose to negotiate privately with proponents even without the possibility of being compelled to include a shareholder proposal in their proxy materials if alternative engagement mechanisms are employed.³⁸⁰ Accordingly, the extent to which the proposed rescission of Rule 14a-8 would reduce such engagement is uncertain.

ii. Costs to Non-Proponent Shareholders

The costs of the rescission could extend beyond proponents to the broader non-proponent shareholder base through several channels.

Loss of valuable shareholder engagement mechanism. The proposed rescission of Rule 14a-8 could generate costs for non-proponent shareholders through the loss of value-enhancing shareholder proposals that Rule 14a-8 currently facilitates, although academic evidence on the value of Rule 14a-8 proposals is mixed. This cost may be mitigated to the extent that proponents use available mechanisms under State law and company governing documents to bring about the same result as they currently do under Rule 14a-8. As discussed in section IV.C.1, theory holds that shareholders engage only when expected benefits exceed expected

costs, and the value of engagement to shareholders varies along a continuum depending on its form.³⁸¹ As generally nonbinding instruments, Rule 14a-8 proposals occupy a comparatively low position on the value-enhancement continuum. Their value depends on shareholder participation in voting, management's willingness to implement proposals that pass or receive broad support, and any informational benefits due to management learning about shareholder preferences. A recent meta-analysis of the academic literature on shareholder activism finds that shareholder proposals have the smallest wealth effects of any form of shareholder engagement (close to zero on average) and notes that selective-reporting bias in the literature may lead to an overstatement of positive effects.³⁸² This evidence is consistent with the view that the average value of proposals forgone under the proposed rescission may be limited, though the cross-sectional variation in proposal value effects identified in the literature suggests that the forgone benefits due to rescission may be more significant for a subset of proposals than the average evidence implies.³⁸³

The literature does, however, identify meaningful cross-sectional variation in proposal value effects. Studies find more positive short-run market reactions for proposals related to eliminating poison pills, adopting cumulative voting, and reducing antitakeover protections.³⁸⁴ Some evidence suggests that environmental and social proposals passing by a small margin elicit a positive stock market reaction.³⁸⁵ Market reactions are also

³⁸¹ See Shleifer & Vishny (1986), *supra* note 373. The study notes that informal communications with management are less costly but also less likely to generate large value increases than more intensive forms of engagement (e.g., takeovers).

³⁸² See Josef Bajzik et al., *Does Shareholder Activism Create Value? A Meta-Analysis*, 33 Corp. Governance: An Int'l. Rev. 1039 (2025).

³⁸³ We note that it is difficult to isolate the effect of a single proposal on a company's stock price from the effects of other items voted on at the same meeting, or from concurrent direct engagement between shareholders and management. Also, observed stock price changes may reflect several effects simultaneously—including signaling effects from the proposal submission, market expectations about the voting outcome, and market expectations about the probability of implementation—making it difficult to attribute price movements to the proposal's governance content alone. These limitations do not invalidate the evidence discussed above, but they counsel caution in drawing strong causal inferences.

³⁸⁴ See Gillan & Starks (2000), *supra* note 365. This study examines a sample of proposals submitted between 1987 and 1994. Hence, the generalizability of some of the findings of this study to present time could be limited.

³⁸⁵ See Caroline Flammer, *Does Corporate Social Responsibility Lead to Superior Financial*

³⁷⁹ See Reena Aggarwal et al., *Public Sentiment Decomposition and Shareholder Actions* (Fisher Coll. Bus., Working Paper No. 2024-26, Dec. 2, 2024), available at <https://ssrn.com/abstract=5040715> (retrieved from SSRN Elsevier database).

³⁸⁰ See discussion in section IV.C.1.b.i.

³⁷⁸ See *supra* Table 1 in section IV.B.3.a.

higher for firms that have had poorer recent stock returns.³⁸⁶

The evidence on whether individual or institutional proponent proposals generate larger market reactions is also conflicting. One study finds higher market reactions for proposals sponsored by individuals than those sponsored by institutions;³⁸⁷ however, another study finds the opposite.³⁸⁸ One study finds that passing proposals submitted by the most active individual proponents result in negative abnormal returns and trigger sales by mutual funds that voted against them.³⁸⁹ Another study finds a negative market reaction to proposals submitted by labor unions in years when a new labor contract is being negotiated.³⁹⁰ This conflicting evidence indicates that the academic literature does not consistently identify proposals from any particular proponent category (or proposal subject matter) as uniformly value-enhancing or value-reducing.

Beyond short-run stock price evidence, the academic literature documents long-run value effects and corporate changes following proposal passage. One study finds that firms where proposals pass by a narrow margin subsequently improve on multiple operating dimensions, with the

adoption of these proposals estimated to raise long-run shareholder value by roughly 2.8 percent.³⁹¹ Subject to the caveat that long-run returns may reflect other concurrent changes, this evidence suggests that some benefits of the proposals are not fully captured in short-run stock price reactions, and that the forgone benefits of the proposed rescission may exceed what the short-run evidence alone implies.

Loss of a preference expression mechanism. Most shareholders do not initiate proposals but instead use voting on others' proposals to express their preferences. Between 2022 and 2025, 2,363 proposals were voted on across 716 companies, providing shareholders at those companies with a channel for expressing their preferences on certain topics at a generally lower cost than other channels of engagement. To the extent that fewer proposals would be presented following rescission, these shareholders may have fewer opportunities to use this mechanism. One study has shown that advisory votes can aggregate dispersed shareholder beliefs and convey that information to the board, enabling more informed governance decisions.³⁹² This aggregation is most valuable when shareholders hold value-relevant but dispersed beliefs.³⁹³ It is less effective when shareholder inputs are noisy or driven by motivations unrelated to company outcomes. The extent to which the loss of this mechanism represents a significant cost therefore depends on the composition of proposals that would be forgone.

Loss of informational signals from proposal activity and voting outcomes. The submission of proposals under Rule 14a–8 and the outcome of proxy voting provide informational signals to management about the distribution of shareholder support for specific

corporate policies and positions. These signals may be difficult to replicate through other channels, as the formal proposal and voting process provides a direct and quantified measure of shareholder sentiment on specific governance issues. To the extent that these signals provide benefits to companies (such as by enabling more informed corporate decisions, revealing shareholder dissatisfaction before it escalates to more disruptive forms of engagement, or prompting value-enhancing corporate policy changes), their loss represents a cost of rescission.³⁹⁴

The magnitude of this cost is uncertain and depends on the degree to which current proposals reflect value-enhancing shareholder beliefs rather than special interests. To the extent that proponents use available mechanisms under State law and company governing documents to bring about the same or similar result as they currently do under Rule 14a–8, this cost could be mitigated. Also, the effectiveness of informational signals from proposal voting is not uniform: signals are most valuable when management and shareholders differ in their beliefs about potential outcomes rather than in their underlying incentives, and less valuable when shareholder inputs are noisy or driven by motivations unrelated to firm outcomes. The available empirical evidence suggests that the informational value of proposal activity is heterogeneous rather than uniformly high or low—a meaningful subset of proposals appears to generate governance benefits that are not fully captured in contemporaneous voting outcomes, while a substantial proportion of proposals receive limited voting support and may have limited informational value for the broader shareholder base and for management.³⁹⁵ The forgone informational benefits of rescission may therefore be meaningful for a subset of proposals, even if the value of forgone proposals cannot be quantified with the

Performance? A Regression Discontinuity Approach, 61 *Mgmt. Sci.* 2549 (2015), available at <https://www.jstor.org/stable/24551545>. Nevertheless, the study also notes that “although [the] results imply that adopting close call [environmental and social] proposals is beneficial to companies, they do not necessarily imply that [environmental and social] proposals are beneficial in general.” In particular, the study finds that shareholder proposals on social and environmental issues receive low shareholder support, on average, and only a small and unrepresentative sample of shareholder proposals on social and environmental issues is associated with positive stock market reactions. See also Henk Berkman et al., *The Value Impact of Climate and Non-climate Environmental Shareholder Proposals*, 89 *J. Corp. Fin.* 102653 (2024), available at <https://ssrn.com/abstract=4748646> (retrieved from SSRN Elsevier database).

³⁸⁶ See Luc Renneboog & Peter G. Szilagyi, *The Role of Shareholder Proposals in Corporate Governance*, 17 *J. Corp. Fin.* 167 (2011). They also find potential poorer governance indicators such as the use of anti-takeover devices are related to higher stock price reactions to proposal announcements.

³⁸⁷ See Gillan & Starks (2000), *supra* note 365.

³⁸⁸ See Vicente Cuñat et al., *The Vote is Cast: The Effect of Corporate Governance on Shareholder Value*, 67 *J. Fin.* 1943 (2012) (“Cuñat et al., 2012”). The different findings of the cited papers may be attributable to different samples and methodologies used.

³⁸⁹ See Gantchev Article, *supra* note 144.

³⁹⁰ See Matsusaka et al. (2019), *supra* note 362. For similar evidence of stock market reaction to union-sponsored proposals, see Jie Cai & Ralph A. Walkling, *Shareholders' Say on Pay: Does it Create Value?*, 46 *J. Fin. & Quantitative Analysis* 299 (2011), available at <https://www.jstor.org/stable/pdf/23018411.pdf>; Andrew K. Prevost et al., *Labor Unions as Shareholder Activists: Champions or Detractors?*, 47 *Fin. Rev.* 327 (2012).

³⁹¹ See Cuñat et al., 2012, *supra* note 362. The study uses a regression discontinuity design around closely contested votes and finds that passage of a shareholder-sponsored corporate governance provision generates a 1.3% abnormal return on the day of the vote, an implied market value per provision of 2.8%, and evidence of changes in investment behavior and long-term performance improvements. The study uses Tobin's Q—the market value of a company's assets divided by the book value of its assets—as a measure of long-term performance, but this measure can be imprecise. In addition, the study's research design around closely contested votes may mean its findings are less applicable to less contested votes.

³⁹² See Kakhbod et al., 2023, *supra* note 376.

³⁹³ Value-relevant but dispersed beliefs means that shareholders have private information about the value of the company, with each shareholder possessing a piece of information that is different from what other shareholders possess. Thus, shareholder engagement can be beneficial because shareholders learn about those private pieces of information.

³⁹⁴ For example, an academic study finds that higher voting support for environmental and social proposals can predict future firm risk, which in turn affects firm value—suggesting that voting outcomes contain forward-looking information not captured through other channels (see Yazhou Ellen Heet et al., *ES Risks and Shareholder Voice*, 36 *Rev. Fin. Stud.* 4824 (2023)). In a similar vein, other studies show that the number of shareholder proposals predicts subsequent forced CEO turnover and director turnover, indicating that proposal activity is informative about shareholder dissatisfaction with real governance consequences (see *supra* note 389). The empirical literature also documents concrete governance changes and long-run value effects following proposal activity.

³⁹⁵ See Gantchev Article, *supra* note 144; Kakhbod et al., 2023.

available data and the average value of forgone proposals is limited.

Loss of informational signals from management responses. Non-proponent shareholders also benefit from the information conveyed through management's responses to proposals—including opposition statements, pre-vote adjustments,³⁹⁶ and negotiated withdrawals—which may reveal the management's views and priorities on various issues and how the board responds to shareholder concerns. The proposed rescission would remove this signaling mechanism, potentially reducing the ability of shareholders to learn of management's governance priorities. The magnitude of this cost depends on how management has responded under the current framework, which may vary across companies and proposals, and on the degree to which that information is not available through other channels. To the extent that management's responses are perfunctory or that the information they convey is available through other disclosure mechanisms, the loss of this signaling channel would represent a smaller cost to non-proponent shareholders.

Informational spillovers to the broader market. Shareholder activity and voting results currently generate informational spillovers beyond the shareholders of individual companies. Voting outcomes on proposals at one company may provide signals that other companies and their shareholders can use to assess corporate policies and shareholder sentiment more broadly. The proposed rescission could reduce these spillovers, representing a cost to the broader market and to companies. The magnitude of this cost depends on two conditions: the degree to which voting outcomes at one company provide information not already available through other channels, and the degree to which the proposals most likely to be forgone following the proposed rescission are those that generate the most valuable spillovers. To the extent that the proposals most likely to be forgone are those with limited informational value for the broader market, as suggested by the low average voting support documented in the baseline data, the reduction in informational spillovers may be modest. Conversely, to the extent that a meaningful subset of forgone proposals would have generated valuable

spillovers (e.g., proposals addressing governance issues that are common across companies or industries), the cost to the broader investment community could be more significant.

Transition costs. The proposed rescission could also impose transition costs on companies, proponents, and non-proponent shareholders in the period after the proposed rescission of Rule 14a–8, during which State law and private ordering and alternative engagement practices generally may develop. Rule 14a–8 has governed the shareholder proposal process for more than 80 years, and both companies and proponents have developed governance and engagement practices around its provisions. Many companies have established internal processes and governance approaches premised on the existence of a Federal rule; many proponents have organized their engagement strategies around the rule's requirements, including those regarding eligibility, submission deadlines, and substantive standards. The rescission of Rule 14a–8 would require both groups to develop new frameworks and practices during a period of legal uncertainty, before State legislatures and courts have taken any steps to address unresolved questions left by the rescission of the Federal rule. The transition period may also be associated with elevated litigation costs, to the extent that the frequency of disputes about whether a proposal is a proper subject for shareholder action under State law increases following the proposed rescission. These litigation costs may include court fees, legal representation and the time and resources required to resolve disputes through court proceedings.

The magnitude of the impacts and duration of this transition period are uncertain and would depend on the degree to which State law and private ordering develop frameworks that address shareholder proposal activity in the absence of Rule 14a–8 and the pace at which State legislatures act, State courts resolve relevant legal questions, and companies and their shareholders agree upon new frameworks and practices. It is possible that this transition period could extend for several years. These transition costs would be temporary in nature and would diminish if and to the extent State law develops and private ordering is implemented, but they may be significant in the near term.

Non-proponent shareholders could also be affected during the transition period to the extent that legal uncertainty about the standards applicable to shareholder proposals

affects the governance of companies in which they hold shares. The degree to which non-proponent shareholders are affected similarly would depend on the pace of the transition and the degree to which State law and private ordering develop frameworks that address shareholder proposal activity in the absence of Rule 14a–8.

2. Proposed Amendments to Rule 14a–4(c)

The proposed amendments to Rule 14a–4(c) address an externality that is related to that arising in the context of Rule 14–8 but is also distinct: under current Rule 14a–4(c)(2), a proponent's decision to conduct an independent solicitation can lead to costs for a company that the proponent does not bear and therefore does not internalize. Specifically, a company is restricted from exercising discretionary voting authority with respect to an omitted proposal if the proponent distributes its own proxy materials to holders of at least the percentage of the company's voting shares required under applicable law to carry the proposal and satisfies related procedural requirements.³⁹⁷ Once the proponent satisfies that threshold, the company faces a binary choice: include the proposal in its proxy materials and bear the associated inclusion and solicitation costs, or omit it and forgo the ability to collect and cast votes on the proposal through its proxy card.³⁹⁸ Neither option is costless, and the company cannot recover the costs imposed by either choice.

Amendments to the proxy rules to facilitate the universal proxy rules adopted in 2021 increased the significance of this choice.³⁹⁹ A proponent soliciting votes for its proposals may include the company's director nominees on its own proxy card even when it does not nominate competing directors.⁴⁰⁰ This “zero slate” structure allows shareholders to vote on the company's nominees and on the proponent's proposals using the proponent's proxy card. If the company omits the proponent's proposals, shareholders may shift to the proponent's card in order to be able to vote on both the company's nominees and the proponent's proposals. A company may conclude that it has little practical choice but to include the proponent's proposals in its own proxy

³⁹⁶ Pre-vote adjustments refer to the processes used by financial institutions, broker-dealers, and institutional investors to accurately determine which investors are entitled to vote and precisely reconcile the number of shares that can be voted before the proxy materials are sent and the votes are submitted.

³⁹⁷ See section II.B.1 for a description of the current regulatory framework governing a company's discretionary voting authority.

³⁹⁸ See *supra* section IV.B.3.b.

³⁹⁹ See section II.B.3 for a description of Rule 14a–4(d)(1) and its interaction with current Rule 14a–4(c)(2).

⁴⁰⁰ See *supra* section II.B.3.

materials and bear the associated costs if it wants shareholders to use its proxy card, even though neither State law nor the Federal proxy rules require their inclusion.

The proposed amendments to Rule 14a-4(c) would address both the general and zero-slate cases by replacing the solicitation threshold with an individual shareholder opt-out check box. A company that omits a proposal would remain able to collect and cast votes on it through discretionary voting authority, except for shares represented by proxy cards on which shareholders opt out. In a zero-slate campaign, the company would likewise no longer need to include the proponent's proposals on its proxy card to exercise proxy voting authority with respect to those proposals. The following economic analysis examines the potential benefits and costs of the proposed amendments to Rule 14a-4(c), including the potential effects on proposal volume, proposal composition, and shareholder voting. The proposed amendments could increase the number of proposals that companies omit from their proxy cards and reduce the number of proposals submitted by proponents, with consequences for shareholder voting and governance examined below. We also examine the interaction of the proposed amendments to Rule 14a-4(c) with the proposed rescission of Rule 14a-8.

To illustrate the effects of the proposed amendments to Rule 14a-4(c) on shareholder voting, consider a scenario in which: (i) a proponent submits a proposal outside of Rule 14a-8 and delivers its own proxy materials to holders of the percentage of the company's shares necessary to carry the proposal; and (ii) the proposal is timely received by the company. Under the current rule, the company faces a binary choice: include the proposal in its proxy materials in order to exercise proxy voting authority with respect to that proposal (because it cannot exercise discretionary voting authority with respect to the proposal) or omit the proposal from its proxy materials and forgo the ability to exercise proxy voting authority with respect to that proposal. Assume additionally within the scenario that: (iii) the company omits the proponent's proposal from its proxy card while providing the disclosure required under Rule 14a-4(c)(2); and (iv) a shareholder signs the company's proxy card. Under the baseline, this shareholder's proxy is counted as a non-vote on the proponent's proposal (*i.e.*, a vote not cast) because the company lacks any proxy voting authority on the proposal. Under the proposed

amendments, the company would be allowed to exercise discretionary voting authority on the proposal with respect to the shares of any shareholder who signs the company's proxy card and does not check the proposed opt-out check box, allowing the company to vote the shareholder's proxy in accordance with the company's disclosed intention.

The proposed amendments would therefore enable a company to exercise discretionary voting authority on the proposal without including the proposal in its proxy materials, reducing certain costs of inclusion where a company chooses to omit a proposal from its proxy card. The proposed amendments would also provide an additional option to a shareholder who uses the company's proxy card where the company omits the proposal: such a shareholder would be able to preserve the baseline of a non-vote outcome by checking the proposed opt-out box in lieu of having its vote cast through the company's discretionary authority by leaving the box unchecked.

a. Direct Cost Savings to Issuers

When a proponent submits a proposal outside of Rule 14a-8, delivers its own proxy materials to holders of the percentage of the company's shares necessary to carry the proposal, and ensures the proposal is timely received by the company, the company currently faces a binary choice between inclusion and omission—where omission means forgoing any ability to receive and exercise proxy voting authority from shareholders through its own proxy card with respect to the proposal. The proposed amendments do not change this binary choice, but they do change the consequence of choosing omission. Under the proposed amendments, a company that omits a proposal from its proxy card can receive and exercise discretionary voting authority, subject to the proposed opt-out check box. Where companies that currently would have otherwise included the proposal but choose to omit a proposal under the proposed amendments, they would no longer face certain direct costs associated with inclusion.

Under the baseline, few practical differences exist between a company's activities and costs in connection with inclusion and omission: a company would generally conduct legal review, management and board review, and communications with outside consultants in both cases. The costs that vary between inclusion and omission consist primarily of the incremental costs of including the proposal and the board's recommendation to

shareholders regarding the proposal in the proxy materials and conducting active solicitation campaigns that some companies undertake when including a proponent's proposal on their proxy card.

Active solicitation efforts may involve proxy solicitation firms, investor outreach, and substantial management time, which can collectively be a significant cost driver.⁴⁰¹ To the extent the proposed amendments enable companies to omit a proposal from their proxy card while still collecting and casting votes through discretionary voting authority, they may reduce the costs associated with active solicitation campaigns. The magnitude of this cost saving depends in part on the degree to which shareholders actively use the proposed opt-out check box, as discussed in section IV.B.2.f below. To the extent shareholders do not check the box, management may be able to exercise discretionary authority over a substantial proportion of votes, reducing the need for active solicitation efforts.

The cost savings identified above are also related to the costs that the proposed amendment may impose on certain shareholders. Under the baseline, companies that ultimately include proposals may respond by conducting active solicitation campaigns. The proposed amendments give these companies the option to switch to omission while retaining the ability to exercise discretionary voting authority, generating the largest cost savings for companies that currently bear the highest costs of inclusion and active solicitation. At these same companies, however, shareholders who wish to vote in a manner that is opposite to management's intended vote currently have a direct path to doing so through the company's proxy card because the proposal is included on the company's card, which is a path that would be removed if the company switches to omission. The cost savings to the company and the loss of voting options for shareholders who wish to vote opposite to management's intended vote on the company's card are therefore two consequences of the same decision by the same set of companies. This analysis is subject to the qualification that not all companies will switch to omission: some may continue to include proposals for strategic or reputational reasons, in which case neither effect would materialize.

⁴⁰¹ See *supra* section IV.B.3.b, at Table 4. For companies, mean (median) reported estimates of solicitation expenses in election contests with proposals at shareholder meetings held in 2022–2025 were \$5,460,302 (\$825,000).

b. Potential Compliance Costs Incurred by Issuers

Issuers who take advantage of the additional flexibility with respect to discretionary voting authority would face compliance costs of doing so. These compliance costs are estimated to be approximately \$1,100 annually in aggregate across all affected issuers, reflecting \$625 per hour for 0.1 hours per proposal.⁴⁰² However, the costs are

⁴⁰² See Table 6 in section IV.C.4 and PRA Table 1 note 3. The PRA estimates 0.1 hours per proposal. Multiplying 0.1 hours per proposal by \$625 for the blended hourly labor rate and 17 for the average number of proxy contests per year generates \$1,062.5, or approximately \$1,100. The rate of \$625 per hour is a blended hourly rate of our current estimate of the hourly rate for each of four occupations: lawyers (\$774), accountants and auditors (\$330), financial managers (\$730), and general and operations managers (\$656). This blended hourly rate assumes that lawyers will account for 50 percent of the time spent on compliance activities; accountants and auditors, 30 percent; financial managers, 10 percent; and general operations managers, 10 percent. We expect that the types of individuals, the rates for those individuals, and the proportion of each individual's contributions would vary among registrants and could differ depending on which specific information collection a registrant is completing. Nonetheless, for purposes of this economic analysis, we believe the \$625 per hour rate is a reasonable estimate of the hourly cost of completing the required information collection. To calculate the occupational hourly rates used in this release, the Commission uses the May 2025 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, available at <https://www.bls.gov/oes/>; see also Standard Occupational Classification, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/soc/> (describing occupational classification system used by BLS); 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 multiplied by an employment cost index (ECI) factor of 1.0227, calculated as one plus the percentage change in the seasonally adjusted ECI for wages and salaries of private industry workers from the second quarter of 2025 (ECI=173.563), which contains the May 2025 OEWS reference period, to the first quarter of 2026 (ECI=177.498), which is the date of the most recently available ECI observations when the occupational hourly rates used in this release were calculated. See Employment Cost Index, U.S. Bureau of Labor Statistics, Seasonal Data 2001-Present, available at <https://www.bls.gov/eci/tables.htm>. The adjusted mean hourly wage is then multiplied by a nonwage cost adjustment factor of 5.734, which accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as the average over 2016–2025 of the ratio of the Bureau of Economic Analysis's gross output for the NAICS 523 to total wages across all occupations for the NAICS 523 in the OEWS data. See Gross Output by Industry, U.S. Bureau of Economic Analysis, available at <https://www.bea.gov/data/industries/gross-output-by-industry>; Occupational Employment and Wage

not distributed evenly across issuers. Issuers would not incur these costs if they chose not to take advantage of the additional flexibility with respect to discretionary voting authority or if they are not faced with independent solicitations. These compliance costs also assume the proposal would not affect the volume of proposals and that issuers would exercise this discretionary voting authority on all independent solicitations. The costs could be higher or lower depending on how the proposed rule affects the volume of proposals. The costs would be lower if issuers would not always exercise the additional discretionary voting authority.

c. Effects on Proposal Volume

The proposed amendments may reduce the total volume of proposals submitted through independent solicitation. By enabling companies to exercise discretionary voting authority, even where the proponent has delivered its own proxy materials to holders of the percentage of the company's shares necessary to carry the proposal, the proposed amendments would allow companies to cast votes against a proposal on behalf of shareholders who use the company's proxy card and do not check the proposed opt-out check box. Such votes would have been counted as non-votes under the current framework. This reduces the proponent's expected probability of success, which may affect the proponent's incentives to conduct an independent solicitation.⁴⁰³ Whether the volume of proposals submitted through independent solicitation would decline would depend on the degree to which the reduced probability of

Statistics, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/oes/>. For example, the \$774 occupational hourly rate for lawyers is calculated as $\$131.91 \times 1.0227 \times 5.734$, or approximately \$774 (where \$131.91 is the May 2025 mean hourly wage for lawyers in NAICS 523). 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>.

⁴⁰³ The reduction in the expected probability of a successful outcome is partially mitigated by the ability of shareholders who wish to vote in favor of the proposal to vote the proponent's proxy card rather than the company's card. This mitigation is incomplete, however, as voting the proponent's card involves frictions (for example, awareness of the proponent's card, the ability to obtain it, and the willingness to use it in place of the company's card) that are likely to be more pronounced for certain shareholders than for others. To the extent these frictions limit the rate at which shareholders switch to the proponent's card, the reduction in the expected probability of a successful outcome identified above would be larger. The effects of these frictions on shareholder voting options are discussed further in section IV.B.3.b.

success affects the proponent's assessment of whether expected benefits justify those costs. Proponents with strong motivations and sufficient resources may conclude that the expected benefits justify the costs despite the reduced probability of success, while proponents with less to gain or fewer resources may be deterred.

The proposed amendments to Rule 14a–4(c) should also be considered in conjunction with the Commission's concurrent proposal to rescind Rule 14a–8. Under the baseline, non-Rule 14a–8 proposals are uncommon,⁴⁰⁴ as Rule 14a–8 provides shareholders with a lower-cost mechanism for submitting proposals. The proposed rescission of Rule 14a–8 could redirect a portion of the existing Rule 14a–8 proposals into the independent solicitation channel, potentially increasing the volume of independent solicitations. The magnitude of this effect is uncertain. If a substantial proportion of shareholders who would have submitted a proposal under Rule 14a–8 cease submitting proposals entirely due to the higher costs of independent solicitations, the volume increase of independent solicitations would be small. Additionally, the proposed amendments to Rule 14a–4(c) may attenuate this volume increase, as some former Rule 14a–8 proponents may be deterred by the reduction in the expected probability of success discussed above. The aggregate effect of these two concurrent proposed changes on the total volume of non-Rule 14a–8 proposals may be impacted by the relative sizes of these two proposal populations. From 2022 to 2025, there were 3,205 Rule 14a–8 proposals submitted but only 69 proxy contests containing an independent solicitation for one or more proposals (and thus the number of proposals in these 69 contests is likely slightly higher than 69). Although it is uncertain how many of the existing Rule 14a–8 proposals would be redirected into the independent solicitation channel, a switch by a very small percentage of current Rule 14a–8 proposals would likely more than offset any reduction in non-14a–8 proposals.

The proposed amendments could also compound the effect on less well-resourced proponents. The proposed rescission of Rule 14a–8 would disproportionately affect less well-resourced proponents, including individual retail investors and smaller

⁴⁰⁴ There were 69 total proxy contests that contained a solicitation for one or more proposals that were initiated through the filing of preliminary proxy statements in calendar years 2022–2025. See *supra* section IV.B.3.b.

advocacy groups, for whom independent solicitation could be cost-prohibitive. Less well-resourced proponents who nonetheless shift to independent solicitation as an alternative channel would face not only higher direct costs of solicitation relative to the Rule 14a–8 process, but also a reduced probability that their proposals would receive majority support. The combination of higher costs and lower probability of success could further reduce the participation of less well-resourced proponents relative to large institutional investors and activist hedge funds, which have greater resources and established solicitation infrastructure. To the extent the two proposed changes together produce a greater reduction in less well-resourced proponent participation than either change alone, the combined effect on proponent participation would exceed what either the rescission of Rule 14a–8 or the amendments to Rule 14a–4(c) would produce individually.

d. Effects on Proposal Composition

The proposed amendments may affect the characteristics of proposals submitted through independent solicitation in two ways. First, by reducing the expected probability of a successful outcome for proposals submitted through independent solicitation, the amendments may affect which proponents find it worthwhile to conduct independent solicitations and for which proposals, potentially changing the composition of submitted proposals. Second, the concurrent rescission of Rule 14a–8 would raise the cost threshold for presenting proposals, potentially changing the composition of the broader proposal population by filtering out some of the proponents (and therefore their proposals) who otherwise would have relied on Rule 14a–8's lower-cost mechanism.

Data on shareholder voting outcomes indicate that, over the 2022 to 2025 period, the average shareholder support for voted Rule 14a–8 proposals was approximately 26 percent of votes cast, with only approximately 10 percent of proposals receiving majority support. These figures are consistent with the finding that most currently submitted Rule 14a–8 proposals lack broad shareholder support. To the extent that proposals lacking majority support reflect the preferences of a minority of shareholders rather than the shareholder base as a whole, a reduction in such proposals may reduce the costs that the majority of shareholders incur in reviewing and voting on them and may allow shareholder attention to be directed toward proposals with broader

support. This benefit is contingent, however, on the proposals that would no longer be submitted being those with lower shareholder support. Data on proposals submitted through independent solicitations and voted on show that a higher fraction, 49 percent, of such proposals (and 67 percent of those targeting regulated funds) pass.⁴⁰⁵

We draw limited inferences from the voting data for two reasons. First, support levels are a noisy signal of a proposal's value to the company and shareholders: shareholder apathy, management solicitation against proposals, and institutional standing voting policies may all affect shareholders' votes on a proposal, independently of underlying proposal value. Second, the voting data cover only proposals that proceeded to a vote, which may differ systematically from those that would no longer be submitted under the proposed amendment.

The higher cost threshold, all else equal, under a post-rescission regime may operate as a filter in two distinct ways. First, it may filter out proposals less likely to receive broad shareholder support, which would be beneficial to companies and shareholders to the extent it reduces the burden of reviewing and voting on proposals that do not reflect broadly shared concerns. This filtering benefit assumes, however, that proponents of low-support proposals are primarily motivated by the prospect of a successful voting outcome and will therefore be deterred by the reduced probability of success. To the extent that some proponents submit proposals primarily to make a statement, generate publicity, or put a governance concern on the record, rather than to garner majority support, the reduced probability of success may have little effect on their submission behavior. These proponents may therefore be among the least filtered out by a higher cost threshold, which would attenuate the filtering benefit identified above.

Second, it may filter out proponents with fewer resources, regardless of the value of their proposals, which is not necessarily beneficial as such proponents may have proposals that would have benefited shareholders and the company. The direction and magnitude of these filtering effects depend on which proposals are most likely to be affected by the higher cost threshold, and the available evidence suggests that opposing forces bear on the question, as discussed below.

On the one hand, the filtering benefit assumes that the proposals most

sensitive to the cost increase are those submitted by proponents whose proposals lack broad shareholder support. However, individual proponents constituted approximately 49 percent of the identified Rule 14a–8 population (during the 2022–2025 period), and their proposals received higher average shareholder support (approximately 32 percent) than those submitted by institutional proponents (approximately 20 percent) in the historical voting data.⁴⁰⁶ Because individual proponents are less likely on average than institutional proponents to have the resources necessary to sustain an independent solicitation, they may be most sensitive to the cost increase and therefore most likely to cease pursuing proposals. If this is correct, the filtering effect may operate in the opposite direction from that assumed by the benefit case: the cost increase would disproportionately affect a class of proposals that received relatively higher shareholder support in the historical data, while leaving largely unaffected the institutional proposals that received lower average support. However, considering independent solicitations for proposals, where nearly half receive enough voting support to pass, only 13 percent were initiated by individuals. Thus, most of these independent solicitations would not likely be deterred solely by a cost increase.

On the other hand, several considerations qualify the inference that the filtering effect would operate against the benefit case. First, the subset of individual proponents who would transition to independent solicitation may be more sophisticated and better resourced than the broader Rule 14a–8 individual proponent population, as the higher costs of independent solicitation would themselves function as a filter on proponent sophistication and resources. If this is correct, the proposals submitted by individual proponents under the new regime may not be as sensitive to the cost increase as the prior argument assumes. Second, this inference depends on the Rule 14a–8 proponent population being representative of the population likely to submit proposals under the new regime—an assumption that may not hold if proponents who have committed to independent solicitation differ systematically in sophistication and resources from the historical Rule 14a–8 population. Indeed, we find evidence this is the case, as proposals submitted through independent solicitation are

⁴⁰⁶ See *supra* section IV.B.3.a. The 49% is derived from 1,429 identified individual proponents and 1,499 identified institutional proponents.

⁴⁰⁵ See *supra* section IV.B.3.b.

more likely to be submitted by institutions.⁴⁰⁷ Third, average support figures mask heterogeneity within both the individual and institutional proponent categories, and the proposals most likely to be affected may not be representative of their category averages.

These opposing forces introduce uncertainty about the magnitude as well as the direction of the filtering effect, as the available data do not support a firm inference that the proposals most likely to no longer be presented under the proposed amendment are those with the weakest underlying shareholder support. We therefore treat the filtering effect as uncertain in both direction and magnitude.

The economic significance of these composition effects depends on the direction of the filtering effect. If the proposals most likely to exit the system are those with the weakest underlying shareholder support, companies and shareholders would benefit from a reduction in the burden of reviewing and voting on proposals that do not reflect broadly shared concerns. If, however, the proposals that would most likely not be presented are those with stronger underlying shareholder support—as the individual proponent data suggest is possible—the composition effect would represent a cost rather than a benefit, as the set of proposals that might include value-enhancing proposals would no longer be submitted. Further, independent solicitations have historically received significant shareholder support (close to half of them passed during the 2022–2025 period).⁴⁰⁸ Thus, to the extent the proposed amendments to Rule 14a–4(c) reduce these submissions, this could represent a cost. Given the uncertainty about the direction of the filtering effect identified above, we cannot assess with confidence whether the composition effect represents a net benefit or a net cost for companies and shareholders.

The voting data also do not capture outcomes produced through the negotiation and withdrawal of proposals. A significant proportion of shareholder proposals are withdrawn before a vote, often following negotiation with management, which may thus produce governance outcomes that do not appear in voting data. Management may be more committed to implementing a negotiated outcome than the outcome of a majority vote on a shareholder proposal, suggesting that the value effect of the negotiation and withdrawal of proposals channel may exceed what the voting data alone

capture. The likelihood of proceeding to a vote is the primary source of proponent leverage in these negotiations. To the extent that the proposed amendments alter the credible threat of a successful outside solicitation, they may affect proponent leverage in pre-vote negotiations, the negotiating dynamic between companies and proponents, and the rate of negotiated withdrawals and the outcomes associated with them. The direction of this effect depends on the degree to which the proposed amendments change proponent leverage and negotiating incentives. The voting data therefore do not provide insight into all the activity that the proposed amendments may affect.

Uncertainty about the change in value from changes in proposal composition is consistent with broader mixed results when attempting to value shareholder proposals. Empirical research on stock price reactions to shareholder proposals suggests that the average wealth effects of non-binding proposals are close to zero, though with significant cross-sectional variation.⁴⁰⁹ Studies using the no-action letter process as a natural experiment find that markets react positively, on average, when a no-action letter concurring with the company is issued, with larger effects for proposals sponsored by individuals and those classified (by the studies' authors) as pursuing special interests.⁴¹⁰ This literature provides the closest available quasi-experimental evidence on the value effects of proposal exclusion, but its applicability to the proposed amendments is limited.

e. Agency Conflicts and Governance Effects

The proposed amendments would increase management's expected probability of success when faced with independent solicitations. The extent to which this is a benefit or cost of the proposed amendments depends in part on the degree of managerial agency conflict in companies targeted by independent solicitations. An agency conflict occurs when the managers of a company have different incentives or objectives than the owners (shareholders) of the company. For example, managers might reduce board independence, weaken compensation

oversight, or entrench anti-takeover provisions such as poison pills (also known as shareholder rights plans) to increase their compensation, improve executive job security, or insulate themselves from accountability.

If managers are aligned with shareholder interests and possess superior information as insiders, then providing them with additional discretionary authority over independent proposal solicitations would likely increase the likelihood of higher-value vote outcomes. However, if the proposal exacerbates managerial agency conflicts, it could increase the likelihood of lower-value vote outcomes. The balance between these potential outcomes depends on which companies would likely be targeted by independent solicitations under the proposed amendments, how these companies chose to exercise their discretionary voting, and the potential severity of the agency conflicts. Ultimately, the magnitudes of these effects are uncertain.

i. Characteristics of Companies and Proposals Most Likely Affected

The population of companies that attract independent solicitations is unlikely to be representative of the broader universe of public companies, and independent solicitations may skew toward target companies with agency conflicts. Independent solicitations are costly, and proponents may pursue them only after exhausting lower-cost engagement channels or determining that these other engagement channels have proven insufficient. Agency conflicts would frustrate these other engagement channels. Accordingly, companies that attract independent solicitation may disproportionately be those with agency conflicts that are, in the view of proponents, significant enough to warrant the expense of independent solicitations.

This inference faces several limitations. First, companies may attract independent solicitations, despite their cost, for reasons other than concerns about company value, including their size and public profile, the industries in which they operate, or ownership structures that make them attractive targets for particular types of proponents. Second, declining solicitation costs (e.g., due to technological changes) could weaken the attrition bias, making the affected population more representative of all public companies. Third, proponents themselves may have agency conflicts, pursuing interests of stakeholders that differ from the interests of non-

⁴⁰⁹ See Josef Bajzik et al., *Does Shareholder Activism Create Value? A Meta-Analysis*, 33 Corp. Governance: An Int'l. Rev. 1039 (2025).

⁴¹⁰ See John G. Matsusaka et al., *Can Shareholder Proposals Hurt Shareholders? Evidence From Securities and Exchange Commission No-Action-Letter Decisions*, 64 J.L. & Econ. 107, 110 (2021), available at <https://www.journals.uchicago.edu/doi/epdf/10.1086/710828>.

⁴⁰⁷ See *supra* section IV.B.3.b.

⁴⁰⁸ *Id.*

proponent shareholders.⁴¹¹ The proposed amendments could benefit (non-proponent) shareholders in these cases by more easily allowing companies to vote against such proposals. Finally, the proposed rescission of Rule 14a–8 may alter which companies attract independent solicitations, introducing further uncertainty.⁴¹² It is also unclear to what extent proposals redirected into independent solicitation would address agency conflicts. Currently, Rule 14a–8 proposals receive less shareholder support on average than independent solicitations, though ones that would switch to independent solicitation under the proposed rescission may be more value-enhancing for the company than the average Rule 14a–8 proposal to the extent they are more similar to current independent solicitations, which receive higher shareholder support.

ii. Exercise of Discretionary Voting Power

Any conclusion that the proposals are costly because of agency conflicts would depend on management using their additional voting discretion to defeat value-enhancing proposals, but the available evidence does not establish that management would necessarily do so. Nearly half (49 percent) of proposals submitted outside the Rule 14a–8 process from 2022 to 2025 that went to a vote received enough support to pass.⁴¹³ Shareholder approval of these proposals may signal that they are value-enhancing for the company. Management could use the proposed amendments to seek and obtain discretionary voting authority and vote against such value-enhancing proposals. Available data and current literature do not allow us to characterize with confidence the prevalence of agency conflicts across the population of companies targeted by independent solicitation.

Academic research suggests that corporate governance structures develop endogenously to the existing agency conflicts within a firm, and that management incentives and objectives can shape governance arrangements and corporate outcomes over time.⁴¹⁴ Given

this endogeneity, the literature supports two distinct interpretations of the governance profile of companies that are likely to attract independent solicitations.

Under the first interpretation, management has shaped governance to extract private benefits at shareholders' expense, reducing board independence, weakening compensation oversight, or entrenching anti-takeover provisions to insulate itself from accountability. Under this interpretation, the governance concerns motivating independent solicitations are well-founded, management opposition reflects agency conflict, and the proposed amendments' effect in reducing the probability of success of independent solicitations may be adverse to shareholder interests.

Under the second interpretation, management has shaped governance to be less restrictive, not to extract private benefits but to preserve operational flexibility in the service of shareholder value. Governance structures that appear suboptimal by reference to general best-practice standards may reflect rational adaptation to firm-specific circumstances, such as industry, strategy, or competitive environment. Proposals identifying these arrangements as concerns may therefore mischaracterize legitimate managerial discretion as an agency problem, and management opposition may reflect a valid assessment of shareholder interests rather than entrenchment. The same governance profile could be consistent with both interpretations.

iii. Additional Uncertainties

Two additional factors create uncertainties in the potential magnitude of the agency conflict concern. First, the argument that the proposed amendments would have a negative effect in the presence of agency conflicts assumes that management at these companies would be aware of the amendments (if adopted) and then act on them to seek discretionary voting authority. If the additional authority under the proposed amendments is not used, then the agency conflict risk

would be smaller than the argument implies. Second, the agency conflict concern may be most relevant for companies with moderate rather than the most severe governance concerns: companies with very significant governance problems may have already been subjected to other forms of shareholder intervention (such as shareholder campaigns or board reconstitution) that reduce the marginal role of independent solicitations under the proposed amendments.

f. Effects on Shareholder Voting

The proposed amendments would affect shareholders who use the company's proxy card differently depending on whether they wish to vote with or opposite to management's voting recommendation on a proposal.

A shareholder who wishes to vote with management's recommended vote in the case where the company omits the proposal from its proxy card would be better off under the proposed amendments. Under the baseline, the only possible result of such a shareholder's proxy is a non-vote, whereas under the proposed amendments the shareholder would be able to leave the proposed opt-out check box blank and have its vote cast in accordance with management's recommendation. This benefit is conditional on the company having omitted the proposal under the baseline. To the extent companies would have included proposals in their proxy materials under the baseline, allowing shareholders to vote directly according to their preference, these shareholders would benefit less from the proposed amendments, as they could already vote in accordance with management's voting recommendation on the company's proxy card.

A shareholder who wishes to vote opposite management's intended vote could be worse off under the proposed amendments. First, consider the case where the company omits the proposal under both the baseline and the proposed amendments. Under the baseline, such a shareholder using the company's proxy card is counted as a non-vote. Under the proposed amendments, the same shareholder would have to affirmatively check the proposed opt-out check box to be counted as a non-vote; failing to do so would result in the company exercising its discretionary authority to cast the vote in accordance with its disclosed intention, contrary to the shareholder's preference. Second, consider the case where the proposed amendments would make the company more likely to switch from inclusion to omission. Under the

⁴¹¹ See *supra* note 223 (discussing, e.g., union involvement in a proposal at Warrior Met Coal).

⁴¹² See section IV.B.2.c for a discussion of changes to the composition of companies targeted by independent solicitation.

⁴¹³ See *supra* section IV.B.3.b.

⁴¹⁴ For references on endogenous governance structures, and the role of executive character and style in shaping corporate outcomes, see, e.g., Aiysha Dey, *Corporate Governance and Agency Conflicts*, 46 J. Acct. Rsch. 1143 (2008); Benjamin E. Hermalin and Michael S. Weisbach,

Endogenously Chosen Boards of Directors and the Monitoring of the CEO, 88 Am. Econ. Rev. 96 (1998); Benjamin E. Hermalin & Michael S. Weisbach, *Boards of Directors as an Endogenously Determined Institution: a Survey of the Economic Literature* (Apr. 2003), Econ. Pol'y Rev. available at <https://ssrn.com/abstract=794804> (retrieved from SSRN Elsevier database); Marianne Bertrand & Antoinette Schoar, *Managing With Style: The Effect of Managers on Firm Policies*, 118 Q. J. Econ. 1169 (2003); and Robert Davidson et al., *Executives' "Off-The-Job" Behavior, Corporate Culture, and Financial Reporting Risk*, 117 J. Fin. Econ. 5 (2015).

baseline, the shareholder can vote opposite to management's recommendation directly through the company's proxy card. Under the proposed amendments, the same shareholder's best available option using the company's proxy card would be a non-vote, achieved by checking the proposed opt-out check box—and if the shareholder fails to check the box, the company would be able to exercise its discretionary authority to cast the vote contrary to the shareholder's preference.⁴¹⁵

Companies' switch from inclusion of a proposal to omission would also have informational consequences for shareholders. Under inclusion, shareholders receive the proposal and the board's recommendation regarding the proposal with reasons for their support or lack of support. Under omission (absent the proposed amendments) and under the proposed amendments, shareholders would receive a brief description of the proposal in the proxy statement, as required under current Rule 14a-4(c)(2), as well as how the company intends to vote through its exercise of discretionary authority (although reasons would not be required). The proxy card would include a cross-reference to the location of this information in the proxy statement and the proposed opt-out check box. The net informational effect of the proposed amendments therefore depends on the proportion of companies that would have chosen inclusion rather than omission under the baseline. For companies that would have chosen inclusion absent the proposed amendments, the proposed amendments would represent an informational reduction; for companies that would have chosen omission, the informational effect is neutral.⁴¹⁶ This informational

reduction may be partially offset for shareholders who value more concise disclosure, particularly where there are multiple shareholder proposals and shareholder attention is limited, as noted above. Shorter disclosure may lead to more overall information absorption.

A shareholder who wishes to abstain faces a situation similar to that of a shareholder who wishes to vote opposite to management's recommendation in the case where the company omits the proposal under both the baseline and the proposed amendments. Under the baseline, such a shareholder is automatically counted as a non-vote, whereas under the proposed amendments the shareholder would be counted as a non-vote if he or she affirmatively checks the proposed opt-out check box. In the case where the proposed amendments would make the company more likely to switch from inclusion to omission, the extent to which a non-vote and an abstention (available if the proposal were included) are practically equivalent depends on the applicable voting standard: under a percent-of-outstanding-shares standard the two are equivalent, while under a percent-of-votes-cast standard a non-vote reduces the denominator and may affect the outcome differently than a formal abstention. To the extent the proposed amendments would increase omission rates and more shareholders would not have their votes cast on the proposal, the effect on proposal outcomes would therefore depend on the applicable voting standard.

g. Default Effects

The analysis above (section IV.C.2.f) assumes that shareholders are fully aware of the proposed opt-out check box mechanism and do in fact choose the action that best aligns with their preferences. However, a substantial body of empirical research on default effects demonstrates that defaults exert a considerable and consistent influence on decisions across a wide range of contexts, and that the option presented as the default is chosen at higher rates than preferences alone would predict.⁴¹⁷ Because the proposed opt-

out check box must be affirmatively checked to prevent management from exercising discretionary voting authority, shareholders who do not act (including those who fail to act for reasons such as inertia, limited attention, or an interpretation of the default as an implied recommendation) will have their votes cast by management regardless of their actual preferences.

The default effect is likely to vary across the shareholder population. Institutional investors with dedicated proxy voting teams are unlikely to be materially affected by inertia or limited attention, given their established processes for reviewing proxy materials and making voting decisions. The impact of the default effect would therefore likely be more concentrated among retail shareholders, who hold a meaningful minority share of most public companies' outstanding equity. The proposed mandatory disclosure of management's voting recommendation would provide information to shareholders who read the proxy materials carefully but may not address the inertia and limited attention components of the default effect for shareholders who engage less thoroughly with proxy materials—precisely the shareholders for whom the default effect is most likely to be significant.

The proposed opt-out check box mechanism has practical limitations that would bear on its effectiveness in mitigating the default effect. First, mitigating the default effect through the proposed check box mechanism would require shareholders to be informed about the importance of checking the opt-out box through channels independent of the company's proxy materials. Proponents may or may not undertake this effort, and some proponents may face resource constraints to do so, as noted above. Second, the check box mechanism faces a structural limitation independent of the communication problem. A shareholder who wishes to vote opposite to management's recommendation and checks the proposed opt-out check box achieves only a non-vote, not an affirmative vote opposite to management's recommended vote. The proposed check box would therefore address one dimension of the default effect: it prevents management from casting a vote in accordance with its disclosed

⁴¹⁵ Under both the baseline and proposed amendments, a shareholder who wishes to vote opposite management's recommendation when the company omits the proposal can do so by returning, instead, the proponent's proxy card or attending the meeting in person or virtually and voting at the meeting. For such shareholders not solicited by the proponent, however, additional cost would be required to attempt to take this action, and it is not guaranteed that these shareholders would ultimately be solicited. See *supra* section IV.B.3.b.

⁴¹⁶ Under the baseline, a company that would have chosen omission for proposals received outside of Rule 14a-8 could attempt to seek discretionary authority (nevertheless preventable by the proponent under current Rule 14a-4(c)(2)) by including, in its proxy statement, "advice" (brief disclosure) on the nature of each matter and how the company intends to exercise its discretion to vote. Thus, the amount of information available to investors if the company chooses to omit such proposals under the baseline would likely be similar to the information available under the proposed amendments. It is possible under the

baseline that a company that plans to omit, knowing a proponent may prevent discretionary authority regardless of the company's actions, would choose to not even include the brief disclosure. In this case, the proposed amendments could result in marginally more information being made available to shareholders.

⁴¹⁷ See Jon M. Jachimowicz et al., *When and Why Defaults Influence Decisions: A Meta-Analysis of Default Effects*, 3 *Behav. Pub. Pol'y* 159 M(2019) for a survey of the literature. See also Brigitte C. Madrian & Dennis F. Shea, *The Power of Suggestion: Inertia in 401(k) Participation and*

Savings Behavior, 116 Q.J. Econ 1149 (2001). See also Richard H. Thaler & Shlomo Benartzi, *Save More Tomorrow™: Using Behavioral Economics to Increase Employee Saving*, 112 J. Pol. Econ. S164 (2004).

intention on behalf of shareholders who have not actively chosen that outcome. It does not, however, provide a mechanism on the company's card for shareholders who wish to vote opposite management's recommendation to do so affirmatively.⁴¹⁸ If management discloses its intention to vote in favor of a proposal in accordance with the proposed amendments, however, a shareholder who leaves the opt-out box unchecked can effectively delegate the vote to the company's discretionary authority, resulting in a vote consistent with the shareholder's preference.

The default effect may result in votes being cast in accordance with management's recommended vote regardless of shareholders' actual preferences. In addition, shareholders who check the proposed opt-out box under the mistaken belief that doing so constitutes a vote opposite to management's recommended vote will have their preferences only partially realized. The net distributional effect depends on the composition of shareholder preferences relative to management's recommended votes across the affected population of companies and proposals; this composition varies considerably and cannot be assessed in the aggregate.

h. Effects on Zero Slate Campaigns

The proposed amendments address a distortion created by the interaction between current Rule 14a-4(c)(2) and Rule 14a-4(d)(1) (the "bona fide nominee" rule), which was amended in connection with the adoption of the universal proxy rules. This distortion differs from the general cost of inclusion problem.

Under the current proxy rules, a proponent soliciting votes for a shareholder proposal may place the company's director nominees on the proponent's own proxy card, even when offering no competing nominees. This "zero slate" approach allows the proponent's card to offer shareholders both the company's director nominees and the proponent's proposals on a single card, making it generally more appealing to shareholders than the company's card when that card contains only the company's nominees and management proposals. As a result, shareholders who want to support the company's nominees but also vote on the proponent's proposals have strong incentives to use the proponent's proxy card rather than the company's card in this instance.

This dynamic can result in companies feeling compelled to include a

proponent's proposals on their own proxy card, even though the Federal proxy rules (and existing State laws) do not require that they do so. If the company omits the proposals, then it will not have proxy voting authority with respect to the proponent's proposals. To avoid that loss of proxy voting authority, a company may decide to include the proponent's proposals, thereby assuming the full costs of inclusion and solicitation while the proponent only incurs the costs of its own solicitation.

This is a form of cost externalization because the proponent benefits from the company's proxy distribution infrastructure and solicitation efforts without bearing the associated expense of soliciting all shareholders. The company, in turn, incurs costs it would not otherwise face, not because the Federal proxy rules require inclusion, but because the interaction between Rules 14a-4(c)(2) and 14a-4(d)(1) creates structural pressure to include the proposals voluntarily. As a result, a single proponent, through a zero slate campaign, may be able to compel the company to place its proposals on the company's proxy card at the company's expense.

By allowing companies to exercise discretionary voting authority even when the proponent has distributed proxy materials to the requisite percentage of shareholders, the amendments remove the binary choice that makes omission costly today. A company that omits a proposal from its proxy card would still be able to exercise discretionary authority, subject to the proposed opt-out check box. As a result, the company would no longer need to include the proponent's proposals on its own card to exercise proxy voting authority.

The benefit of the proposed amendments in this context is the removal of the coercive dynamic currently created by zero slate campaigns. Companies that currently feel compelled to include a proponent's proposals to exercise proxy voting authority would be able to omit those proposals while still exercising discretionary voting authority. This benefit differs from the general cost savings described above, which concern companies that include proposals because of the solicitation-threshold mechanism in current Rule 14a-4(c)(2). The zero slate benefit is narrower and more targeted: it applies to companies whose pressure to include proposals stems not from the threshold itself, but from its interaction with the bona fide nominee rule.

The benefit of the proposed amendments in the zero slate context is subject to qualifications. First, the benefit arises only for companies that would have faced zero slate campaigns in the absence of the proposed amendments and would depend on how frequently proponents choose to use zero slate campaigns following the rescission of Rule 14a-8. Second, the benefit assumes that the amendments do not result in other changes that may lead to costs for companies. For example, if proponents instead increase their use of exempt solicitations, public campaigns, or informal engagement, the benefit of eliminating the zero slate dynamic may be reduced. Third, the benefit depends on companies choosing to omit proposals under the amended framework rather than continuing to include them voluntarily for strategic or reputational reasons. Companies that would have included the proposals regardless of the zero slate coercive dynamic would not experience this benefit.

3. The Benefits and Costs for Proxy-Related Service Providers

The proposed rescission of Rule 14a-8 and the proposed amendments in Rule 14a-4(c) may generate benefits and costs for providers of administrative and advisory services related to proxy solicitation and shareholder voting ("proxy-related service providers"). If the proposed rescission results in fewer shareholder proposals, such providers may incur costs in the form of forgone revenue as a result of reduction in business. Such an effect could be mitigated to the extent that States adopt statutory criteria governing the inclusion of shareholder proposals, or, if State law permits, companies incorporate such criteria into their charter or bylaws; but only to the extent that those frameworks result in shareholders submitting proposals at levels comparable to the current Rule 14a-8 process. State or bylaw frameworks that are more restrictive than Rule 14a-8, or that companies or shareholders do not actively use, would provide limited mitigation. These costs could also be mitigated if the proposed rescission of Rule 14a-8 redirects a portion of the existing Rule 14a-8 proposals into the independent solicitation channel, potentially increasing the demand for solicitation-related services.

Additionally, proxy-related service providers could incur transition costs due to the proposed rescission of Rule 14a-8. If the proposed rescission leads States to adopt statutory criteria governing the inclusion of shareholder

⁴¹⁸ See *supra* note 415.

proposals or if companies incorporate such criteria into their governing documents, when permitted by State law, proxy-related service providers would need to devote time and resources to become familiar with such criteria and their impact on the proxy solicitation process.

4. Aggregate Monetized Benefits and Costs

Throughout this economic analysis, we have estimated monetized benefits and costs per proposal. In this section, we present estimates of aggregate monetized benefits and costs. These

totals include only benefits and costs that are monetized in the economic analysis and thus do not encompass all of the proposed rule's benefits and costs. For example, we were not able to quantify the cost savings to issuers resulting from the amendments to Rule 14a–4(c).⁴¹⁹

a. Aggregate Monetized Benefits and Costs Across Affected Entities

We did not monetize any one-time initial costs or benefits of the proposed rule. As shown in Table 5, we estimate that the proposed rescission of Rule 14a–8 would result in aggregate annual

monetized cost savings (*i.e.*, benefits) for covered entities of approximately \$29.7 million attributable to a reduction in internal burden hours⁴²⁰ and an additional \$9.9 million attributable to a reduction in external costs, for a total of about \$39.6 million. In addition, as shown in Table 6, we estimate that the proposed amendments to Rule 14a–4(c) would result in aggregate annual costs for companies of approximately \$1,063, attributable to an increase in internal burden hours.⁴²¹ These figures are based on Paperwork Reduction Act estimates.⁴²²

BILLING CODE 6351–01–P

Table 5. Aggregate Annual Monetized Benefit Estimates by Source

(2026 dollars)

Source of Cost Savings	Initial Cost Savings	Annual Cost Savings Years 1-10
Rescind Rule 14a-8 Companies would no longer be required by the Federal proxy rules to include shareholder proposals in their proxy materials		
Monetized reduction in burden hours	\$0	\$29.7 million
Monetized reduction in external costs	\$0	\$9.9 million

^a This table provides a summary of the benefits discussed in section IV.C.1.a.i.

Table 6. Aggregate Annual Monetized Cost Estimates by Source

(2026 dollars)

Source of Costs	Initial Cost	Annual Cost Years 1-10
Amendments to Rule 14a-4(c) Companies seeking discretionary voting authority on proposals omitted from the company's proxy card would be required to include a check box on their proxy card to provide shareholders with means to elect to prevent the company from exercising such authority		
Monetized increase in burden hours	\$0	\$1,063
Monetized increase in external costs	\$0	\$0

^a This table provides a summary of the costs discussed in section IV.C.2.b.

⁴¹⁹ See *supra* section IV.C.1.a.i.

⁴²⁰ See *supra* note 353 and accompanying text; see also PRA Table 1, footnotes 1 and 2, which characterize the external cost savings as a share of the total reduction in burden hours and monetize these hours at a rate of \$462 per hour. The rate of \$462 per hour is a blended hourly rate of our current estimate of the hourly rate for each of four occupations: lawyers (\$774), paralegals and legal assistants (\$281), general and operations managers (\$656), and general office clerks (\$142). This

blended hourly rate assumes that lawyers will account for 30 percent of the time spent on compliance activities; paralegals and legal assistants, 20 percent; general and operations managers, 20 percent; and general office clerks, 30 percent. We expect that the types of individuals, the rates for those individuals, and the proportion of each individual's contributions would vary among respondents and could differ depending on which specific information collection a respondent is completing. Nonetheless, for purposes of this

economic analysis, we believe the \$462 per hour rate is a reasonable estimate of the hourly cost of completing the required information collection. For additional information on the methodology used to calculate this rate, please see the explanation in note 402.

⁴²¹ See *supra* section IV.C.2.b.

⁴²² See *supra* sections IV.C.1.a.i and IV.C.2.b.

Table 7. Aggregate Annual Monetized Benefits and Costs Estimates
(2026 dollars)

Aggregate Monetized Effects	Initial Effects	Years 1 through 10
Benefits	Not monetized	\$39.6 million
Costs	Not monetized	\$1,063

BILLING CODE 6351-01-C

b. Present Values and Annualized Values of Aggregate Monetized Benefits and Costs

Consistent with the requirements of Executive Order 12866, the Commission reports estimated total monetized benefits and costs for all affected entities in two additional ways specified in OMB Circular A-4.⁴²⁴ These two presentations address the fact that the

benefits and costs of the proposed rule accrue at different points in time, and that benefits and costs realized sooner are generally more valuable than those realized later.⁴²⁵

We report (1) the present values of expected benefits and costs that are monetized in our economic analysis, aggregated across all affected entities over a 10-year time horizon starting in 2026, and (2) the annualized values over

the same time horizon, derived from the present values. This time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.⁴²⁶ The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.⁴²⁷

Table 8: Present Value of Monetized Benefits and Costs over 10 years from 2026 to 2035
(2026 dollars)^a

Estimated Effects ^b	3% real discount rate	7% real discount rate
Benefits	\$343 million	\$288 million
Costs	\$9,203	\$7,723

^a This Table includes only benefits and costs that are monetized. As discussed in this economic analysis, there are other benefits and costs that we are not able to monetize.

^b For each discount rate, the present value calculations are based on these assumptions: (i) all one-time monetized costs are incurred immediately and not discounted; (ii) all recurring annual monetized benefits and costs begin to accrue in the first year in which affected entities rely on the proposed rule; (iii) recurring monetized benefits and costs occur in a steady stream. We use a mid-year discount rate.

Table 9 reports annualized aggregate monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon.⁴²⁸ The lump sum present values of aggregate monetized benefits and costs reported in

Table 8 are converted in Table 9 into a constant stream of annualized benefits and costs over a 10-year time horizon, starting in 2026.⁴²⁹ Annualized benefits and costs may differ from the sum of recurring monetized annual benefits and

costs discussed earlier in this Economic Analysis because they incorporate the timing of benefits and costs through discounting, and combine one-time and

⁴²⁴ See E.O. No. 12866 (Sept. 30, 1993), 58 FR 51735, 51741 (Oct. 4, 1993) (requiring agencies to provide an analysis of benefits, costs, and regulatory alternatives to OIRA for significant regulatory actions); OMB, Circular A-4, at 31–34, 45 (Sept. 17, 2003) (providing guidance to agencies regarding compliance with E.O. 12866); see also E.O. No. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring all Federal agencies, including the Securities and Exchange Commission, to comply with E.O. No. 12866). In addition, E.O. 14192 requires agencies to provide their best approximation of the total costs or savings associated with each new regulation or repealed regulation consistent with the analyses required by E.O. 12866. See E.O. No. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025).

⁴²⁵ See Circular A-4, at 32.

⁴²⁶ See *id.* at 31 (stating that “[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule”). For the purposes of this analysis, we assume the effective date of the proposal, as well as the start year for the analysis’s time horizon, is the present year.

⁴²⁷ See *id.* at 32 (“The Rationale for Discounting”) and 45 (“Treatment of Benefits and Costs over Time”); see also OIRA, Regulatory Impact Analysis: A Primer, at 11 (Aug. 15, 2011), available at https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf (“To provide an accurate assessment of benefits and costs that occur at different points in time or over different time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3 percent and 7 percent

annual discount rates expressed as a present value as well as annualized.”); Harvey S. Rosen & Ted Gayer, Public Finance 151 (8th ed. 2008) (defining present value as “the value today of a given amount of money to be paid or received in the future”).

⁴²⁸ This approach is consistent with the recommended treatment of benefits and costs over time in Circular A-4. See *id.* at 45 (“You should present annualized benefits and costs using real discount rates of 3 and 7 percent.”).

⁴²⁹ For each discount rate, the annualized monetized benefits (costs, respectively) in Table 9 represent the constant annual stream of benefits (costs, respectively) whose present value over the time horizon equates the corresponding present value in Table 8. See Table 9, note a, for additional calculation details.

recurring benefits and costs.⁴³⁰ We estimate that annualized total monetized benefits are about \$39.6 million using a three percent discount

rate and about \$39.6 million using a seven percent discount rate. In addition, we estimate that annualized total monetized costs are about \$1,063 per

year using a three percent discount rate and about \$1,063 per year using a seven percent discount rate.

Table 9: Annualized Monetized Benefits and Costs over 10 years from 2026 to 2035
(2026 dollars)^a

Estimated Effects ^b	3% real discount rate	7% real discount rate
Benefits	\$39.6 million	\$39.6 million
Costs	\$1,063	\$1,063

^a This table includes only benefits and costs that are monetized. As discussed in this economic analysis, there are other benefits and costs that we are not able to monetize.

^b For each discount rate, the annualized values are calculated by dividing the corresponding present values in Table by the sum of discount factors over the time horizon. The discount factor in year t of the time horizon is equal to $1/(1 + \text{discount rate})^{(t-0.5)}$.

D. Effects on Efficiency, Competition, and Capital Formation

This section addresses the potential effects of the proposed rescission of Rule 14a–8 and the proposed amendments to Rule 14a–4(c) on efficiency, competition, and capital formation.

1. Efficiency

The proposed rescission of Rule 14a–8 could affect efficiency through several channels. The proposed rescission could improve allocative efficiency by allowing governance arrangements to better reflect the circumstances of individual companies and industries. Rule 14a–8 establishes a uniform Federal framework governing which shareholder proposals companies must include in their proxy materials. Through its eligibility requirements, procedural requirements, and substantive exclusion grounds, the rule has influenced which matters are presented for shareholder consideration. As discussed in section II.A.2.c, Rule 14a–8’s uniform Federal framework may have given States and companies little occasion or incentive to develop their own shareholder proposal frameworks, including frameworks tailored to differences in ownership structure, industry, size, and other company-specific circumstances. The proposed rescission would instead leave these determinations to State law and, where State law permits, to private ordering

through a company’s choice of jurisdiction and the terms of its charter and bylaws. To the extent that the resulting arrangements better serve companies and their shareholders than the uniform Federal framework, the proposed rescission would improve allocative efficiency.

To the extent that the proposed rescission reduces the number of shareholder proposals, companies would incur fewer legal and administrative costs associated with evaluating proponent eligibility, preparing responses, and managing the proxy process. As discussed in section IV.B.3, these costs can be large, particularly in contested solicitations and sustained shareholder campaigns, and can divert resources from productive uses. If the proposals that are eliminated do not generate benefits commensurate with their costs, reducing these expenses would improve productive efficiency. If companies redirect the resulting savings, management attention, and other resources toward higher-value activities, the proposed rescission could also improve allocative efficiency. Both effects depend on whether the proposed rescission reduces the number of proposals companies process, which would turn on how State law and company governing documents develop.

Beyond the administrative costs of processing proposals in general, Rule 14a–8 may also facilitate a distinct category of resource consumption,

specifically a form of rent-seeking to obtain private benefits through the proposal process. On the proponent side, some proponents may use the credible threat of a proposal to obtain concessions from management that benefit the proponents. If those concessions merely transfer value from the company or its other shareholders to the proponent rather than creating value, they represent a private benefit rather than a governance improvement. On the company side, management may devote legal fees, executive time, and other resources to such proposals.⁴³¹ To the extent that both sets of expenditures (by the proponent pursuing concessions and by the company resisting them) are directed at determining who captures existing value rather than creating new value, the resources consumed on both sides are consumed without creating value, regardless of which party prevails. Reducing those expenditures would improve productive efficiency. However, the magnitude of any such gain is uncertain. As discussed in section IV.B.1.b, the same negotiating process may in some cases produce governance changes that benefit shareholders more broadly, and some proposals may be withdrawn following changes companies adopt in response to proponent pressure. The available evidence does not allow us to assess what proportion of negotiated outcomes represents rent extraction as opposed to genuine governance improvement.

⁴³⁰ The annualized benefits and costs present these values over the 10-year time horizon, starting in the present year.

⁴³¹ See Matsusaka et al. (2019), *supra* note 390 (finding that labor unions increase their rate of

shareholder proposal submissions in years when a collective bargaining agreement expires, that a substantial proportion of such proposals is withdrawn before a vote, and that withdrawn proposals are associated with more favorable wage

outcomes for union members, consistent with proposals being used as leverage to obtain concessions from management).

The proposed amendments to Rule 14a-4(c) could affect informational efficiency through a different channel. Under the amendments, a company would not have to include a non-Rule 14a-8 proposal in its proxy materials to exercise proxy voting authority over the proposal. Research has documented that investors have limited attention and may not fully process all available information in complex or lengthy disclosures, which can affect the quality of financial decision-making.⁴³² To the extent that these limitations apply to proxy cards, the proposed amendments to Rule 14a-4(c) could improve the informational efficiency of the proxy process to some degree with respect to those items. Any such benefit would depend on the number of non-Rule 14a-8 proposals a company receives.

The proposed opt-out structure in Rule 14a-4(c) can also be analyzed as a form of delegated decision-making. If a shareholder returns the company's proxy card without checking the opt-out box, the company would have discretionary authority to vote the shareholder's shares on non-Rule 14a-8 proposals in accordance with its disclosed intention. When management is better informed than individual shareholders about the merits of a particular proposal (e.g., because it has greater familiarity with the company's operations, strategy, or governance), delegating voting authority to management could result in votes that better serve shareholders broadly, which can improve the allocative efficiency of the voting process. This mechanism is consistent with the broader literature on delegated decision-making, which suggests that delegation can improve outcomes when the delegate has an informational advantage and the parties' interests are sufficiently aligned.⁴³³ Any such benefit would depend on the

alignment of managerial and shareholder interests, which may vary across companies and proposals, and on whether a shareholder's failure to check the box reflects a decision to delegate rather than inattention, as discussed in section IV.C.2.g.

The proposed rescission of Rule 14a-8 could reduce efficiency through several channels. Under the baseline, shareholder proposals may provide useful information even when they do not receive majority support. They can reveal shareholder preferences, bring attention to issues that management might not otherwise consider, and generate public discussion that informs corporate decision-making. To the extent that the proposed rescission reduces the number of proposals presented, companies and shareholders could lose these informational benefits. Moreover, if proposals that are no longer presented would have prompted value-enhancing changes in corporate policy, rescission could prevent resources from being directed toward higher-valued uses, reducing allocative efficiency.

The proposed rescission of Rule 14a-8 could also reduce allocative efficiency by weakening managerial discipline. Rule 14a-8 gives shareholders a relatively low-cost means of seeking changes to governance arrangements, including board structure, takeover defenses, and compensation practices. If the prospect that shareholders may submit such proposals and attract support currently discourages entrenchment or capital misallocation, the proposed rescission could weaken that disciplining effect.⁴³⁴ This channel operates through the availability and credibility of the Rule 14a-8 submission process rather than solely through proposals actually submitted. Its magnitude would therefore depend less on the number of proposals presented than on whether State law and company governing documents preserve a comparable channel. To the extent that no comparable channel remains (at this time), managerial agency costs could increase and corporate resources could be directed toward lower-valued uses.

The proposed rescission of Rule 14a-8 could also reduce allocative efficiency by narrowing the range of perspectives that reach the board of directors (or similar governing body). Rule 14a-8's low-cost access mechanism enables proponents, including less well-

resourced proponents, retail investors, and smaller institutional investors, to present proposals to the broader shareholder base at minimal incremental cost, with the cost of inclusion and distribution borne by the company. Without that mechanism, and to the extent State law and company governing documents do not provide a comparable one, participation in the governance process would require resources sufficient to conduct an independent solicitation. As discussed in section IV.C.2.c, when combined with the proposed amendments to Rule 14a-4(c), this cost differential could systematically reduce the participation of less well-resourced proponents. To the extent that those proponents currently surface governance concerns that are not otherwise raised, and to the extent that the resulting diversity of perspectives improves the quality of corporate decision-making, their reduced participation could diminish the information available in the governance process and reduce allocative efficiency.

The proposed amendments to Rule 14a-4(c) could reduce informational efficiency, with consequences for allocative efficiency. Because a company would not need to disclose the full text of a non-Rule 14a-8 proposal in its proxy materials to exercise discretionary voting authority over the proposal, shareholders who do not affirmatively opt out may effectively delegate their voting authority without full information about the matter. A brief description may not provide enough information for a shareholder to assess the company's position or to evaluate the proposal on its merits. To the extent this results in the rejection of value-enhancing proposals or the approval of value-reducing ones, the amendments would reduce allocative efficiency. The informational effect would fall principally on shareholders whom the proponent does not solicit, because shareholders who receive the proponent's proxy materials would have access to the full text of the proposal.

The proposed amendments to Rule 14a-4(c) could also reduce allocative efficiency by weakening shareholder oversight through two related but distinct mechanisms. First, by eliminating the solicitation threshold that currently limits a company's discretionary voting authority, the proposed amendments would expand the circumstances under which companies can vote on behalf of shareholders on omitted proposals, shifting the exercise of discretionary voting authority toward management. Second, as discussed in section IV.B.2.f,

⁴³² See Tim Loughran & Bill McDonald, *Measuring Readability in Financial Disclosures* 69 J. Fin. 1643 (2014) (showing that longer financial disclosures are associated with worse investor comprehension and processing), and David Hirshleifer & Siew Hong Teoh, *Limited Attention, Information Disclosure, and Financial Reporting*, 36 J. Acct. & Econ. 337 (2003) (developing a model of limited investor attention showing that disclosure format and complexity affect information processing).

⁴³³ See Wouter Dessein, *Authority and Communication in Organizations*, 69 Rev. Econ. Stud. 811 (2002) (developing a model in which a principal prefers to delegate control to a better-informed agent when the incentive conflict is not too large relative to the principal's uncertainty). But see Milton Harris & Artur Raviv, *Control of Corporate Decisions: Shareholders vs. Management*, 23 Rev. Fin. Stud. 4115 (2010) (developing a model in which shareholders' informational disadvantages do not, by themselves, justify managerial control, but concluding that shareholders nevertheless should not control all major corporate decisions).

⁴³⁴ See Cuñat et al., 2012, *supra* note 391. For discussions of agency costs, see generally, Michael C. Jensen & William H. Meckling, *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure*, 3 J. Fin. Econ. 305 (1976) (developing a theory of agency costs arising from conflicts between managers and shareholders).

the proposed opt-out default structure would mean that shareholders who do not understand or affirmatively act on the check box mechanism would have their shares voted in accordance with the company's disclosed intention, even when that outcome differs from their preferences. To the extent voting outcomes differ from those shareholders would choose if they affirmatively expressed their preferences, the amendments could reduce allocative efficiency. This effect could be greater at companies with dispersed ownership, where individual shareholders have weaker incentives to monitor management or coordinate with other shareholders.⁴³⁵ Its magnitude would also depend on the extent to which managerial and shareholder interests are aligned and on the availability of other governance mechanisms.

The transition following the proposed rescission of Rule 14a–8 could itself reduce efficiency, apart from the direct costs of adapting to a new framework. The proposed rescission would likely eliminate the Federal standard before it is clear whether (and to what extent) State law and private-ordering alternatives may develop. In many jurisdictions, State law is silent or unclear as to which proposals are proper subjects for shareholder action, and these questions may be resolved over time by State legislators and courts. In the interim, companies would need to make decisions about whether to include or exclude a proposal, and shareholders would need to decide whether to pursue proposals or other forms of engagement, without clear and settled requirements. Companies might base inclusion decisions primarily on litigation exposure rather than on a fuller assessment of the expected costs and benefits of inclusion or exclusion, and they might defer changes to their governing documents or State of incorporation while awaiting greater clarity. Legal advice and litigation devoted to resolving these questions would consume resources, reducing productive efficiency. Decisions made or delayed because of uncertainty could also direct resources away from higher-valued uses, reducing allocative efficiency. The transition could therefore create uncertainty, delay, and litigation costs that would not necessarily arise under either the current Federal framework or the

arrangements that may ultimately emerge.

Finally, shareholders may respond to the proposed rescission by shifting to alternative forms of engagement, including direct outreach to management, exempt solicitations, and independent proxy solicitations. The costs of these alternatives would vary. For proponents, independent proxy solicitations require bearing the full cost of soliciting shareholders directly, which are costs that are largely borne by the company under Rule 14a–8. For companies, response costs may persist regardless of the channel used by the proponent, and companies facing independent solicitations may still choose to include the proposals in their own proxy materials to exercise proxy voting authority (absent the concurrent proposed amendments to Rule 14a–4(c)), thereby incurring many of the same costs as under Rule 14a–8. To the extent that total resources consumed across proponents and companies combined are greater under independent solicitation than under the Rule 14a–8 process, substitution would offset some of the processing-cost savings described above and reduce productive efficiency.

2. Competition

The proposed rescission of Rule 14a–8 and the proposed amendments to Rule 14a–4(c) could affect competition along several dimensions. Because Rules 14a–8 and 14a–4(c) apply only to companies subject to the Federal proxy rules, the associated costs may currently place those companies at a competitive disadvantage relative to companies in the same product markets that are not subject to those rules, including private companies and foreign private issuers. These costs may also be difficult to predict because they depend on the number and nature of the proposals a company receives. As discussed in section IV.B.3, however, these costs are concentrated: most companies subject to the proxy rules receive no shareholder proposals in a given year, and most of those that do receive only one. The asymmetry therefore falls unevenly across public companies, and its competitive significance would depend on the number and cost of proposals a particular company expects to receive. To the extent the proposed changes reduce these costs, they could narrow the cost differential between public and private companies competing in the same product markets.⁴³⁶

Among public companies, the competitive effects of the proposed changes could vary by company size. As discussed in section IV.B.3.a, using S&P 500 membership as a proxy for larger company size, Rule 14a–8 proposals are concentrated among larger companies, which therefore bear a disproportionate share of proposal-related processing costs.⁴³⁷ To the extent the proposed rescission reduces those costs, the savings would accrue disproportionately to larger companies. Smaller companies could also benefit from the proposed rescission, however, to the extent compliance with Rule 14a–8 entails fixed or recurring legal, governance, and administrative costs that represent a larger share of their resources. The proposed amendments to Rule 14a–4(c) could have a different distributional effect. As discussed in section IV.B.3.b, approximately 86 percent of the proxy contests involving proposals identified in our sample (contests identified through preliminary proxy statement filings for meetings held from 2022 through 2025) targeted companies outside the S&P 500. To the extent the amendments reduce the costs associated with such contests, the benefits may therefore accrue more often to smaller companies.⁴³⁸ Any resulting effect on competition between larger and smaller public companies would depend on the incidence and magnitude of the costs avoided.

The proposed changes could also affect competition in the market for corporate control. Shareholder proposals provide one channel through which shareholders may seek changes to takeover defenses and related governance arrangements. To the extent the proposed rescission reduces the availability or use of that channel, and State law and company governing documents do not provide a comparable one, such arrangements may become more difficult to challenge or remove. This could reduce the contestability of control at affected companies and weaken competitive pressure from potential acquisitions. A proponent could still pursue such changes through an independent solicitation, although the proposed amendments to Rule 14a–4(c) would permit the company to exercise discretionary voting authority over the proposal as described above, potentially making it harder for the

⁴³⁵ See, e.g., Andrei Shleifer & Robert W. Vishny, *A Survey of Corporate Governance*, 52 J. Fin. 737 (1997) (discussing collective-action and free-rider problems that weaken the incentives of dispersed shareholders to monitor management).

⁴³⁶ See Xiaohui Gao et al., *Where Have All the IPOs Gone?*, 48 J. Fin. Quant. Anal. 1663 (2013).

⁴³⁷ See section IV.B.3.a (noting that 74% of Rule 14a–8 proposals in the sample targeted S&P 500 companies, which we use here as a proxy for larger company size).

⁴³⁸ See section IV.B.3.b (noting that only 14% of proxy contests involving one or more proposals and initiated through the filing of preliminary proxy statements targeted S&P 500 companies).

proponent to obtain the shareholder support needed to succeed, as discussed in section IV.C.2.c. The magnitude of this effect would depend on how effectively other mechanisms substitute for the shareholder proposal process, including shareholders' State-law rights to nominate and elect directors and, where applicable, amend companies' governing documents.

The proposed rescission of Rule 14a–8 could also affect competition among States to attract companies for incorporation within their jurisdictions. States currently have authority to determine the role of shareholder proposals in corporate governance but, with one exception, have not adopted legislation governing shareholder proposals in more than 80 years since Rule 14a–8 was first adopted. The proposed rescission could encourage more States to legislate in this area, and companies' ability to choose their State of incorporation would give States an incentive to adopt frameworks that attract and retain incorporations.⁴³⁹ Differences in State approaches to shareholder proposals could therefore affect competition for incorporations and the distribution of incorporations among States. The magnitude of this effect would depend on whether States develop materially different frameworks and whether companies consider those differences when choosing where to incorporate. The proposed amendments to Rule 14a–4(c) could moderate this effect to the extent they reduce the practical significance of proposals permitted under State law, making differences among State proposal regimes less important to companies and investors.

3. Capital Formation

The proposed rescission of Rule 14a–8 and the proposed amendments to Rule 14a–4(c) could affect capital formation through their influence on the costs and attractiveness of public markets, the cost of capital, and the incentives of companies and investors to participate in public equity markets.

To the extent the proposed changes reduce the costs associated with being a public company, they could make public markets more attractive relative to private alternatives. Whether the proposed changes affect a particular

company's decision to go or remain public would depend in part on the proposal-related costs it expects to incur, which may be difficult to predict. Proposal-related costs are one of several factors companies may consider in deciding whether to go or remain public,⁴⁴⁰ and we are unable to assess the weight companies would place on them.⁴⁴¹ The magnitude of any effect would also depend on whether State law and company governing documents preserve comparable requirements and on the extent to which the proposed amendments to Rule 14a–4(c) reduce the costs associated with non-Rule 14a–8 proposals. To the extent the proposed changes affect these decisions, they could influence the availability of investment opportunities for investors who cannot access private markets as well as companies' access to public equity capital.

The proposed changes could also affect the cost of capital if investors regard them as reducing practical access to shareholder-governance mechanisms. Evidence on how investors value particular governance mechanisms is mixed.⁴⁴² The proposed changes would not alter shareholders' voting rights under State law, and the extent to which investors would view the proposed changes as increasing governance risk is uncertain. The proposed rescission of

Rule 14a–8 would affect the inclusion of shareholder proposals in company proxy materials, while the proposed amendments to Rule 14a–4(c) would affect a company's exercise of discretionary voting authority over proposals presented outside those materials when shareholders return the company's proxy card without opting out. To the extent investors view the proposed changes as limiting their practical ability to raise governance concerns or influence voting outcomes, they may require incrementally higher expected returns, increasing the cost of equity capital for affected companies. The magnitude of any effect would depend on whether State law, company governing documents, and other governance mechanisms provide comparable means of shareholder participation, and on the extent to which shareholders understand and use the opt-out mechanism.

The proposed amendments to Rule 14a–4(c) could have distinct effects on capital formation by closed-end funds. As discussed in section IV.B.3, proxy contests involving shareholder proposals are more frequent among closed-end funds, so these funds may be affected by the proposed amendments. Shareholder proposals at closed-end funds may seek tender offers, conversion to an open-end structure, liquidation, or other actions intended to address the difference between a fund's market price and its net asset value. Because closed-end funds generally may not issue common shares below net asset value, a persistent discount can limit their ability to raise additional equity.⁴⁴³ Research on shareholder campaigns at closed-end funds finds that attempts to convert to an open-end structure substantially reduce discounts, that discounts narrow in anticipation of future campaigns, and that campaign activity responds to the costs of communication among shareholders.⁴⁴⁴ The proposed amendments could therefore affect fund discounts through changes in the expected likelihood that a shareholder campaign succeeds, not only through campaigns actually

⁴⁴⁰ Craig G. Doidge et al., *The U.S. Listing Gap*, 123 J. Fin. Econ. 464 (2017). Michael Dambra et al., *The JOBS Act and IPO Volume: Evidence That Disclosure Costs Affect the IPO Decision*, 116 J. Fin. Econ. 121 (2015).

⁴⁴¹ Although relatively few Rule 14a–8 proposals are received by new public companies, companies may consider the unpredictability of these costs, as well as the medium/long-term effects associated with the shareholder proposal process in making decisions about whether to go and remain public.

⁴⁴² Event studies of the Commission's 2010 proxy-access rule found that companies most exposed to proxy access lost value when implementation was delayed and when the rule was vacated. See Bo Becker et al., *Does Shareholder Proxy Access Improve Firm Value? Evidence from the Business Roundtable's Challenge*, 56 J.L. & Econ. 127 (2013); Jonathan B. Cohn et al., *On Enhancing Shareholder Control: A (Dodd-)Frank Assessment of Proxy Access*, 71 J. Fin. 1623 (2016) (finding positive valuation effects from increases in perceived shareholder control, particularly at poorly performing companies, but more limited benefits where shareholders may pursue objectives other than shareholder-value maximization). Other research finds that markets reacted positively, on average, when Commission staff issue a no-action letter concurring with the company's decision to exclude a shareholder proposal. See John G. Matsusaka et al., *Can Shareholder Proposals Hurt Shareholders? Evidence from Securities and Exchange Commission No-Action-Letter Decisions*, 64 J.L. & Econ. 107 (2021). Neither line of research estimates the effect of removing the Rule 14a–8 process as a whole or directly measures companies' cost of capital. Moreover, the no-action letter evidence reflects proposals that companies challenged under particular Rule 14a–8 exclusion grounds and may not generalize to the broader set of proposals affected by the proposed rescission.

⁴⁴³ See section 23(b) of the Investment Company Act (generally prohibiting a registered closed-end investment company from selling common stock below its current net asset value, subject to specified exceptions).

⁴⁴⁴ See Michael Bradley et al., *Activist Arbitrage: A Study of Open-Ending Attempts of Closed-End Funds*, 95 J. Fin. Econ. 1 (2010) (finding that attempts to convert closed-end funds to open-end funds reduced fund discounts, on average, to approximately half their prior level; that discounts narrowed in anticipation of future activist campaigns; and that campaign activity increased after the 1992 proxy rule amendments reduced the costs of shareholder communication and was more frequent where communication costs were lower).

⁴³⁹ See, e.g., Roberta Romano, *Law as a Product: Some Pieces of the Incorporation Puzzle*, 1 J.L. Econ. & Org. 225 (1985) (analyzing competition among States in the production of corporate law and companies' choices of where to incorporate); Lucian A. Bebchuk & Alma Cohen, *Firms' Decisions Where to Incorporate*, 46 J.L. & Econ. 383 (2003) (finding that differences in State corporate law, including anti-takeover protections, affect companies' incorporation decisions).

conducted. The direction of the resulting effect on capital formation is uncertain. If reduced shareholder pressure allows discounts to persist, it could constrain additional equity issuance; if it reduces the likelihood of tender offers, conversion, or liquidation, it could reduce the contraction or elimination of existing closed-end funds. The magnitude of any effect would depend on the proposals presented, how funds exercise discretionary voting authority, and how investors respond.

E. Reasonable Alternatives

1. Alternative To Rescinding Rule 14a–8

We considered whether a reasonable alternative to full rescission of Rule 14a–8 would be to substantially revise the rule and leave in place a version of Rule 14a–8 that defers entirely to State law as to whether a shareholder proposal is a proper subject for shareholder action and therefore must be included in a company's proxy materials. Under such an alternative, companies would be required to include shareholder proposals in their proxy materials if they are proper subjects for shareholder action under State law, without additional criteria or conditions established by our rules.

Even assuming we had authority to adopt such a rule, this approach would offer companies fewer potential benefits than fully rescinding the rule and would result in increased costs to companies when compared to the baseline. This is because, in jurisdictions that do not impose limits on what is a proper subject for shareholder action, that require companies to include shareholder proposals in their proxy materials, or where companies are unable to adopt their own limits on such submissions, the number of proposals required to be included in company proxy materials could increase compared to the baseline, perhaps significantly, thereby expanding preparation, review, and disclosure burdens. Moreover, as discussed in section II.A.2.c, retaining a Federal rule (even a limited one) that requires inclusion of shareholder proposals that are proper subjects for shareholder action under State law could create a perception of Federal preemption, discouraging States and companies from developing their own standards with respect to the inclusion of proposals in company proxy materials. This could leave a situation similar to the current baseline, under which very few States and companies have developed their own standards. While this alternative

could potentially reduce certain costs for proponents by increasing their ability to have proposals included in company proxy materials, it would increase costs for companies by requiring them to include more proposals, to prepare longer and more complex proxy materials, and to impose greater review and decision-making burdens on non-proponent shareholders.

We recognize that the costs and benefits of this alternative could vary depending on how States, companies, and proponents choose to respond to such a rule. We invite comments on possible reasonable alternatives that would achieve the goals identified in this release while imposing fewer costs.

Similarly, we considered an alternative of leaving in place a version of Rule 14a–8, or proposing a similar rule under the Investment Company Act, that refers to the Investment Company Act and State law as to whether a shareholder proposal is a proper subject for shareholder action and therefore must be included in a regulated fund's proxy materials. While referring to the Investment Company Act would establish some limits on the matters that would be appropriate for shareholder action and that would be required to be included in a regulated fund's proxy materials, referring to State law would raise many of the same issues as discussed above. Moreover, under this approach, proponents may be incentivized to attempt to frame matters as being related to Investment Company Act voting matters even where such connection is tenuous, which could lead to a potentially resource-intensive process for the regulated funds to determine whether such proposals can be excluded from their proxy materials.

2. Switch the Default Choice of Check Box in Proposed Rule 14a–4(c)(2) Amendment

As an alternative approach to the proposed amendments to Rule 14a–4(c), we could have chosen to retain the baseline rule prohibiting a company from exercising discretionary voting authority with respect to timely received shareholder proposals submitted outside the Rule 14a–8 process if the shareholder proponent delivers its own proxy materials to holders of the requisite percentage of the company's shares necessary to carry the proposal. Under this alternative, we could then require the inclusion of a check box that, if checked by the shareholder, would grant the company discretionary voting authority. This would theoretically be no different than the proposed amendment structure, if

not for the behavioral default check box effects discussed in section IV.C.2.g. Because shareholders who do not act for reasons that may include inertia, limited attention, or an interpretation of the default as an implied recommendation would produce the default outcome, this alternative would likely result in discretionary voting authority being exercised less often by management than under the proposed rules. Whereas the default structure as proposed could result in some (likely retail) shareholders granting authority when that might not be their actual preference, this alternative could result in some shareholders submitting a non-vote when that might not be their actual preference.

3. Require a Separate Check Box for Each Proposal

For non-management proposals subject to discretionary voting authority, we could have required companies to include a separate discretionary authority check box on the proxy card for each such proposal, as opposed to a single check box that would apply to all proposals, as under the proposed amendments. Allowing shareholders the flexibility to make individualized choices would be beneficial if shareholders using the company's card wished to vote with management on some proposals (leaving these boxes unchecked) while not wishing to grant discretionary authority on others (by checking these boxes). Companies could also benefit by receiving more granular information as to shareholders' preferences. However, under the proposed rules, for omitted proposals, the proxy card need only include a cross-reference to the location in the proxy statement of disclosures regarding proposals' descriptions and the company's recommended votes. A separate check box for each proposal would necessitate a separate, identifying description on the proxy card for each proposal. This could lengthen the contents of the proxy card and distract shareholders from communications of greater relevance as they review and process the resulting proxy materials.

F. Request for Comment

We request comments on all aspects of our economic analysis, including the potential costs and benefits of the proposed amendments and alternatives, and whether the proposed amendments, if adopted, would promote efficiency, competition, and capital formation. Commenters are requested to provide empirical data, estimation methodologies, and other factual support for their views, in particular, on

any estimates of costs and benefits of the proposed amendments. Specifically, we seek comment with respect to the following questions:

33. Have we correctly characterized the baseline of shareholder proposals and independent solicitations? Have we correctly characterized the affected entities? Are there other important elements of the baseline? Please provide supportive data to the extent available.

34. Have we correctly characterized the benefits and costs of the proposed amendments to affected parties? Are there other effects that should be considered? Please provide supportive data to the extent available.

35. Have we correctly characterized the effects on efficiency, competition, and capital formation from the proposed amendments? Are there any other effects that should be considered? Please provide supportive data to the extent available.

36. To what extent would proponents who would have submitted proposals under Rule 14a-8 switch to alternative forms of engagement if the rule were rescinded? Which alternative methods would likely be used, and how would their effectiveness in achieving the proponent's goals compare to submitting proposals under Rule 14a-8? Are certain types of proponents more likely to adopt specific alternative engagement methods?

37. What are the costs of the alternative engagement mechanisms that proponents may use if Rule 14a-8 is rescinded, compared to the cost of the current Rule 14a-8 process? Please provide estimates to the extent possible.

38. What is the cost of an independent proxy solicitation per proponent? Does it vary by type of proposal, type of proponent (e.g., institutional investor vs. retail investor), or type of subject registrant (e.g., large vs. small, operating company vs. registered investment company)? Please provide estimates where possible.

39. What effect would the proposed amendments to Rule 14a-4(c) have on the likelihood of potential proponents conducting independent solicitations? What alternative engagement methods might they use instead, and how effective would these alternatives be?

40. Would the proposed amendments to Rule 14a-4(c) influence companies' decisions regarding whether to include or exclude proposals that are the subject of independent solicitations in their proxy materials?

41. For proposals that are the subject of independent solicitations, what is the difference in the current cost to companies between including the proposal in their proxy materials and

omitting the proposal? Would this difference in cost change under the proposed amendments which would require, if omitting: (i) in the proxy statement, a brief description of the matter and how the company intends to vote through its exercise of discretionary authority; and (ii) on the proxy card, a cross-reference to the location of this disclosure in the proxy statement and a check box? What are the primary cost drivers that currently contribute to the cost difference between including and omitting?

42. The proposed rescission of Rule 14a-8 could redirect a portion of the existing Rule 14a-8 proposals into the independent solicitation channel. However, the proposed amendments to Rule 14a-4(c) may reduce the number of independent solicitations. What would be the aggregate effect of the concurrent proposed changes to Rules 14a-8 and 14a-4(c) on the total volume of non-Rule 14a-8 proposals?

43. To what extent would shareholders' ability to express their views on proposals introduced through independent proxy solicitations be affected by the proposed amendments to Rule 14a-4(c)?

44. Would the rescission of Rule 14a-8 and the proposed amendments to Rule 14a-4(c) impact companies' decisions to go public or stay public?

45. To what extent would the proposed amendments result in management being less aware of shareholder views and concerns? Would this impact cost of capital and capital formation?

46. What State laws or company governing document provisions (private ordering) with respect to shareholder proposals are likely to emerge upon any rescission of Rule 14a-8, and how might these compare to current laws and practices under the baseline?

47. How significant would the transition costs be during the period in which State law and private ordering may develop in response to the proposed amendments?

48. Are there any other reasonable alternatives to the proposed rescission of the entirety of Rule 14a-8 that we should consider?

49. Are there any other reasonable alternatives to the proposed amendments to Rule 14a-4(c) that we should consider?

V. Paperwork Reduction Act

A. Summary of the Collection of Information

Certain provisions of our rules and schedules that would be affected by the proposed amendments contain

“collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995 (“PRA”).⁴⁴⁵ We are submitting the proposed amendments to OMB for review in accordance with the PRA.⁴⁴⁶ The hours and costs associated with preparing, filing, and sending the schedules, including preparing documentation required by the shareholder proposal process under Rule 14a-8, constitute paperwork burdens imposed by the collection of information. An agency may not conduct or sponsor, and a person is not required to comply with, a collection of information requirement unless it displays a currently valid OMB control number. The title for the affected collection of information is:

“Regulation 14A (Commission Rules 14a-1 through 14a-21 and Schedule 14A)” (OMB Control No. 3235-0059).

The regulations and schedule listed above were adopted pursuant to the Exchange Act. The regulations and schedule set forth the disclosure and other requirements for proxy statements filed by issuers and other soliciting parties. Responses to this collection of information are mandatory. Responses to this information collection are not kept confidential, and there is no mandatory retention period for the information disclosed.

A detailed description of the proposed amendments can be found in section II above, and a discussion of the expected economic effects of the proposed amendments can be found in section IV above.

B. Estimated Paperwork Burden Effects of the Proposed Amendments

As discussed in section II.A above, we are proposing to rescind Rule 14a-8. The proposed rescission, therefore, would eliminate any information collection requirements associated with Rule 14a-8. We are also proposing to amend Rule 14a-4(c) to require that companies seeking discretionary voting authority on proposals that will be presented at a shareholder meeting but not included in the company's proxy materials to include a check box on the proxy card that, if checked by a shareholder, would prevent the company from exercising voting authority on such matters. The following PRA Table 1 summarizes the estimated effects of the proposed rescission of Rule 14a-8 and addition of the check box on the paperwork

⁴⁴⁵ 44 U.S.C. 3501 *et seq.*

⁴⁴⁶ 44 U.S.C. 3507(d) and 5 CFR 1320.11.

burdens associated with the affected collection of information.

BILLING CODE 8011-01-P

PRA Table 1. Estimated Paperwork Burden Effects of the Proposed Rescission of Rule 14a-8 and Amendments to Rule 14a-4(c)

Proposed Amendment	Affected Collection of Information	Estimated Effect
Rescind Rule 14a-8 Companies would no longer be required by the Federal proxy rules to include shareholder proposals in their proxy materials	Schedule 14A; Schedule 14C	100% decrease in the number of required shareholder proposals, resulting in a decrease of 80.25 burden hours ¹ and \$12,358.50 burden cost per proposal ²
Amendments to Rule 14a-4(c) Companies seeking discretionary voting authority on proposals omitted from the company's proxy card would be required to include a check box on their proxy card cross-referencing the proposal description to provide shareholders with means to elect to prevent the company from exercising such authority	Schedule 14A	Estimated increase of 0.1 burden hours per proxy contest ³

¹ We believe that the paperwork burdens associated with addressing shareholder proposals under Rule 14a-8 have not changed significantly since 2020. As a result, for purposes of this PRA analysis, we use the same estimates for paperwork burdens that the Commission used in the 2020 Adopting Release. Specifically, we estimate that respondents incur 107 total burden hours per proposal in connection with the receipt of a shareholder proposal under Rule 14a-8. *See* 2020 Adopting Release at 70292, n.490. We further estimate that 75% of those burden hours (or 80.25 hours) are carried internally by the respondents and 25% of those burden hours (or 26.75 hours) are carried by outside professionals retained by the respondents. Because the proposed amendments would eliminate Rule 14a-8, we estimate a reduction in the total burden hours associated with the affected collection of information of 80.25 hours per proposal. Based upon staff review of information statements, we do not believe the proposed amendments would eliminate any existing information collection requirements under Schedule 14C (OMB Control No. 3235-0057). As a result, we do not estimate any reduction in the paperwork burdens associated with Schedule 14C.

² As noted in note 1 to this PRA Table 1, we estimate that 25% of the total burden hours associated with each proposal under Rule 14a-8, or 26.75 hours, are carried by outside professionals retained by the respondents. In addition, we estimate that such outside professionals charge approximately \$462 per hour. *See supra* note 420. Thus, for purposes of this PRA analysis, we estimate that respondents incur \$12,358.50 in cost burden per proposal in connection with the receipt of a shareholder proposal under Rule 14a-8. Because the proposed amendments would eliminate Rule 14a-8, we estimate a reduction in the total cost burden associated with the affected collection of information of \$12,358.50 per proposal.

³ We estimate that adding the check box would add 0.1 internal burden hour. We estimate no additional costs from inclusion of the check box because we assume that all of the burden associated with the check box will be carried by the company internally.

BILLING CODE 8011-01-C

C. Incremental and Aggregate Burden and Cost Estimates for the Proposed Amendments

We estimate below the incremental and aggregate change in paperwork burden as a result of the proposed amendments. These estimates represent the average burden for all issuers, both large and small. In deriving our estimates, we recognize that the burdens will likely vary among individual respondents based on numerous factors, including the size and complexity of their business. These estimates include the time and the cost of preparing and reviewing disclosure, filing documents,

coordinating and engaging with proponents, and retaining records. We believe that some issuers would experience costs in excess of this average cost and some issuers would experience less than such average cost. Our methodologies for deriving these estimates are discussed in section IV.C above.

For purposes of this PRA analysis, the burden is generally allocated between burden hours and costs. The cost burden generally reflects the portion of the burden carried by outside professionals, while the burden hours generally reflect the portion of the burden carried by the issuer internally. The following PRA Table 2 summarizes

the estimated total annual number of responses, the average burden hours per response, and the average cost burden per response for each information collection affected by the proposed amendments and, using those amounts, calculates the estimated total annual burden hours and total annual cost burden associated with each affected collection of information under the proposed amendments. The total annual burden hours and cost burdens are rounded to the nearest whole number, and the burden hours per response and cost burden per response are rounded to the second decimal point.

BILLING CODE 8011-01-P

PRA Table 2. Requested Paperwork Burden under the Proposed Amendments

Current Burden ¹			Program Change			Revised Burden		
Current Annual Responses	Current Burden Hours	Current Cost Burden	Estimated Number of Affected Responses	Estimated Change in Burden Hours	Estimated Change in Cost Burden	Annual Responses	Burden Hours	Cost Burden
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = (B) - (E)	(I) = (C) - (F)
6,043	816,349	\$163,269,774	801 ²	(64,280.25) ³	(\$9,899,158.50) ⁴	6,043	752,070	\$153,370,616
			17 ⁵	1.7 ⁶	\$0			

¹ These numbers reflect the Commission's current OMB PRA filing inventory. The OMB PRA filing inventory represents a three-year average. Averages may not align with the actual number of filings in any given year.

² With respect to Rule 14a-8, we estimate that an average of approximately 801 proposals were submitted under Rule 14a-8 each year from 2022 through 2025. *See supra* section IV.B.3.a.

³ 80.25 hours per proposal x 801 proposals = 64,280.25 hours.

⁴ Based on our estimate that the cost burden is \$12,358.50 per proposal in footnote 2 to PRA Table 1 above, the estimated change in cost burden would be \$12,358.50 x 801 proposals = \$9,899,158.50.

⁵ With respect to Rule 14a-4(c), from 2022 through 2025, the average annual number of proxy contests was 17 (69 total divided by four years). *See* section IV.B.3.b.

⁶ 0.1 hours per check box x 17 contests = 1.7 hours.

BILLING CODE 8011-01-C

D. Request for Comment

Pursuant to 44 U.S.C. 3506(c)(2)(B), we request comment in order to:

- Evaluate whether the proposed changes to the collection of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;
- Evaluate the accuracy and assumptions and estimates of the burden of the proposed collection of information;
- Determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected;
- Evaluate whether there are ways to minimize the burden of the collection of information on those who respond, including through the use of automated collection techniques or other forms of information technology; and
- Evaluate whether the proposed amendments would have any effects on any other collection of information not previously identified in this section.

Any member of the public may direct to us any comments concerning the accuracy of these burden estimates and any suggestions for reducing these burdens. Persons submitting comments on the collection of information requirements should direct their comments to the OMB Desk Officer for the Securities and Exchange Commission, *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov*, and should send a copy to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, using any of the methods in the **ADDRESSES** section, with reference to File No. S7-2026-32. Requests for materials submitted to OMB by the Commission with regard to the collection of information should be in writing, refer to File No. S7-2026-32 and be submitted to the Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736. OMB is required to make a decision concerning the collection of information between 30 and 60 days after publication of this proposed rule. Consequently, a comment to OMB is best assured of having its full effect if the OMB receives it within 30 days of publication.

VI. Congressional Review Act

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),⁴⁴⁷ the Commission must seek OMB's

determination as to whether a final regulation constitutes a "major rule." Under the Congressional Review Act, a rule is considered "major" where, if adopted, it results in or is likely to result in:

- An annual effect on the economy of \$100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment, or innovation.⁴⁴⁸

To help inform OMB's determination as to whether any final rule that results from the proposal would be a "major rule," we solicit comment and data on:

- The potential effect on the U.S. economy on an annual basis;
- Any potential increase in costs or prices for consumers or individual industries; and
- Any potential effect on competition, investment, or innovation.

Commenters are requested to provide empirical data and other factual support for their views to the extent possible, to inform OMB's determination regarding whether any final rule following this proposal is likely to be a "major rule" for the purposes of the Congressional Review Act.

VII. Initial Regulatory Flexibility Act Analysis

The Regulatory Flexibility Act ("RFA")⁴⁴⁹ requires an agency, when issuing a rulemaking proposal, to prepare and make available for public comment an Initial Regulatory Flexibility Analysis ("IRFA") that describes the impact of the proposed rule on small entities.⁴⁵⁰ This IRFA has been prepared in accordance with the RFA and relates to the proposed amendments described in section II above.

A. Reasons for, and Objectives of, the Proposed Action

We are proposing to rescind Rule 14a-8 because the rule exceeds the Commission's statutory authority. We also believe there are independent policy reasons to rescind Rule 14a-8. Under the proposed rescission, the Federal proxy rules would no longer require companies to include in their proxy materials shareholder proposals on the basis that they satisfy procedural and substantive requirements established under Federal law. Instead, State law or, if State law permits, a company's governing documents would

determine whether a shareholder proposal would be required to be included in a company's proxy materials.

We are also proposing amendments to Rule 14a-4(c), which addresses when a proxy card submitted by a shareholder may confer discretionary voting authority on the proxy holder with respect to a matter that is not included on the proxy card. The proposed amendments to Rule 14a-4(c) are intended to provide companies with greater flexibility, and shareholders with greater control, regarding proposals for which a company may seek discretionary voting authority, which may become more frequent if Rule 14a-8 is rescinded, as proposed.

Finally, we are proposing certain other amendments to facilitate implementation of the proposed changes to the proxy rules and conforming amendments to our rules and forms.

The reasons for, and objectives of, the proposed rescission and amendments are discussed in more detail in section II above.

B. Legal Basis

The amendments contained in this release are proposed under the authority set forth in sections 3(b), 14, and 23(a) of the Exchange Act, as amended, and sections 20(a) and 38 of the Investment Company Act, as amended.

C. Small Entities Subject to the Proposed Amendments

The proposed amendments would apply to: (i) shareholder proponents that submit Rule 14a-8 proposals and those that present proposals through their own proxy solicitations, and (ii) registrants (including issuers and investment companies) subject to the Federal proxy rules that receive Rule 14a-8 proposals and/or proposals presented through proponents' own proxy solicitations. The RFA defines "small entity" to mean "small business," "small organization," or "small governmental jurisdiction."⁴⁵¹ The definition of "small entity" does not include individuals. For purposes of the RFA, under our rules, an issuer of securities or a person, other than an investment company, is a "small business" or "small organization" if it had total assets of \$5 million or less on the last day of its most recent fiscal year.⁴⁵² We estimate that there are

⁴⁵¹ 5 U.S.C. 601(6).

⁴⁵² 17 CFR 240.0-10(a). The Commission has proposed amendments to the definitions of "small business" and "small organization" in 17 CFR 230.157 and 17 CFR 240.0-10(a). See *Enhancement*

⁴⁴⁷ See 5 U.S.C. chapter 8.

⁴⁴⁸ See 5 U.S.C. 804(2) (defining "major rule").

⁴⁴⁹ 5 U.S.C. 601 *et seq.*

⁴⁵⁰ 5 U.S.C. 603(a).

approximately 506 issuers that are subject to the Federal proxy rules, other than investment companies, that may be considered small entities.⁴⁵³ An investment company, including a business development company, is considered to be a “small business” if it, together with other investment companies in the same group of related investment companies, has net assets of \$50 million or less as of the end of its most recent fiscal year.⁴⁵⁴ There are approximately five business development companies and 62 registered investment companies subject to the Federal proxy rules that may be considered small entities.⁴⁵⁵ We are unable to estimate the number of potential shareholder proponents that may be considered small entities;⁴⁵⁶ therefore, we request comment on the number of these small entities.

D. Projected Reporting, Recordkeeping, and Other Compliance Requirements

If adopted, the proposed rescission of Rule 14a–8, the proposed amendment to Rule 14a–4, and the related

of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, Release No. 33–11419 (May 19, 2026) [91 FR 30086, 30124 (May 21, 2026)]. We encourage commenters to review that proposal to determine whether it might affect their comments on this IRFA.

⁴⁵³ We estimate the number of small entity companies other than asset-backed securities, registered investment companies, and BDCs with a class of securities registered under section 12 of the Exchange Act by reviewing all filers with total assets less than or equal to \$5 million, by unique Central Index Key (CIK), of Forms 10–K and amendments thereto filed during calendar year 2025.

⁴⁵⁴ 17 CFR 270.0–10. The Commission has a pending proposal addressing the definition under the Investment Company Act of small organization and small business for purposes of the Regulatory Flexibility Act. The Commission encourages commenters to review the proposal to determine whether it might affect their comments on this IRFA. *See Amendments to the “Small Business” and “Small Organization” Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act*, Investment Company Act Release No. 35864 (Jan. 7, 2026) [91 FR 1107 (Jan. 12, 2026)].

⁴⁵⁵ Based on Commission staff estimates that as of Dec. 2025, approximately 27 open-end funds (including 7 exchange-traded funds), 34 closed-end funds, 1 unit investment trust, and 5 business development companies are small entities.

⁴⁵⁶ For the purposes of our Economic Analysis, we have estimated that there were approximately 184 proponents that submitted a shareholder proposal to be included in a company’s proxy statement as a lead proponent during calendar year 2025. *See supra* section IV.B.2.b. Out of these 184 proponents, 44 were individuals, 81 were institutions, and 59 were missing description of type. Thus, at most, 140 (184–44) of these unique proponents could be considered small entities. This data allows for the identification of a sole lead proponent of each proposal, but not all of a proposal’s proponents, and, as a result, it should be interpreted as a lower bound on the total number of unique proponents.

amendments to the proxy rules would apply to small entities to the same extent as other entities, irrespective of size. As discussed in section IV above, the nature of any benefits and costs associated with the proposed rescission and amendments may vary for large and small entities. However, as a general matter, we are unable to isolate the costs and benefits associated with the proposed amendments for small entities alone, because we lack information necessary to make reasonable estimates.

If Rule 14a–8 is rescinded, States and companies may or may not adopt frameworks that address shareholder proposals in ways that may impact large and small entities, including companies and shareholder proponents, differently. In addition, the proposed amendments to Rule 14a–4, if adopted, would allow companies of all sizes to exercise discretionary voting authority with regard to timely received shareholder proposals presented other than through Rule 14a–8 even if the shareholder proponent delivers its own proxy materials to holders of the requisite percentage of the company’s shares necessary to carry the proposal. We refer to the discussion of the economic impact of the proposed amendments, including the estimated costs and benefits, on all affected parties, including small entities, in section IV above. Consistent with that discussion, we anticipate that the economic benefits and costs likely could vary among small entities (including both proponents and companies) based on a number of factors, such as the amount of resources a particular shareholder proponent has, or the number of shareholder proposals received by a particular company. With respect to shareholder proponents in particular, as discussed in section IV above, the proposed rescission of Rule 14a–8 could disproportionately affect less well-resourced proponents, for whom independent solicitation could be cost-prohibitive, while smaller companies could also benefit from the proposed rescission of Rule 14a–8 to the extent compliance with Rule 14a–8 entails fixed or recurring legal, governance, and administrative costs that represent a larger share of their resources.

While the proposed amendments would not impose any compliance or reporting requirements under a Federal rule (other than the burden of including a check box and cross-reference on the proxy card), we request comment on how the proposed amendments would affect small entities, including available empirical data. We discuss the economic impact of, and potential alternatives to, the proposed

amendments in section IV, and the estimated compliance costs and burdens of the proposed amendments for purposes of the PRA in section V, above.

E. Duplicative, Overlapping, or Conflicting Federal Rules

We do not expect the proposed rescission of Rule 14a–8 or amendments to Rule 14a–4 and other proxy rules, if adopted, to duplicate, overlap, or conflict with other Federal rules.

F. Significant Alternatives

The RFA directs us to consider significant alternatives that would accomplish our stated objectives, while minimizing any significant adverse impact on small entities. In connection with the proposed rule, we considered the following alternatives:

- Establishing different compliance or reporting requirements or timetables that take into account the resources available to small entities;
- Clarifying, consolidating, or simplifying compliance and reporting requirements under the rules for small entities;
- Using performance rather than design standards; and
- Exempting small entities from all or part of the requirements.

The Commission is proposing to rescind Rule 14a–8 and to defer to States and companies to determine if, and under what circumstances, shareholder proposals must be included in a company’s proxy materials.

Imposing different standards or requirements regarding the inclusion of shareholder proposals in company proxy materials based on the size of companies or shareholder proponents would not accomplish our stated objective of ending the Commission’s entanglement in State law corporate governance matters. Indeed, imposing different standards and requirements is likely to exacerbate the adverse effects of such entanglement, as described in section II.A.2 above. Furthermore, as we are proposing to rescind Rule 14a–8 in its entirety, we do not believe there are any alternatives that would further minimize the compliance and reporting requirements of small entities subject to Rule 14a–8. As we are proposing to rescind Rule 14a–8 in its entirety, it is also not necessary to exempt any small entities from the rule or provide them with alternative compliance timetables.

The proposed amendments to Rule 14a–4 would allow companies of all sizes to exercise discretionary voting authority with regard to timely received shareholder proposals presented other than through Rule 14a–8, subject to certain requirements, even if the

shareholder proponent delivers its own proxy materials to holders of the requisite percentage of the company's shares necessary to carry the proposal. The other proposed amendments to the proxy rules would also apply equally to companies of all sizes.

We do not believe that imposing different standards or requirements based on the size of the company or shareholder proponent for these amendments is necessary. In fact, different standards may result in additional costs associated with ascertaining whether a particular company or shareholder proponent may avail itself of such different standards. For these reasons, we are not proposing differing compliance or reporting requirements or timetables, or an exception, for companies and shareholder proponents that are small entities.

Similarly, as the proposed amendments to Rule 14a-4 and the other proxy rules would not impose new compliance or reporting burdens on any entities (other than the burden of including a check box and cross-reference on the proxy card), we find that clarifying, consolidating or simplifying compliance and reporting requirements for small entities, or utilizing performance rather than design standards is not necessary, although we solicit comment on how the proposed amendments could be revised to reduce existing burdens on small entities, including with respect to shareholder proponents that are small entities.

G. Request for Comment

We encourage the submission of comments with respect to any aspect of this IRFA. In particular, we request comments regarding:

- The number of small entities that may be affected by the proposed amendments;
- The existence or nature of the potential impact of the proposed amendments on small entities discussed in this analysis;
- Whether there are any alternative approaches to the proposed amendments that can achieve the objective of this proposal with a lower burden on small entities (including shareholder proponents);
- How the proposed amendments could further lower the burden on small entities;
- How to quantify the impact of the proposed amendments; and
- Whether there are any Federal rules that duplicate, overlap, or conflict with the proposed amendments.

Commenters are asked to describe the nature of any impact and provide

empirical data supporting the extent of the impact. Comments will be considered in the preparation of the Final Regulatory Flexibility Analysis, if the proposed amendments are adopted, and will be placed in the same public file as comments on the proposed amendments themselves.

Statutory Authority

The rule amendments contained in this release are being proposed under the authority set forth in sections 3(b), 14, and 23(a) of the Exchange Act, as amended, and sections 20(a) and 38 of the Investment Company Act, as amended.

List of Subjects in 17 CFR Parts 200, 229, 232, 240, and 249

Reporting and recordkeeping requirements; Securities; Investment companies; Electronic filing.

Text of Proposed Amendments

For the reasons set forth in the preamble, the Commission proposes to amend Title 17, Chapter II of the Code of Federal Regulations as follows:

PART 200—ORGANIZATION; CONDUCT AND ETHICS, AND INFORMATION AND REQUESTS

Subpart A—Organization and Program Management

- 1. The authority citation for part 200, subpart A, continues to read in part as follows:

Authority: 5 U.S.C. 552, 552a, 552b, and 557; 11 U.S.C. 901 and 1109(a); 15 U.S.C. 77c, 77e, 77f, 77g, 77h, 77j, 77o, 77q, 77s, 77u, 77z-3, 77ggg(a), 77hhh, 77sss, 77uuu, 78b, 78c(b), 78d, 78d-1, 78d-2, 78e, 78f, 78g, 78h, 78i, 78k, 78k-1, 78l, 78m, 78n, 78o, 78o-4, 78q, 78q-1, 78t-1, 78u, 78w, 78ll(d), 78mm, 78eee, 80a-8, 80a-20, 80a-24, 80a-29, 80a-37, 80a-41, 80a-44(a), 80a-44(b), 80b-3, 80b-4, 80b-5, 80b-9, 80b-10(a), 80b-11, 7202, and 7211 *et seq.*; 29 U.S.C. 794; 44 U.S.C. 3506 and 3507; Reorganization Plan No. 10 of 1950 (15 U.S.C. 78d); sec. 8G, Pub. L. 95-452, 92 Stat. 1101 (5 U.S.C. App.); sec. 913, Pub. L. 111-203, 124 Stat. 1376, 1827; sec. 3(a), Pub. L. 114-185, 130 Stat. 538; E.O. 11222, 30 FR 6469, 3 CFR, 1964-1965 Comp., p. 36; E.O. 12356, 47 FR 14874, 3 CFR, 1982 Comp., p. 166; E.O. 12600, 52 FR 23781, 3 CFR, 1987 Comp., p. 235; Information Security Oversight Office Directive No. 1, 47 FR 27836; and 5 CFR 735.104 and 5 CFR parts 2634 and 2635, unless otherwise noted.

- 2. Amend § 200.30-1 by, in paragraph (f)(4), removing the words “and 240.14a-8(j)(1)”.

- 3. Remove and reserve § 200.82.

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S-K

- 4. The authority citation for part 229 continues to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78j-3, 78l, 78m, 78n, 78n-1, 78o, 78u-5, 78w, 78ll, 78mm, 80a-8, 80a-9, 80a-20, 80a-29, 80a-30, 80a-31(c), 80a-37, 80a-38(a), 80a-39, 80b-11 and 7201 *et seq.*; 18 U.S.C. 1350; sec. 953(b), Pub. L. 111-203, 124 Stat. 1904 (2010); and sec. 102(c), Pub. L. 112-106, 126 Stat. 310 (2012).

- 5. Amend § 229.407 by removing Instruction 4 to paragraph (f) of the Instructions to Item 407(f).

PART 232—REGULATION S-T—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

- 6. The general authority citation for part 232 continues to read as follows:

Authority: 15 U.S.C. 77c, 77f, 77g, 77h, 77j, 77s(a), 77z-3, 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll, 80a-6(c), 80a-8, 80a-29, 80a-30, 80a-37, 80b-4, 80b-6a, 80b-10, 80b-11, 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

* * * * *

- 7. Amend § 232.101 by removing and reserving paragraph (c)(3).

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

- 8. The general authority citation for part 240 continues to read as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c-3, 78c-5, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78j-4, 78k, 78k-1, 78l, 78m, 78n, 78n-1, 78o, 78o-4, 78o-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78dd, 78ll, 78mm, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, 80b-11, 1681w(a)(1), 6801-6809, 6825, 7201 *et seq.*, and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; Pub. L. 111-203, 939A, 124 Stat. 1376 (2010); and Pub. L. 112-106, sec. 503 and 602, 126 Stat. 326 (2012), unless otherwise noted.

* * * * *

- 9. Amend § 240.14a-2 by revising the introductory text of paragraph (b) to read as follows:

§ 240.14a-2 Solicitations to which § 240.14a-3 to § 240.14a-15 apply.

* * * * *

(a) * * *

(b) Sections 240.14a-3 through 240.14a-6 (other than § 240.14a-6(g))

and (p)), 240.14a–10, 240.14a–12 through 240.14a–15, and 240.14a–19 do not apply to the following:

* * * * *

■ 10. Amend § 240.14a–4 by:

- a. Revising the introductory text to paragraph (c);
- b. Revising paragraph (c)(1);
- c. Revising paragraph (c)(2);
- d. Removing paragraph (c)(6); and
- e. Redesignating paragraph (c)(7) as (c)(6).

The revisions read as follows:

§ 240.14a–4 Requirements as to proxy.

* * * * *

(c) A proxy may confer discretionary authority to vote on any of the following matters not included on the form of proxy:

(1) For an annual meeting of shareholders, if the registrant did not have notice of the matter by the deadline established pursuant to an applicable state or foreign law provision or the registrant's governing documents (or, in the absence of such a deadline, at least 45 days before the anniversary of the date on which the registrant first sent its proxy materials for the prior year's annual meeting of shareholders), and a specific statement to that effect is made in the proxy statement or form of proxy. If during the prior year the registrant did not hold an annual meeting, or if the date of the meeting has changed more than 30 days from the prior year, then notice must not have been received a reasonable time before the registrant sends its proxy materials for the current year (unless a provision of applicable state or foreign law or the registrant's governing documents establishes an applicable deadline for such notice, in which case such deadline applies).

(2) In the case in which the registrant has received timely notice in connection with an annual meeting of shareholders (as determined under paragraph (c)(1) of this section), if the registrant includes:

(i) In the proxy statement, a brief description of the matter or matters and how the registrant intends to exercise its discretion to vote on each matter, and

(ii) On the form of proxy, a cross-reference to such description in the proxy statement and a box by which a security holder may elect not to confer discretionary voting authority on the same matter(s).

(3) * * *

(4) * * *

(5) * * *

(6) Matters incident to the conduct of the meeting.

* * * * *

■ 11. Amend § 240.14a–5 by:

- a. Revising paragraph (e)(1);
- b. Revising paragraph (e)(2); and
- c. Revising paragraph (f).

The revisions read as follows:

§ 240.14a–5 Presentation of information in proxy statement.

* * * * *

(e) * * *

(1) The deadline for submitting shareholder proposals for inclusion in the registrant's proxy statement and form of proxy pursuant to an applicable state or foreign law provision or a registrant's governing documents as they relate to the inclusion of shareholder proposals in the registrant's proxy materials for the registrant's next annual meeting;

(2) The deadline for providing notice of shareholder proposals that are not for inclusion in the registrant's proxy statement and form of proxy, after which the notice would be considered untimely under § 240.14a–4(c)(1);

(3) * * *

(4) * * *

(f) If the date of the next annual meeting is subsequently advanced or delayed by more than 30 calendar days from the date of the annual meeting to which the proxy statement relates, the registrant must, in a timely manner, inform shareholders of such change, and the new dates referred to in paragraphs (e)(1) through (e)(4) of this section (to the extent applicable), by including a notice, under Item 5, in its earliest possible quarterly report on Form 10–Q (§ 249.308a of this chapter), or, in the case of investment companies, in a shareholder report under § 270.30d–1 of this chapter under the Investment Company Act of 1940, or, if impracticable, any means reasonably calculated to inform shareholders.

■ 12. Amend § 240.14a–6 by:

- a. Revising paragraph (a);
- b. Revising paragraph (a)(3);
- c. Revising paragraph (a)(4);
- d. Removing the undesignated paragraph immediately following (a)(8);
- e. Removing Note 2 to paragraph (a);
- f. Redesignating Note 3 to paragraph (a) as Note 2 to paragraph (a);
- g. Revising newly redesignated Note 2 to paragraph (a); and
- h. Removing Note 4 to paragraph (a).

The revisions read as follows:

§ 240.14a–6 Filing requirements.

(a) Preliminary proxy statement. Five preliminary copies of the proxy statement and form of proxy must be filed with the Commission at least 10 calendar days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period prior to that date as

the Commission may authorize upon a showing of good cause thereunder. A registrant, however, need not file with the Commission a preliminary proxy statement, form of proxy or other soliciting material to be furnished to security holders concurrently therewith if the solicitation relates to an annual (or special meeting in lieu of the annual) meeting, or for an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1 *et seq.*) or a business development company, if the solicitation relates to any meeting of security holders, at which the only matters to be acted upon are:

(1) * * *

(2) * * *

(3) One or more security holder proposals;

(4) One or more shareholder nominees for director included pursuant to an applicable state or foreign law provision or a registrant's governing documents as they relate to the inclusion of shareholder director nominees in the registrant's proxy materials;

(5) * * *

(6) * * *

(7) * * *

(8) A vote to approve the compensation of executives as required pursuant to section 14A(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78n–1(a)(1)) and § 240.14a–21(a) of this chapter, or pursuant to section 111(e)(1) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5221(e)(1)) and § 240.14a–20 of this chapter, a vote to determine the frequency of shareholder votes to approve the compensation of executives as required pursuant to Section 14A(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78n–1(a)(2)) and § 240.14a–21(b) of this chapter, or any other shareholder advisory vote on executive compensation.

Note 1 to paragraph (a): * * *

Note 2 to paragraph (a): The exclusion from filing preliminary proxy material does not apply if any of the matters to be acted upon is subject to a solicitation in opposition. Each of the following constitutes a “solicitation in opposition” (other than any solicitation exempt under § 240.14a–2, which does not constitute a solicitation in opposition): (i) a solicitation subject to § 240.14a–19; (ii) a solicitation of votes against or withhold votes from any of the registrant's nominee(s); (iii) a solicitation of votes against a proposal that the registrant expressly supports in its proxy materials; and (iv) a solicitation of votes in support of a proposal that the registrant does not expressly support in its proxy materials, in

each case, if the registrant knows, or reasonably should know, of such solicitation.

* * * * *

■ 13. Remove and reserve § 240.14a–8.

■ 14. Amend § 240.14c–5 by revising paragraph (a) and its accompanying Note 2, and removing Notes 3 and 4. The revisions to read as follows:

§ 240.14c–5 Filing requirements.

(a) Preliminary information statement. Five preliminary copies of the information statement must be filed with the Commission at least 10 calendar days prior to the date definitive copies of such statement are first sent or given to security holders, or such shorter period prior to that date as the Commission may authorize upon a showing of good cause therefor. In computing the 10-day period, the filing date of the preliminary copies is to be counted as the first day and the 11th day is the date on which definitive copies of the information statement may be sent to security holders. A registrant, however, need not file with the Commission a preliminary information statement if it relates to an annual (or special meeting in lieu of the annual) meeting, of security holders at which the only matters to be acted upon are:

(1) * * *

(2) * * *

(3) One or more security holder proposals; and/or

(4) The approval or ratification of a plan as defined in paragraph (a)(6)(ii) of Item 402 of Regulation S–K (§ 229.402(a)(6)(ii) of this chapter) or amendments to such a plan.

Note 1: * * *

Note 2: The exclusion from filing a preliminary information statement does not apply if any of the matters to be acted upon is subject to a solicitation in opposition. Each of the following constitutes a “solicitation in opposition” (other than any solicitation exempt under § 240.14a–2, which does not constitute a solicitation in opposition): (i) a solicitation of votes against a proposal that the registrant expressly supports in its information statement; and (ii) a solicitation of votes in support of a proposal that the registrant does not expressly support in its information statement, in each case, if the registrant knows, or reasonably should know, of such solicitation.

* * * * *

■ 15. Amend § 240.14c–101 by:

■ a. In the Note to Cover Page, removing the words “Where any item, other than Item 4,” and adding, in their place, “Where any item”;

■ b. Removing Item 4 and the instructions to Item 4; and

■ c. Redesignating Item 5 as Item 4.

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 16. The authority citation for part 249 continues to read, in part, as follows:

Authority: 15 U.S.C. 78a *et seq.* and 7201 *et seq.*; 12 U.S.C. 5461 *et seq.*; 18 U.S.C. 1350; Sec. 953(b) Pub. L. 111–203, 124 Stat. 1904; Sec. 102(a)(3) Pub. L. 112–106, 126 Stat. 309 (2012), Sec. 107 Pub. L. 112–106, 126 Stat. 313 (2012), Sec. 72001 Pub. L. 114–94, 129 Stat. 1312 (2015), and secs. 2 and 3 Pub. L. 116–222, 134 Stat. 1063 (2020), unless otherwise noted.

■ 17. Amend Form 8–K (referenced in § 249.308) by, in Item 5.07, paragraph (d), removing the words “but in no event later than sixty calendar days prior to the deadline for submission of shareholder proposals under § 240.14a–8, as disclosed in the registrant’s most recent proxy statement for an annual or other meeting of shareholders relating to the election of directors at which shareholders voted on the frequency of shareholder votes on the compensation of executives as required by section 14A(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78n–1(a)(2)),”.

Dated: September 16, 2026.

By the Commission.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026–19260 Filed 9–18–26; 8:45 am]

BILLING CODE 8011–01–P



FEDERAL REGISTER

Vol. 91

Monday,

No. 181

September 21, 2026

Part IV

The President

Proclamation 11067—Constitution Day, Citizenship Day, and Constitution Week, 2026

Proclamation 11068—National POW/MIA Recognition Day, 2026

Executive Order 14428—Providing Meaningful Water Quality Improvements Through Collaboration and Oversight of Federal Support

Memorandum of September 16, 2026—Restoring Reciprocity in Government Procurement

Presidential Documents

Title 3—

Proclamation 11067 of September 16, 2026

The President

Constitution Day, Citizenship Day, and Constitution Week, 2026**By the President of the United States of America****A Proclamation**

During Constitution Week, we proudly commemorate the 239th anniversary of the signing of the United States Constitution, the very foundation of our Republic and an eternal reminder that all power throughout our land flows from We the People. Over two centuries later, we remain more committed than ever to protecting and cherishing the fundamental values of America and the vision of our forefathers for a just, prosperous, and free Nation.

On September 17, 1787, the Founding Fathers assembled at Independence Hall to summon the courage of the American Spirit and boldly proclaim, in a single governing document, their resolve to form a more perfect Union, establish justice, ensure domestic tranquility, provide for our national defense, ensure the welfare of all our citizens, and secure the blessings of liberty to ourselves and our posterity. The 39 patriots who signed it, many of whom had risked their lives, their fortunes, and their sacred honor for Independence just years before during the Revolution, immortalized the essential principles of the rule of law, the separation of powers, and federalism as the cornerstone of our Republic.

Guided by the most righteous political document ever conceived, America remains the greatest force for good in the history of the world. Americans enjoy freedom of speech, freedom of religion, equal justice under the law, and the Second Amendment—among other unalienable rights—hard won by the selfless men and women who have fought, bled, and died across the generations to preserve them for citizens of every race, religion, color, and creed. These rights come with solemn responsibilities, and since the dawn of our Republic, love of country, devotion to liberty, dedication to the rule of law, and a steadfast passion for preserving that inheritance have been the obligations of every dutiful American citizen.

These values now face a new threat: a rise in anti-American rhetoric from communists and far-left radicals, who seek to divide our communities, rob our children of their futures, and poison the minds of our citizens through slanderous fabrications of our great American story. Where our Constitution recognizes rights as gifts of Almighty God that no earthly power may take away, socialism and communism treat them as favors of the State to be rationed and revoked, demanding total submission to a movement that is only capable of bringing poverty, persecution, and ruin wherever it has been tried. These failed ideologies do not make life more affordable or prosperous—they destroy opportunity, create hardship, and leave working families with less. That same contempt for our Constitution took root at home under the previous administration, which turned its power against the very citizens it was sworn to serve and let our institutions rewrite the very story of America itself.

On my watch, the weaponization of Government has ended, and America is once again upholding its constitutional principles enshrined at the founding of our Republic. Upon returning to office, I fulfilled my vow to the American People by signing an Executive Order that harnessed the full

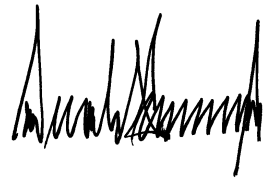
power of the Federal Government to reverse the previous administration's systematic campaign of fear, intimidation, and lawfare and to once again guarantee that citizens are no longer targeted for their beliefs. My Administration is rebuilding our economy around the fundamental rights of individual liberty and economic freedom. We are also restoring truth and sanity to American history, purging divisive and corrosive ideology from our institutions and national museums, saving the monuments and stories of our ancestors from a false and wicked narrative which sought to erase them, and teaching students to revere our country, honor our heroes, and respect our incredible American flag.

Under my leadership, the Constitution of the United States and the values it enshrines will always be preserved, protected, and defended as the supreme law of the land, and we will keep the Federal Government limited in its reach, honest in its conduct, and answerable only to the people it serves. I will never allow the dignity of our proud national heritage to be destroyed, and so long as I am President, America will continue to stand for freedom. Together, we will safeguard our God-given rights, our Constitution, and our glorious way of life for generations to come.

The Congress, by joint resolution of February 29, 1952 (36 U.S.C. 106), designated September 17 as "Constitution Day and Citizenship Day" and, by joint resolution of August 2, 1956 (36 U.S.C. 108), requested that the President proclaim the week beginning September 17 and ending September 23 of each year as "Constitution Week."

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim the week of September 17 through September 23, 2026, as Constitution Week. Throughout this week, I call on all teachers, school administrators, and State and local leaders to educate America's pupils on the rights and responsibilities of citizenship under our constitutional order. In doing so, we will ensure "a more perfect Union" will continue to prosper

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of September, in the year of our Lord two thousand twenty-six, and of the Independence of the United States of America the two hundred and fifty-first.



Presidential Documents

Proclamation 11068 of September 16, 2026

National POW/MIA Recognition Day, 2026

By the President of the United States of America

A Proclamation

The glorious liberty that makes America the envy of the world has been secured and sustained by brave and selfless patriots from every war and conflict since the founding of our Republic. On National POW/MIA Recognition Day, we pause to pay everlasting tribute to the defenders of freedom who were imprisoned on foreign soil and endured brutal treatment and unimaginable horrors while held in captivity and the approximately 80,000 souls still missing in action.

Today and every day, the POW/MIA flag is proudly displayed above the White House and alongside the Stars and Stripes at designated Federal office buildings nationwide. The distinctive black and white banner bearing the words “You Are Not Forgotten” stands as a righteous covenant that our Government will never abandon those who took an oath to defend the Constitution and as a visible reminder that this sacred mission is not complete until all our service members are repatriated.

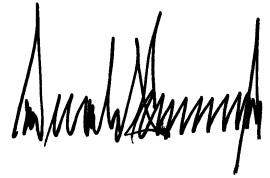
The relentless efforts of the Defense POW/MIA Accounting Agency (DPAA) to achieve the fullest possible accounting of all missing warriors are critical to families searching for answers, and they teach future generations the gravity of what was given and lost on their behalf and our moral obligation to never leave an American behind. Last month, DPAA reached a significant milestone with its 800th identification of remains from the Korean War. Every final homecoming brings an end to the agonizing, decades-long vigil of uncertainty for the bereaved family and the opportunity for a grateful Nation to bestow burial honors worthy of the sacrifice made for freedom’s cause.

The name, story, and fate of each POW/MIA are integral to America’s legacy of valor, and my Administration will spare no effort or resource to fulfill our promise to those who answered the call to serve and paid an extraordinary price on battlefields and in captivity around the world.

On this solemn day of remembrance, the First Lady joins me in recognizing the uncommon resilience, faith, and resolve of the men and women of our Armed Forces who were taken prisoner; those who remain missing; and the loved ones who wait and pray for their fallen hero to come home. America is forever indebted for these incalculable sacrifices, and until the last name is accounted for, we will never forget.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim September 18, 2026, as National POW/MIA Recognition Day.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of September, in the year of our Lord two thousand twenty-six, and of the Independence of the United States of America the two hundred and fifty-first.

A handwritten signature in black ink, appearing to be "Donald Trump", located in the lower right quadrant of the page.

Presidential Documents

Executive Order 14428 of September 16, 2026

Providing Meaningful Water Quality Improvements Through Collaboration and Oversight of Federal Support

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in furtherance of the purposes of the Clean Water Act of 1972, as amended (33 U.S.C. 1251 *et seq.*), it is hereby ordered:

Section 1. Purpose and Policy. The Chesapeake Bay is the largest estuary in the United States and serves a critically important economic purpose to the communities it directly and indirectly touches. In managing the Chesapeake Bay, as with other resources, governmental actors should prioritize environmental protection and economic objectives. Executive Order 13508 of May 12, 2009 (Chesapeake Bay Protection and Restoration), which has been in effect for 17 years, instituted a broad mandate for States and municipalities to contribute to improving the environmental health of the Chesapeake Bay, without providing clarity on how to implement that order's requirements.

In some instances, this lack of clarity has led to harmful economic impacts on affected Americans. For example, many localities have implemented stormwater management fees, commonly referred to as "rain taxes," that impose hundreds of dollars in annual financial burdens on residents and small businesses in the name of implementing Executive Order 13508, though nothing in that order required or explicitly justified such measures, with little to no measurable benefits to Chesapeake Bay or to those residents. States use these rain taxes to pay for their stormwater infrastructure, whether or not it contributes to the environmental health of the Chesapeake Bay.

Since Executive Order 13508 was signed, a number of other Federal, State, and local government initiatives and programs have resulted in significant improvements in water quality in the Chesapeake Bay. As of 2025, the jurisdictions of the Chesapeake Bay watershed—New York, Pennsylvania, Maryland, Virginia, the District of Columbia, Delaware, and West Virginia—have collectively met 100 percent of their goal for sediment reduction, 90 percent of their goal for phosphorus reduction, and 57 percent of their goal for nitrogen reduction. These pollution reductions are improving Chesapeake Bay health and have resulted in thousands of acres of restored reefs and remain consistent with commitments made in the 2025 revised Chesapeake Bay Watershed Agreement, to which the Federal Government and the executive departments and agencies (agencies) mentioned in section 3 of this order are signatories. In 2026, scientists from the College of William & Mary, the Virginia Institute of Marine Science, FlowWest, and the University of Maryland Center for Environmental Science reported that the Chesapeake Bay's annual dead zone is projected to be among the smallest since 1985, about 31 percent below the long-term average.

Given this significant progress, and the need to provide clarity on how to continue improving the environmental health of the Chesapeake Bay, it is appropriate to revoke Executive Order 13508, which relevant jurisdictions have erroneously relied on to impose rain taxes, and to implement new actions and best practices that promote the economic health and wellbeing of the communities the Chesapeake Bay serves.

Sec. 2. Revocation of Order. Executive Order 13508 is hereby revoked.

Sec. 3. *Prioritization of Programs Directly Benefiting and Protecting Bay Health.* (a) The Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Homeland Security, and the Administrator of the Environmental Protection Agency shall assess the current support that their respective agencies provide for the health of the Chesapeake Bay and focus any resources—fiscal or personnel—on more direct, on-the-ground projects, in areas of highest need, that would result in the most impactful water quality improvements. All agencies that provide funding to support the health of the Chesapeake Bay shall prioritize funding in a manner that addresses water quality goals directly, redirecting funding away from activities that do not generate measurable progress towards stated goals, to implementation of projects that will directly reduce nutrient and sediment run-off into the Chesapeake Bay and its tributaries.

(b) The Environmental Protection Agency shall coordinate with the States of Maryland, Virginia, Pennsylvania, Delaware, New York, and West Virginia, and the District of Columbia, to:

(i) assess the additional financial burdens placed on residents of these jurisdictions through the imposition of stormwater management fees;

(ii) explore initiatives and opportunities to effectuate this order and promote the environmental health of the Chesapeake Bay that do not increase costs on individual residents of these jurisdictions; and

(iii) take measures to encourage the repeal or rescission of stormwater management fees imposed by States or localities and funded by their respective residents.

(c) Actions taken pursuant to this section shall prioritize strategies that are grounded in objective metrics and proven water management practices, supported by empirical data and scientific analysis, and measurable in impact. Strategies shall use and rigorously document performance indicators and outcomes, such as reductions in sediment, phosphorus, and nitrogen loads, and improvements in water quality.

Sec. 4. *General Provisions.* (a) Nothing in this order shall be construed to impair or otherwise affect:

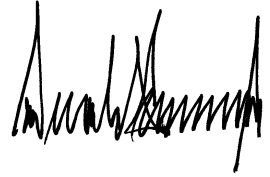
(i) the authority granted by law to an executive department or agency, or the head thereof; or

(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 of publication of this order shall be borne by the Environmental Protection Agency.

A handwritten signature in black ink, appearing to be "Donald Trump", located in the upper right quadrant of the page.

THE WHITE HOUSE,
September 16, 2026.

Presidential Documents

Memorandum of September 16, 2026

Restoring Reciprocity in Government Procurement

Memorandum for the Secretary of War[,] the United States Trade Representative[,] the Director of the Office of Management and Budget[,] the Administrator for Federal Procurement Policy[,] the Administrator of General Services[, and] the Administrator of the National Aeronautics and Space Administration

By the authority vested in me as President by the Constitution and the laws of the United States of America, I hereby direct:

Section 1. *Purpose and Policy.* Canada has unreasonably imposed new barriers to United States companies seeking to access the Canadian government procurement market by, among other things, establishing preferences for Canadian products and Canadian content under its “Buy Canadian” policy. Canadian provinces have also limited the access of United States companies to their government procurement markets. Meanwhile, Canadian companies continue to have preferential access to the United States Government procurement system. This includes access to all procurement the United States has agreed to cover at the Federal level under the World Trade Organization Agreement on Government Procurement, which amounts to over \$280 billion annually. My Administration will always act to combat such unreasonable or discriminatory practices.

Sec. 2. *Removing Canadian Origin Items From the Federal Procurement System.* (a) The Director of the Office of Management and Budget (Director) and the United States Trade Representative (Trade Representative), in coordination with the members of the Federal Acquisition Regulatory Council, and in consultation with any other senior executive branch official the Director and the Trade Representative deem appropriate, shall, to the extent appropriate and consistent with law, identify and take all steps permitted by applicable law with respect to Canadian origin items in the Federal civil procurement system that can, where warranted, be removed or made non-available for purchase. Further, the Director, in consultation with any senior executive branch officials he deems appropriate, shall take appropriate steps to notify relevant executive departments and agencies (agencies), as determined by the Director, of domestic alternatives to Canadian origin items, to the extent permitted by law.

(b) The Director shall, from time to time, update me on the progress of actions taken to implement this memorandum.

(c) The Trade Representative shall continue to monitor Canada’s treatment of United States origin items in the Canadian federal and provincial government procurement markets and shall inform me of any circumstances that, in the Trade Representative’s opinion, might indicate the need for further action. The Trade Representative shall also inform me of any circumstances that, in the Trade Representative’s opinion, might warrant restoring a Canadian origin item’s availability for Federal civil procurement, such as a change in policy by the Canadian government that would end the current treatment toward United States origin items.

(d) The head of each agency is authorized to and shall take all appropriate measures within the agency’s authority to implement this memorandum. The head of each agency may, consistent with applicable law, including

section 301 of title 3, United States Code, redelegate the authority to take such appropriate measures within the agency.

Sec. 3. General Provisions. (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

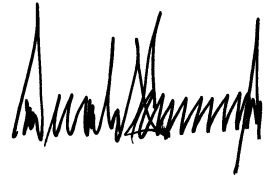
(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum 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 memorandum shall be borne by the Office of Management and Budget.

A handwritten signature in black ink, appearing to be "Donald Trump", located on the right side of the page.

THE WHITE HOUSE,
Washington, September 16, 2026

Reader Aids

Federal Register

Vol. 91, No. 181

Monday, September 21, 2026

CUSTOMER SERVICE AND INFORMATION

Federal Register/Code of Federal Regulations

General Information, indexes and other finding aids **202-741-6000****Laws** **741-6000**

Presidential Documents

Executive orders and proclamations **741-6000****The United States Government Manual** **741-6000**

Other Services

Electronic and on-line services (voice) **741-6020**Privacy Act Compilation **741-6050**

ELECTRONIC RESEARCH

World Wide Web

Full text of the daily Federal Register, CFR and other publications is located at: www.govinfo.gov.Federal Register information and research tools, including Public Inspection List and electronic text are located at: www.federalregister.gov.

E-mail

FEDREGTOC (Daily Federal Register Table of Contents Electronic Mailing List) is an open e-mail service that provides subscribers with a digital form of the Federal Register Table of Contents. The digital form of the Federal Register Table of Contents includes HTML and PDF links to the full text of each document.To join or leave, go to <https://public.govdelivery.com/accounts/USGPOOFR/subscriber/new>, enter your email address, then follow the instructions to join, leave, or manage your subscription.**PENS** (Public Law Electronic Notification Service) is an e-mail service that notifies subscribers of recently enacted laws.To subscribe, go to <http://listserv.gsa.gov/archives/publaws-l.html> and select *Join or leave the list (or change settings)*; then follow the instructions.**FEDREGTOC** and **PENS** are mailing lists only. We cannot respond to specific inquiries.**Reference questions.** Send questions and comments about the Federal Register system to: fedreg.info@nara.gov

The Federal Register staff cannot interpret specific documents or regulations.

FEDERAL REGISTER PAGES AND DATE, SEPTEMBER

56001-56370	1
56371-56548	2
56549-56740	3
56741-57062	4
57063-57244	8
57245-57490	9
57491-57774	10
57775-58008	11
58009-58346	14
58347-58574	15
58575-58806	16
58807-59046	17
59047-59694	18
59695-59980	21

CFR PARTS AFFECTED DURING SEPTEMBER

At the end of each month the Office of the Federal Register publishes separately a List of CFR Sections Affected (LSA), which lists parts and sections affected by documents published since the revision date of each title.

3 CFR

Proclamations:

11060	57769
11061	58311
11062	58319
11063	58325
11064	58331
11065	58339
11066	58571
11067	59971
11068	59973

Executive Orders:

14422	56543
14423	56737
14424	57761
14425	57765
14426	58003
14427	58007
13508 (revoked by EO 14428)	59975
14428	59975

Administrative Orders:

Notices:

Notice of August 31, 2026	56547
Notice of September 8, 2026	57773
Notice of September 11, 2026	58805

Memorandums:

Memorandum of September 16, 2026	59979
Presidential Determinations: No. 2026-23 of September 11, 2026	59687

5 CFR

302	58347
330	58363
332	58347
337	58347
1201	56549

Proposed Rules:

213	59076
302	59076
317	59076
359	59076
362	59076
412	58387
432	58387, 59076
550	59076
715	58387
731	59076
752	58387
890	58388
920	59076
930	59076

7 CFR

210	57245
-----	-------

215	57245
220	57245
225	57245
226	57245
761	56741
762	56741
763	56741
764	56741
765	56741
766	56741
767	56741
768	56741
770	56741
772	56741
773	56741
774	56741
1000	59047

Proposed Rules:

1210	57275
------	-------

8 CFR

101	57249
264	57249, 58575

Proposed Rules:

106	57516
204	57807
214	57807

9 CFR

Proposed Rules:

101-118	57828
123	57828
124	57828

10 CFR

72	56574
433	56371
435	56371
452	56001
460	59048

Proposed Rules:

30	57728
40	57728
50	57728
52	57728
53	57728
70	57728
72	57728

12 CFR

4	56004, 58009
208	58009
211	58009
305	56004
337	56022, 58009
347	58009

Proposed Rules:

4	56074
---	-------

14 CFR

39	56575, 56578, 56581, 56584, 57491, 57775, 57777,
----	--

57780, 57782, 58364, 58365, 58807, 58809, 58812, 58814, 59048, 59051	143.....56408 163.....56408	Proposed Rules: 1010.....56085	54.....58027 64.....57513
61.....58014	20 CFR	33 CFR	Proposed Rules:
71.....56775, 57492, 58374, 59054, 59055	404.....58593 416.....58593 603.....58593	100.....56596, 57512, 57795, 57796, 58610, 58819	0.....57454 1.....57454 2.....57110 64.....57454 73.....56605
97.....56587, 59056, 59057 234.....56588	21 CFR	117.....56778, 57258 165.....56051, 56372, 56373, 56374, 56597, 56779, 57089, 57259, 57796, 58022, 58375, 58377, 58611, 58821, 59705	48 CFR
Proposed Rules:	862.....57493 870.....57495, 57498, 57500, 57785	Proposed Rules:	3025.....59066 3052.....59066 9903.....56056, 56061 9904.....56061
21.....58029 27.....59708 39.....56081, 56377, 56601, 57275, 57278, 57281, 57516, 57519, 57521, 57829, 58034, 58036, 58039, 58042, 58390, 58613, 58823, 58826, 58829, 59708 67.....56798 71.....56083, 56809, 56810, 58392, 58394, 58396	874.....57502 876.....57504 880.....57507 892.....57509, 58817 1308.....59695	117.....58832, 58833, 58835 328.....57284	Proposed Rules:
91.....58029 93.....56380 119.....58029	Proposed Rules: 573.....57531	36 CFR	8.....59406 9.....59584 12.....59406 13.....59406 14.....59534 15.....59406 16.....59476 17.....59476 27.....59584 28.....59534 35.....59476 36.....59534 38.....59406 44.....59406 47.....59584 51.....59406 52.....59406, 59476, 59534, 59584
15 CFR	22 CFR	4.....56095 294.....57841	Proposed Rules:
Proposed Rules:	120.....58610, 59059 121.....58610, 59063 123.....59059 125.....59059 126.....57787, 59059 171.....59698	39 CFR	8.....59406 9.....59584 12.....59406 13.....59406 14.....59534 15.....59406 16.....59476 17.....59476 27.....59584 28.....59534 35.....59476 36.....59534 38.....59406 44.....59406 47.....59584 51.....59406 52.....59406, 59476, 59534, 59584
60.....57524 70.....57524	23 CFR	111.....56052	40 CFR
16 CFR	658.....57789 771.....56029	Proposed Rules:	52.....57260, 57262, 58023 60.....58954 80.....56780 180.....58378
1500.....58817	26 CFR	52.....57302, 58046 60.....59002 62.....58053, 58054 120.....57284 122.....56819 257.....57842, 58616 300.....59712	Proposed Rules:
Proposed Rules:	1.....57214 301.....57214	3130.....57091	49 CFR
318.....58398 1263.....56604	Proposed Rules:	45 CFR	92.....57801 98.....57801 264.....56029 367.....56063 571.....57265 622.....56029
17 CFR	1.....56811, 57832, 57968, 58615	Proposed Rules:	Proposed Rules:
Ch. I.....56593 50.....57063 165.....58576 279.....56593	301.....57968	3130.....57091	571.....59755
Proposed Rules:	28 CFR	43 CFR	50 CFR
146.....59711 200.....59852, 59904 229.....59852, 59904 230.....59852 232.....59852, 59904 239.....59852 240.....56387, 56946, 59852, 59904 249.....59852, 59904 249b.....56946 260.....59852 275.....57698	27.....56049	Proposed Rules:	17.....56783 32.....56290 71.....56290 300.....58381 648.....57803, 57804 660.....56599 665.....58382 679.....56072, 57274, 57805
19 CFR	29 CFR	5130.....57091	Proposed Rules:
Proposed Rules:	2701.....57258	46 CFR	17.....57531 622.....57532, 59098 679.....56606
141.....56408 142.....56408	30 CFR	502.....56053	
	926.....56050	Proposed Rules:	
	31 CFR	211.....56826 1390.....56826	
	Ch. V.....57795 560.....57511 582.....57791 591.....57791, 57793 594.....57794 599.....57794 1010.....56776	401.....59712 404.....59712	
		47 CFR	
		1.....56598, 57798, 58258 2.....57798	

LIST OF PUBLIC LAWS

This is a continuing list of public bills from the current session of Congress which have become Federal laws. This list is also available online at <https://www.archives.gov/federal-register/laws/current.html>.

The text of laws is not published in the **Federal Register** but may be ordered

in “slip law” (individual pamphlet) form from the Superintendent of Documents, U.S. Government Publishing Office, Washington, DC 20402 (phone, 202–512–1808). The text is available at <https://www.govinfo.gov/app/collection/plaw>. Some laws may not yet be available.

S. 32/P.L. 119–109

Local Access to Courts Act (Sept. 16, 2026; 140 Stat. 1022)

S. 307/P.L. 119–110

Prison Staff Safety Enhancement Act (Sept. 16, 2026; 140 Stat. 1023)

Last List September 15, 2026

Public Laws Electronic Notification Service (PENS)

PENS is a free email notification service of newly enacted public laws. To

subscribe, go to https://portalguard.gsa.gov/_layouts/pg/register.aspx.

Note: This service is strictly for email notification of new laws. The text of laws is not available through this service. **PENS** cannot respond to specific inquiries sent to this address.